

Adopted Budget
City of Portland, Oregon
Fiscal Year 2006-07
Volume One: Bureau Budgets

How are the children?

Mayor Tom Potter begins each Wednesday morning City Council session by asking, "How are the children?" The health and wellbeing of its children is a measure of the health and wellbeing of a society. In keeping with the City Council's focus on children, the cover of the FY 2006-07 City of Portland budget shows children playing in Terry Schrunk Plaza, with Portland's historic City Hall in the background.

Terry Schrunk Plaza is named in honor of Portland's only four-term Mayor, who served from 1956 to 1972. The plaza and the Edith Green-Wendell Wyatt Federal Building, across SW Third Avenue to the east, are owned and maintained by the United States General Services Administration. Terry Schrunk Plaza joins Chapman and Lownsdale Squares to create three blocks of open space in the heart of the city—the Plaza Blocks.

Portland City Hall has been the seat of Portland's city government since it opened in 1895. A remodeling and historic renovation that was completed in 1998 restored the building to its original design.

The spirit of Portland's children is the focus of the FY 2006-07 Adopted Budget.

(Photo credit: Lois Summers and Donna Shalkowsky, in the City of Portland Office of Management and Finance, Accounting Division and Sandy Pokorny, State of Oregon)

Adopted Budget

City of Portland, Oregon

Fiscal Year 2006-07
Volume One

Bureau Budgets
Programs and Services

Mayor Tom Potter

Commissioner Sam Adams

Commissioner Randy Leonard

Commissioner Dan Saltzman

Commissioner Erik Sten

Auditor Gary Blackmer

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Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Portland, Oregon for its annual budget for the fiscal year beginning July 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget document continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Portland
Oregon**

Special Performance Measures Recognition

For the Fiscal Year Beginning

July 1, 2005

Handwritten signature of Carol E. Perry.

President

Handwritten signature of Jeffrey R. Egan.

Executive Director

User's Guide

The FY 2006-07 Adopted Budget document consists of three volumes. Volume One contains general information and an overview of the Adopted Budget for the City of Portland, as well as the adopted budgets for individual City bureaus and offices. Volume Two provides detailed information about the City's funds, financial forecasts, plans, and policies. Volume Three displays detailed budget information for the City's capital projects, including the five-year Capital Improvement Plan.

VOLUME ONE - BUREAU BUDGETS

Mayor's Message

A message from Mayor Tom Potter about the challenges, opportunities, and uncertainties he and the four City Commissioners faced in preparing the Adopted Budget for FY 2006-07. The message highlights the Mayor's budget priorities and the principles adhered to in crafting the Adopted Budget.

Overviews

City Overview

The City Overview gives general information about the City of Portland, including its demographics and government management systems.

Budget Overview

The Budget Overview presents the total City budget from a number of technical perspectives, discusses significant changes to funds, and outlines the City's overall budget process. It also summarizes key budget decisions and delineates the links between those decisions and City Council goals and strategic issues.

Financial Overview

The Financial Overview lays out the City's financial planning process, fiscal structure, and related policies. Also part of this section are the five-year forecast, a discussion of City debt management, and highlights of key revenue and expenditure trends.

Budget Notes

The Budget Notes section lists issues that Council determined require further analysis or action. The notes generally direct a bureau to undertake a particular assignment.

Financial Summaries

These summaries show Citywide revenues and expenses in total and by service area, as well as General Fund revenues and expenses and authorized positions.

Service Area Information

City bureaus are categorized into service areas based on the nature of their programs and services. Each service area section of the budget document begins with a description of the service area and budget highlights for bureaus in that service area. This is followed by the Adopted Budget for each bureau in the service area. The City's six service areas are:

- ♦ Public Safety
- ♦ Parks, Recreation, and Culture
- ♦ Public Utilities
- ♦ Community Development
- ♦ Transportation and Parking
- ♦ Legislative, Administrative, and Support

VOLUME TWO - CITY FUNDS

- Financial Summaries** Tables at the beginning of Volume Two summarize the City budget across all funds and list bureau expenses and total City expenses by fund. The Appropriation Schedule, tax levy computations, and urban renewal tax certifications are also included. This section concludes with tables related to the City's debt obligations and summaries of the General Fund and General Reserve Fund.
- Fund Summaries by Service Area** Presented in the same service area order as Volume One, these sections detail the resources and expenditures of each City fund. A brief description of each fund's purpose and relevant trends and issues are incorporated with fund financial information.
- Financial Plans** Five-year financial plans for the General Fund and the enterprise funds are presented in this section. The plans provide detailed information about the financial context in which budgetary decisions were made.
- Financial Policies** These policies provide a framework to guide the City in making financial and budgetary decisions. Financial policies help the City balance long-term interests and needs with more immediate concerns.
- Ordinances** Volume Two concludes with the ordinances passed by Council to formally adopt the budget, levy taxes, open and close funds, and accept state shared revenues. The Tax Supervising and Conservation Commission's letter certifying the City's budget is also presented here.

VOLUME THREE - CAPITAL BUDGET

- Overview** The overview explains the City's capital budgeting process, including regulatory requirements, the use of long-range planning documents, and the roles of various groups in developing the capital budget.
- Citywide Summary** This summary offers highlights of the FY 2006-07 capital budget and a detailed presentation of the five-year Capital Improvement Plan. Capital projects are summarized by service area, geographic location, and fund.
- Capital Projects by Service Area** Presented in the same service area order as Volumes One and Two, these sections describe each of the City's capital projects by bureau. Project information is displayed by geographic location and includes funding sources, expenditure history, and five-year forecasts for each project.

PORTLAND DEVELOPMENT COMMISSION (PDC) ADOPTED BUDGET

As required by the City's Charter, the PDC Adopted Budget is incorporated here by reference. See the PDC web site for their budget details: <http://www.pdc.us/pubs/>.

QUESTIONS

If you have any questions about the use of the budget document or the City's budget, please call the Financial Planning Division in the Office of Management and Finance at (503) 823-5288.



Office of Mayor Tom Potter
City of Portland

Mayor's Message

INTRODUCTION

This Adopted Budget balances the budget with city priorities and community expectations. The Council met in the fall of 2005 and identified five focus areas for the FY 2006-07 budget:

- ◆ Building a Family-friendly City
- ◆ Creating Sustainable Economic Development
- ◆ Enhancing Public Safety & Emergency Preparedness
- ◆ Finding Energy Alternatives
- ◆ Rebuilding the City's Infrastructure

This Budget is the thoughtful product of many people within and outside Portland government. I want to thank the City Commissioners, our citizen budget advisors, community budget forum participants, City bureau staffs, the Office of Management and Finance, and the Mayor's Office staff.

Good things are happening in Portland!

After several years of economic challenges, the City of Portland is looking at a stronger financial future. Portland just completed contract negotiations with four employee unions, thereby assuring stability of service delivery. The 20 Bureau Innovation Projects launched last year are making our City more diverse, creating greater transparency and accountability, requiring collaboration between City bureaus and Portlanders, and providing effective use of taxpayer dollars. The Charter Review Commission is examining our form of government, civil service, and the Portland Development Commission (PDC), and will make recommendations to improve the governance process. The revised Fire Police Disability and Retirement system will be going to the voters for approval. The Visioning Project is now engaging our community in a discussion about its aspirations for Portland's future. From this vision, we will shape our future through a strategic plan with the incremental steps necessary to achieve a better Portland for everyone.

Last year, I worked with City Commissioners in creating a new budget process that would involve citizens and employees more directly in determining how tax dollars are spent, and bring greater transparency and accountability to all our actions. This year, we have taken that dynamic and improved on it.

Two work teams made up of Commissioners and citizens have collaborated in a transparent process, thinking strategically not just about the needs of individual bureaus, but about our City as a whole. They have made recommendations about which programs most closely match our community's needs and priorities.

This year, we increased the number of citizen advisors on these teams, and they have been tireless, creative, and critical. On behalf of my fellow citizens, I want to thank Mary Edmeades, Jon Kruse, Martin Medeiros, Ayoob Ramjan, and Luanne Zoller for all they have done to make our city better.

Last year, I placed the policy direction and strategic financial planning for the City's infrastructure bureaus-Water, Transportation, Parks, Environmental Services, and Management and Finance-in the care of the entire Council rather than individual Commissioners. This represented an important first step in creating a unified vision for the long-term direction of our City.

To help move this effort forward, I added a third work team this year to evaluate the long- and short-term fiscal needs of these bureaus. This team was comprised of the City Council and the Citizen Budget Advisors, working together on a unified approach to the City's aging infrastructure needs. The work of all these teams is at the heart of this Proposed Budget.

Finally, I want to thank Commissioners Adams, Leonard, Saltzman, and Sten for their hard work and partnership. I believe that with their help and the involvement of our citizens, the Adopted Budget charts a future for our city that keeps our neighborhoods strong, protects our children, and strengthens our economy.

APPROACH TO PREPARING THE BUDGET

While the City's financial outlook is brighter than it has been in years, we must continue to be prudent managers of the people's money. Central to the approach in building this budget were the twin goals of, first, protecting the City's core services and priorities and, second, promoting innovations that allow bureaus to deliver these core services in ways that are more efficient and effective.

When we started the budget process, the economy was improving, but it appeared it might be necessary for bureaus to reduce spending below their current budget, plus inflation. The new economic climate allows us to continue to make strategic cuts, but now reinvest those dollars in core needs rather than cutting them as we have done in years past. In many cases, we have reinvested these funds in our infrastructure.

For example, while we have identified Fire Bureau cuts of \$490,000, we redirected a large portion of that money to update fire equipment our community will rely on for years to come. Parks' cuts will go to additional maintenance efforts in that bureau.

We will make investments today with an eye toward their long-term impact on our community. For instance, we will invest in hybrid cars and biodiesel trucks. Some of our nonsworn police staff will be driving hybrids now instead of large, inefficient sedans.

I have identified several program areas that we have been funding with one-time funds that deserve the support and stability of ongoing money. These include programs in Planning and the Bureau of Housing and Community Development, arts requests, and a majority of our downtown marketing efforts.

This budget first protects Portland's core services:

- ◆ 32 permanent positions will be added to the Police Bureau to increase the safety of our neighborhoods and improve officer accountability, including 18 positions reserved for officers with light-duty restrictions.

- ◆ We will open Fire Station 27 on Skyline Boulevard in July, which will provide greater protection to residents living in our West Hills.
- ◆ 12 additional emergency communications operator trainees will be hired, protecting our citizens by decreasing emergency call times.
- ◆ We will expand our customer service response in the Bureau of Development Services to meet our goal of issuing 90% of approved permits within two working days. The current performance is 75%.
- ◆ Ongoing funding is provided for Pier Pool in North Portland.
- ◆ After negotiating with Multnomah County, the City will allocate up to \$1.3 million for jail beds to continue removing habitual offenders from our streets. An additional \$500,000 is included for treatment to keep those same individuals from re-offending.

This budget also rewards efficiencies that save time and money, create sustainability, and foster private/public partnerships:

- ◆ Efficiencies can be small ideas-Parks will save \$50,000 by conserving water and another \$19,000 by turning off lights when parks aren't in use-or large ideas-we were able to gain \$600,000 and cut six full-time positions through the consolidation of several separate functions into a new Revenue Bureau.
- ◆ Based on a new Citywide space study and Council policy, we will be able to save money by moving bureaus that currently rent space elsewhere into City-owned space, creating long-term savings and maximizing the City's facilities investment.
- ◆ Implementing watershed management projects will create a more sustainable long-term solution to improving water quality. We have set aside \$500,000 in one-time funds to implement priority projects from our Watershed Management Plan.
- ◆ The City has received a generous private sector donation of cell phones that will enhance citizens' accessibility to police officers. We have directed that those phones be managed and distributed through the precinct offices to maximize use for each shift. Also, Columbia Sportswear will be donating \$100,000 annually for the next ten years to maintain Sellwood Park.
- ◆ We can streamline and better organize how we finance arts organizations that improve the cultural life of Portlanders. \$300,000 in new funding is provided for the Regional Arts & Culture Council (RACC), with a budget note that individual requests for arts be directed only through the RACC process. This will avoid duplication of effort and funding that currently exists, and create a more fair process for competing for these dollars.

Last fall, the Council agreed that we would build a budget based on five priority areas:

First, build a family-friendly city, where families can afford to live and children can be reared and educated in a supportive community:

- ◆ The Bureau of Housing and Community Development will receive one-time funding of \$5.7 million to continue essential services such as reducing homelessness (Key not a Card and Transitions to Housing), strengthening the operations of Hooper Detox Center, providing more affordable housing for low-income families, and enhancing economic opportunities that lead to family-wage jobs. Due to federal program cuts, the City must step up its efforts to meet the needs of our most vulnerable citizens. While we are fortunate to have one-time funds this year, it is important to move these programs to ongoing funding. Toward that end, we have budgeted \$422,500 to begin to convert some of these programs to ongoing funds.
- ◆ One-time funding of \$120,000 to develop a small-scale courtyard housing prototype that provides a quality, affordable living environment for families.

- ◆ \$3.8 million in additional funding over two years to complete the East Portland Aquatic Center. This facility will address a need in an underserved part of the city. Funds will be reserved in a set-aside account for use as design and construction move forward.
- ◆ \$1.4 million to develop the new Ball Elementary School in North Portland and give the City of Portland the old Ball School site for future needs.
- ◆ To keep our schools strong, the Council has agreed to allocate \$10 million to keep our schools open throughout the 2006-07 school year. This is in addition to the \$10-12 million the City already contributes to school programs annually.

Second, create a stronger economy, planning for both the success of our business community and individual and family prosperity:

- ◆ \$250,000 in one-time funding to continue the Lower East Broadway Plan.
- ◆ The Portland Development Commission (PDC) will house, and the City will help fund, the Lewis and Clark Law School Legal Clinic, providing assistance to small businesses.
- ◆ Enhance graffiti abatement with an additional \$80,000 for a year-round crew concentrating on right-of-way graffiti, targeted collaborative neighborhood cleanups, and the procurement of graffiti-tracking software.
- ◆ \$100,000 for the Office of Neighborhood Involvement to work with the small business community.
- ◆ \$546,000 to the Keep Portland Moving program to provide overall coordination of activities affecting the central city street system during upcoming downtown construction projects.
- ◆ This year the Council will look at beginning to reduce Business License Fees over the next several years. This will reduce General Fund revenues but may give our small-business community the opportunity to be more competitive in the region.
- ◆ Support downtown business activities by providing \$400,000 to promote marketing of downtown, primarily during the holiday season, and \$854,000 to continue downtown bike patrols, clean restrooms, and maintain aesthetics.

Third, enhance public safety and emergency preparedness by reviewing service delivery in the city, and with our regional partners, ensure a safe and peaceful community:

- ◆ Strengthen community policing by allocating \$509,000 to open precincts around the clock and on weekends. Police officers now on disability will staff precincts on the afternoon and night shifts. The Fire Bureau has traditionally had positions that can be held by firefighters who have permanent restrictions, and now the Police Bureau will also have dedicated positions for sworn employees with permanent restrictions.
- ◆ \$150,000 to retain three community advocates to help domestic violence victims access the legal system.
- ◆ \$590,700 to improve accountability at the Police Bureau, including creation of a new internal audit unit and a program which will track officer behavior to promote early intervention when necessary.
- ◆ \$475,000 to continue funding for problem-oriented policing strategies, such as initiatives to combat meth and reduce burglaries and street crime.
- ◆ Bureau of Technology Services Disaster Recovery Plan—\$250,000 in one-time funding to plan for continued access to critical City technology in the event of a disaster.
- ◆ Improve public safety communication system planning with an \$85,000 study for replacing the City's public safety radio system and a \$150,000 study for replacement of the Portland Police Data System. This is in addition to the current planning efforts to update the City's computer-aided dispatch system.

- ◆ \$150,000 to develop joint public safety strategies with Multnomah County, providing greater safety and more efficiencies.
- ◆ \$160,000 for staff dedicated to gang reduction in the Mayor's Office.
- ◆ Create a new vehicle impound program that will be more fiscally sound and improve customer service. It will bring most vehicles impounded by Police to one central location that is accessible by mass transit.

Fourth, meet the energy challenges of today and the future in an environmentally responsible manner:

- ◆ \$265,000 to fund economic development efforts related to renewable energy, which includes a special emphasis on promoting local biofuel utilization and development.
- ◆ \$45,000 to support a position in the Office of Sustainable Development (OSD) to implement the Sustainable City Government Partnership.
- ◆ \$88,000 to support the local agricultural economy through the Sustainable Food Initiative.
- ◆ \$84,000 of ongoing support to leverage private funds for the Block By Block Fix-it Fairs, which provide energy conservation assistance to low- and middle-income residents.
- ◆ Fund Phase 1 of a modern fuel management system for the City vehicle fleet.
- ◆ OSD and PDC will work together to develop a proposal for initiating regional economic development with an emphasis on renewable energy. \$735,000 is earmarked in reserves for this effort, to be made available when a collaborative plan is brought forward and approved by Council.

Fifth, continue the daunting task of rebuilding the City's infrastructure:

- ◆ Increase the capital maintenance budget in the Bureau of Environmental Services by \$1.5 million annually.
- ◆ An additional \$170,000 annually for Citywide computer equipment replacement.
- ◆ Redirect \$412,000 of Parks' budget to support major ongoing maintenance needs.
- ◆ \$650,000 as a down payment toward a much needed, new Parks maintenance facility.
- ◆ \$127,000 to support new operations and maintenance obligations at McCoy Park, the Springwater Trail, Kelly Point Park, and the University Park Community Center.
- ◆ \$1 million for the Office of Transportation's (PDOT) Signals Intersection Hardware program, upgrading signals at 15 to 20 key intersections in the city.
- ◆ \$275,000 to PDOT to study the feasibility of rebuilding NE Cully Boulevard between NE Prescott Street and NE Killingsworth Street. The project will showcase "green street" design practices that will result in the city's first neighborhood collector-level green street.
- ◆ Transportation funding is a major challenge. Revenue sources, particularly state sources and the gas tax, continue to leave a very large funding gap for needed street improvements. To address this, Council has approved deep operational cuts, including \$8.3 million and 18 full-time equivalent positions.
- ◆ To begin to address the transportation funding challenge, \$1.9 million in increased fee revenue for PDOT will be directed to priority program areas to help buffer the impact of other funding reductions.

- ◆ Change the fee increase policy at our City-owned golf courses, so the fee increase will be reinvested in maintaining these facilities.
- ◆ Increase maintenance of the Water Bureau's system infrastructure, adding 34 positions and \$2.8 million while increasing rates only 2.5%-an increase below the rate of inflation and below the initially projected increase of 2.8%.

ONE-TIME MONIES

We are fortunate to have significant discretionary one-time resources available for FY 2006-07. The Council has programmed \$26.1 million of those funds for priority programs and projects. Another \$5.8 million has been set aside. There is a dual purpose in setting aside these monies. First, several ideas and priority needs were brought forward through the budget process that merit funding, but need more time to craft a spending plan. For example, it is recommended that \$735,000 be allocated for sustainable economic initiatives. The Council supports this in concept and looks forward to a thoughtful plan from OSD and PDC for the use of these funds. Second, reserving one-time funds provides the ability to respond to emerging serious, unanticipated issues.

CONCLUSION

I am pleased with the FY 2006-07 Adopted Budget because of the hard work and involvement of so many people. This year, we held more public workshops and held them earlier. Our five citizen advisors brought the critical eye of the private sector and important community questions to our process, often challenging how we were approaching decisions and helping to make them better. Our citizens' voices are clearly represented in this document.

One of our key goals last year was to begin building more effective partnerships between the City and its citizens, between the private sector and the public. We have made a good start. For example, the Parks Bureau has been successful in achieving 20% partnership funding for several facilities by working with users and supportive nonprofit organizations. Now, in the coming year, we plan to build more of these creative alternative-funding partnerships.

I look forward to working with my Council colleagues, Portlanders, and our business community to carry out this budget for the coming fiscal year that lives within our means, attains greater efficiencies and effectiveness, and achieves a greater good for our community.

Thank you,



Tom Potter

Mayor

Letter from the Mayor's Citizen Budget Advisory Team

April 16, 2006

Dear Mayor, Commissioners, and all Budget Committee Staff,

Your citizen contingent would like to express its gratitude for being included in the process of preparing the City of Portland's FY 2006-07 budget. In a bold demonstration of leadership, you have given citizens a seat at the fiscal table which allowed us to contribute, challenge, and contemplate the daily functions of the City. No information was withheld; no question was deemed an inconvenience. By being allowed the free rein to ask questions and seek answers, we gained a much greater understanding of our commission form of government and certainly the complexity of the city.

The level of professionalism and commitment to our city was consistently demonstrated by each bureau as they poured through piles of paperwork, addressed revisions, researched alternatives, and still preserved the core missions of their departments. We have all gained new language by referring to spreadsheets as the 'Kruse Way Decision Document' and understanding that 'three votes' is a powerful statement.

When the Mayor and Council talk about the City's core values—building a family-friendly city, creating sustainable economic development, enhancing public safety, finding energy alternatives, and rebuilding the City's infrastructure—we feel very confident that we now know what is meant by these phrases and how the City is working to craft tactical and strategic methods to achieve these goals.

Outreach to the community continues, and we are hoping that we can demonstrate that having citizen input is a valuable and necessary part to the success of the city and the many processes that it takes to run the government day to day.

Change is in the works; strategic and tactical assessments are underway. Visioning, planning, and identifying priorities continue to thread through the conversations to balance with livability, public safety, and a strong economic city to live and work in.

We would like to acknowledge all the efforts of the budget team in keeping us informed, organized, and provided with details when our historical knowledge wasn't up to par with our teammates. As a city, we recognize that these walls of our government should be the drivers, and we look to you to provide leaders to guide us through the process. Managers, while competent, tend to manage events, and usually this is a short-term process. Leaders manage change and create the vision for our future. We are confident in the leadership of the City of Portland.

Thank you again, Mayor and all, for the opportunity to help craft the FY 2006-07 Proposed Budget for the City of Portland. The citizens stand in support of your decisions and look forward to the implementation and continued great work that you and all your staff provide for the city.

Respectfully submitted,

The Mayor's Citizen Budget Advisory Team

Luanne Zoller
John Kruse
Martin Medeiros
Ayoob Ramjan
Mary Edmeades



Overviews

City Overview

INTRODUCTION

This section of the FY 2006-07 budget document provides general information on the city of Portland, its demographics, and its government management systems. The information will help the reader understand the environment in which decisions are reached during the budget process. This section will also make it easier to examine and understand other sections of this budget document.

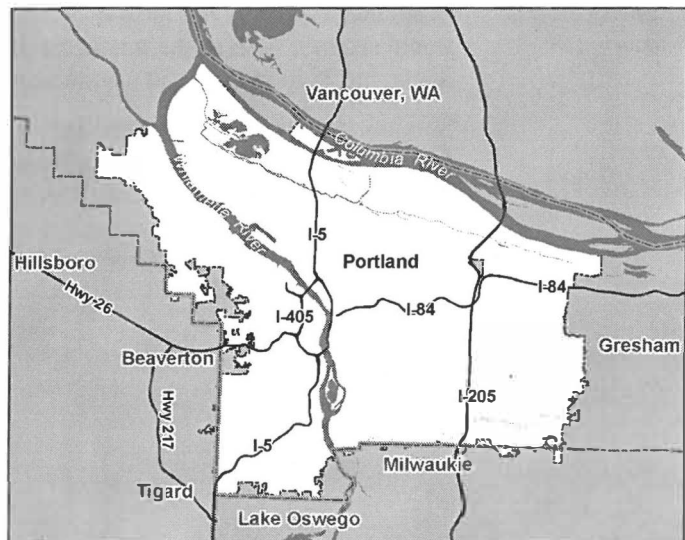
Portland's annual budget implements long-range strategic plans to achieve Council goals.

Portland's budget document reflects City policies, goals, and priorities. In reviewing how revenues are collected and spent, readers of the budget are actually watching policy at work. The budget implements the City's long-range strategic and financial plans and serves as an operations guide for the government and its activities. It is also a communications tool, informing residents of the short- and long-term issues and challenges confronting the City. The budget document reflects the goals of citizens and leaders alike.

CITY OF PORTLAND CHARACTERISTICS

Basic Statistics

The city of Portland, with a population of 555,560, comprises an area of approximately 145 square miles in northwestern Oregon. Located astride the Willamette River at its confluence with the Columbia River, Portland is the center of commerce, industry, transportation, finance, and services for a metropolitan area of more than 2 million people. (The Portland/Vancouver Primary Metropolitan Statistical Area includes the Oregon counties of Clackamas, Columbia, Multnomah, Washington, and Yamhill, as well as Clark County in Washington). Portland is the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest.



Recreation

Nearby Cascade mountain peaks, the Columbia Gorge, and city parks provide abundant opportunities for lovers of the outdoors.

Natural Areas

Portland is situated in the heart of a vast and diverse recreational area encompassing desert, marine, forest, and mountain environments. The city is a convenient point of departure for Pacific Ocean beaches, located 78 miles to the west, and the forested Cascade Mountains to the east.

Among the snow-capped peaks is 11,235-foot Mt. Hood, one of the world's most climbed mountains and home of the world famous Timberline Lodge, only 60 miles from Portland. There are two major ski resorts on the mountain. On a clear day, Mt. St. Helens, an active volcano, is visible to the north.

The Columbia River Gorge National Scenic Area is within 20 miles of downtown Portland. The gorge presents opportunities for swimming, hiking, boating, sailing, and camping, and is a world center for windsurfing.

The city, with one of the highest parks-per-capita ratios in the United States, prides itself on its many beautiful parks, forests, trails, and wetlands. These include the 40-Mile Loop (a trail circling the city that is now much more than 40 miles long); Forest Park, at 5,000 acres the largest wilderness park in the United States; Tom McCall Waterfront Park, built on the site of a freeway dismantled in 1974; and Tryon Creek State Park.

Visitor Opportunities

Known as the City of Roses, many tourist and business visitors are drawn to Portland's attractions. The Oregon Symphony and Portland Opera, the annual Rose Festival, art and historical museums, the Oregon Museum of Science and Industry, the Western Forestry Center, the Classical Chinese and Japanese Gardens, the International Rose Test Garden, and the Oregon Zoo are some of Portland's cultural and recreational highlights.

Current sports teams delight fans.

Portland's professional sports teams include the Trail Blazers of the NBA; the indoor La-Crosse team, the LumberJax; and the Winter Hawks hockey team. The city's main arena, the Rose Garden, was opened in October 1995 as a private and public sector joint venture. The renovation of the city's Civic Stadium, now called PGE Park, brought the Triple A Beavers baseball team and Timbers professional soccer team to Portland.

The Economy

A diverse economy is key to Portland's future.

Overview

Portland's economy has slowly diversified over the past decades. Steady growth in nontraditional sectors, such as the manufacture of electrical equipment, instruments, and related products, has helped Portland's economy adapt to national and global trends.

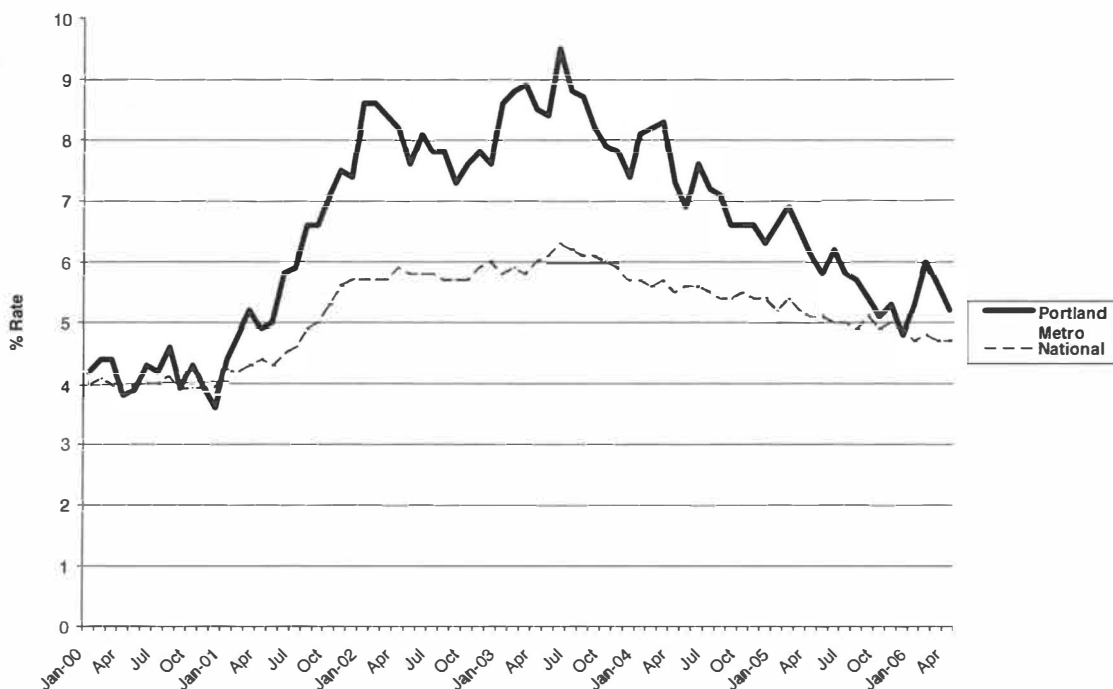
Semiconductor manufacturers, such as Intel and Wacker Siltronic, have established major facilities in the region. Tektronix, Nike, and Freightliner, health systems Providence, Kaiser Permanente, and Legacy, as well as retailers Safeway, Albertsons, and Fred Meyer are some of the other major non-government employers in the Portland metropolitan area. Major public employers include Oregon Health Sciences University (OHSU) and Portland State University.

Recent Trends

Unemployment in Portland has remained above the national average since 2001.

As of June 2006 the Portland metropolitan area has recovered from a significant economic recession that plagued the region since 2001. As of May 2006 the unemployment rate in the Portland metropolitan area was at 5.0%, down from a high of 9.1% in June of 2003. The region’s economy has been buttressed by a strong housing market. The median housing price in the Portland metro area increased by 19% between April 2005 and April 2006. Housing affordability continues to be a problem in Portland as growth in housing prices far outpaces growth in household income. The median household income in Portland for 2005 was \$41,128, a 2.4% increase from 2000. See the *Financial Overview* in this section for more detailed information relating to Portland’s financial forecast.

Figure 1: Portland Metro Unemployment



Shipping and Other Port Facilities

The Port of Portland manages shipping facilities and the Portland International Airport.

The Port of Portland, the governmental unit responsible for air and marine port facilities, offers outstanding opportunities for expanding export industries, investments, business, and travel. Portland's deep water location on the Columbia River gives it substantial geographic and economic advantages for freight shipping. The Columbia River shipping channel is maintained at a depth of 40 feet from the Portland harbor to the Pacific Ocean, 110 miles downstream. Portland is the second largest wheat export port in the country and the third largest grain-exporting center in the world. The Port also manages Portland International Airport (PDX). The airport handled nearly 13.9 million passengers in 2005 and is served by 18 passenger carriers providing more than 500 flights daily to over 100 cities in the U.S. and Canada, as well as daily flights to Mexico, Germany, and Japan. PDX is also served by 14 air cargo carriers, including Korean Air and Air China, which provide non-stop cargo links to Asia. Adjacent to PDX, the Port is moving ahead with a 120-acre mixed use development of office, hotel, and retail space.

The City of Portland balances housing, retail, and office space in its development plans.

Downtown and Surrounding Redevelopment Projects

The City's financial commitment to its downtown has resulted in one of the nation's most attractive urban cores. Development activity has balanced well with strong gains in housing, retail, and office space. Through 2002, the downtown area experienced one of the strongest building expansions in its history. Development continues at a high level in the nearby Pearl and South Waterfront districts.

The City of Portland maintains strong historic preservation and multifamily housing programs. The preservation of downtown housing and historic structures has created a unique urban atmosphere. The blend of old and modern facilities enhances downtown livability. This livability is exemplified by the Pearl District, a modern mix of loft apartments, condominiums, small shops, and galleries, built in an area north of downtown formerly used for warehouses and factories.

The North Macadam district, composed of 409 acres along the Willamette River, was the last large piece of undeveloped land close to the downtown area when it was designated an urban renewal district in 1999. The successful RiverPlace project in this district is a 73-acre mixed-use development that includes apartments, restaurants, shops, and office space.

Over \$1.3 billion in new development is planned for South Waterfront.

The River Blocks, a development in the area called South Waterfront along the Willamette River in downtown Portland, is the city's newest urban renewal project. It is expected to include \$1.3 billion in new investment. Former industrial land on the waterfront will be converted into a new neighborhood with a mix of jobs, housing, retail, and recreational facilities, including parks and a pedestrian path connecting the area to the rest of downtown Portland.

Within a planned three-phase project, Phase I will include 1,000 units of student, affordable, and market rate condominiums and apartments, a 150-200 room hotel and conference facility, and a large research/clinical building for OHSU, with structured parking and a new aerial tram connecting OHSU's Marquam Hill campus to South Waterfront. The area will also receive streetcar service as the Portland Streetcar is being extended into the area.

Transportation and Land Use

The downtown Transit Mall is at the heart of the TriMet's regional system.

TriMet: Tri-County Metropolitan Transportation District

TriMet provides transit services to about 575 square miles of the metropolitan area. TriMet operates 93 bus lines and a light rail system. In 2005, TriMet provided 63.9 million bus trips and more than 306,100 daily trips on buses and light rail. System ridership continues to grow, as ridership has increased for 17 consecutive years. TriMet figures show the system eliminated 199,300 daily car trips, or 62.5 million trips in 2005.

The centerpiece of the system is the downtown Transit Mall. Forty-seven bus routes go through this 36-block area, providing easy connections between buses and light rail. The Transit Mall is at the center of Fareless Square, which includes the heart of downtown Portland and extends to the Lloyd Center on the east side of the Willamette River. The Portland Mall Revitalization Project, expected to be completed in 2009, is intended to enliven SW 5th and 6th avenues, the center of the mall, and bring light rail to the heart of downtown Portland between Union Station and Portland State University.

Growth of Regional Light Rail System

TriMet continues to expand the light rail system.

TriMet's nationally recognized light rail system, known as MAX, runs on a 33-mile line between Hillsboro (18 miles to the west of downtown) and Gresham (15 miles to the east). In 2001, a 5.5-mile spur to the Portland airport was added, and the 5.8-mile Interstate line opened in May 2004. Portland is one of only nine major metropolitan cities in the nation with a public transportation rail system running from the city center to the airport.

A new Interstate-205 MAX line, scheduled for completion in 2009, will run 6.5 miles from northeast Portland's Gateway Transit Center to Clackamas Town Center and then to the city of Milwaukie. The growth in MAX lines has added significant economic value to the region. To date, \$3.8 billion has been invested in new development within walking distance of the 64 MAX stations.

Portland Streetcar Expansion

The Portland Streetcar complements bus and light rail transit.

Working with TriMet, the City completed a 2.1 mile streetcar line in October 2001. The line runs from Northwest Portland, through the rapidly developing Pearl District, to Portland State University's urban plaza. This successful system is now coupled with development of the South Waterfront area, as the streetcar is being extended to the new development along the Willamette River, passing through River Place and terminating at the River Blocks. The new extension is expected to open in summer 2006.

As part of the development of the long neglected east bank, the City opened the East Bank Esplanade, a 1.5 mile long trail running along the river opposite the downtown skyline. The trail includes a 1,200 foot long floating walkway, the longest of its kind in the United States. Developed for walkers, joggers, bicyclists, and citizens in wheel chairs or on skates, the new esplanade gives visitors unparalleled views of downtown Portland and provides a unique perspective on the river and Portland's east side.

Metro

Metro is the country's only elected regional government.

Under Oregon land use law, the Portland area is surrounded by an urban growth boundary. Metro, the country's only elected regional government, manages the boundary and growth within it. Balancing growth with the maintenance of natural amenities is one of the region's major challenges. Citizen desire for open space was demonstrated through passage of a \$135.6 million open space acquisition bond measure in 1995. Metro has used the bond funds to purchase more than 8,000 acres of natural areas, trail corridors, and greenways.

The Region and Its Environment

Portland is one of the first cities in the country to have waterways listed under the Endangered Species Act.

Portland works to maintain a high quality of life and a healthy environment. Under the Endangered Species Act, steelhead and salmon within Portland-area watersheds were listed as threatened species. In that context, the City must carefully balance environmental, recreational, and commercial concerns as it develops both banks of the Willamette River through the River Renaissance project.

Post-Secondary Education

Portland State University's new urban plaza sits along the city's recently developed streetcar line.

Portland State University (PSU), one of the three large state universities in Oregon and the largest in the Portland area, is located on a campus encompassing more than 28 blocks adjacent to the downtown business and commercial district. As part of its nationally recognized University District Plan, PSU opened a new public administration building and urban plaza in 2001, and built a new \$70 million Northwest Center for Engineering, Science, and Technology center nearby, which opened in 2006.

Many fine schools dot the Portland landscape.

The Portland area also hosts many other notable institutions, including public, private, and health-oriented schools. Portland, Mount Hood, and Clackamas community colleges provide excellent and affordable two-year programs for many area residents. Private institutions like Lewis and Clark College, Reed College, and the University of Portland have each graduated outstanding leaders in diverse fields. Three of the nation's leading health science institutions are found in Portland: Oregon Health Sciences University, National College of Naturopathic Medicine, and Western States Chiropractic College.

These educational assets, plus clean water and air, cultural diversity, architectural beauty, and the relative ease of getting around, combine to make Portland a popular, livable city. Portland is consistently rated as one of the best cities in the United States in which to live and do business.

Figure 2: A Profile of Portland's Citizens

General Characteristics	2000	Percent of Total	2004/2005	Percent of Total	Percent Change
City Population ¹	529,121 ¹	---	555,650 ¹	---	5.0%
Male	261,565	49.4%	261,611	49.8%	0.0%
Female	267,556	50.6%	263,333	50.2%	-1.6%
Age					
Median age (years)	35.2	---	36.2	---	2.8%
Under 5 years	32,300	6.1%	34,855	6.6%	7.9%
5 to 24 years	133,715	25.3%	120,319	22.9%	-10.0%
25 to 44 years	183,604	34.7%	183,028	34.9%	-0.3%
45 to 64 years	118,339	22.4%	130,601	24.9%	10.4%
65 years and older	61,163	11.6%	56,141	10.7%	-8.2%
Race/Ethnic Distribution					
One Race	507,166	95.9%	508,019	96.8%	0.2%
White	412,241	77.9%	416,617	82.0%	1.1%
Black or African American	35,115	6.6%	35,807	7.0%	2.0%
American Indian & Alaska Native	5,587	1.1%	6,326	1.2%	13.2%
Asian	33,470	6.3%	37,212	7.3%	11.2%
Native Hawaiian & other Pac. Is.	1,993	0.4%	2,724	0.5%	36.7%
Some other race	18,760	3.5%	9,333	1.8%	-50.3%
Two or more races	21,955	4.1%	16,925	3.2%	-22.9%
Hispanic or Latino (of any race)	36,058	6.8%	47,440	9.0%	31.6%
Household Population	514,129	---	524,944	---	2.1%
Average household size	2.30	---	2.31	---	0.4%
Average family size	3.00	---	3.14	---	4.7%
Social Characteristics					
Population 25 years and over	363,851	---	369,770	---	1.6%
High school graduate or higher	311,725	85.7%	324,658	87.8%	4.1%
Bachelor's degree or higher	118,698	32.6%	139,773	37.8%	17.8%
Civilian veterans (18 years and over)	49,757	11.9%	40,643	7.7%	-18.3%
Speak language other than English at home (population 5 years and over)	84,128	16.9%	92,089	17.5%	9.5%
Portland at Work					
Management, professional, and related occupations	102,760	37.2%	110,047	41.5%	7.1%
Service occupations	41,444	15.0%	44,438	16.8%	7.2%
Sales and office occupations	73,250	26.5%	62,626	23.6%	-14.5%
Farming, fishing, and forestry	679	0.2%	469	0.2%	-30.9%
Construction, extraction, and maintenance occupations	19,405	7.0%	19,770	7.5%	1.9%
Production, transportation, and material moving occupations	38,546	14.0%	27,842	10.5%	-27.8%
Median Household Income (dollars) ²	\$40,146	---	\$41,128	---	2.4%
Median Family Income (dollars) ²	\$50,271	---	\$53,073	---	5.6%
Housing in Portland					
Total Housing Units	237,307	---	246,491	---	3.9%
Owner-occupied housing units	124,767	55.8%	131,013	57.7%	5.0%
Renter-occupied housing units	98,970	44.2%	96,220	42.3%	-2.8%
Vacant housing units	13,570	5.7%	19,258	7.8%	41.9%
Median home price ³	\$163,400	---	\$269,500	---	64.9%
Housing unit building permits issued	1,798	---	3,736	---	107.8%

¹ City total pop. nos. are from PSU's Population Research Center, 2005. All other data is from the US Census Bureau's 2004 American Community Survey, unless noted.

² Source: US Census Bureau, adjusted for inflation.

³ Source: local RMLS, April 2006

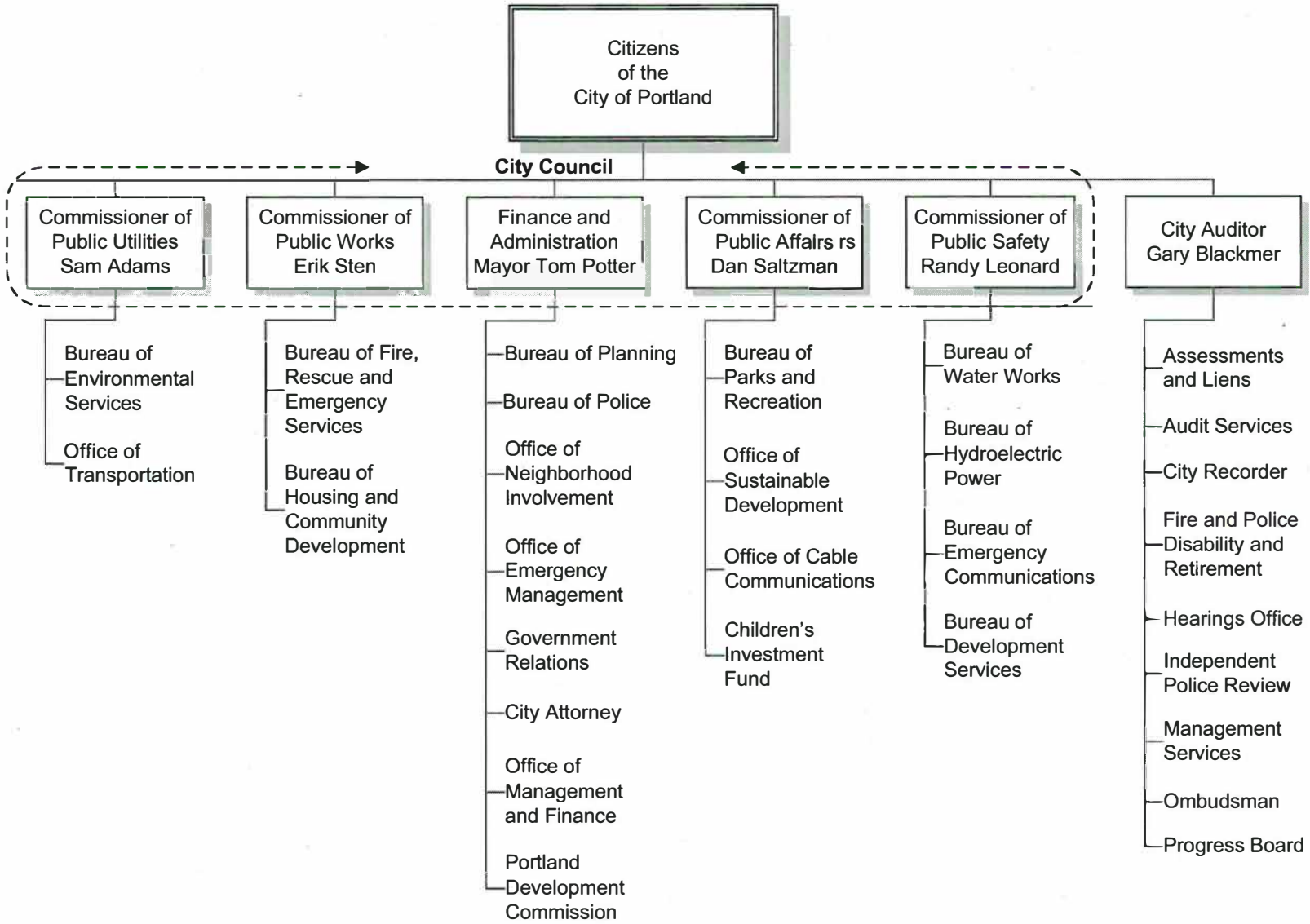


Figure 3: City of Portland Organization Chart

FORM OF CITY GOVERNMENT

The City of Portland, incorporated in 1851, is a home rule charter city. The City Charter is the basic law under which the City operates and can be amended only by a vote of the people. In 1913, a modified commission form of government was created, which is rare in cities as large as Portland. The City operates under the provisions of the City Charter and City Code, which are consistent with the Oregon Constitution and state law (the Oregon Revised Statutes). Non-emergency ordinances are passed by a simple majority vote of three of the five Council members.

The Charter provides for five nonpartisan Council members, called Commissioners, including the Mayor. They are elected at-large to four-year terms. The positions are full-time and salaried. The City Auditor is also elected and required by Charter to be a Certified Public Accountant. The Auditor is not part of the Council and has no formal voting authority.

The Mayor and Commissioners act as legislators and administrators.

The Mayor is the formal representative of the City and is responsible for assigning each of the Commissioners responsibility for one of five departments: Finance and Administration, Public Affairs, Public Safety, Public Utilities, and Public Works. The Mayor also decides which bureaus the Commissioners will manage. The Mayor can change these assignments at any time. Traditionally, the Mayor has been the Commissioner of Finance and Administration.

The Mayor and Commissioners act as legislators and administrators. Thus, Council members are responsible for both enacting and enforcing City laws, as well as administering bureaus under their supervision.

The Auditor receives and maintains all documents relating to the accounts and contracts of the City, including its debts, revenues, and financial affairs. The position is responsible for conducting financial and performance audits of City bureaus and their functions. In addition, the Auditor's Office serves as the Council Clerk, responsible for the processing and filing of all official Council actions.

Portland welcomed its new Mayor, Tom Potter, in January 2005.

Portland's new Mayor, Tom Potter, took office in January 2005, and quickly began processes to evaluate the efficiency and effectiveness of City government.

Portland is the last major city in the country with a commission style of government. Mayor Potter formed the city's first Charter Review Commission since 1922, composed of 25 community members, charged with reviewing Portland's current style of government and recommending possible changes. The Commission will present its findings to Council for a possible ballot measure in the November 2006 election.

In 2005, Mayor Potter also initiated his Bureau Innovation Project (BIP), which evolved into 20 projects, with a goal of creating a more responsive, citizen-focused City. BIP #1, Community Visioning, is one of the Mayor's key initiatives. Members on this project team began their work in fall 2005 and have been engaging citizens in discussions about the future of Portland. The team will ultimately craft a 30-year vision, due in spring 2007, that will serve as a roadmap, setting priorities for City planning and budgets.

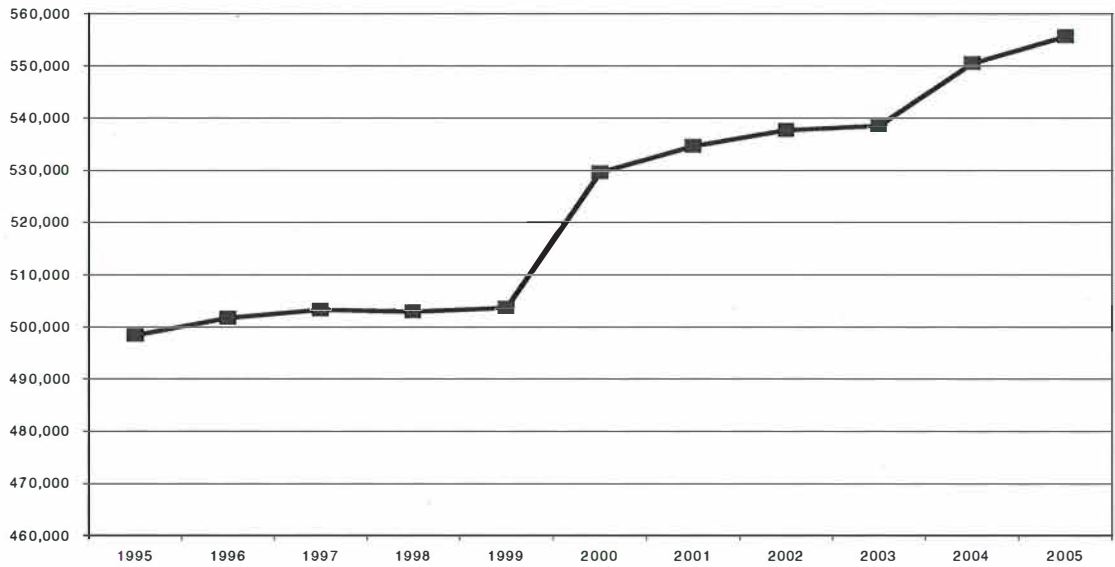
DEMOGRAPHIC DATA

Population

As the regional economy slowly recovers, population growth is increasing.

Rapid increases can be a negative trend if service demands increase faster than revenue growth. Similarly, declines in population can reduce demand and revenue requiring cuts in expenditures. Total city population has increased about 11% over the past ten years - from 498,396 to 555,650; the compounded annual rate of growth was 1.1%.

Figure 4: Portland's Population Growth

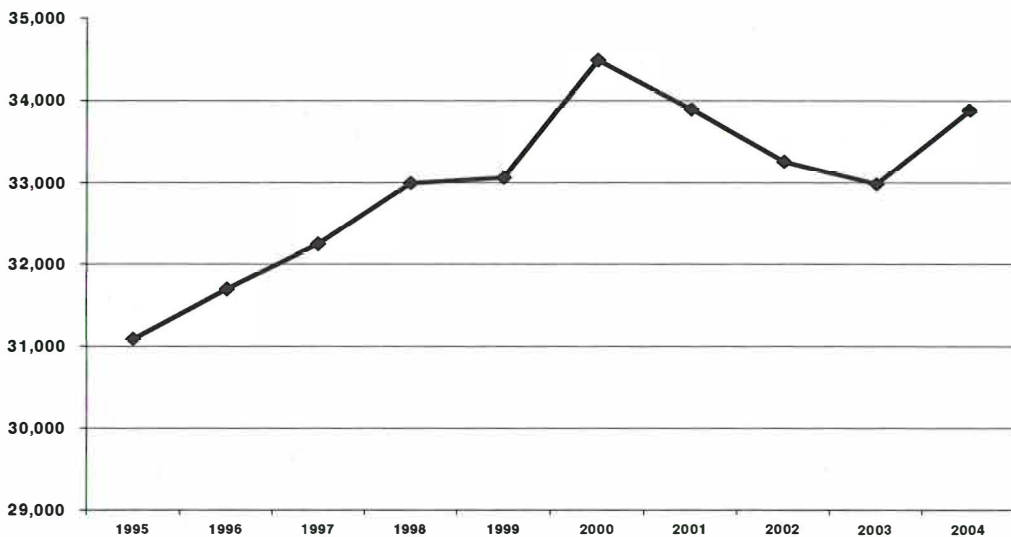


Per Capita Income

Portland's 2004 per capita income of \$33,875 is 7.2% higher than the state average.

Declining income per capita is a warning trend indicating general economic problems and a potential decline in the ability of citizens to provide tax resources for government services.

Figure 5: Portland's Per Capita Income (in 2004 dollars)



Income per capita increased yearly until 2001 and the recession. As of 2004 per capita income is beginning to increase as the local economy improves. The total increase is approximately 9.0% over the past ten years, to an estimated \$33,875 in 2004.

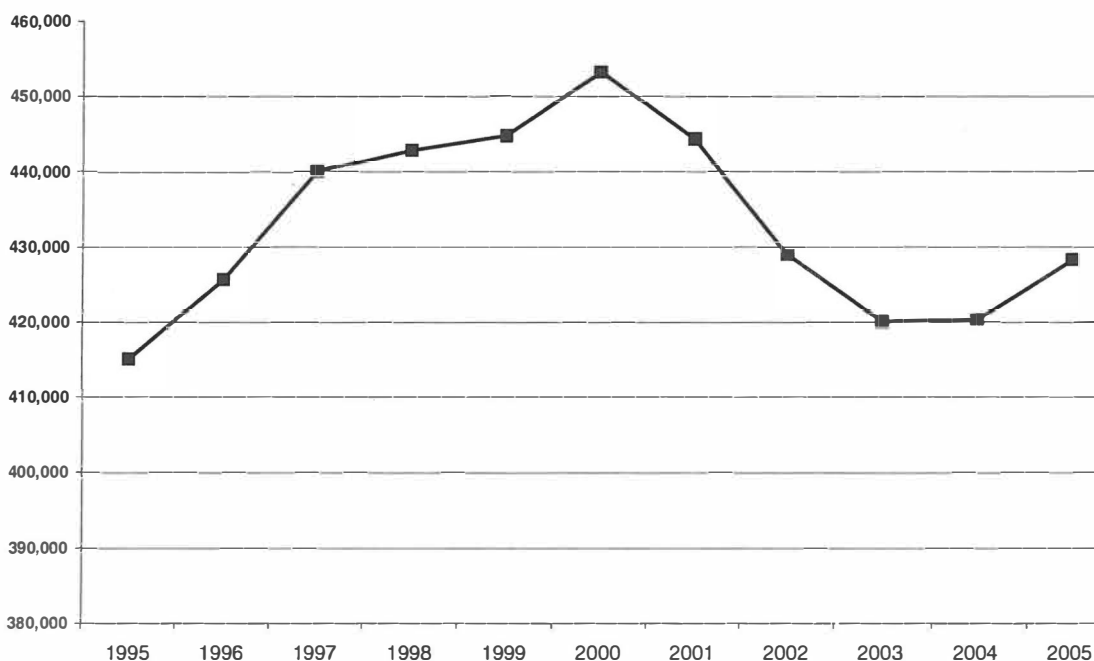
Job Growth

Declines in the number of jobs indicate potential problems with economic vitality and can contribute to higher unemployment rates.

Over 22,000 jobs were added in Multnomah County from 1994 to 2003. However, the recession of 2001 clearly affected job growth, with 2005 employment levels still below the County’s peak in 2000. Job growth has been most significant in services, construction, transportation, and local government, with retail jobs showing the greatest decline.

Job losses in the Portland region have been more severe when compared to the rest of the state of Oregon.

Figure 6: Multnomah County job Growth



WORKFORCE DIVERSITY

The Council has directed that all City bureaus develop a workforce reflecting the rich cultural diversity of Portland as a community. Figure 7 on page 22 indicates that the percentage of all City employees who are women has roughly stabilized at just over 31% in 2005. In the same year, the percentage of minority employees continues to hover at just over 15%.

Figure 8 on page 22 is current as of June, 2006. It shows female and minority employment as a percentage of total employment within City bureaus, with a slight increase in diversity being reported in 2006.

**Figure 7: Citywide Workforce Diversity History
Women and Minorities as a % of City Employees**

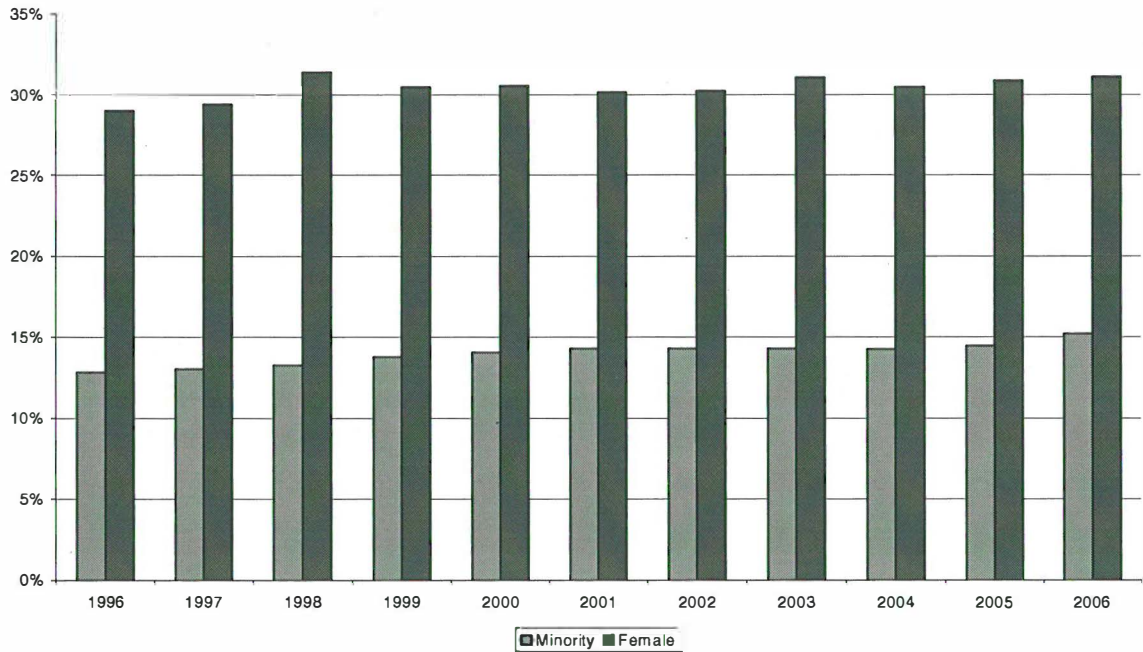


Figure 8: Citywide Workforce Diversity by Bureau—2006

	<i>Female Employees as a Percent of Total</i>	<i>Minority Employees as a Percent of Total</i>	<i>Total Employees</i>
Police	26.7%	12.1%	1232
Fire, Rescue, and Emergency Services	9.2%	15.6%	720
Portland Office of Transportation (PDOT)	24.4%	16.5%	702
Office of Management & Finance (OMF)	43.3%	20.8%	649
Environmental Services (BES)	31.8%	13.0%	447
Water	22.3%	13.4%	422
Parks and Recreation	34.3%	14.7%	373
Development Services (BDS)	45.9%	11.6%	266
Emergency Communications (BOEC)	61.7%	10.8%	120
Licenses	76.1%	22.4%	67
Office of the Auditor	63.6%	16.4%	55
Planning	52.9%	11.8%	51
Office of Neighborhood Involvement (ONI)	51.1%	29.8%	47
City Attorney	58.5%	9.8%	41
Office of Sustainable Development	58.8%	5.9%	34
Office of the Mayor	63.6%	36.4%	22
Housing and Community Development (BHCD)	84.2%	42.1%	19
Commissioner of Public Utilities—Sam Adams	55.6%	55.6%	9
Office of Emergency Management (POEM)	85.7%	28.6%	7
Commissioner of Public Affairs—Dan Saltzman	33.3%	33.3%	6
Office of Cable Communications	50.0%	16.7%	6
Commissioner of Public Works—Erik Sten	33.3%	33.3%	6
Commissioner of Public Safety—Randy Leonard	50.0%	33.3%	6
Children's Investment Fund	100.0%	0.0%	4
Government Relations	50.0%	0.0%	2
City Totals	31.1%	15.2%	5313

Budget Overview

A GUIDE TO THE BUDGET OVERVIEW

The City of Portland budget document for FY 2006-07 serves as a fiscal, programmatic, and policy information reference. The document is organized to provide Citywide information at levels of increasing detail.

This Budget Overview section provides summary information about the Adopted Budget for FY 2006-07. The reader will find greater detail and discussion about financial changes and funding allocations for programs and services in the Service Area Overviews of this document, as well as in each bureau's section.

Within the Budget Overview, the City's budget decisions and financial information are presented from a variety of perspectives, each of which offers its own particular insight. There is special emphasis on the General Fund, as it encompasses the discretionary resources available and thus represents the most flexibility for allocating funds to specific programs. In most instances, the dollar amounts in the Budget Overview are shown in comparison with the Revised Budget for FY 2005-06. In the following pages, you will find information on:

- ◆ Total City Budget
- ◆ Expenditures by Major Object Category
- ◆ General Fund Budget
- ◆ Highlights of Decisions by City Goal
- ◆ General Fund Revenues—Summary of Changes from the Previous Year
- ◆ Other Funds—Summary of Changes from the Previous Year
- ◆ Capital Improvement Plan
- ◆ The Budget Process

Summary financial tables are in the Financial Summaries section of this budget document.

BUILDING A BUDGET TO MEET CITY GOALS

Developing a City budget is a challenging endeavor, requiring the balancing of service demands and increasing costs with limited resources. The recent recession brought notable reductions in key General Fund discretionary resources linked to business cycles. FY 2006-07 is the first time in six years that spending cuts have not been needed to balance the General Fund.

Instead, cuts were taken in lower priority work and reinvested in programs and projects that align with City goals and priorities. In addition, the Council worked to provide ongoing funding for needs that have not had stable funding due to economic conditions. For the large infrastructure bureaus, the Council focused on increasing capital maintenance while holding down rate increases.

In FY 2005-06, the Mayor initiated, with Council support, a broad visioning and strategic planning effort. This is aimed at engaging citizens and the City's service delivery partners in ensuring a fresh, current vision for the City's future. The two-year visioning process is expected to have some results to inform the next budget cycle. In addition, City Council members endorsed five priority focus areas for FY 2006-07. The current Vision and Mission statements, and the FY 2006-07 focus areas, follow.

**Council Vision,
Mission, Values,
and Goals**

Vision

We aspire to be a beautiful, safe, and clean city of choice for ourselves and future generations—a city with a healthy and sustainable economy, strong businesses, vital neighborhoods, a diverse population, excellent schools, a vibrant downtown, an honest government that is open and participatory, extensive recreational and cultural opportunities, a healthy environment, and sufficient housing stock to meet our needs.

Mission

The City of Portland is a responsive and accessible local government that strives to continually identify and seize opportunities to improve the quality of life in our community. We work to support civic excellence and effective, responsive community and intergovernmental partnerships.

We provide urban services to meet the public health and safety, transportation, environmental, recreational, planning, and neighborhood livability needs of our citizens and visitors. We are responsible for providing clean and safe drinking water and for the maintenance of the City's water system. We are responsible stewards of our City's fiscal health and resources. We utilize a diverse, skilled, and dedicated workforce to provide seamless service to our citizens and visitors. We strive for excellence in all we do.

Values

- ◆ **Commitment:** We believe that service to our citizens and customers is our most important job. We will make sure that people can count on us to be responsive to the needs of the community.
- ◆ **Integrity:** Whenever we make a decision, provide a service, or deal with citizens and customers, we act with honesty and integrity. People learn from interacting with us that they can continue to trust us. We treat all people equally and equitably.
- ◆ **Partnerships:** Our team will support and complement the leadership of our Mayor and City Council. We involve people and key stakeholders because we value their commitment, diversity, and ownership.
- ◆ **Innovation:** We will apply creative and cost-effective solutions when delivering services to our community with a goal of continuously improving the quality of life.

Goals

The current goals of the Mayor and the City Council follow. These goals will be updated and realigned to reflect results of the citywide visioning process and to ensure consistency with the City's Managing for Results initiative.

Ensure a safe and peaceful community:

- ◆ Protect life
- ◆ Preserve property
- ◆ Promote community responsibility, commitment, and preparedness

Promote economic vitality and opportunity:

- ◆ Support quality education
- ◆ Provide high quality, reasonably priced public utility services
- ◆ Create an attractive location for businesses and jobs

Improve the quality of life in neighborhoods:

- ◆ Ensure growth and development are well managed
- ◆ Provide access to transportation and recreation services
- ◆ Provide affordable housing and reduce neighborhood nuisances

Protect and enhance the natural and built environment:

- ◆ Protect the city's land, water, air, and open spaces
- ◆ Provide safe drinking and waste water services
- ◆ Protect endangered species

Operate and maintain an effective and safe transportation system:

- ◆ Provide multi-modal transportation choices
- ◆ Maintain and improve street conditions
- ◆ Support economic development and neighborhood livability

Deliver efficient, effective, and accountable municipal services:

- ◆ Deliver responsive, competitive government services
- ◆ Maintain healthy City financial condition
- ◆ Manage government to achieve goals

FY 2006-07 Priority Focus Areas:

- ◆ Building a family-friendly city
- ◆ Creating sustainable economic development
- ◆ Enhancing public safety and emergency preparedness
- ◆ Finding energy alternatives
- ◆ Rebuilding the City's infrastructure

In this overview, the Summary of Decisions by Council Goal section describes some of the decisions as they are incorporated into the Adopted Budget.

**Budget Preparation
Process and Direction**

For the first time in 12 years, in January 2005, a new Mayor took office in the City of Portland. He established a highly collaborative and participatory process for developing the Proposed Budget. Citizen advisors and Commissioners were engaged in a team process to review all bureau budget requests and to make recommendations to the Mayor. This process and format was slightly modified and utilized again for the FY 2006-07 budget.

The Council formed a Citizens Budget Advisory Committee, composed of five Portland residents, and the Mayor requested City Commissioners and the citizens to aid him in developing the Proposed Budget. Toward this end, three work teams were formed. A team including the City Council and the advisors reviewed the infrastructure bureaus' budgets. The other two teams each consisted of two Commissioners and two citizens, with each team reviewing half of the remaining bureaus' budget requests. All three groups held numerous public meetings. The Mayor chose to accept over 80% of the recommendations from the work teams to include in the Proposed Budget.

FY 2005-06 was the fifth consecutive year of General Fund budget cuts for the City. It appeared then that the economy was turning around, so needed cuts were staged over two years to avoid cutting too deeply. When bureaus began preparing their budget requests in fall 2005, the five-year financial forecast showed an improving economy but a continuing need for General Fund spending cuts.

Because it is City policy to balance the budget over a five-year horizon, General Fund bureaus were directed to submit cut packages totaling 3%. As the forecast improved over the ensuing months, the Mayor was able to use the cut packages for flexibility in crafting his Proposed Budget, while not making any overall cuts. The Council endorsed this strategy in adopting the budget.

A large amount of one-time funds were available in this budget cycle—\$5.6 million was set aside in FY 2005-06 for infrastructure and other needs and was folded into the FY 2006-07 budget process. In addition, \$5 million was declared surplus in the Bancroft Bond Fund and made available to the General Fund. Finally, other one-time revenues totaled \$21.4 million. The Mayor programmed most of these resources in the Proposed Budget. \$5.8 million is set aside in General Fund contingency and the General Reserve Fund and will be made available as needed for projects and programs noted in the Mayor's Budget Message.

BUDGET SUMMARY

Total City Budget

The total City budget is up by \$146.1 million from the FY 2005-06 Revised Budget.

Total Legal Budget

State of Oregon Local Budget Law requires reporting of the City's total budget. This is defined to include total operating costs and the internal transactions between funds. The total Adopted Budget for FY 2006-07 is \$2.93 billion, which reflects a \$146.1 million increase from the FY 2005-06 Revised Budget.

Total Net Budget

The calculation for the total City budget overstates actual expenditures for programs, because it double counts internal transactions (internal materials and services and fund-level cash transfers). Such transactions occur between City funds, typically when one City agency provides services to another. Because this technically inflates the budget, the City usually references a net budget.

The net Adopted Budget is \$69.4 million more than the FY 2005-06 Revised Budget.

After eliminating the double count for the internal transfers and removing the \$20 million in Tax Anticipation Notes, the City's net budget for operating and capital requirements in FY 2006-07 is \$2.13 billion. Table 1 (see page 74) of the Financial Summaries provides greater detail of the total and net City budget figures. A summary is shown below.

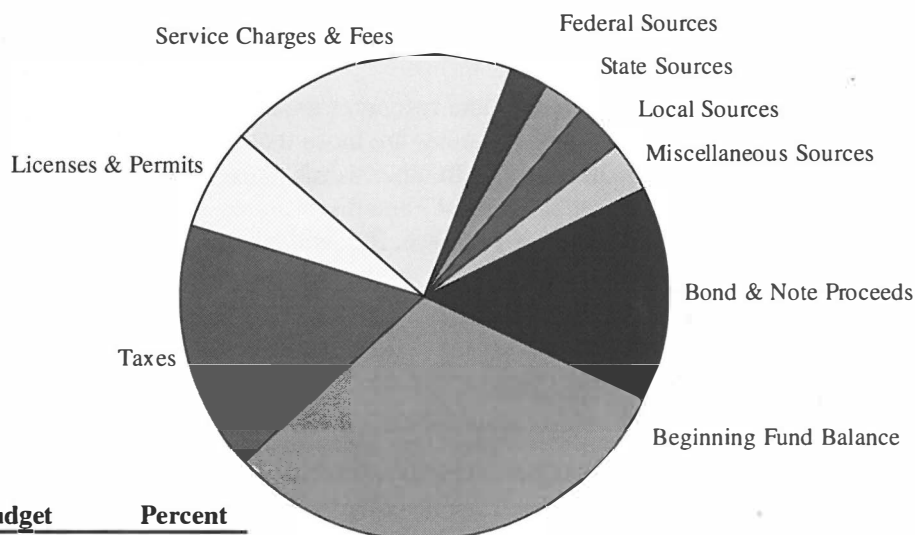
Figure 9: Expenditures by Major Object Category

Major Object Category	Revised FY 2005-06	Adopted FY 2006-07	Dollar Change	Percent Change
Personal Services	\$ 450,804,508	\$ 491,011,625	\$40,207,117	8.9%
External Materials & Services	603,272,855	597,487,505	(5,785,350)	-1.0%
Internal Materials & Services	204,841,716	207,564,098	2,722,382	1.3%
Capital Outlay	241,401,072	286,181,099	44,780,027	18.6%
Total City Bureau Expenses	1,500,320,151	1,582,244,327	81,924,176	5.5%
Contingency	212,271,210	365,050,984	152,779,774	72.0%
Ending Fund Balance	311,080,199	88,013,160	(223,067,039)	-71.7%
Debt Service	263,524,871	324,043,657	60,518,786	23.0%
Fund Level Cash Transfers	500,250,845	574,207,910	73,957,065	14.8%
Total City Budget	2,787,447,276	2,933,560,038	146,112,762	5.2%
Less Internal Transfers & Tax Anticipation Notes	(725,092,561)	(801,772,008)	(76,679,447)	10.6%
Total Net City Expenses	\$ 2,062,354,715	\$ 2,131,788,030	\$69,433,315	3.4%

Total City Budget Charts

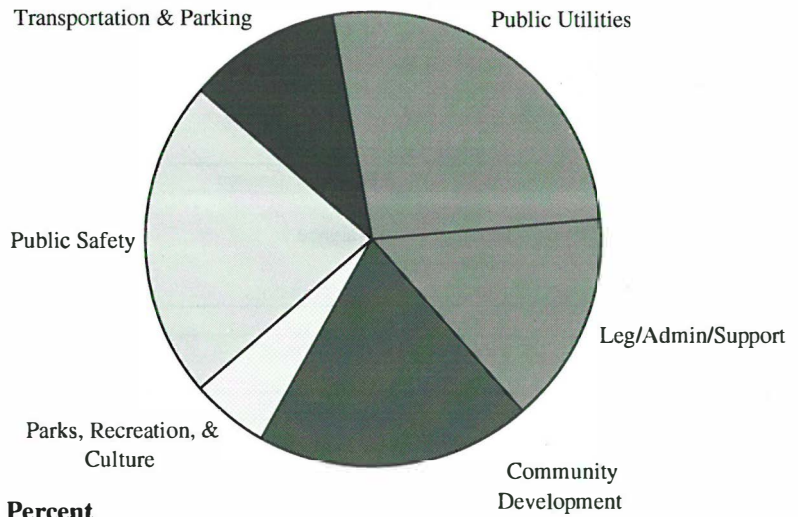
The following charts graphically summarize the total net City budget. For a numerical summary, refer to Table 2—Operating and Capital Budget by Service Area, which is in the Financial Summaries section of this document (see page 75).

Figure 10: City Net Budget—Resources by Major Category



Resource	Budget	Percent
Beginning Fund Balance	\$ 662,697,211	31.1%
Taxes	\$ 357,595,383	16.8%
Licenses & Permits	\$ 137,784,608	6.5%
Service Charges & Fees	\$ 416,567,037	19.5%
Federal Sources	\$ 54,950,819	2.6%
State Sources	\$ 55,842,243	2.6%
Local Sources	\$ 75,593,495	3.5%
Miscellaneous Sources	\$ 71,236,399	3.3%
Bond & Note Proceeds	\$ 299,520,835	14.1%
Total Net Budget:	\$ 2,131,788,030	100.0%

Figure 11: Total City Bureau Expenses—Requirements by Service Area



Service Area	Budget	Percent
Leg/Admin/Support	\$ 238,605,576	15.1%
Community Development	\$ 304,503,031	19.2%
Parks, Recreation, & Culture	\$ 90,897,901	5.7%
Public Safety	\$ 357,347,266	22.6%
Transportation & Parking	\$ 175,020,980	11.1%
Public Utilities	\$ 415,869,573	26.3%
Total City Bureau Expenses:	\$ 1,582,244,327	100.0%

General Fund Budget

General Fund resources are categorized as either discretionary or nondiscretionary. Discretionary resources are those that the City Council can allocate to fund programs and services in any area. In other words, these resources have few restrictions on how they can be allocated. General Fund discretionary resources are typically used to support such basic City services as police, fire, and parks.

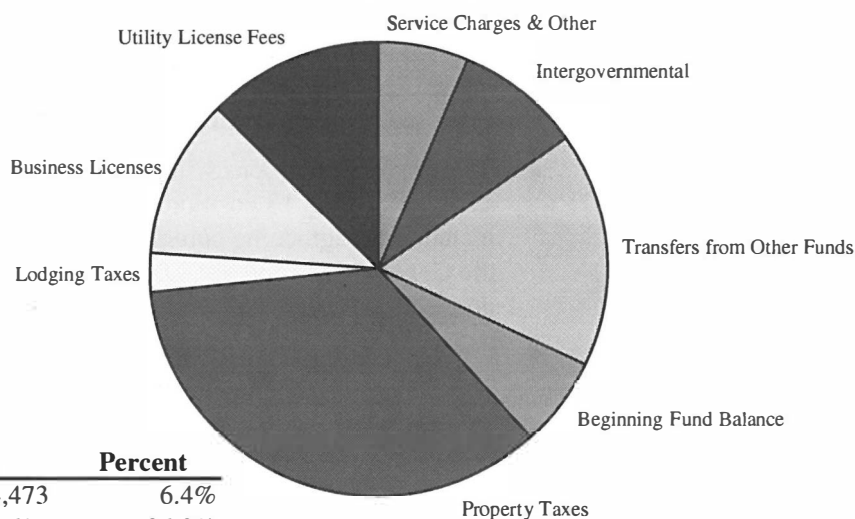
Discretionary resources total \$341.2 million, 72.7% of the General Fund.

Discretionary resources include property taxes, utility license fees, business license fees, transient lodging taxes, state shared revenues (from cigarette taxes and liquor sales), interest income, and miscellaneous revenues and cash transfers into the General Fund. Nondiscretionary resources include grants, contract revenues, service reimbursements, and other revenues specifically dedicated for a particular purpose.

All General Fund resources are also categorized as either one-time or ongoing. An example of a one-time resource is an increase in beginning fund balance. While available in the specific year, it is not a resource that can be relied upon in future years. An example of an ongoing resource is an increase in property tax revenues that would be sustained over time. The City budget uses a combination of one-time and ongoing resources to fund programs and services. City financial policies state that one-time resources may not be used to fund ongoing expenses.

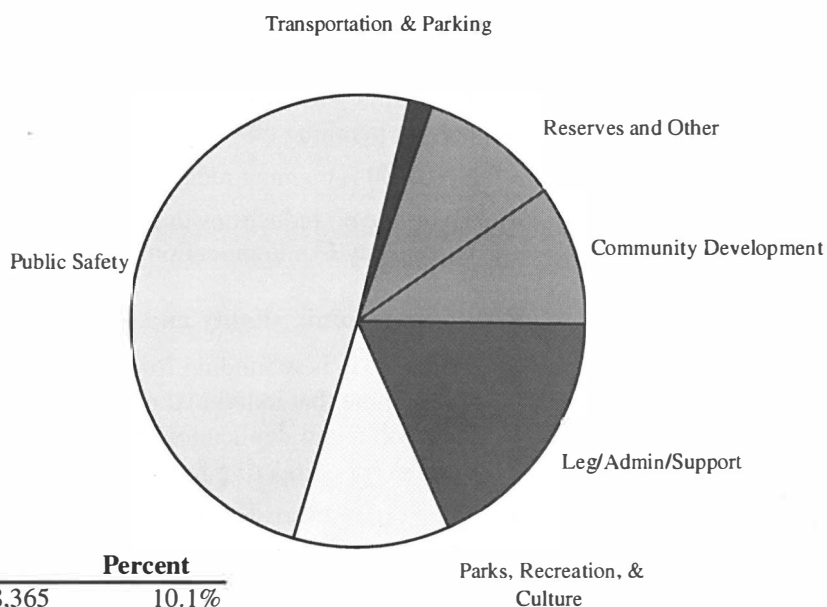
The following charts summarize the City’s General Fund budget. For the numerical summary, refer to Table 3—General Fund Revenues and Expenses, in the Financial Summaries section (see page 77).

Figure 12: General Fund—Resources by Major Category



Resource	Budget	Percent
Beginning Fund Balance	\$ 30,064,473	6.4%
Property Taxes	\$ 164,437,521	35.0%
Lodging Taxes	\$ 13,502,206	2.9%
Business Licenses	\$ 52,830,754	11.2%
Utility License Fees	\$ 59,055,137	12.6%
Service Charges & Other	\$ 29,553,000	6.3%
Intergovernmental	\$ 41,406,387	8.8%
Transfers from Other Funds	\$ 78,825,482	16.8%
Total General Fund Budget:	\$ 469,674,960	100.0%

Figure 13: General Fund—Requirements by Service Area



Service Area	Budget	Percent
Community Development	\$ 47,388,365	10.1%
Leg/Admin/Support	\$ 84,451,129	18.0%
Parks, Recreation, & Culture	\$ 51,773,983	11.0%
Public Safety	\$ 231,207,396	49.2%
Transportation & Parking	\$ 7,647,154	1.6%
Reserves and Other	\$ 47,206,933	10.1%
Total General Fund Budget:	\$ 469,674,960	100.0%

**Summary of Decisions
by Council Goals**

This section summarizes the Council's budget decisions by Council goal. Many of the decisions support more than one goal, which is consistent with the approach of the Mayor and Council to leverage efforts and funding.

Ensure a safe and peaceful community

- ◆ 32 permanent positions will be added to the Police Bureau to increase neighborhood safety, including 18 positions reserved for officers with light duty restrictions. This includes strengthening community policing by allocating \$1.4 million (\$510,000 from the General Fund and \$858,000 from Fire & Police Disability & Retirement) to open precincts around the clock and on weekends.
- ◆ Fire Station 27 on Skyline Boulevard will open in July 2006, which will provide greater protection to residents living in the West Hills.
- ◆ 12 emergency communications operators or trainees will be hired, protecting citizens by decreasing emergency call times.
- ◆ After considering funding levels for the broad spectrum of public safety programs, the City will allocate up to \$1.3 million (includes \$325,000 carried over from FY 2005-06) for Multnomah County jail beds or other public safety needs. An additional \$500,000 is included for voluntary substance abuse treatment programs for inmates.
- ◆ \$150,000 to retain three community advocates to help domestic violence victims access the legal system.
- ◆ \$475,000 to continue funding for problem-oriented policing strategies, such as initiatives to combat methamphetamine use and reduce burglaries and street crime.
- ◆ \$250,000 is budgeted in one-time funding to plan for continued access to critical City technology resources in the event of a disaster.
- ◆ Improve public safety communication system planning with an \$85,000 study for replacing the City's public safety radio system and \$150,000 in FY 2006-07 to study the replacement of the Police Bureau data management system. This is in addition to the current planning efforts to update the City's Computer Aided Dispatch system.
- ◆ \$160,000 for a gang reduction office within the Mayor's Office.
- ◆ There are no reductions that impact frontline service delivery for Police, Fire, and Emergency Communications.

Promote economic vitality and opportunity

- ◆ \$300,000 in new funding for the Regional Arts and Culture Council (RACC), with a budget note that individual requests for arts be directed only through the RACC process. This will avoid duplication of effort and funding that currently exists, and create a fair process for competing for these dollars.
- ◆ The Portland Development Commission (PDC) will house, and the City will help fund, the Lewis and Clark College Legal Clinic, providing assistance to small businesses.
- ◆ \$100,000 is provided for the Office of Neighborhood Involvement to work with the small business community.
- ◆ \$854,000 will go to continue downtown bike patrols, restroom cleaning, and to maintain landscaping along the downtown transit mall.
- ◆ \$265,000 to fund economic development efforts related to renewable energy, which includes a special emphasis on promoting local bio-fuel utilization and development.
- ◆ \$46,000 to support a position in the Office of Sustainable Development to implement the Sustainable City Government Partnership.

- ◆ \$87,000 to support the local agricultural economy through the Sustainable Food Initiative.
- ◆ OSD will develop a proposal for initiating regional economic development with an emphasis on renewable energy. \$735,000 is earmarked in contingency for this effort, to be made available when a plan is brought forward and approved by Council.
- ◆ Rate increases for Environmental Services and Water will be held to 5.6% and 2.5% respectively. Increases are needed to fund major capital projects addressing aging infrastructure and environmental mandates.
- ◆ Economic development funding is provided to PDC totaling \$873,000. These funds will be used to support economic development activities outside urban renewal areas. PDC will receive an additional \$200,000 to distribute to small businesses through a grants program.
- ◆ The ongoing downtown marketing program will continue to be funded for \$400,000. PDC will take on management responsibility for this program.

Improve the quality of life in neighborhoods

- ◆ Ongoing funding is provided for Pier Pool in North Portland.
- ◆ The Bureau of Housing and Community Development will receive one-time funding of \$5.9 million to continue essential services and goals such as eliminating homelessness (Key not a Card and Transitions to Housing), strengthening the operations of Hooper Detox Center, providing more affordable housing for low-income families and enhancing economic opportunities that lead to family wage jobs.
- ◆ One-time funding of \$120,000 to develop a small-scale courtyard housing prototype that provides quality living environments for families.
- ◆ \$3.8 million in additional funding is made available over two years to complete the East Portland Aquatic Center. This facility will address a need in an underserved part of the city. Funds will be reserved in a set-aside account for use as design and construction move forward.
- ◆ \$1.4 million to develop the new Ball Elementary School in North Portland and give the City of Portland the old Ball School site for future programs.
- ◆ \$250,000 in one-time funding to continue the Lower East Broadway Plan.
- ◆ Enhance graffiti abatement with an additional \$80,000 for a year-round crew concentrating on right-of-way graffiti, targeted collaborative neighborhood cleanups, and the procurement of graffiti tracking software.

Protect and enhance the natural and built environment

- ◆ Implementing watershed management projects will create a more sustainable long-term solution to improving water quality. \$500,000 is set aside in one-time funds to implement priority projects from the Watershed Management Plan.
- ◆ \$84,000 of ongoing support to leverage funds with the private sector for the Block-By-Block fix-it fairs, which provide energy conservation assistance to low- and middle-income residents.
- ◆ Increase capital maintenance in the Bureau of Environmental Services by \$1.5 million annually.
- ◆ Redirect \$346,000 of Parks' budget to support major ongoing maintenance programs.
- ◆ Increase maintenance for the Water Bureau's system infrastructure by adding 34 positions and \$2.8 million while increasing rates only 2.5%—an increase below the rate of inflation.

- ◆ The Bureau of Environmental Services continues work on the Combined Sewer Overflow (CSO) project.

Operate and maintain an effective and safe transportation system

- ◆ \$546,000 to the Keep Portland Moving program to provide overall coordination of activities affecting the central city street system during upcoming downtown construction projects.
- ◆ \$1 million for PDOT's Signals Intersection Hardware program, upgrading signals at 15 to 20 key intersections in the city.
- ◆ \$275,000 to PDOT to study feasibility of rebuilding NE Cully Boulevard between NE Prescott Street and NE Killingsworth Street. The project will showcase *green street* design practices that will result in the City's first Neighborhood Collector-level green street.
- ◆ Revenue sources for transportation, particularly state sources and the gas tax, continue to leave a very large funding gap for needed street improvements. To begin to address this challenge, \$1.96 million in increased fee revenue for PDOT will be directed to priority program areas and help buffer the impact of other funding reductions.

Deliver efficient, effective, and accountable municipal services

- ◆ Create a new vehicle impound program under the Police Bureau that will save money and increase customer service. It will bring most Police-impounded vehicles to one central location that is accessible by mass transit.
- ◆ \$150,000 to develop joint public safety strategies with Multnomah County, providing greater safety and more efficiencies.
- ◆ \$591,000 to improve accountability at the Police Bureau, including creation of a new Office of Professional Standards, which will monitor program efficiency and effectiveness, and track officer behavior to promote early intervention when necessary.
- ◆ Expand customer service response goals in the Bureau of Development Services to meet the goal of issuing 90% of approved permits within two working days. The current performance is 75%.
- ◆ Parks will save \$50,000 by conserving water and another \$19,000 by turning off lights when parks are not in use.
- ◆ The City will save \$600,000 and cut six full-time positions through the consolidation of several separate functions into a new Revenue Bureau.
- ◆ A new Citywide space study and Council policy have been developed to maximize the City's facilities investment. The bureaus affected by the study received one-time funding for moving costs and tenant improvements.
- ◆ Fund Phase 1 of a modern fuel management system for the City vehicle fleet.
- ◆ \$144,000 additional annually for Citywide computer equipment replacement needs.
- ◆ A two-year visioning and strategic planning effort, now in progress, will continue to engage citizens and area service delivery partners in setting the City's future direction and resulting funding priorities.
- ◆ The Mayor's Bureau Innovation Project will continue.
- ◆ Training funds are included to establish a centralized training effort for improving cultural competency and performance reviews.
- ◆ An acquisition process is in progress to procure a new, Citywide financial management system. The system cost is to be paid over several years.

- ◆ Continued funding is provided for a position in the Auditor's Office to assist in implementing the Managing for Results effort and Citywide customer service improvements.

Portland schools face serious funding challenges. The City has provided \$10-12 million of support through the business license surcharge and program support. Multnomah County voters passed a three-year income tax that ended in 2005. The loss of that revenue stream, expiration of a local option tax levy for Portland Public Schools, and state funding shortfalls has created a schools funding crisis.

To keep schools in the city strong, the Council has agreed to allocate \$10 million from General Fund discretionary revenue to support Portland schools through the FY 2006-07 school year. In addition, the City will impose a business license surcharge to raise \$6 million more for FY 2006-07 and an additional \$3 million for FY 2007-08. This comes on top of the funding the City already invests in school programs annually.

This section presents highlights of changes within the specific funds. More detailed information on any fund is available in Volume Two of this budget document.

Funds—Summary of Changes from the Previous Year

General Fund Revenues

A thorough explanation of General Fund resources and changes from the prior year is in the Financial Overview section of this document.

Transportation Operating

The operating fund increases \$5.2 million, or 2.7%, from the FY 2005-06 Revised Budget.

Development Services

The fund increases \$5.1 million, which represents a 16.1% increase from the FY 2005-06 Revised Budget. The five-year financial forecast projects sufficient revenues and reserves in all programs except the Signs Program. Commissioners Adams and Leonard will propose reforms to Council that could impact fee structure and staffing of the program.

Sewer System Operating

The operating budget increases by \$7.6 million, or 8.4%, from the FY 2005-06 Revised Budget. Capital increases of \$74.1 million, or 53.8%, are due to starting work on the eastside CSO tunnel.

Water

This enterprise bureau's operating fund decreases expenditures by \$4.5 million. The operating budget increases \$5.5 million from the prior year, while the capital budget decreases \$10.0 million. The decrease in capital is primarily a result of budgeting to more closely reflect actual spending, while the increase in the operating budget is largely for an increased focus on maintenance of the system.

Housing Investment Fund

The Housing Investment Fund is receiving an additional \$2.4 million in one-time and \$432,500 in ongoing General Fund discretionary funding in FY 2006-07. This funding is being passed through to the Bureau of Housing and Community Development for use on homeless services and affordable rental housing programs. Housing projects funded by the City Lights line of credit and the Housing Opportunity Bonds will be finished in FY 2006-07.

General Reserve

The General Reserve Fund is budgeted at \$50.8 million. This amount maintains the City commitment to set aside funds for fiscal emergencies. Half of the fund is targeted for emergencies such as natural disasters. The other half is for economic downturns such as a recession or other significant negative impacts to General Fund resources, such as tax limitation measures. The FY 2006-07 budget includes a \$4.6 million contribution to this fund, which the Council is reserving for possible future needs.

Construction projects continue in the fire stations.

Bureau of Fire, Rescue, and Emergency Services (BFRES) Facilities GO Bond Construction

The fund increases \$12.0 million to \$21.9 million, reflecting the continuation of scheduled capital construction and improvements for the Fire Bureau. This is a multi-year capital improvement plan for seismic and other renovations and additional fire stations.

Fire and Police Disability and Retirement

As of June 30, 2005, there were 1,590 active, working, sworn Fire and Police personnel participating in the Fire and Police Disability and Retirement Plan. There are 1,714 retirees, beneficiaries, and participants with long-term disabilities currently receiving benefits, and 36 terminated employees vested but not yet receiving benefits under the plan.

Health Insurance Fund

Health Insurance Fund claims expenditures are projected to be \$30.5 million in FY 2006-07. In prior years the difference between the City's healthcare contribution and the costs of the medical plan was covered by a reserve drawdown of the Health Fund. As a result of collective bargaining agreements, health premiums will now be paid 95% by the City and 5% by the employee.

The medical component of the Consumer Price Index (CPI) continues to outpace the general CPI for wage earners. The City's medical claim trend inflation rate is projected to be 15% in FY 2006-07, excluding large claims. While the general prescription drug trend is roughly 16%, the City's experience reflects a lower trend of approximately 11%.

Oregon Medical Insurance Pool (OMIP) rates charged to the fund are expected to decrease to \$100,000 in FY 2006-07.

CAPITAL IMPROVEMENT PLAN

Overview

The FY 2006-07 Adopted Citywide Capital Improvement Plan (CIP) budget totals \$388.4 million, not including the Portland Development Commission (PDC). The Citywide CIP for FY 2006-07 through FY 2010-11 is projected to be \$1.3 billion. The General Fund Capital Set-Aside is \$1.8 million, net of debt service.

Highlights

	FY 2006-07
<i>Public Safety</i>	
◆ Fire Apparatus Replacement	\$1,560,073
<i>Parks, Recreation, and Culture</i>	
◆ University Park Community Center	\$2,648,709
◆ Maintenance Facility Replacement	\$774,025
◆ East Portland Pool	\$10,000,000
<i>Public Utilities</i>	
◆ Combined Sewer Overflow Program	\$164,620,779
◆ Water Distribution Mains	\$4,792,000
◆ Open Reservoir Maintenance/Security	\$5,158,000
<i>Transportation</i>	
◆ South Waterfront: Tram	\$3,435,983
◆ Sandy Boulevard: 13th–47th	\$4,369,877
◆ Columbia/Killingsworth	\$8,058,509
◆ Naito Parkway	\$5,559,501
<i>Legislative, Administrative, and Support</i>	
◆ Enterprise Business System	\$9,017,205
◆ Fire & Rescue Facilities GO Bond Program	\$11,565,000
◆ Parking Facilities Maintenance	\$2,328,000
◆ Police Facilities	\$2,883,662
◆ Union Station	\$680,406

THE BUDGET PROCESS**Local Budget Law**

Budgeting in Oregon is governed by Local Budget Law, Chapter 294 of the Oregon Revised Statutes. The law has two major objectives:

- ◆ Provide standard procedures for preparing, presenting, and administering local budgets
- ◆ Ensure citizen involvement in the preparation of the budget

Budgeting in Oregon is an effort shared by citizens, who receive services funded through the budget, and elected and appointed officials responsible for the provision of the services. Citizens involved in the budget process work to ensure the services they require and want are adequately funded. City officials are responsible for the budget reflecting public interest and being structurally correct.

The Tax Supervising and Conservation Commission (TSCC), a five-member citizen board appointed by the Governor, reviews the budgets of all governmental jurisdictions in Multnomah County. The commission, together with the State Department of Revenue, is responsible for ensuring budgets comply with Local Budget Law.

Budget Officer and Budget Committee

To give the public ample opportunity to participate in the budgeting process, Local Budget Law requires that a budget officer be appointed and a budget committee be formed. The budget officer draws together necessary information and prepares the Proposed Budget. The budget committee then reviews and revises the Proposed Budget before it is formally adopted. For the City of Portland, the budget officer is the Mayor, and the budget committee consists of the members of the City Council.

Notices are published, budgets are made available for public review, and opportunities for public comment are provided. These requirements encourage public participation in the budget decision-making process and give public exposure to budgeted programs and fiscal policies prior to adoption.

Preparing the Proposed Budget

Acting as the Budget Officer, the Mayor is responsible for overseeing the preparation of the Proposed Budget for presentation to the City Council, sitting as the Budget Committee. The Proposed Budget is the culmination of an extensive process of budget development, analysis, and revision. Bureaus prepare Requested Budgets in accordance with direction given by the Mayor. These are submitted to Financial Planning, which then analyzes the requests.

The Mayor considers a wide variety of input in crafting the Proposed Budget. This year he considered the recommendations from three work teams composed of Commissioners and citizens, as well as input in various forms from citizens.

Public Involvement Process

The City of Portland engages in a proactive public outreach effort as part of the budget process. In the past, the City has utilized a variety of methods to solicit budget input. These included:

- ◆ Scientific telephone survey
- ◆ Informal, mass mailing survey of citizens
- ◆ Community forums
- ◆ Large focus group discussion
- ◆ Web site survey and question and answer site

This year, the City increased the number of community budget forums to three, all of which were well attended. Comments and concerns were heard from the audience, and informal surveys were taken. Attendees have consistently indicated that they felt the forums were an excellent opportunity for face-to-face interaction with City Council members and bureau management.

The City has a nationally recognized commitment to active participation in its budgetary process. Portland uses the following systems to ensure this high level of public involvement.

Budget Web Site

The public can participate over the Internet.

The City maintains a community-oriented web site that includes a community budget web page: www.portlandonline.com/communitybudget. At the web site, the public can complete a version of the survey, submit questions about the budget, and offer budget suggestions. During the budget decision-making process, electronic testimony is accepted from the web site. The web site also contains links to bureaus' Requested Budgets, the budget teams' recommendation reports, and other financial reports.

Budget Advisory Committees (BACs)

The BACs are made up of citizens appointed by the Commissioners-in-Charge. These committees monitor bureau budgets and operations and identify issues for Council consideration. Initiated in 1974 with five BACs, today Portland continues to be served by BACs in many of the major City bureaus. The committees may be provided with time during Council budget hearings to present their reports or submit them in writing. For the FY 2006-07 budget process, the Mayor directed all bureaus to involve their employees and citizens in the bureaus' budget development. The bureau BACs are appointed in addition to the Citizens Budget Advisory Committee (previously discussed in the Preparing the Proposed Budget subsection of The Budget Process), which participates in the initial review of bureaus' Requested Budgets and presents recommendations to the Mayor for his Proposed Budget.

Portland Utilities Review Board (PURB)

PURB is an appointed body of nine interested citizens who provide independent and representative review of water, sewer, and solid waste financial plans, budgets, and rates. PURB operates in an advisory capacity to the City Council. Council expects the PURB to provide common ground between the rate makers and the rate payers through analysis of financial plans and budgets. The board meets monthly to ensure a comprehensive understanding and assessment of the workings of the City's utilities.

Direct Public Testimony

Citizens may directly contact the Mayor and Commissioners with input to the budget. In addition to participating in the budget advisory committees, the PURB, and community budget forums described above, citizens also have several opportunities to personally testify on bureau budget requests:

- ◆ Annual Budget Hearings—the City Council, sitting as the Budget Committee, holds one or more public hearings before the budget is approved. The public may testify on any topic during these hearings. The teams of Commissioners and citizen budget advisors also took public comments at their meetings.
- ◆ Tax Supervising and Conservation Commission Hearing—public testimony is taken during the TSCC hearing on the City's Approved Budget.
- ◆ Adopted Budget Hearing—testimony is taken at the City Council session for the final adoption of the budget. This typically occurs in late June.

Each year, as part of the Council's budget planning session, the Office of the City Auditor issues a report identifying workload and performance trends for each of the City's public services. Part of the report, entitled Service Efforts and Accomplishments (available at www.portlandonline.com/auditor), is a nationally-recognized public opinion survey for the City overall and for each of the covered service areas. This report represents another form of public input used by the Council during the budget process.

Approving the Budget

In accordance with Local Budget Law, the City Council is convened as the Budget Committee to consider the Proposed Budget. The public is encouraged to attend and provide testimony on the Proposed Budget. Announcements advertising the Notice of Budget Committee Meeting are printed in local newspapers prior to the meeting. The timing and frequency of the public notices are governed by Local Budget Law.

Public Process

The Budget Committee meets to accomplish four actions:

- ◆ Receive the budget message and budget document
- ◆ Hear and consider public testimony
- ◆ Review and approve a balanced budget
- ◆ Approve the rate for property taxes

The Budget Officer may provide a copy of the Proposed Budget to each member of the Budget Committee at any time prior to the first Budget Committee meeting as advertised in the notice. The budget is a public record at this point.

At the first Budget Committee meeting, the Mayor delivers the budget message. This message explains the Proposed Budget and significant changes in the City's financial position.

After the initial meeting, the Budget Committee may meet as many times as needed to revise and complete the budget. If two or more meetings are held to take comment from the public, the first meeting to do so must meet Local Budget Law publication requirements. Notice of other meetings of the Budget Committee must be provided as required by Oregon public meeting law. All meetings are open to the public.

Output from the Approved Budget Process

Subsequent to the approval of the budget, Financial Planning summarizes the changes in the budget from the Mayor's Proposed Budget version to the Approved Budget version. This information and copies of the Proposed Budget are sent to TSCC for review and analysis.

Tax Supervising & Conservation Commission Hearing

TSCC is responsible for reviewing, holding hearings, and producing a report on the budgets for every jurisdiction in Multnomah County. They hold a required public hearing, with Council in attendance, on the Approved Budget.

The outcome of this hearing is a letter certifying that the budget is in compliance with Local Budget Law. The letter may contain recommendations and/or objections. The City is responsible for addressing any objections or recommendations prior to final adoption of the budget by City Council.

Adopting the Budget

City Council votes to officially adopt the budget in late June. Changes that may be incorporated between the time the budget is approved and final adoption are defined by Local Budget Law and are very limited. Changes normally include technical adjustments and carryover amendments.

Amending the Budget

Changes after budget adoption are completed through the budget monitoring process (BuMP), which also includes a minor supplemental budget and a major supplemental budget. In a BuMP, bureaus can request to transfer appropriation. In a supplemental budget, bureaus can request to increase their appropriation; the magnitude of the increase determines whether a bureau is in the minor or major supplemental. The BuMP and minor supplemental budget process provide Council the opportunity to change the budget three times per year. The major supplemental budget process provides the opportunity for changes twice per year, timed to coincide with the fall and spring BuMPs, and includes a TSCC hearing.

**Budget Calendar
FY 2006-07**

Below is a summary of the revised FY 2006-07 budget calendar, which was adopted fall 2005.

Figure 14: FY 2006-07 Budget Schedule

Budget kick-off on process/interim instructions on targets	November 4
Citizen advisors recruitment and appointment	Nov.-January
Council work session on General Fund financial forecast, SEA report	November 29
Updated instructions issued to bureaus	December 9
Bureaus submit five-year financial & capital improvement plans to FPD	January 3
Bureaus submit Capital Review Committee requests to FPD	January 3
CRC meeting to discuss funding requests, priorities, and rankings	January 19
FPD analyses on five-year and capital plans due to Council	January 24
Council work sessions on bureaus' five-year and capital plans	January 31
Public budget forum	January 31
Bureaus submit Requested Budgets to Financial Planning	February 6
Team meetings with bureaus and citizens on Requested Budgets	February-March
Public budget forum	February 28
FPD analyses on Requested Budgets due to Council	March 1
Council infrastructure team recommendations released	March 10
Balance of Council team recommendations released	March 31
Public budget forum	April 8
Mayor's Proposed Budget decisions released	April 18
Proposed Budget document available	May 5
Budget Committee meetings on the Proposed Budget	May 10 & 11
Budget Committee action on Approved Budget	May 17
Utility Rate Review (first hearing)	May 24
Utility Rate Review (second hearing)	May 31
TSCC hearing Approved Budget	June 15
Council action on Adopted Budget	June 22

Financial Overview

CITY FINANCIAL PLANNING PROCESS

Background

The first step in the budget process involves preparing updated five-year financial forecasts for each major fund. In addition to the General Fund, specific forecasts are prepared for other major City funds, including Transportation, Environment Services, and Water.

These plans, which forecast resources and expenditure requirements by fund over a five-year period, identify long-term service and financial issues requiring attention during the budget process. The plans aid Council by placing decisions in a long-range financial context for purposes of developing budgets that are balanced for the coming year and subsequent out-years of the five-year financial forecast horizon. Council reviews these plans during work sessions early in the budget process. At that time, bureau managers are given direction on identified issues that provides guidance for preparing and finalizing budgets.

A summary of these financial plans is included in this section. Due to its significance to the City's annual budget, the General Fund five-year financial forecast and financial plan is described in greater detail.

GENERAL FUND FINANCIAL FORECAST

Overview

Financial Planning regularly generates five-year estimates of General Fund discretionary resources and requirements for Council. Discretionary resources include revenues plus beginning balance that are budgeted by Council without restriction, in accordance with Council priorities. Discretionary resources include property taxes, utility license fees, business license, lodging tax revenues, state shared (cigarette and liquor) revenues, some interest income, some court fines, some cash transfers into the General Fund, and small amounts of other miscellaneous revenues. Discretionary resources exclude grants, bureau contract and service reimbursement revenues, bureau fee revenue, and other revenues dedicated for a specific purpose.

The Council's financial planning process starts with the preparation of a five-year revenue forecast. The Office of Management and Finance issues a five-year revenue forecast document at the conclusion of this process, usually sometime in early November.

The five-year revenue forecast is used to develop the five-year financial forecast. The financial forecast compares estimated annual resources (revenue plus beginning fund balance) with projected costs of maintaining General Fund current appropriation levels (CAL). Initial revenue and financial forecasts were published in December 2005 and formally reviewed with Council. Both of these forecasts are typically updated prior to the Mayor's Proposed Budget decision-making. The original December financial forecast has since been updated twice:

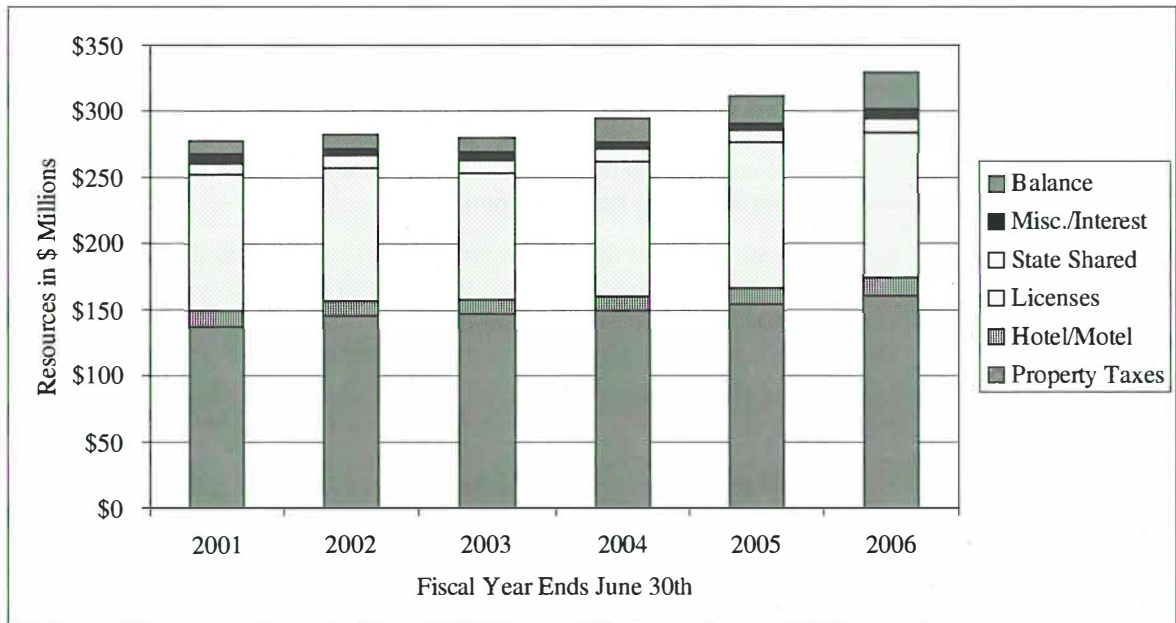
- ◆ Both the revenue and financial forecasts were updated in early March. The revenue forecast was updated using the most recent financial and economic data. Estimated CAL requirements were updated on the cost side.
- ◆ In late March, estimated CAL requirements were again updated for revised health benefits cost estimates as provided by the City's consultant to Human Resources.

The discretionary beginning balance estimate, a key resource of the General Fund, is updated at the conclusion of each accounting period and published in the *Financial Outlook*. This report is electronically distributed within the City and to numerous outside recipients. The *Outlook* provides current information on the General Fund's financial condition with the updated ending fund balance estimate fed into the financial forecast General Fund resources.

Historical Resources

General Fund: Figure 15 (below) summarizes recent General fund revenue growth over the past five years.

Figure 15: General Fund Discretionary Resources



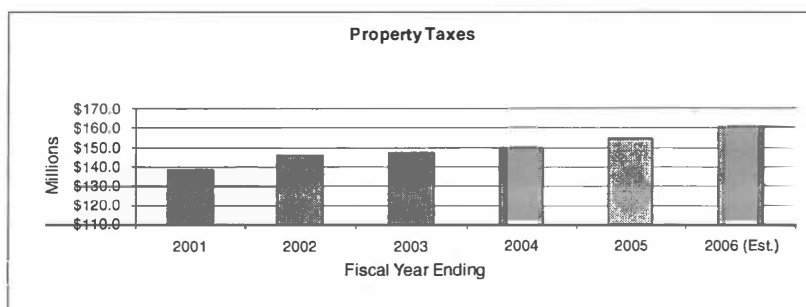
Revenue growth over the past five years has averaged about 2.5% per year. The General Fund's beginning fund balance has averaged about \$16.4 million. Beginning balances have been higher than normal over the last several years due to above average under-expenditure of budgets. This, in turn, is due principally to the almost continuous need to reduce bureau overall CAL budgets over the past four years because of weak revenue growth relative to stronger expense growth. Overall resource growth (revenues plus beginning fund balance) has averaged about 3.4% per year. The graph clearly shows a regional economy that was hit hard by the events of September 11th and ensuing national recession. General Fund discretionary revenue growth for the three-year period ending FY 2002-03 was flat at best. Actual FY 2002-03 discretionary revenues were below the previous year. This financial environment made it difficult for the General Fund to maintain current service levels and programs even with inflation well below historic levels.

The General Fund property tax rate is fixed.

Property Taxes:

Revenue growth has also slowed because of the passage of Measure 50 property tax limitation. For the first two years of Measure 50, property taxes grew 4% to 5% annually. Under

Measure 50, assessed value growth on existing properties is limited to 3% per year plus new construction. The General Fund's tax rate is permanently fixed at \$4.5770 per \$1,000 of Measure 50 taxable assessed value. Property tax revenues still constitute just over 50% of General Fund revenues, and growth has averaged just 3.1% over the last five-years. Assessed value growth on existing taxable assessed value has grown at somewhat less than the Measure 50 allowable 3%, and taxable value added to the tax rolls through new construction, outside of urban renewal districts, has been very weak. Overall, property tax revenues have grown at just about a 3% rate with FY 2005-06 growth expected to be a little over 3%.



Housing and Enterprise Zone Tax Abatements:

(See FY 2006-07, Adopted Budget Volume 2, Financial Plans for the complete Tax Abatements text; the summary is included here.)

The City of Portland currently uses tax exemptions as a tool to incent certain types of housing development spanning housing and enterprise zone programs. Another program involves incenting economic and job development in specific areas of the City in an enterprise zone. At present, very little in the way of exemptions exist under this program.

Estimates from 3,035 tax records show that:

- About \$1.1 billion of real market values are currently exempted from property taxation. About \$950 million of this is concentrated in core area multi-family exemptions, low-income rental housing, and new housing exemptions in distressed neighborhoods.
- \$1.1 billion of exempted real market value translates into about \$640 million of M50 taxable assessed value and is currently exempted from property taxation.
- Local government levy losses are estimated at somewhere between \$8.2 million and \$8.9 million annually. Property tax exemptions are estimated to lower the General Fund's fixed rate operating levy by about \$2.1 million annually.
- Local government revenue losses have been estimated by adjusting levy losses for a delinquency and discount factor. City revenue losses work out to somewhere between \$5.5 to \$6 million annually. Over half of the estimated revenue loss takes the form of lower PDC divide-the-taxes revenues. General Fund revenue losses are estimated at just under \$2 million annually. Total local government revenue losses are estimated in a range from \$7.7 million to about \$8.4 million.
- Schools nominally experience levy losses of about \$2.4 to \$2.5 million annually. Because of the complexity involved in school funding through a statewide equalization formula, it is difficult to assess whether the levy losses accrue locally, are shared statewide, or accrue to the State's General Fund.

Exemptions appear to cost a homeowner with \$200,000 of taxable assessed value between

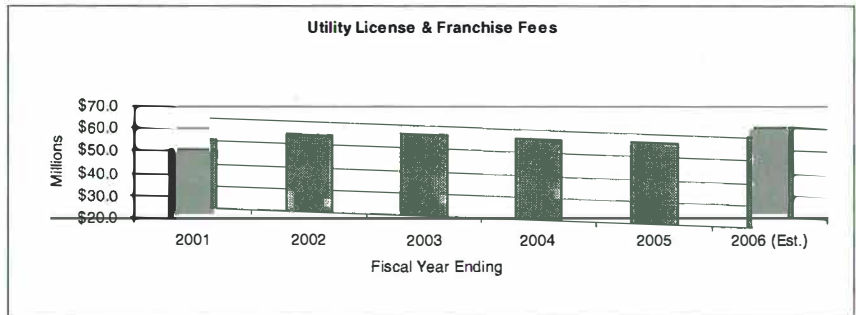
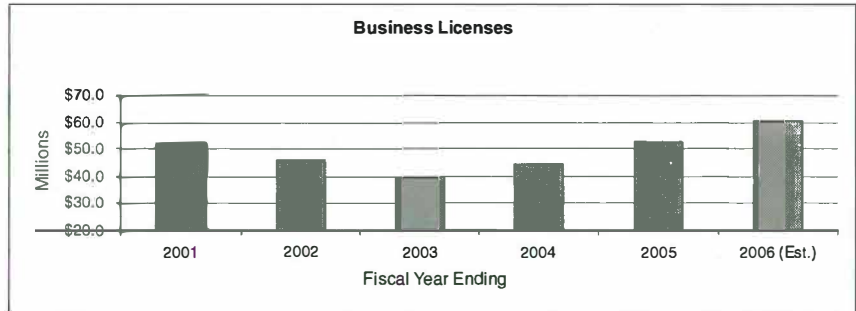
Utility and franchise fee revenues present a mixed picture over the past several years.

\$11 to \$16 annually depending on in which of the five schools districts a property is located.

License Revenues:

General Fund license revenues have grown at an anemic 1.3% rate over the past five years. Business license revenues declined steeply during the recession with a rebound in revenues starting only during FY 2004-05. Utility license and franchise fees have been similarly weak.

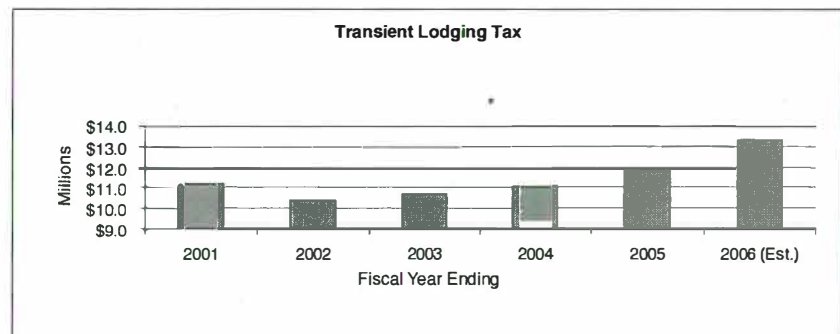
This is due in part to a continuing decline in Qwest's franchise fee revenues and Council's action capping Water and Bureau of Environmental Services (BES) utility license fee revenues at FY 2004-05 levels. Qwest's franchise fee revenues are in a long, slow decline as wireless and other telecom technologies displace traditional landline telecom technology. Traditional investor-owned electric related franchise fees have also been stagnant. The recession, along with steep electric rate increases in previous years, have combined to depress energy consumption and revenue growth. With the exception of natural gas related franchise fee revenues, this situation may persist in subsequent revenue forecasts.



Business Licenses and Transient Lodging Taxes clearly exhibit the effects of the recession and September 11th.

Transient Lodging Tax:

Transient lodging tax revenues are cyclical like business license revenues and follow the business cycle. Transient lodging tax revenues peaked



at \$11.15 million during FY 2000-01. In the aftermath of September 11th, revenues declined to \$10.4 million in FY 2001-02, with about \$10.7 million in revenues realized by year-end FY 2002-03. Revenues began to recover during FY 2003-04 and surpassed the previous cycle's peak at the end of FY 2004-05. Revenue growth through the first nine months of FY 2005-06 continued at a healthy pace.

State-Shared Tax and Miscellaneous Revenues: State-shared cigarette and liquor tax revenues grew at a 2.6% rate over the last five years, with most of this growth occurring over the last couple of years. Miscellaneous revenues and interest income stagnated for most of the last five years due, in large part, to a low interest rate environment. Interest income has begun to recover in response to a string of Federal Reserve interest rate increases.

General Reserve Fund remains fully funded.

At the end of FY 2005-06, consistent with Council policy and Council's previous five-year financial plans, the General Reserve Fund is expected to total about \$41 million and remains fully funded at the required 10% of revenues (net of borrowing proceeds and grant revenues). Thus, the General Fund will go into FY 2006-07 with the General Reserve at or slightly above the required 10% level.

Forecast Assumptions Continued Economic Expansion

The onset of recession during 2001, along with the shock of September 11th, put Oregon's economy into a tailspin. Both the state and regional economy experienced rapid declines in employment and rising unemployment rates. A faltering regional economy and recession quickly translated into sharp declines in business license and transient lodging revenues.

The regional economy is recovering from the recession and is in the expansion phase.

For the regional economy, employment (by place of residence) peaked in the middle of FY 2001-02, falling to the lowest point for this cycle during the first quarter of FY 2003-04. The regional economy started to claw back from its recession during FY 2003-04 and registered employment growth for all of calendar 2004. Employment appears to have regained pre-recession peak employment levels only during the second quarter of FY 2005-06, and it now seems clear that the regional economy has entered the expansion phase for this economic cycle. This trend appears to be continuing on into the second half of FY 2005-06.

Oregon's economy fared better than the metro area, with statewide employment surpassing the previous cycle's peak during FY 2004-05. The state entered what is usually termed as an expansion phase for this cycle, while the regional economy was still in recovery.

Both the fall and updated March revenue forecasts assume that the national, state, and regional economies grow modestly. Thus, cyclical revenues such as business license and transient lodging tax revenues are expected to grow modestly in the five-year revenue forecast that underpins the Council's Adopted Budget.

Transient Lodging Taxes

The transient lodging revenue forecast calls for FY 2006-07 revenues of about \$13.5 million versus an expected FY 2005-06 year-end of about \$13.1 million. Revenues are now well above the previous cyclical peak and expanding. Revenues are forecast to grow about 5.6% per year, rising to about \$15.9 million by FY 2010-11. Revenues may do better than forecast to the extent that special events or large conventions come to town. During the past couple of years, and unlike previous years, there have been few, if any, special events. The only recent exception appears to be the national ice-skating championships now held over a year ago.

Utility License and Franchise Fee

Utility license fees are forecast at \$59.1 million for FY 2006-07 versus an expected FY 2005-06 year-end of about \$57.9 million and budgeted revenue estimates totaling \$57.6 million. This revenue category is composed of energy franchise and license fees, telecom and cable franchise and license fees, and license fees received from the City's water and sewer utilities. The specifics of these forecasts are as follows:

- ◆ NW Natural franchise fees are forecast at just under \$10 million FY 2006-07 versus a budget of \$9 million for FY 2005-06. Revenues have grown sharply due to large natural gas related cost increases "passed through" to NW Natural customers. The forecast assumes that the Oregon Public Utility Commission will authorize a more modest rate increase during the fall of 2006. NW Natural is expected to continue to raise rates and revenues next fall so as to pass higher natural gas costs through to customers. Expected rate increases and normal winter heating conditions should combine to produce the FY 2006-07 budgeted revenue estimate of about \$10 million.
- ◆ PGE franchise fees are currently forecast at \$15.8 million year-end FY 2005-06 versus a budgeted revenue estimate of just over \$16.3 million. The FY 2006-07 forecast calls for revenues of about \$17 million and assumes an expected late fall rate increase and normal winter weather conditions. This forecast may still be too optimistic. PGE franchise fees have faltered over the last 18 months due in part to response by consumers to large rate increases that occurred three years ago. In addition the recession significantly reduced industrial and commercial energy usage. The Office of Management and Finance (OMF) will be closely monitoring PGE's third and fourth quarter franchise fee payments for consistency with the current revenue forecast.
- ◆ Water and sewer franchise fees are capped at FY 2004-05 levels reflecting Council's decision to cap these two utility license fees. Revenues are capped at about \$17 million for the life of the forecast and until such time as the effective tax rate drops to 5%. This is expected to occur possibly in FY 2010-11 (the last year of the current five-year forecast horizon) or FY 2011-12. By the last year of this revenue forecast the cap translates into revenues that are about \$6 million lower than otherwise would have been the case.
- ◆ Telecom and cable franchise and license fees, including Qwest license fees, are expected to be flat to declining reflecting the steep downturn in this sector as well as the continuing loss of Qwest landlines to wireless telephony. Qwest franchise fees are currently forecast at \$3.6 million for FY 2006-07 with revenues declining to about \$2.6 million in FY 2010-11. This forecast matches recent trends in Qwest franchise fees, which have steadily declined from a peak of about \$6.8 million in FY 1999-00. The City's utility license fee code continues to be out of "synch" with current telecom, principally wireless technologies.

The energy related franchise fee forecasts at this point are consistent with the expected effects of Oregon's energy deregulation scheme. Deregulation continues to be a question mark. Experience to date seems to indicate that deregulation is having little if any impact on energy related franchise fees.

Overall, franchise and utility license fee revenues are forecast to grow by about 1.6% annually over the life of the forecast. This lower growth rate is due in large part to the water/sewer revenue cap as well as an expected steady decline in Qwest franchise fees.

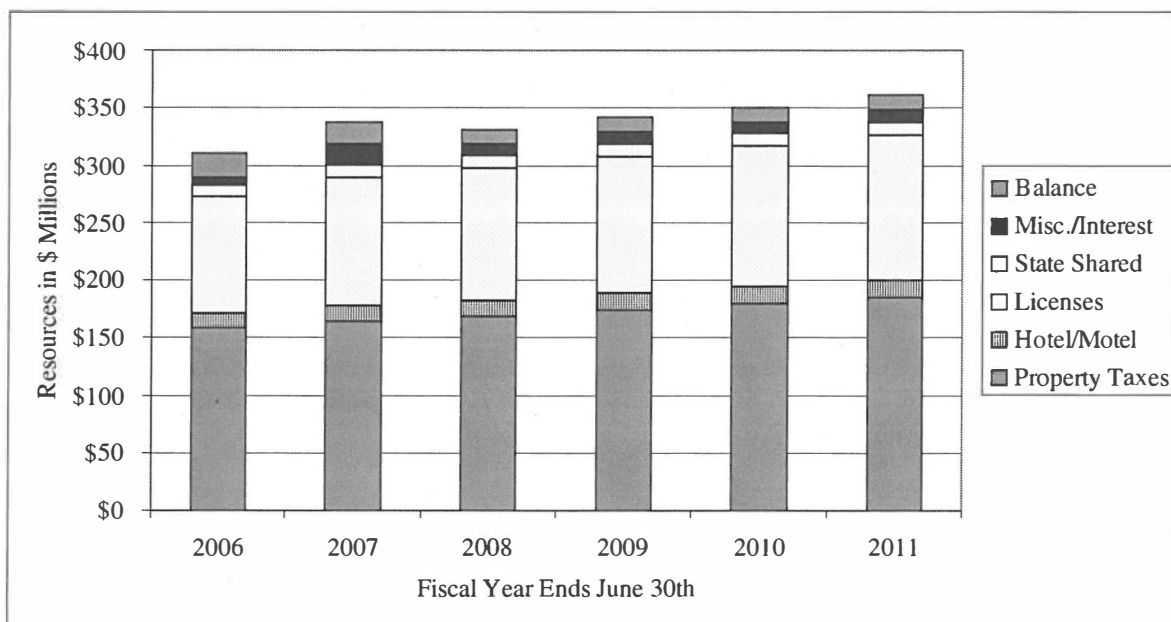
Property Taxes

Property taxes are expected to grow by about 3.1% annually over the life of the forecast. This is identical to the average annual growth rate of the past five years. Revenue growth is constrained by Measure 50 constitutional mechanics. This forecast assumes that the levy and revenue losses from compression stabilize at 3.2% for the life of the forecast. The delinquency and discount rate is expected to hover around 6.5% for the life of the forecast.

Figure 16 summarizes the current five-year revenue forecast (as of early April). Average annual revenue growth is projected at about 3.8%. Budget-to-budget revenue growth is currently forecast to be about 5.4%. The critical resource forecast assumption is a national

- ◆ economy that continues to expand above pre-recession peaks along with the continued reemergence of moderate local area economic growth in FY 2006-07.

Figure 16: Forecast Discretionary Resources



Financial Forecast Results

The regional economy has only recently recovered from the lingering effects of recession and started to expand. When viewed in terms of cyclical revenue impacts (business license and transient lodging tax revenues), this last recession was deeper than the recession of the early 1980s. The Portland area's unemployment rate was among the highest of all metropolitan areas for many months during calendar year 2004. The area's unemployment rate has steadily declined to 5.0% as of May. The national economy continues to expand, generating good month-to-month employment increases. Recent employment numbers for the local area have been showing solid continuing employment gains.

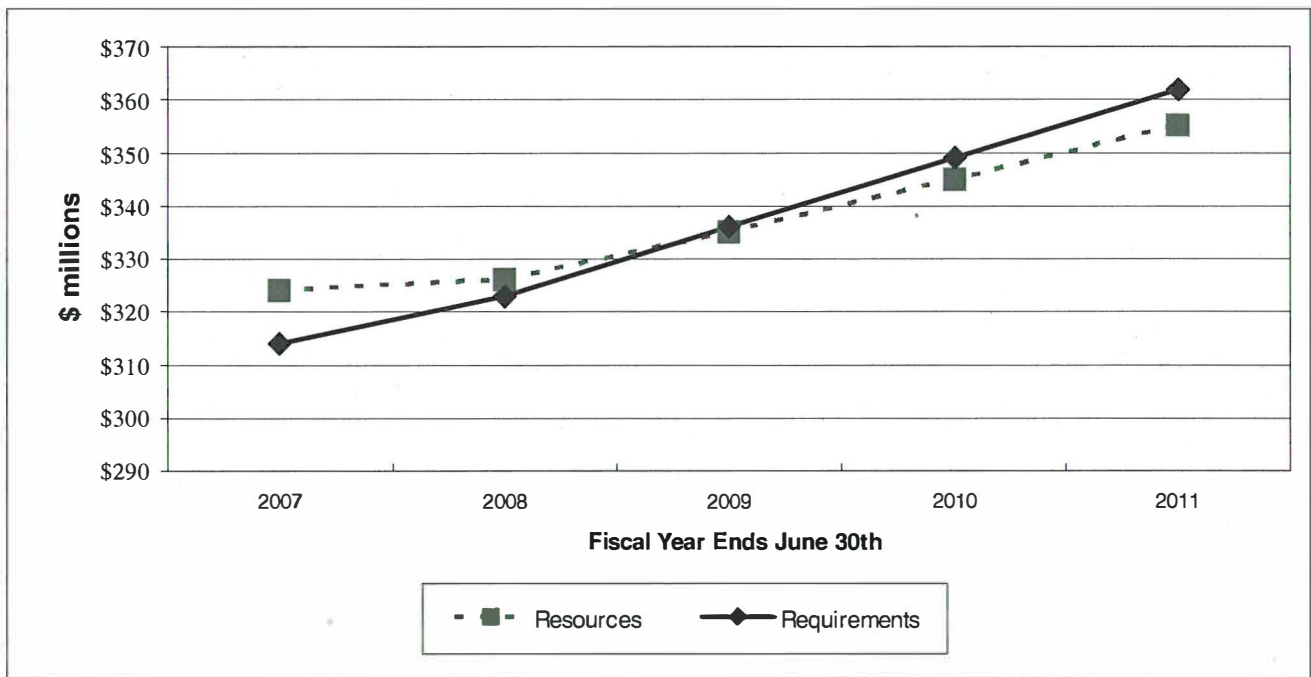
This environment translated initially into a December resource forecast for FY 2006-07 of about \$324 million. The December financial forecast showed that:

- ◆ Sufficient resources would be available in FY 2006-07 and FY 2007-08 to fund estimated General Fund CAL requirements with an excess estimated at \$14.1 million for one-time over those two budget cycles.
- ◆ By FY 2009-10 estimated requirements exceed forecast discretionary resources by \$2.5 million increase to an estimated \$6.1 million in FY 2010-11, the last year of the forecast.

The principal reason for this development was inclusion in this forecast of expected health-care cost increases averaging well over \$3 million per year. The December financial forecast assumed 95%/5% employer/employee health benefits cost sharing for FY 2006-07, with forecast out-years assuming cost sharing as outlined in Council Adopted Resolution 36274. The forecast health benefits costs increases exacerbated the General Fund's continuing problem of a structural imbalance between a revenue growth rate that cannot keep up with the requirements growth, fueled in part by labor contract increases in excess of inflation and rising healthcare costs.

Figure 17 (below) depicts the relationship between December financial forecast requirements and resources. As stated earlier, the negative gap in the last year of the forecast was estimated at \$6.1 million. In Figure 17 it is easy to see that requirements are growing faster than resources.

Figure 17: Resources less Requirements = GAP



The December financial forecast estimated that the out-year gaps between resources and requirements could be closed with the incorporation of \$2.7 million of ongoing CAL reductions in each of the next two budget cycles.

The November resource forecast was updated in late February/early March and showed improvement in forecast revenues:

- ◆ Ongoing revenues were increased by about \$3.1 million. Business license and transient lodging revenues were increased by about \$2.3 million over the original December forecast reflecting better regional economic conditions. Property taxes and fund interest income were also better in the early March forecast.
- ◆ The beginning balance estimate was up about \$729,060 over the December forecast based on current year financial information through early February.

Estimated General Fund FY 2006-07 CAL requirements were down about \$6.7 million compared to December financial forecast estimates. A lower than expected consumer price index increase reduced the compensation set-aside by about \$1.6 million. In addition, an expected \$5 million transfer to reserves was dropped from the forecast because it was no longer required. In the early March financial forecast out-year health benefits cost estimates were also revised upward to reflect new labor contract provisions that extended 95%/5% employer/employee health benefits cost sharing to the four out-years of the forecast. This substantially increased estimated CAL requirements, but forecast revenue increases as well as other CAL reductions more than offset the health benefits increase. The last year financial forecast gap between resources and requirements declined to \$2.8 million. The early March forecast substantially improved the five-year General Fund financial outlook.

In late March, the City's health benefits consultant revised their health benefits cost forecast, substantially lowering the expected cost increases. General Fund bureau CAL requirements came out net about \$1.1 million lower. The financial forecast was rerun with inclusion of the new cost estimates. This late March forecast eliminated the fifth-year gap between resources and requirements and showed a small negative fifth-year deficit of \$768,745. This gap is well within the accuracy of the forecast and amounts to a scant 0.2% of forecast FY 2010-11 resources.

The forecast has been rerun using Council's Adopted FY 2006-07 Budget. Like the late March forecast, the current financial forecast shows that:

- ◆ The General Fund is balanced on estimated current appropriation levels, that is, without significant reductions to bureau current appropriation levels in order to balance the fund over the life of the five-year forecast period.
- ◆ The Adopted Budget Forecast continues to show a small gap of less than 1% in the last year of the forecast (FY 2010-11). OMF believes that Council's Adopted Budget balances the discretionary General Fund for the life of this five-year forecast.

The General Fund's outlook has improved markedly since last fall's December forecast. Over the life of this five-year forecast, resources are projected to be sufficient to fund current appropriation levels with what is estimated to be significant amounts of one-time money available over the next two budget cycles. However, the basic problem shown in Figure 17 remains for the long run. Revenue growth remains heavily constrained relative to expenditure growth. Half of General Fund revenues still come from property tax revenues that can grow, at most, by about 3% annually. In an upswing in the business cycle, like the General Fund is now experiencing, overall revenue growth is only temporarily able to keep up with anticipated expenditure requirements. For the long haul it is likely that the basic structural problem remains.

FIVE-YEAR GENERAL FUND FINANCIAL PLAN

The Council takes a five-year approach to devising its budget so that the budget itself is the first year of Council's five-year financial plan. This ensures that the long-range impact of major decisions is considered in developing the budget. This is even more important under current conditions because Council's Adopted Budget balances the General Fund on estimated current service level requirements.

The December financial forecast indicated that Council was faced with a projected resource stream that could not fund General Fund current appropriation levels. Two successive forecast updates improved this worrisome financial outlook but any increases above current appropriation levels are not sustainable given current financial forecast estimates.

Council's Approach to Balancing the General Fund

As the financial forecast presently stands, Council's Adopted Budget balances the General Fund at on-going CAL levels so as to ensure that requirements are in line with resources for the duration of the five-year financial forecast. Council's Adopted Budget and five-year financial plan funds bureau budgets at CAL levels, although this is the outcome of plusses in some bureau discretionary budgets as offset by reductions in other bureaus. Bureau discretionary budgets have been stabilized at \$275.4 million for FY 2006-07. The current financial plan indicates no CAL reductions or additions in the out-years of the forecast.

Figure 18: Forecast for Coming Years

ITEM	Proposed	Out-Years of Proposed Financial Plan			
	2007	2008	2008	2009	2010
General Fund Resources	\$332,855,923	\$330,053,466	\$339,862,596	\$350,426,779	\$359,868,530
Transfer In General Reserves	\$844,567	\$0	\$0	\$0	\$2,940,170
Requirements					
Bureaus & Programs, CAL	\$275,425,612	\$285,613,467	\$297,443,692	\$309,638,804	\$320,637,809
Required CAL Reductions	\$0	\$0	\$0	\$0	\$0
Capital Set-Aside	\$1,260,000	\$1,915,000	\$1,915,000	\$1,915,000	\$1,915,000
One-Time Projects	\$22,184,663	\$8,248,775	\$5,416,100	\$2,041,192	\$0
Pension Bonds	\$7,307,031	\$8,486,412	\$8,820,200	\$9,167,761	\$9,514,697
Council Set-Asides	\$27,523,184	\$25,789,812	\$26,267,604	\$27,664,023	\$30,741,194
Total Requirements	\$333,700,490	\$330,053,466	\$339,862,596	\$350,426,779	\$362,808,701
Difference-GAP	\$0	\$0	\$0	\$0	(\$0)
Reserve Fund, Percent	10.7%	12.0%	12.2%	12.4%	11.9%

Figure 18 details the five-year financial plan. One outcome of "making room" for the larger increases in health benefits costs is that the forecast contemplates the availability of relative large amounts of one-time resources in subsequent budget cycles. FY 2007-08 one-time resources are currently estimated at \$8.5 million, declining to about \$2.0 million in FY 2009-10.

Uncertainties

Council's Adopted Budget and financial plan balances the General Fund for the life of the five-year forecast. There is likely to be substantial amounts of one-time money available over the next two budget cycles. This will provide the Mayor and Council with more flexibility in meeting future financial uncertainties that include:

- ◆ The current financial forecast and proposed five-year plan assumes that projected increases in healthcare funding are resolved through implementation of the 95%/15% employer/employee cost sharing solution. Briefly, this plan commits the City to paying 95% of expected health benefits premiums. Here there are two uncertainties. First, the healthcare funding and premium cost projections are current best estimate forecasts, and there could easily be a large unfavorable shift in the numbers. Second, the City has secured this solution through labor contract negotiations. Current labor contracts do not run for the life of the forecast. A higher cost alternative could easily come out of out-year labor contract negotiations.
- ◆ Local economic recovery from recession is well underway and recent job growth numbers are very encouraging. It is only over the last 6 to 12 months that the regional economy has begun to show consistent evidence (in the form of job growth) of recovery and renewed expansion. This forecast, like the previous forecast, is critically dependent on a local economy that continues this expansion.
- ◆ Legislative changes to the Public Employees Retirement System (initiated by the last Oregon Legislature) have now survived several legal challenges, and the retirement system seems to have stabilized. The forecast is built on best-guess estimates of what out-year increases in employer pension costs will look like. The PERS board is in the process of making a series of decisions that will affect employer contribution rates beginning July 1, 2007 (FY 2007-08). Increases in contribution rates beyond what is currently forecast upset the five-year plan.
- ◆ Business license revenues are now being collected and "booked" net of refunds and after adjustment for the buildup of credits. This revenue stream will tend to be more volatile. Forecasts will tend to be less accurate than in the recent past because there is little or no historical data available to generate forecasts on a net revenue concept.

- ◆ Both the Parks and Children local option levies expire during the course of this forecast. Both levies expire at the end of FY 2007-08, or at the end of the second year of this five-year forecast cycle. It is unclear if the expiration of the Parks levy will lead to increased General Fund CAL requirements not presently in the five-year forecast.

Forecast Risks

The principal risk to the Council's Adopted Budget and five-year financial plan is a slow regional economy and sub-par growth or the reemergence of recession-like conditions. As this is being written, oil prices are hovering at around the \$70-per-barrel mark. In addition, the Federal Reserve (the Fed) is on a path to increase interest rates, making monetary policy more restrictive than in past years. The persistence of much higher energy costs is likely to slow the economy down and may possibly reignite inflation. These kinds of conditions could easily spark the reemergence of recession. Subsequent revenue forecasts would show lower revenues, making it difficult for Council to fund even the current service levels in the Council's Adopted Budget.

In addition, the Oregon Legislature is currently studying the distribution of cigarette and liquor taxes shared out with Oregon cities and counties. The General Fund's state-shared cigarette and liquor tax revenues, about \$10 million annually in this forecast, may be at risk. The Legislature already conditionally withheld year-end FY 2002-03 cigarette tax revenues from Oregon cities. Fortunately, a \$500,000 revenue loss in Portland's FY 2002-03 cigarette tax revenues did not occur. Loss of these critical revenues to the General Fund would represent a major change to the General Fund's financial condition and outlook.

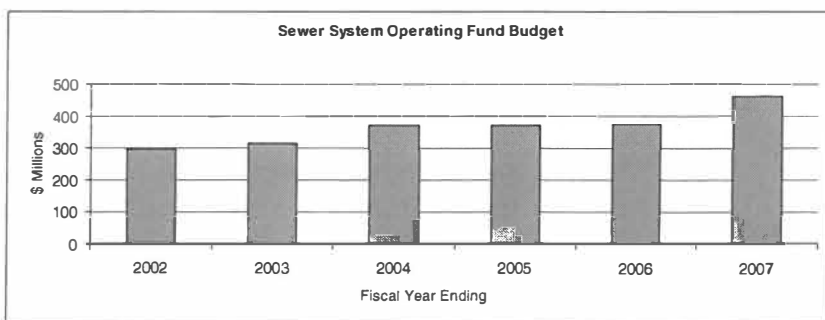
FINANCIAL OUTLOOK—OTHER FUNDS

Like the General Fund, five-year financial plans are prepared for each of the City's major non-General Fund service bureaus. These financial plans provide a multi-year framework within which revenues, expenditures, and capital financing options are presented. This multi-year perspective allows the City to test the potential impact of policy, operational, and system changes, and to avoid subjecting customers to wide or irregular swings in rates and fees.

This budget is based upon bureaus' financial plans, which were developed using information available through December 2005. The plans were reviewed, and adjustments were incorporated into the budget. The following is a brief overview of the updated financial outlook for three of the City's major non-General Fund bureaus. Additional detail on these plans and those of other bureaus is in the Financial Plans section of Volume Two of this budget document. For each bureau or fund, the chart shows total fund expenditures.

Bureau of Environmental Services

The BES five-year financial plan forecast an increase of 5.9% in the average single-family sewer-stormwater bill for each year of the five-year planning period.



The BES operating budget contains expenditure reductions of approximately \$4.6 million, or 4.9% lower than the FY 2004-05 Revised Budget. The capital budget decreases \$13.8 million, or 9.1% from the FY 2004-05 Revised Budget. The differences include the following:

The FY 2006-07 budget results in an increase of 5.6% for the average single-family customer.

Operating Budget: Reductions are related to watershed monitoring, completion of the Fanno Basin Infiltration and Inflow study, one-time equipment expenditures related to EPA-required monitoring, building improvements at the Water Pollution Control Lab, and the elimination of 9.5 FTE. Additionally, BES funded its sewer maintenance interagency agreement with the Bureau of Maintenance at current levels, a real decrease of about \$450,000 when inflation and personnel increases are applied. These reductions were offset by increases in the Portland Harbor Sediment Program to reduce contamination in sections of the Willamette River.

Capital Budget: The significant reductions in the FY 2005-06 CIP are due to changes in project requirements from the large expenditures related to the Westside Combined Sewer Overflow (CSO) project to a lower level of expenditures as the Eastside CSO project completes design and moves into construction.

The operating programs continue to emphasize water quality through efforts at pollution prevention, analytical services, drainage system maintenance, and watershed improvement programs. Capital costs continue to be the prime driver behind forecast rate increases. The largest category of capital improvement costs will be the CSO program, followed by maintenance and reliability projects, and sewage treatment systems.

Bureau of Water Works

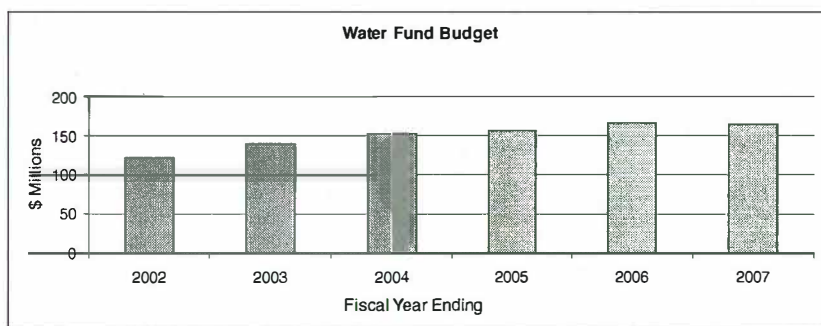
The average water bill for single family residential retail customers will increase 2.5%.

The preliminary financial plan for the Water Bureau projected an average retail rate increase of 2.5% in FY 2006-07, which is increase approved by City Council. The modest rate increase was made possible primarily by restructuring of future debt issues and implementation of full cost recovery for work associated with new development. The average water bill for single family residential retail customers will increase 2.5%.

The operating budget of \$59.1 million is an increase of \$6.1 million from the FY 2005-06 Revised Budget of \$53.0 million. Total positions have increased by 57 from 485 to

542. Thirty of the new positions are dedicated to increased system maintenance, and 15 are to replace contracted services with bureau staff; the additional staff to replace contracted services has no fiscal impact, as the budget for professional services was reduced to correspond with the additional staff costs.

The CIP budget of \$42.4 million reflects a decrease of \$10.0 million from the FY 2005-06 Revised Budget. The decrease is largely the result of structuring the CIP to more realistically reflect the level of work that gets done—some major projects were deferred, but none were eliminated. Major elements of the CIP include the Distribution program (\$27.0 million) and the Transmission and Terminal Storage program (\$8.3 million).

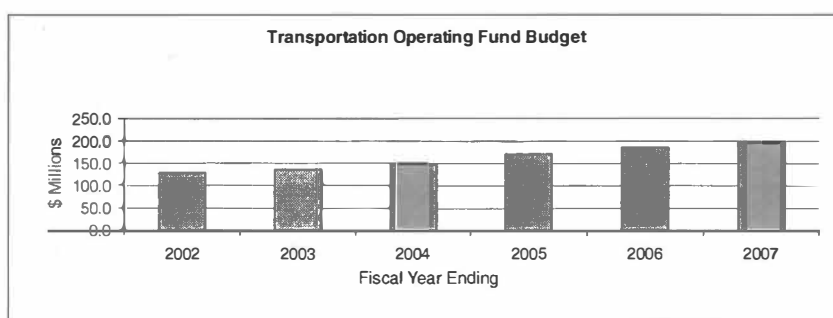


Office of Transportation (PDOT)

Transportation's five-year financial plan continues to exhibit imbalance between costs to maintain current service levels and anticipated general transportation

revenues (GTR). In weathering significant financial challenges, the bureau responded by cutting ongoing discretionary spending by \$4 million and by appropriating \$4.3 million a year in labor turnover savings to balance the budget. Still, the funding gap is projected to re-emerge in FY 2009-10. PDOT also has several new revenue initiatives that are expected to generate approximately \$1.9 million in GTR.

The FY 2006-07 Adopted Budget for Transportation is \$168 million. This budget is 7.2% less than the FY 2005-06 Revised Budget, primarily due to the reduction measures mentioned above. The budget contains 768 FTE, 12 more than the FY 2005-06 Revised Budget. The additional positions are due to increases in interagency agreements with the Bureaus of Water and Environmental Services for work performed for these bureaus.



CITY DEBT MANAGEMENT

The City of Portland issues a variety of debt to raise capital for construction projects, for the acquisition of equipment and facilities, and to refinance existing debt. Most of the City's debt is rated by one or more national rating agencies, including Moody's Investors Service and Standard & Poor's Corporation. Bond ratings are based upon an independent analysis by financial market professionals and indicate the confidence that an investor can have in the security of their investment in the City's bonds and other debt obligations. "Aaa" is the

Definition	Moody's	Standard & Poor's	Fitch
<i>Prime, Maximum Safety</i>			
Highest rating assigned	Aaa	AAA	AAA
Very strong			
<i>High Grade, High Quality</i>			
Very strong security.	Aa1	AA+	AA+
Only slightly below best rating.	Aa2	AA	AA
	Aa3	AA-	AA-
<i>Upper Medium Grade</i>			
Average security but more subject to adverse financial and economic developments	A1	A+	A+
	A2	A	A
	A3	A-	A-
<i>Lower Medium Grade</i>			
Adequate capacity to secure debt.	Baa1	BBB+	BBB+
Adverse developments may affect ability to meet debt service requirements.	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
<i>Non-Investment Grade - Speculative</i>			
	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
<i>Highly Speculative</i>			
	B1	B+	B+
	B2	B	B
	B3	B-	B-
<i>Substantial Risk - In Poor Standing</i>			
	Caa1	CCC+	CCC+
	Caa2	CCC	CCC
	Caa3	CCC-	CCC-
<i>Extremely Speculative</i>			
May be in default	Ca	--	--
	C	--	--
<i>Default</i>			
	--	--	DDD
	--	--	DDD
	--	D	D

highest possible rating, and is based on a thorough analysis of four basic factors: economic condition, debt load, financial condition, and overall management of the City. Since 1973, the City's unlimited tax general obligation debt has been rated "Aaa" by Moody's. The City's various revenue bonds are rated between "A1" and "Aa1" by Moody's and "A+" by Standard & Poor's.

Detailed information regarding the City's debt management policies is contained in the Financial Policies section in Volume Two of this budget document. The policies prescribe the circumstances under which the City may refinance outstanding debt:

- ◆ Advance refundings, where the refunding bonds are issued more than 90 days before the redemption date of the refunded bonds
- ◆ Current refundings, where the refunding bonds are issued less than 90 days before the redemption date of the refunded bonds
- ◆ Debt restructurings

Advance Refundings: In order to reissue advance refunding bonds, the City must determine that the refunding is advantageous, legally permissible and prudent, and that net present value savings equal at least 5% of the principal amount of the refunding bonds. Exceptions to this policy can be made with the approval of the Debt Manager and the Chief Administrative Officer. Oregon law requires advance refunding bonds to realize present value debt service savings of at least 3% of the proceeds of the refunding bonds.

Current Refundings: The City may issue current refunding bonds, as defined for federal tax law purposes, when advantageous, legally permissible and prudent, and when net present value savings equal or exceed \$100,000.

Debt Restructuring: The City may choose to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management. Savings requirements for current or advance refundings undertaken to restructure debt may be waived by the Debt Manager and the Chief Administrative Officer upon a finding that such a restructuring is in the City's overall best financial interests.

The following is a brief summary of the City's existing debt and debt instruments, projected as of June 30, 2006.

General Obligation (GO) Debt

GO debt is backed by the full faith and credit and taxing power of the City. Under current Oregon law, all general obligation debt (except for refunding bonds) must be approved by the voters. The City's outstanding GO debt includes:

- ◆ \$66.6 million in voter-approved general obligation bonds for park system improvements and emergency facilities improvements
- ◆ \$7.5 million in general obligation water bonds—these bonds are repaid from water user charges, but are secondarily backed by the City's general obligation pledge

Revenue Bonds

Revenue bonds are secured by, and payable from, specific pledged revenue sources such as water or sewer user fees. The City's outstanding revenue bonds include:

- ◆ \$1.24 billion in sewer system revenue bonds
- ◆ \$284.6 million in urban renewal bonds
- ◆ \$139.6 million in water revenue bonds
- ◆ \$21.4 million in hydropower revenue bonds
- ◆ \$6.5 million in gas tax revenue bonds

- ◆ \$5.2 million in parking revenue bonds
- ◆ \$4.7 million in golf revenue bonds

General Fund-Backed Debt

General Fund-backed debt is either paid from, or secured by, the General Fund and includes:

- ◆ \$300.8 million in limited tax pension obligation bonds, of which approximately \$111.7 million is attributed to General Fund bureaus and approximately \$189.1 to non-General Fund bureaus.
- ◆ \$130.3 million in limited tax revenue bonds for the Convention Center Expansion project (\$97.9 million), Civic Stadium (PGE Park) Improvement project (\$30.7 million), and Portland Center for Performing Arts improvements (\$1.7 million). The City has issued these bonds as part of an intergovernmental agreement known as the Visitor Development Initiative. While ultimately secured by the General Fund, these bonds are expected to be repaid with revenues generated from surcharges on the transient lodging tax and the motor vehicle rental tax levied by Multnomah County.
- ◆ \$67.1 million in limited tax revenue bonds for building improvements and equipment acquisition.
- ◆ \$26.0 million in arena limited tax revenue bonds. Proceeds of these bonds were used to refund bonds originally issued to finance certain public improvements relating to the Oregon Arena Project. These arena limited tax revenue refunding bonds are ultimately secured by the City's General Fund. However, the City expects to pay the debt service on these bonds from revenues received from the Oregon Arena Project.
- ◆ \$24.9 million in limited tax revenue bonds issued to fund the Portland Streetcar project. These bonds are expected to be repaid from parking revenues, but are additionally secured by the General Fund.
- ◆ \$57.2 million in urban renewal lines of credit. It is expected these interim financing obligations will be retired with the proceeds of long-term tax increment bonds.
- ◆ \$21.5 million in limited tax housing revenue bonds.
- ◆ \$15.8 million in limited tax improvement bonds.
- ◆ \$43.7 million in lines of credit used to provide short-term and interim financing for local improvement district projects, the Children's Receiving Center, Parks land acquisition, and Transportation projects.
- ◆ \$10.1 million in Housing and Urban Development loans for the New Columbia project.

Debt Limitation

Under Oregon law (ORS 287.004), the City's general obligation debt limit is equal to 3% of the City's real market valuation (\$65.3 billion), or about \$2 billion. Certain self-supporting bonds are exempted from this limitation. Currently the City has \$66.6 million outstanding in general obligation debt that is subject to the debt limitation.

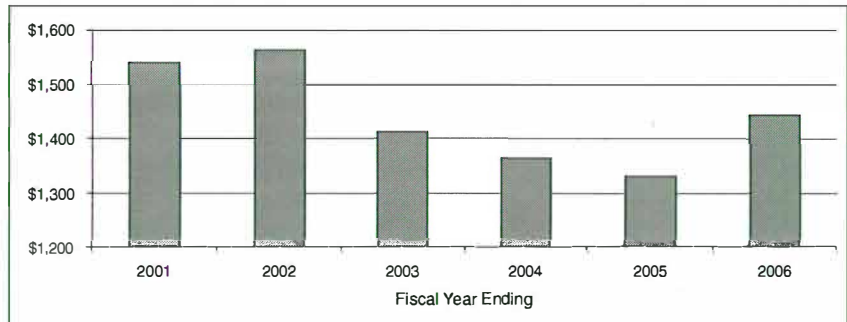
Figure 19: Debt Limitation Criteria

<i>Criteria</i>	<i>Limit</i>
FY 2005-06 Real Market Value	\$65,309,180,486
3% of Real Market Value	\$1,959,275,415
City outstanding debt subject to limit	\$66,610,000
Percent of limitation outstanding	3.40%
Debt margin	\$1,892,665,415

The figure below displays gross bonded debt per capita. Included in these figures are the City's outstanding general obligation bonds, limited tax improvement bonds, limited tax revenue bonds, and General Fund-backed lines of credit.

Figure 20: Gross Bonded Debt per Capita

In FY 2005-06 the City issued two series of refunding bonds to take advantage of lower interest rates and reduce the cost of the City's outstanding



debt. The City issued the Airport Way Urban Renewal and Redevelopment Refunding Bonds, Series 2005 A to refund most of the outstanding Airport Way Urban Renewal and Redevelopment Bonds, 2000 Series A. The City also issued the Hydroelectric Power Revenue Refunding Bonds, Series 2006 to refund the Hydroelectric Power Revenue Bonds, 1979 and the Hydroelectric Power Revenue Refunding Bonds, Series 1993.

In addition to the refunding bonds, the City issued about \$177.8 million in First Lien Sewer System Revenue Bonds and about \$87.1 million in Second Lien Sewer System Revenue Bonds to finance capital needs of the Bureau of Environmental Services.

In FY 2005-06, the City borrowed approximately \$66.2 million on various lines of credit and state loans to fund capital projects including clean water, local improvement, urban renewal, and transportation projects.

Anticipated Debt Issuance in FY 2006-07

The City anticipates issuing the following debt obligations during FY 2006-07:

- ◆ \$70 million in Water system revenue bonds to fund system improvements
- ◆ \$28 million in urban renewal bonds for the Central Eastside urban renewal area
- ◆ \$13 million in General Obligation Fire bonds for upgrades and improvements to emergency facilities
- ◆ \$50 million in limited tax improvement bonds to finance assessments

The City will likely incur additional indebtedness during FY 2006-07 for other capital needs. The amounts and specific types of debt instruments to be issued will be determined throughout the fiscal year.

THE CITY'S FINANCIAL STRUCTURE

Portland's Fund Structure

Revenues to the City are designated and set aside in funds. The fund structure used by the City is detailed below. Fund summaries, which provide revenue and expenditure detail, are included within the appropriate service area section of Volume Two of the City budget document. For example, all Water Bureau-related funds are found within the Public Utilities Service Area section. General Fund summaries are found in the Financial Summaries section of Volume One.

Types of Funds

The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds are used to account for governmental activities. Proprietary funds include enterprise, or business activity, funds and internal service funds. Fiduciary funds are used for resources held for the benefit of parties outside City government.

Major Governmental Funds

General Fund: The General Fund includes all activities of the City that are supported by property taxes and other non-dedicated revenues. These include license and permit fees and state shared cigarette and liquor tax revenues. Bureaus supported by the General Fund include Fire, Police, Parks, and others.

Transportation Operating Fund: This fund supports the Office of Transportation and receives dedicated revenues as well as a transfer from the General Fund.

Non-Major Governmental Funds

Special Revenue Funds: Revenue funds receive money from specific sources that can be used only for specific purposes. Reserve funds hold resources for future use in countering recessionary trends and mitigating mid-year economic downturns or other financial emergencies.

Debt Service Funds: These funds account for the payment of debt service on general obligation, revenue, assessment, improvement, and urban renewal tax increment bonds. These funds are necessary to manage the City's diverse debt portfolio in a manner that ensures compliance with security covenants as well as state and federal regulations.

Capital Projects Funds: These funds account for construction projects such as those funded by general obligation bonds and those in local improvement districts and parks. Revenues are received when the City issues bonds and notes for capital projects. Revenues are also received from other recurring sources of income to the City.

Permanent Funds: The City occasionally creates accounts for gifts or bequests that are legally restricted to the extent that only earnings and no principal may be used as designated by the donor. Currently the City has only one fund of this type, the Parks Endowment Fund.

Proprietary Funds

Enterprise Funds: These funds support the Water Bureau and Bureau of Environmental Services, as well as other business-like activities.

Internal Service Funds: Internal service funds account for the sale of central services such as vehicle and printing services to other City and/or other governmental agencies. These funds operate solely on revenues received from the agencies using their services.

Fiduciary Funds

The City has three funds for the retirement or disability costs of police and fire personnel. Revenues for the main fund, the Fire & Police Disability & Retirement (FPD&R) Fund, are received from a property tax levy authorized by Portland voters in 1948. Other City employees are covered by PERS.

Portland Development Commission

The Portland Development Commission (PDC) is the City of Portland's urban renewal, economic development, and housing rehabilitation agency. It is a semi-autonomous organization that interacts with various City programs. Revenue for PDC is provided through a combination of tax increment revenues, federal grants, program income, contracts, private funding, and transfers from the General Fund. Details on PDC's budget are located in the PDC published budget document.

How Funds Interact

City funds interact in a variety of ways. One fund may pay another fund for goods or services. Cash transfers also result from the exchange of resources between funds to cover operating and capital expenses. For example, the FY 2006-07 budget includes a transfer from the General Fund to the Transportation Operating Fund to support the operations and maintenance of the Streetlighting program. Transfers between funds result in the budgeting of the dollars in both participating funds.

Basis of Budgeting

The City's budget is prepared in a manner consistent with its financial structure and as required by Oregon Revised Statutes. All funds are included within the budget, along with the organizations and programs that they support. However, unlike the financial basis of reporting, the City's budget is prepared completely on a modified accrual basis. That basis means that the budget anticipates revenues based on when they will actually be received and anticipates expenditures based on when they will actually occur.

One exception exists to this general rule for the acknowledgment of revenues. The budget includes property tax revenues expected to be collected within 60 days after the close of the fiscal year. Items that are not fully expended at year-end must be rebudgeted in the following fiscal year.

Budgetary Controls and Change Management

The Council maintains oversight of the City's financial condition through three formal reviews of the annual budget, and various informal reviews and work sessions. Formal comparisons between historical and actual expenditures and revenues are completed three times per year under the direction of Financial Planning, and reported to Council.

Adjustments to bureau budgets generally occur during a trimester reporting process or through a supplemental budget process.

Adjustments to bureau budgets generally occur during one of these trimester reporting processes or, if legally required by Local Budget Law, through a supplemental budget process, which typically occurs in the spring and fall. This requirement allows the Council to closely review the Citywide impact of budget adjustments and ensures that Council's directives are followed.

The City has a system for monitoring the financial condition of its General Fund. A Financial Outlook report is issued 13 times per year, at the end of each accounting period. The report provides Council, bureau managers, and the public with information on the status of General Fund revenues and expenditures in comparison to the budget. The report also forecasts the year-end balance for the General Fund.

Basis of Accounting and Accounting Structure

Governmental accounting, governed by state statutes and accounting principles generally accepted in the United States (GAAP), differs substantially from private sector accounting. Private sector financial reports measure economic profits, whereas governmental accounting focuses on disclosing how public money is spent.

Types of Accounting

City funds employ either the accrual basis or modified accrual basis of accounting.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Governmental funds include the General Fund, major and non-major Special Revenue, Debt Service, Capital Projects, and Permanent funds. Revenues are recognized as soon as they become both measurable and available. Federal and state grants are recorded to the extent that revenues are earned as eligible expenditures are incurred.

Expenditures are recorded when a liability is incurred. Exceptions are:

- ◆ Claims and judgments
- ◆ Interfund transactions for services which are recorded on the accrual basis
- ◆ Interest expenditures on general long-term debt that are recorded when due
- ◆ Earned but unpaid vacations that are recorded as expenditures to the extent they are expected to be liquidated with expendable, available financial resources

Financial Reporting

The Comprehensive Annual Financial Report (CAFR) of the City presents a picture of the City's finances on a Citywide and individual fund basis. The CAFR is prepared in accordance with GAAP. It reconciles differences between the budgetary basis—as presented in the annual Adopted Budget—and the other presentations used in preparing the CAFR.

The City has earned GFOA's Certificate of Achievement for the past 24 years.

The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past 24 years. GFOA is a national organization composed of professionals in the field of public financial management. The group has established stringent criteria for the awards program to ensure quality, full-disclosure accounting and reporting systems within the public sector.

Independent Audit Requirements

The fiscal affairs of the City are audited by an independent auditor each year.

The annual financial report of the City is prepared as required by state law and as recommended by the American Institute of Certified Public Accountants (AICPA). The AICPA requires that an annual audit of the fiscal affairs of the City be performed by an independent auditor in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, and minimum standards for audits of Oregon municipal corporations. Under the City Charter, the FPD&R Fund and PDC are required to have separate financial audits.

The City also has an independently elected auditor responsible by City Charter for conducting internal financial and performance audits for specific City services.

SUMMARIES OF FINANCIAL POLICIES

In addition to Council goals, the City has many policies that interact with and provide direction in making budgetary decisions. These policies are included in the Financial Policies section of Volume Two of this document. The Comprehensive Financial Management Policy demonstrates City Council's commitment to policies that ensure long-term stability for the delivery of City services.

To develop and manage the finances and budget, the City has the following policies:

Comprehensive Financial Management Policy

Approved by Council in June of 1992, this policy represents the culmination of City efforts to establish broad guidelines for managing a diverse financial portfolio. The document and its subordinate policies provide guidance in the areas of financial planning, budgeting, accounting, auditing, treasury, and debt management.

Debt Management Policy

The Council first adopted a Debt Management policy in 1984. The policy is directed to maintain the City's Aaa bond rating issued by Moody's, to ensure prudent debt decisions, and to lower the cost of overall debt management. The policy also places limits on the City's debt, centralizes the management function, and requires completion of various reports critical to maintaining the City's financial health. These guidelines are used both in constructing the debt portions of the annual budget and in gauging debt-related decisions during the year.

General Reserve Policy

On May 3, 1990, the Council adopted Resolution 34722, which formally recognized City general reserve requirements and provided specific guidelines governing the withdrawal of funds. The policy requires the maintenance of a reserve equivalent to 10% of General Fund revenues net of short-term borrowing receipts; the Council reaffirms this policy through the adoption of the General Fund Financial Forecast and the annual budget.

The City of Portland maintains a 10% General Fund cash reserve.

The Council has successfully developed a General Fund reserve that meets the 10% requirement, budgeted at \$44.0 million for FY 2006-07 (plus \$6.7 million in additional funds, primarily one-time funds that were either not budgeted or earmarked for projects that do not need the funds in FY 2006-07). One half of the 10% reserve is for major unanticipated emergencies or significant revenue fluctuations during the fiscal year. The second half is a counter-cyclical reserve, which can only be accessed when key economic indicators point to an upcoming recession likely to affect City resources. The counter-cyclical reserve is intended to provide the City with an 18-month period in which to adjust to the fiscal effects of economic recession.

Compensation Policy

Approved as part of the Comprehensive Financial Management Policy, the Council has followed a practice of indexing total annual compensation adjustments other than merit increases (wages, salaries, and benefits) to the growth in the Portland consumer price index. This practice has been used to better anticipate compensation increases and necessary set-asides. This policy also serves as the focus of negotiations with the City's labor organizations. All of the City's labor contracts include a provision to share health benefit cost increases with employees.

Revenue Policy	Approved as part of the Comprehensive Financial Management Policy document, the revenue policy outlines responsibilities for collecting and monitoring revenues. Discretionary resources are defined. Guidelines make bureaus responsible for revenue collection, and direction is provided for the allocation of surplus revenues. The policy establishes guidelines for the completion of cost-of-service studies, monitoring revenues and related expenses, and enhancing revenues where appropriate and consistent with Council priorities.
Investment Policy	For over a decade, the City has had a policy governing how cash from various funds is to be invested. All estimates of fund-level interest earnings have been developed in compliance with that policy and with state law.
Interagency Policy	This policy provides guidelines for setting service rates between City agencies, establishing billing procedures, and resolving disputes. Interagency services include printing, vehicle use, communications, insurance, computers, facilities, and other services.
Local Improvement District Financing Policy	Approved by the Council in May 1991 and updated in 2001, this policy established criteria and guidelines for starting and administering local improvement districts. These districts provide a mechanism for assessing owners for capital improvements. Property owners can request that the City finance these assessments, and the City sells bonded debt to cover assessments costs. Property owners then make annual payments to the City to repay the bonds.

SUMMARIES OF PLANNING POLICIES

The Council has adopted numerous policies governing the provision of specific services by the City. These policies provide further guidance to bureaus as they develop the annual budget.

Comprehensive Plan	Comprehensive planning in Oregon was mandated by the 1973 Legislature with the adoption of Senate Bill 100. Under this Act, the State Land Conservation and Development Commission (LCDC) was created and directed to adopt statewide planning goals and guidelines. These goals and guidelines were adopted by LCDC in December 1974 and became effective January 1, 1975.
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The Comprehensive Plan establishes policies for how and where development occurs in the city.

On October 16, 1980, the Portland City Council adopted its first Comprehensive Plan for the City, including goals, policies, objectives, and a plan map, to guide future development and redevelopment of the city. The goals and policies of the Comprehensive Plan provide the context and guidance for future City programs, major capital projects, and other funding decisions. The Comprehensive Plan establishes policies for how and where development occurs in the city. It includes policies that address such issues as citizen involvement, land use, environmental protection, transportation, and affordable housing.

Portland Future Focus	In August of 1991, the City issued its first community strategic plan called Portland Future Focus. It was designed to plan for Portland's future in the face of the community's changing role in the state and the region. The planning process was led by a policy committee of 55 citizens, including representatives from City government, businesses, neighborhoods, schools, neighboring governments, and other groups.
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The goals contained within the document were directed at achieving a vision for Portland. They provide a filter against which to base decisions, including those considered during the annual budget process.

The City intends to update the strategic plan over the next two years as part of the Managing for Results initiative.

Portland/Multnomah County Benchmarks

During 1993, a public process that included several hundred people was conducted to develop measures to gauge how well the community is progressing toward its shared vision as articulated in Portland Future Focus and other community strategic plans. These benchmarks provide another tool for elected and community leaders to use in guiding government actions. An annual report is issued on the adopted benchmarks. This report continues to be an important document for use by the Council in establishing goals and priorities for the budget process.

Community Policing

Resolution 34670, approved by Council on January 26, 1990, adopted the original five-year plan for the Police Bureau transition to a community policing philosophy. Included were the goals and objectives of community policing. The plan called for 200 additional positions to implement community policing.

In 1994, Council further committed to the community policing philosophy with the passage of Resolution 35264, which adopted the Community Policing Strategic Plan. The strategic plan defines a mission, five-year goals and objectives, strategies, and performance measures. The plan is updated every two years, with the next update scheduled for 2006.

Regional Transportation

Resolution 34690, approved by Council on March 14, 1990, formalized the Council's commitment to development of a regional light rail plan. This action resulted from the successful installation and operation of a light rail line connecting downtown with the city of Gresham, east of Portland. The westside rail line extending to Hillsboro opened in August 1998.

Light rail will be the focus of the region's future transportation system.

In 2001, the Airport MAX rail service began running between downtown Portland and the Portland International Airport. More recently, in May 2004, the north-south light rail line opened, extending from the Rose Quarter in inner Northeast Portland to the Expo Center, located in North Portland near the Columbia River. These and future projects show that light rail is the focus of the region's future transportation system, and key to responding to the significant growth the area is expected to experience over the next two decades.

Future light rail developments include the Portland Mall Revitalization project, intended to enliven SW 5th and 6th avenues and bring light rail to the heart of downtown Portland between Union Station and Portland State University. This new light rail extension will be tied into the larger I-205 light rail project, which will bring high-capacity transit service to Clackamas County, the city of Milwaukie, and southeast Portland. Both projects are expected to be complete by 2009.

In July of 2001, the City began operation of a new streetcar system that runs north and south through the central city. The streetcar is now being extended to SW Gibbs Street within the new South Waterfront development. The extension is expected to open in 2006. An extension to SW Lowell is anticipated to be included in the FY 2008-12 Capital Improvement Plan.

Regional Water Supply Plan (RWSP)

The RWSP provides a comprehensive, integrated framework of technical information, resource strategies, and actions to meet the water supply needs of the cities, counties, and water districts in the Portland metropolitan area through the year 2050. The Oregon part of the metropolitan region is made up of three counties and 25 cities with a population of approximately 1.3 million.

The Consortium recently updated its Five Year Strategic Plan and the 2004 Regional Water Supply Plan, which direct the Consortium to focus on conservation program implementation, emergency planning and preparedness, water issue coordination, and planning decision support tools for water providers through the use of conservation, demand forecasting, and integration models. Part of this effort included negotiation of new wholesale water sales agreements between the City and its major wholesale water customers.

Environmental Services Policy

The FY 2006-07 budget for the Bureau of Environmental Services reflects a number of policies, with many intended to comply with federal and state requirements.

The City complies with federal ESA requirements to protect and restore salmon and steelhead species.

Endangered Species Act

In March of 1998 and March of 1999, NOAA-Fisheries (then called the National Marine Fisheries Service) issued final rules to list the Lower Columbia steelhead and chinook salmon as threatened species under the Endangered Species Act. To respond, the BES budget includes funding to develop and implement comprehensive watershed plans for the Willamette River watershed as well as the Fanno/Tryon Creek, Johnson Creek, and Columbia Slough sub-watersheds. The plans will provide background information and recommendations to improve watershed health that will support the City's fish recovery efforts.

Combined Sewer Overflow Program

The CSO capital program continues with eastside tunnel construction in FY 2006-07.

The budget provides for compliance with three administrative orders issued by the State Environmental Quality Commission relating to overflows from the combined sewer portion of the collection system. Terms of those orders require the City to eliminate discharges that violate applicable water quality standards. Such work must be completed by December 1, 2011 and is expected to cost approximately \$1.4 billion in current dollars.

Portland Harbor Sediments

The Environmental Protection Agency (EPA) has listed the Willamette River Portland Harbor as a Superfund site on the National Priorities List. The site is approximately six river miles in length, extending from the Multnomah Channel to the Swan Island industrial area, all within the corporate boundaries of Portland. BES, representing the City, participates in the Lower Willamette Group, a group of potentially responsible parties that has negotiated an administrative order with the EPA to fund and define the parameters of a remedial investigation and feasibility study to determine the extent of contamination in the harbor.

Sustainable Development

OSD carries out City/County policies on energy, global warming, green building, and sustainable operations.

Office of Sustainable Development

In the fall of 2000, City Council created the Office of Sustainable Development (OSD) by merging the former Energy Office and Bureau of Refuse Disposal. OSD implements the Portland Energy Policy, adopted by Council in 1990, and the Local Action Plan on Global Warming, adopted by both the City and Multnomah County in 2001. The office is also responsible for implementing the Green Building Initiative, which Council adopted in 1999, and supports and staffs the joint City-County Sustainable Development Commission, which was created to carry out the Sustainable City Principles adopted in 1994.

Solid Waste

Solid waste programs are now managed by the Office of Sustainable Development.

In creating OSD, Council assigned it responsibility for solid waste programs and policies. Council adopted Ordinance 162497 in 1990 to establish residential garbage collection franchise areas, expand neighborhood-based recycling programs, and assess a garbage collection franchise fee. In January 1996, a commercial recycling program was implemented. In FY 2001-02, the City Council approved renewal of the franchise contracts with private haulers for the residential solid waste and recycling collection services. The FY 2006-07 budget supports the continuation of this franchise collection system as well as an extensive recycling and yard debris program.

Economic Development Strategy

In October of 2002, the Portland Development Commission released its Economic Development Strategy for the City of Portland. The strategy, resulting from the work of a blue ribbon committee appointed by the Mayor, continues the work started with Prosperous Portland. The recommended strategies and actions will become the basis of a five-year economic development plan to be managed by PDC for the City.

Housing Policies

City Council's Adopted Comprehensive Plan includes a Housing Policy, known as Goal 4, which sets forth Portland's policies and objectives for housing supply, safety, quality, opportunity, and affordability. The Council also updated and adopted the Consolidated Plan 2005-10 in the spring of 2005. The Consolidated Plan describes the city's housing needs, and contains certain principles and priorities to guide expenditure of federal housing and community development funds to address those needs.

In December 2004, the City completed and published *Home Again: A 10-Year Plan to End Homelessness*. The plan focuses resources on programs and activities designed to end chronic homelessness, reduce the duration of homelessness, and improve coordination among the various public and private agencies that fund and administer programs. Affordable housing for people at 0-20% of median family income, along with necessary services, is a critical component of the 10-year plan, which calls for 1,600 new units of permanent supportive housing for chronically homeless people and an additional 600 new units for homeless families by 2015.

The City has a five-year goal to create 1,791 new affordable housing units.

In December 2003 the Council adopted Resolution 36190 establishing an affordable housing production goal. The goal is intended to meet the requirements of Metro's Urban Growth Management Functional Plan Title 7. The resolution sets the City's voluntary affordable housing production goal for the five-year reporting period at 1,791 new housing units. These are units affordable to households at or below 30% of area median income.

In August 2001, the City Council adopted a No Net Loss Policy establishing the goal of creating, preserving, and rehabilitating the supply of affordable housing in the central city and throughout the Portland metropolitan area.

Budget Notes

PUBLIC SAFETY

Bureau of Fire, Rescue, and Emergency Services

The Bureau of Fire, Rescue, and Emergency Services has an excellent record of returning to work firefighters with permanent restrictions, and the bureau is directed to expand on this record as other positions the bureau has identified as suitable for sworn employees with permanent restrictions become open. The Bureau of Fire, Rescue, and Emergency Services will report as part of each "BuMP" report on the number of positions available for sworn employees with permanent restrictions and the number of sworn employees with permanent restrictions currently on staff. The bureau will also report on the results achieved with the four permanent restriction positions added for FY 2006-07.

Bureau of Police

Opening of Precincts 24/7

The Police Bureau will report as part of each budget "BuMP" report on the following with respect to the opening of the precincts 24 hours a day, seven days a week:

- ◆ The services made available to the community that were previously unavailable or available only on a limited basis
- ◆ The responsibilities transferred to the officers staffing the precinct desks on the afternoon and night shifts to ensure their maximum use and productivity
- ◆ Performance measures against which the success of opening the precincts can be gauged

Problem-Oriented Policing Strategies

FY 2006-07 is the final year additional resources will be provided for implementation of the problem-oriented policing strategies (POPS) begun in FY 2005-06. The Police Bureau will present a plan to Council in the winter 2007 budget monitoring process (BuMP) to incorporate these projects into regular bureau operations with existing ongoing resources.

Photo Radar Program

The FY 2006-07 budget includes additional revenue of \$100,000 to be generated by the photo radar program. If less than this amount materializes, the Police Bureau will reduce its external materials and services budget as an offset.

Trust Account Funds

The FY 2006-07 budget includes a \$343,862 appropriation that reflects the transfer of interest earned on forfeited assets from a trust account to the Police Bureau budget. Expenditure of these funds is subject to approval by the Mayor.

Bureau of Emergency Communications

New Positions

The FY 2006-07 budget adds nine permanent and three limited term operator positions. Six of the permanent positions are funded through a reduction in the Bureau of Emergency Communications' overtime budget. It is Council's intent that anticipated salary savings be used to supplement the overtime budget. The other three permanent positions will be funded with additional General Fund resources and payments from other user jurisdictions, according to the pro-ration used for all bureau operating

expenses. The three limited term positions will be funded with Public Safety Fund resources (for Portland's share of expenses) and payments from other user jurisdictions. It is Council's intent to convert some or all of these to permanent positions supported with General Fund and user jurisdiction payments in future budget years. The Bureau of Emergency Communications (BOEC) will report to Council in each BuMP on the following:

- ◆ Estimated salary savings generated thus far in the fiscal year that can be applied to the overtime budget
- ◆ The number of vacancies in the 12 new positions
- ◆ The status of other jurisdictions' payments for the six positions not funded through a reduction in the overtime budget

Surplus Resources

Council is concerned that there is inconsistency in the payment structure for the jurisdictions served by the bureau. BOEC will propose an amendment to the appropriate inter-governmental agreement(s) to require all user jurisdictions to provide BOEC with their entire share of the budget, regardless of actual expenditures, in FY 2007-08 and thereafter. Beginning in FY 2007-08, if there are surplus resources at fiscal year-end, BOEC will deposit these resources in the Public Safety Fund to cover capital improvement and technology upgrade expenses at the bureau. BOEC will establish a structure to govern the expenditure of these resources that includes all user jurisdictions.

PARKS, RECREATION, AND CULTURE

Portland Parks and Recreation

Interstate Firehouse Cultural Center (IFCC)

In order to be eligible for \$80,000 in one-time General Fund resources for the Interstate Firehouse Cultural Center (IFCC), the IFCC board will obtain \$80,000 in matching donations from non-City government sources and the approval of the oversight committee to disburse funds. Council will match dollar for dollar, up to \$80,000, the matching donations from non-City government sources.

Golf

In a change of direction from last year, this budget directs Parks to raise fees within the City's Golf operation in order to raise funds to support ongoing operations and capital improvements within the Golf program. Parks will report back to Council as part of each FY 2006-07 BuMP review on progress made in developing a five-year capital investment program for the Golf program.

East Portland Pool

This budget includes a General Fund set-aside of up to \$3.8 million for assisting with the completion of the East Portland Pool. Funds will be made available to Parks when construction begins, currently estimated for August 2007.

Parks Maintenance Facility

The General Fund contingency will include \$650,000 for the Parks maintenance facility. To be eligible for the funds Parks must submit to the City Council for consideration a final Maintenance Facility Plan showing site acquisition and facility construction requirements by October 1, 2006.

PUBLIC UTILITIES

Maintenance and Replacement of Water Meters

Water, Environmental Services, and the Revenue Bureau will prepare a plan for maintenance and replacement of water meters. This plan will address the level of meter maintenance, frequency of meter replacement, evaluation of the costs and benefits of automatic meter reading, cost of the meter replacement program, method of payment, and share of the costs, for both large and small meters. This joint plan is to be incorporated into each bureau's five-year financial plan that is submitted in the fall of 2006.

Bureau of Environmental Services

The Bureau of Environmental Services (BES) is the responsible City agency for watershed issues, and it will lead a partnership with environmental organizations and the larger community to develop a prioritized plan by October 1, 2006 for completing watershed projects. BES can request up to \$500,000 in General Fund one-time funding to jump start project implementation but will incorporate a long-term watershed funding plan for projects into its future budgets.

COMMUNITY DEVELOPMENT

Bureau of Development Services

The Bureau of Development Services will prepare a report on the financial and programmatic status of the Signs Program in general and on the A-Board program in particular. The report should demonstrate the degree to which the program's processes are consistent with the program's objectives as set forth by Council.

Bureau of Housing & Community Development

The Bureau of Housing & Community Development will develop a financial plan by October 1 for sustainable funding of programs currently funded with one-time resources. The goal of this plan should be to minimize and eventually eliminate (within three years) the reliance on one-time funding for ongoing programs in order to minimize the risk to those served by these programs. In addition to addressing the loss of federal grant funding and local one-time resources, this financial plan should include a work plan to better coordinate housing and homeless services with the other service provider organizations in Multnomah County. One-time funds provided in FY 2006-07 should be considered a bridge to such a coordinated plan. The bureau should anticipate that the one-time bridge funding provided in FY 2006-07 will not necessarily be available in whole or in part in future years.

Office of Sustainable Development

Economic Development

The Office of Sustainable Development (OSD) is charged with developing an economic development program designed to attract and develop local and regional economic activity related to renewable energy and renewable energy technologies. OSD is directed to develop a proposal for utilizing up to \$735,000 that has been reserved for this effort, and will present their workplan to the City Council by September 1, 2006. If the proposal is accepted by Council all funds for this effort will be under the control and direction of the Office of Sustainable Development. The Portland Development Commission will utilize a portion of their existing resources to collaborate with OSD in the development of workplans and strategies.

Bureau Innovation Project (BIP) #18—Sustainable City Government

This budget funds one-half of the sustainable government position in OSD using General Fund one-time resources. OSD will fund the remainder of the cost of the position with internal reallocations. OSD will report back during future BuMP reviews as to progress made in implementing the work plan identified by BIP #18.

LEGISLATIVE, ADMINISTRATIVE, AND SUPPORT

Office of the City Auditor

Enterprise Document Management Strategy

Council requests that the Auditor work with the Bureau of Technology Services and other interested bureaus to develop an enterprise document management strategy.

Managing for Results Auditor Position

The Managing for Results (MFR) management auditor position is continued as limited term for a second year. Twenty-five percent of this position will be devoted to supporting the recommendations of Bureau Innovation Project #7-Customer Service. Council asks the Auditor to report on the extent to which this utilization is effective before any decision is made regarding the permanence of the position.

Office of Management and Finance (OMF)

Enterprise Business Systems Project

All City bureaus with staff involvement in the Enterprise Business Systems Project (EBSP) are strongly encouraged to bank budget savings to offset direct and indirect EBSP costs, including any staffing backfill needed to support the project, during the project's implementation period. The three budget monitoring processes during the year should be used to identify savings and make appropriate budget amendments.

Bureau of Purchases—Strategic Sourcing Position Citywide Savings

During the spring BuMP, the bureau will identify the estimated Citywide savings due to the strategic sourcing position. The savings will be quantified by bureau. Sufficient dollars will be transferred to the General Fund to offset the one-time costs associated with the position. Savings beyond paying the cost of the position will be retained by the various bureaus.

Bureau of Technology Services (BTS)—Enterprise Document Management Strategy

BTS will work with the Auditor and other interested bureaus to develop an enterprise document management strategy.

Financial Planning—Bureaus' Add Packages Status

The OMF Financial Planning Division will work with all bureaus to ensure that bureaus report results achieved with all add packages. This reporting may include adjustments to performance goals for existing performance measures, the creation of new performance measures, or simply narrative reporting of results in the FY 2006-07 BuMP reports and the FY 2007-08 Requested Budget. Financial Planning will include bureaus' performance results in BuMP and Requested Budget analyses in order to better inform the Mayor and Council on whether continued funding is appropriate relative to stated goals.

Office of the Mayor

Local Public Safety Coordinating Council

The FY 2006-07 Mayor's Office budget includes ongoing funds of \$25,000 for the Local Public Safety Coordinating Council (LPSCC). Before any of this appropriation is disbursed, LPSCC will submit a work plan and budget for these funds to the Mayor's Office.

Changes in Position Funding

This budget sets forth the City Council's intention to convert Central City Planning positions in the Bureau of Planning that are now funded by the Portland Development Commission to ongoing General Fund discretionary funding in the FY 2007-08 budget process. This budget also sets forth the City Council's intention to convert three new positions in the Portland Office of Emergency Management to ongoing General Fund discretionary and overhead funding in the FY 2007-08 budget process. These three positions are funded with one-time General Fund discretionary resources in FY 2006-07. Finally, this budget sets forth the City Council's intention to convert three limited term positions related to budget process coordination and gang reduction in the Mayor's Office to permanent positions with ongoing funding in FY 2007-08.

SPECIAL APPROPRIATIONS

Regional Arts & Culture Council (RACC)

RACC serves as Council's designated administrator of, and grantor for, area arts and culture programs. Council staff and RACC will work to amend the current RACC contract to further empower RACC to make decisions on behalf of Council and to entrust RACC with the responsibility of comprehensive support for, and communication with, the city's vibrant and diverse arts and culture community. Council will no longer consider stand-alone requests for funding from arts and culture organizations. The \$300,000 ongoing additional funding will allow RACC to expand the diversity of grant programs, offering new grant opportunities throughout the year outside existing granting cycles. These new grant opportunities shall include a citizen-advisory process in crafting guidelines and selecting recipients. The \$300,000 ongoing additional funding may be disbursed to RACC upon Council approval of the amended contract. RACC shall also develop a report to Council on the year-to-year needs of our arts and culture nonprofits and identify options beyond existing City resources for supporting them.

Funding for Jail Beds & Treatment Services

The City and Multnomah County share a joint responsibility to properly fund and manage the public safety system. The FY 2006-07 City budget sets aside continued funding of \$500,000 for voluntary substance abuse treatment (VSAT) programs. In addition, the FY 2006-07 City budget includes \$1.3 million to support the City's P57 Program to purchase the use of 57 jail beds from Multnomah County. These funds will be allocated after considering the county's funding level for the broad spectrum of public safety programs. Some or all of the \$1.3 million may be redesignated to fund public safety programs if county funding is eliminated. Programs receiving funds will identify performance indicators to track the impact of any City investment.

Portland Development Commission (PDC)

The City General Fund will provide \$50,000 in a one-time appropriation to the Portland Development Commission (PDC) for direct support to the law clinic for small business through Lewis & Clark School of Law. PDC has agreed to provide the clinic with office space and tenant improvements.

Financial Summaries

Guide to the Financial Summaries

Introduction

The Financial Summaries section of Volume One contains a variety of tables intended to help the reader view the FY 2006–07 Adopted Budget as a whole, consolidating the budget figures across all the City's funds and bureaus.

The Financial Summaries section of Volume Two contains the tables that summarize City finances by fund, as well as fund-specific detail.

The tables in this section do not include figures for the Portland Development Commission (PDC). PDC is a semi-autonomous agency that operates under City charter but is budgeted separately.

Volume One Summary Tables

Table 1 shows resources and requirements for the City.

Total City

The first summary (Table 1) offers the broadest picture: the entire City budget condensed onto one page, comparing FY 2005–06 with FY 2006–07. This summary shows that for the City as a whole, as well as for any individual fund, resources must always equal requirements. That is, the amount of money planned to be spent from a fund, plus the dollars reserved for contingencies or reserves, (requirements) must equal the total amount of money flowing into the fund plus its beginning balance (resources). For simplicity, the Financial Summaries use the terms *revenue* and *expense*, even though those terms have more specific meanings in the world of accounting. The detailed budget pages for individual funds, however, do use the more formally correct terms *resources* and *requirements* to signify what a fund has (or expects to get) versus what it needs.

Major Types of Expenditures

Table 1 shows the budget broken into its major revenue and expense classes. On the requirements side of the budget, there are two types of major expense classes: bureau expenses and fund expenses. Bureau expenses (bureau requirements in the individual fund pages) are the types of expenditures—operating or capital—that result from programs or services provided by the City's bureaus. These categories are personal services, internal materials and services, external materials and services, and capital outlay. Fund expenses (fund requirements) are financial requirements needed to keep a fund healthy and meet its obligations—such as contingencies, debt retirement, and most interfund transfers—but which may not be associated with the operations of any particular bureau. This distinction is important because the term *bureau requirements*, the service part of the budget, is used in some of the financial summaries rather than the total requirements for a fund.

Net Budget

The Citywide totals in Table 1 and other summaries show the sum of the various funds and a net budget figure. The net budget subtracts the double count caused by interfund transfers and tax anticipation notes. Tax anticipation notes (TANs) are short-term debt sold early in some years to provide cash until property tax revenues are received. The double count occurs because the City budgets for both TANs and property tax revenues.

SUMMARY BY SERVICE AREA

Table 2 shows operating and capital budgets by service areas.

Table 2, "Operating and Capital Budget by Service Area," summarizes the operating and capital expenditures included in bureau budgets for each fiscal year by service area and bureau. It does not include fund requirements, such as contingencies, reserves, debt principal, or interfund transfers.

GENERAL FUND REVENUES AND EXPENSES

Table 3 summarizes the budget for the General Fund, the City's largest, most visible, and most flexible fund. It shows the different sources of revenue, the expense budgets for individual bureaus, and the fund-level expenses, and compares the FY 2005–06 Revised Budget to the FY 2006–07 Adopted Budget.

Table 3 shows General Fund discretionary and total budgets by bureau.

Table 3 also shows how much of a bureau's budget comes from discretionary General Fund resources. Some of the General Fund revenues (non-discretionary resources) are restricted by contract or policy to be spent only for certain purposes, or by Council direction to dedicate them to a particular bureau because the revenues are generated by that bureau's operations. For instance, TriMet (the regional transit authority) contracts with the Police Bureau for police services. Those dollars can only be spent by the Police Bureau for activities related to that contract. Similarly, Portland Parks and Recreation generates fee income from its recreation programs that the City Council has decided, by policy, to dedicate to parks and recreation functions.

The major types of non-discretionary resources are grants and donations, contract revenues, interagency service agreements with another City bureau, revenues from services provided to the public for which there is a charge or fee, and overhead charges, which recover from other funds the cost of services provided by central administrative bureaus based in the General Fund.

The bureau's discretionary budget does not include revenues restricted to certain activities and thus represents the bureau's allocation of those dollars over which the City Council exercises discretion, such as property taxes, business licenses, or utility license fees.

The total General Fund FY 2006–07 Adopted Budget is \$469.7 million. After subtracting the cost of those activities tied to non-discretionary funding sources, the flexible part of the General Fund is actually \$333.9 million. City Council can choose to dedicate discretionary resources to any service area, bureau, or program.

SUMMARY OF AUTHORIZED POSITIONS

Table 4 summarizes positions authorized by City Council.

Table 4 is a summary of the positions authorized by Council through the budget process. Figures for FY 2005-06 and FY 2006-07 include permanent part-time positions and limited term positions, along with permanent full-time positions. Prior year figures for some bureaus include all three categories of positions, while others do not. While this change in methodology makes year-to-year comparisons somewhat difficult, the decision was made to include permanent full-time, permanent part-time, and limited term positions to better reflect the true size and nature of the City's workforce.

Total City Budget – Revenues and Expenses

TABLE 1

This table summarizes the City budget as a whole according to the major categories of expenses and revenues. The figures on this page combine all of the City's funds except those of the Portland Development Commission, a semi-autonomous agency that operates under City charter but is budgeted separately. All subsequent budget tables follow this format.

	Revised FY 2005-06	Adopted FY 2006-07
RESOURCES		
External Revenues		
Taxes	345,238,547	357,595,383
Licenses and Permits	120,940,528	137,784,608
Service Charges	391,877,533	416,567,037
Federal Sources	87,264,418	54,950,819
State Sources	62,548,031	55,842,243
Local Sources	70,238,226	75,593,495
Miscellaneous	54,790,926	71,236,399
Debt Proceeds	437,440,086	319,520,835
Total External Revenues	1,570,338,295	1,489,090,819
Transfer from Other Funds		
Service Reimbursements	204,832,716	207,564,098
Cash Transfers	500,250,845	574,207,910
Total Transfers from Other Funds	705,083,561	781,772,008
Beginning Fund Balances	512,025,420	662,697,211
Total Budget	2,787,447,276	2,933,560,038
Less Interfund Transfers and Tax Anticipation Notes	(725,092,561)	(801,772,008)
TOTAL NET BUDGET	\$ 2,062,354,715	\$ 2,131,788,030
REQUIREMENTS		
Bureau Expenses		
Personal Services	450,804,508	491,011,625
External Materials & Services	603,272,855	597,487,505
Internal Materials & Services	204,841,716	207,564,098
Capital Outlay	241,401,072	286,181,099
Total Bureau Expenses	1,500,320,151	1,582,244,327
Fund-Level Expenses		
Debt Service	263,524,871	324,043,657
Fund-Level Cash Transfers	500,250,845	574,207,910
Contingency	212,271,210	365,050,984
Total Fund-Level Expenses	976,046,926	1,263,302,551
Total Appropriated Budget	2,476,367,077	2,845,546,878
Unappropriated Ending Balance	311,080,199	88,013,160
Total Budget	2,787,447,276	2,933,560,038
Less Interfund Transfers and Tax Anticipation Notes	(725,092,561)	(801,772,008)
TOTAL NET BUDGET	\$ 2,062,354,715	\$ 2,131,788,030

Operating and Capital Budget by Service Area

TABLE 2

This table summarizes the operating and capital expenditures included in bureau budgets for each fiscal year, by service area, and by bureau. It does not include fund requirements such as contingencies, reserves, debt service, or interfund transfers.

	Revised FY 2005-06			Adopted FY 2006-07		
	Operating Budget	Capital Improvements	Total Expenditures	Operating Budget	Capital Improvements	Total Expenditures
Public Safety						
Bureau of Emergency Communications	13,559,359	0	13,559,359	14,342,698	0	14,342,698
Emergency Management	10,447,406	0	10,447,406	10,509,883	0	10,509,883
Fire	76,268,770	3,078,875	79,347,645	76,786,881	1,560,073	78,346,954
Fire & Police Disability & Retirement	87,512,296	0	87,512,296	89,733,722	0	89,733,722
Police	138,280,371	80,000	138,360,371	140,955,559	150,000	141,105,559
Public Safety Fund	681,417	775,434	1,456,851	0	871,786	871,786
Other Public Safety	10,549,949	7,811,378	18,361,327	10,994,194	11,442,470	22,436,664
Total Public Safety	337,299,568	11,745,687	349,045,255	343,322,937	14,024,329	357,347,266
Parks, Recreation, and Culture						
Golf	4,902,867	200,000	5,102,867	4,908,632	200,000	5,108,632
Parks and Recreation	49,222,864	0	49,222,864	48,144,491	0	48,144,491
Parks Construction Fund	0	18,596,477	18,596,477	0	17,318,733	17,318,733
Parks Local Option Levy	11,854,264	0	11,854,264	11,896,352	0	11,896,352
Portland International Raceway	1,385,293	0	1,385,293	1,442,508	50,000	1,492,508
Spectator Facilities	1,277,168	200,000	1,477,168	1,069,011	580,000	1,649,011
Other Parks, Recreation, and Culture	5,523,666	0	5,523,666	5,288,174	0	5,288,174
Total Parks, Recreation, and Culture	74,166,122	18,996,477	93,162,599	72,749,168	18,148,733	90,897,901
Public Utilities						
Bureau of Environmental Services	86,702,750	137,432,496	224,135,246	93,865,038	211,875,242	305,740,280
Bureau of Water Works	53,018,548	52,374,384	105,392,932	59,184,880	42,411,500	101,596,380
Hydroelectric Power	1,321,204	0	1,321,204	625,653	0	625,653
OSD - Solid Waste Management	2,725,621	0	2,725,621	2,788,047	0	2,788,047
Other Public Utilities	4,792,578	325,000	5,117,578	5,119,213	0	5,119,213
Total Public Utilities	148,560,701	190,131,880	338,692,581	161,582,831	254,286,742	415,869,573
Community Development						
Cable and Franchise Management	1,865,436	0	1,865,436	1,880,366	0	1,880,366
Cable Fund	3,140,942	0	3,140,942	3,218,246	0	3,218,246
Children's Investment Fund	17,580,728	0	17,580,728	21,513,364	0	21,513,364
Development Services Fund	31,704,513	0	31,704,513	36,807,155	0	36,807,155
Housing & Community Development	15,337,368	0	15,337,368	15,509,623	0	15,509,623
Housing & Community Dev. Fund	19,414,147	0	19,414,147	0	0	0
LID Construction	15,701,317	0	15,701,317	12,251,170	0	12,251,170
Office of Neighborhood Involvement	7,188,466	0	7,188,466	5,752,218	0	5,752,218
Office of Sustainable Development	3,257,666	0	3,257,666	2,873,942	0	2,873,942
Planning	6,503,678	0	6,503,678	7,577,053	0	7,577,053
Special Finance & Resource	112,742,731	0	112,742,731	147,116,500	0	147,116,500
Other Community Development	50,785,393	0	50,785,393	50,003,394	0	50,003,394
Total Community Development	285,222,385	0	285,222,385	304,503,031	0	304,503,031
Transportation and Parking						
Office of Transportation	95,885,020	85,243,763	181,128,783	96,992,159	71,075,215	168,067,374
Parking Facilities	4,307,118	2,648,405	6,955,523	4,546,757	2,328,000	6,874,757
Private for Hire Trans Safety	22,000	0	22,000	78,849	0	78,849
Total Transportation and Parking	100,214,138	87,892,168	188,106,306	101,617,765	73,403,215	175,020,980
Legislative, Administrative & Support Services						
Business License Surcharge	6,312,813	0	6,312,813	6,258,235	0	6,258,235
Campaign Finance	1,296,000	0	1,296,000	103,551	0	103,551
City Attorney	6,060,567	0	6,060,567	6,704,170	0	6,704,170

Operating and Capital Budget by Service Area

TABLE 2

This table summarizes the operating and capital expenditures included in bureau budgets for each fiscal year, by service area, and by bureau. It does not include fund requirements such as contingencies, reserves, debt service, or interfund transfers.

	Revised FY 2005-06			Adopted FY 2006-07		
	Operating Budget	Capital Improvements	Total Expenditures	Operating Budget	Capital Improvements	Total Expenditures
City Auditor	7,803,356	0	7,803,356	7,577,407	247,504	7,824,911
Government Relations	750,597	0	750,597	789,368	0	789,368
Licenses	7,923,205	0	7,923,205	0	0	0
Management and Finance	25,220,933	0	25,220,933	23,777,544	0	23,777,544
Mayor and Commissioners' Offices	4,770,312	0	4,770,312	5,324,513	0	5,324,513
OMF - CityFleet	22,132,673	0	22,132,673	21,003,050	0	21,003,050
OMF - Citywide Projects	4,857,739	4,395,848	9,253,587	0	9,017,205	9,017,205
OMF - Facilities Services	17,810,769	12,154,894	29,965,663	17,343,413	7,627,958	24,971,371
OMF - Insurance and Claims	6,589,437	0	6,589,437	7,896,561	0	7,896,561
OMF - Printing & Distribution	6,297,135	0	6,297,135	6,832,733	0	6,832,733
OMF - Revenue Bureau	14,388,942	0	14,388,942	25,587,668	0	25,587,668
OMF - Technical Services	40,441,337	5,205,956	45,647,293	45,891,967	2,310,500	48,202,467
OMF - Workers' Compensation	4,401,816	0	4,401,816	4,184,210	0	4,184,210
Other Leg, Admin & Support Services	47,276,696	0	47,276,696	40,128,019	0	40,128,019
Total Legislative, Administrative & Support Services	224,334,327	21,756,698	246,091,025	219,402,409	19,203,167	238,605,576
TOTAL EXPENDITURES	\$1,169,797,241	\$ 330,522,910	\$1,500,320,151	\$1,203,178,141	\$ 379,066,186	\$1,582,244,327
FUND REQUIREMENTS						
Contingency			212,271,210			365,050,984
Debt Retirement			263,524,871			324,043,657
Ending Fund Balance			311,080,199			88,013,160
GF Overhead Transfers			13,194,088			16,508,882
Other Cash Transfers			487,056,757			557,699,028
TOTAL CITY BUDGET	\$	\$	\$2,787,447,276	\$	\$	\$2,933,560,038
TOTAL NET CITY BUDGET	\$	\$	\$2,062,354,715	\$	\$	\$2,131,788,030

General Fund Revenues and Expenses

TABLE 3

This table summarizes the type of revenues into the General Fund, as well as the bureau expense budgets, with a comparison between fiscal years.

	Discretionary Budget		Total Budget	
	Revised FY 2005-06	Adopted FY 2006-07	Revised FY 2005-06	Adopted FY 2006-07
RESOURCES				
Beginning Fund Balance	33,505,245	19,314,473	33,505,245	30,064,473
Business Licenses	44,418,253	52,830,754	44,418,253	52,830,754
Intergovernmental	12,976,210	12,940,244	55,802,183	41,205,730
Lodging Taxes	12,092,518	13,502,206	12,092,518	13,502,206
Property Taxes	158,678,968	164,437,521	158,678,968	164,437,521
Service Charges and Other	1,625,510	4,864,196	25,320,179	29,495,001
Transfers from Other Funds/Agencies	1,532,203	6,867,960	70,266,721	78,996,138
Utility License Fees	57,612,597	59,143,137	57,612,597	59,143,137
TOTAL GENERAL FUND RESOURCES	\$ 322,441,504	\$ 333,900,491	\$ 457,696,664	\$ 469,674,960
EXPENSES				
City Attorney	1,789,043	1,758,817	6,060,567	6,704,170
City Auditor	3,064,573	3,300,047	7,803,356	7,824,911
Cable & Franchise Management	1,522,224	1,510,728	1,865,436	1,880,366
Commissioner of Public Affairs	296,194	317,844	674,617	690,870
Commissioner of Public Safety	287,587	307,573	638,140	670,426
Commissioner of Public Utilities	291,181	312,345	752,133	762,620
Commissioner of Public Works	290,444	313,221	643,487	679,521
Fire	72,714,148	72,688,020	79,457,482	78,346,954
Government Relations	305,189	334,640	\$750,597	789,368
Housing & Community Development	4,202,674	6,676,103	15,337,368	15,509,623
Licenses	2,804,397	0	7,923,205	0
Mayor	915,107	1,211,739	2,061,935	2,521,076
Office of Sustainable Development	863,546	936,236	3,257,666	2,873,942
Office of Emergency Management	386,688	865,380	10,447,406	10,509,883
Office of Management & Finance	5,100,174	9,372,294	25,220,933	23,777,543
OMF - Citywide Projects	1,236,500	0	9,253,587	9,017,205
OMF - Revenue Bureau	0	2,574,150	14,388,942	26,149,442
Office of Neighborhood Involvement	4,482,439	4,646,981	7,188,466	5,752,218
Parks & Recreation	31,217,721	30,722,262	49,222,864	48,144,491
Parks Stores	25,000	0	25,000	0
Planning	5,992,302	6,546,878	6,503,678	7,577,053
Police	121,945,167	123,284,718	138,360,371	141,105,559
Special Appropriations	19,904,939	23,739,074	\$20,354,535	\$24,095,409
Total Bureau Expenses	\$279,637,237	\$291,419,050	\$408,191,771	\$415,382,650
Contingency-Encumbrance Carryover	0	0	5,860,624	10,750,000
Contingency-Operating & Unforeseen	4,475,409	6,804,805	4,475,409	6,804,805
Transfers to Other Funds	38,328,858	35,676,635	39,168,860	36,737,505
TOTAL GENERAL FUND EXPENSES	\$ 322,441,504	\$ 333,900,490	\$ 457,696,664	\$ 469,674,960

Certain minor cash transfers from General Fund bureaus are reflected in the bureau line and are excluded from Discretionary Transfers to Other Funds. These are the Parks transfer and Licenses transfer to the Governmental Bond Redemption Fund.

Summary of Authorized Positions

TABLE 4

This table summarizes the number of regular permanent or limited term full-time and part-time positions authorized in each bureau or fund. Temporary part-time positions are not included.

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Adopted FY 2006-07	Change
General Fund					
Office of the City Attorney	37.00	43.77	46.55	47.33	0.78
Office of the City Auditor	64.00	64.48	59.30	62.40	3.10
Cable Communications and Franchise Management	6.70	6.80	6.80	6.70	-0.10
Children's Investment Fund	0.00	3.41	3.55	3.55	0.00
Commissioner of Public Affairs	8.00	8.00	6.83	6.75	-0.08
Commissioner of Public Safety	7.00	6.63	6.89	6.39	-0.50
Commissioner of Public Utilities	7.00	7.50	10.50	8.50	-2.00
Commissioner of Public Works	7.00	7.00	7.00	6.75	-0.25
Bureau of Fire, Rescue and Emergency Services	700.50	702.82	708.69	727.36	18.67
Office of Government Relations	4.00	3.48	4.00	4.00	0.00
Bureau of Housing and Community Development	23.00	27.36	27.36	26.46	-0.90
Bureau of Licenses	63.0	70.98	80.07	0.00	-80.07
Office of the Mayor	15.00	17.58	22.31	28.75	6.44
OMF Business Operations	37.60	31.60	31.20	28.60	-2.60
OMF Citywide Projects	0.00	24.00	21.00	5.00	-16.00
OMF Financial Services	57.50	58.48	57.68	58.48	0.80
OMF Human Resources	55.00	56.66	56.36	57.78	1.42
OMF Purchases	29.50	31.65	32.00	32.25	0.25
OMF Revenue Bureau	0.00	115.40	119.50	209.50	90.00
Office of Neighborhood Involvement	61.28	61.78	55.03	34.83	-20.20
Parks & Recreation	365.38	370.10	359.47	350.88	-8.59
Bureau of Planning	68.00	58.47	57.46	58.13	0.67
Bureau of Police	1,257.00	1,300.13	1,256.17	1,269.75	13.58
Portland Office of Emergency Management	6.00	8.00	10.58	15.00	4.42
Office of Sustainable Development	26.10	30.03	33.08	32.50	-0.58
Total General Fund	2,905.6	3,116.3	3,079.4	3,087.7	8.3
Other Funds					
Bureau of Development Services	270.25	276.94	291.13	320.05	28.92
Bureau of Emergency Communications	137.00	136.00	131.75	140.00	8.25
Bureau of Environmental Services	474.00	486.09	478.23	482.91	4.68
CityFleet	83.00	82.00	76.00	76.00	0.00
Facilities Services	37.00	37.30	37.00	34.50	-2.50
Golf	34.00	36.00	34.00	29.00	-5.00
Health Administration	6.00	7.00	7.00	7.00	0.00
Hydroelectric Power Division	3.00	3.00	3.00	2.60	-0.40
Parks Capital Improvement Program	17.90	14.00	13.50	15.71	2.21
Portland International Raceway	6.00	5.00	5.00	5.00	0.00
Printing & Distribution Services	26.00	26.00	26.00	26.00	0.00
Office of Transportation	708.00	768.78	756.97	768.81	11.84
Risk Management	17.00	23.00	22.00	21.00	-1.00
Technology Services	179.00	194.14	204.92	206.85	1.93
Water Division	557.00	433.75	485.32	542.35	57.03
Total Other Funds	2,555.2	2,529.0	2,571.8	2,677.8	106.0
TOTAL CITY	5,460.8	5,645.3	5,651.2	5,765.5	114.2

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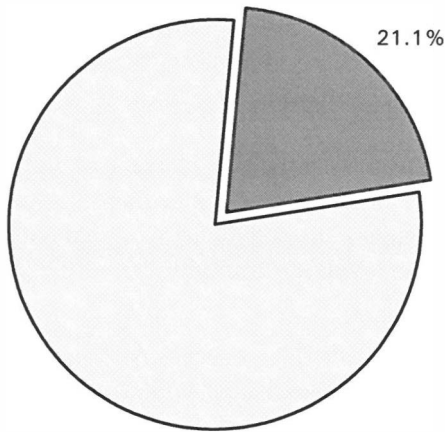
Public Safety

Bureau of Emergency Communications
 Portland Office of Emergency Management
 Bureau of Fire, Rescue, and Emergency Services

Fire & Police Disability & Retirement
 Bureau of Police

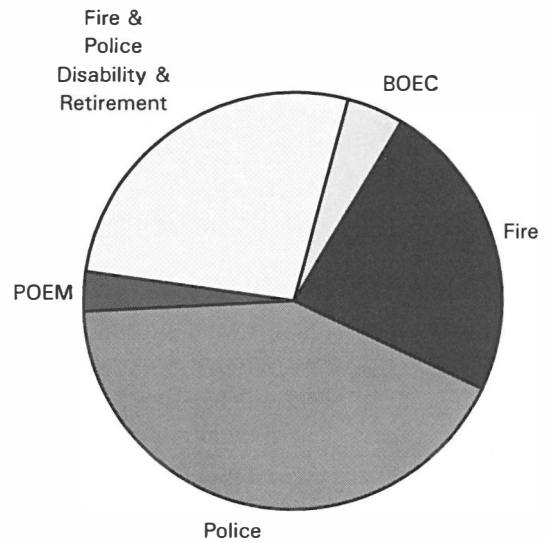
Percent of City Budget

Public Safety = \$334 Million



City Budget = \$1.58 Billion

Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	326,058,502	332,320,893	6,262,391	1.9%
Capital	3,158,875	1,710,073	-1,448,802	-45.9%
Total Expenditures	\$ 329,217,377	\$ 334,030,966	\$ 4,813,589	\$ 1.5%
Authorized Positions	2,112.23	2,152.11	39.88	1.9%

Service Area Highlights

DESCRIPTION

The Public Safety service area includes the Bureau of Emergency Communications; the Bureau of Fire, Rescue, and Emergency Services; the Bureau of Police; and the Office of Emergency Management. These bureaus provide critical public safety services, such as police protection, fire and emergency medical response, 9-1-1 call-taking, emergency dispatch, and disaster planning and mitigation. The Fire and Police Disability and Retirement Fund is also included in the Public Safety service area.

MAJOR THEMES

The FY 2006-07 Adopted Budget invests significant new resources in frontline public safety services and adds 60 new permanent positions to the public safety bureaus. Among other things, the new positions will be used to open all police precinct offices 24 hours a day, seven days a week; to open Fire Station 27; and to nearly double staffing at the Office of Emergency Management.

Police Bureau

The Police Bureau's Adopted Budget for FY 2006-07 reflects a decrease of approximately 1% in General Fund discretionary resources from the current appropriation level. However, significant increases in projected program revenues caused the bureau's total budget to grow by more than 2% from the current appropriation level. Major highlights of the bureau's FY 2006-07 budget are discussed below.

- ◆ All precincts will be opened 24 hours a day, seven days a week. Afternoon and night staffing for the offices is provided with 18 new limited-duty officer positions. These positions will be partially subsidized by the Fire and Police Disability and Retirement Fund for up to two years.
- ◆ A new policy to impound more vehicles directly, rather than releasing them to private tow, will be implemented. The policy is expected to improve customer service and generate \$3 million in new revenue. Five support positions are added to process the extra impounds.
- ◆ The bureau's Drugs and Vice Division will be moved to a more secure facility.
- ◆ An employee early intervention unit and an internal audit unit will be created with \$590,700 in additional General Fund resources and six new FTE.
- ◆ One permanent position and \$146,876 are added to the bureau's budget to support the electronic field reporting project.
- ◆ Funds of \$150,000 from the General Fund Capital Set-Aside are allocated for a replacement study of the aging Portland Police Data System.
- ◆ New funds of \$475,000 are made available to continue the problem-oriented policing strategies (POPS) begun in FY 2005-06. Approximately \$525,000 of the FY 2005-06 POPS appropriation will be carried forward to FY 2006-07 as well.
- ◆ To fill a gap left by an expiring federal grant, the bureau is receiving \$150,000 to pass through to community organizations that provide domestic violence advocates.
- ◆ A \$343,862 trust fund containing interest earned on forfeited assets will be dissolved and its assets transferred to the Police Bureau's operating budget.

- ◆ Six new red light cameras will be installed and photo radar vans will be placed more efficiently around the city. These actions are expected to generate \$150,000 in additional revenue.

Fire Bureau

The \$78.3 million FY 2006-07 Adopted Budget for the Bureau of Fire, Rescue, and Emergency Services is 1% less than its FY 2005-06 Revised Budget because budgeted grant revenue is declining from \$5.1 million to \$1.2 million. However, General Fund discretionary funding is increasing by 3% to \$72.7 million. Significant changes are:

- ◆ Addition of 12 FTE to staff the new Station 27 in northwest Portland while continuing to staff Station 45, which the City shares with the City of Gresham
- ◆ Addition of four positions for firefighters with permanent restrictions, thereby returning to work people now on long-term disability
- ◆ Increased ongoing discretionary funding to fully fund apparatus replacement, a \$1.6 million annual requirement

Bureau of Emergency Communications

The Bureau of Emergency Communications' General Fund allocation is reduced by a very small amount (approximately 0.1%) in the FY 2006-07 Adopted Budget from the current appropriation level. The following new positions are added for FY 2006-07:

- ◆ Three permanent operator positions, to be funded with additional General Fund resources and payments from other user jurisdictions
- ◆ Three limited term operator positions, to be funded with Public Safety Fund resources and payments from other user jurisdictions
- ◆ Six permanent operator trainee positions, to be funded with anticipated salary savings

Office of Emergency Management

The FY 2006-07 Adopted Budget for the Portland Office of Emergency Management (POEM) includes a 49% increase in General Fund discretionary and overhead resources from the current appropriation level. Full time permanent staff also increases from nine to 15 FTE. Notable POEM budget decisions are listed below.

- ◆ Six permanent, General Fund-supported positions are added to POEM. The positions are an operations manager; a grants assistant; an assistant program specialist for community outreach and training; and three program specialists for exercises, planning, and training. In addition, a limited term financial analyst position is converted to permanent.
- ◆ One-time funds of \$276,856 are added to POEM's budget to partially fund the potential relocation of POEM's administrative offices.
- ◆ The vacant assistant director position is eliminated and the funds associated with the position redirected to technology costs. POEM is also receiving an additional \$49,798 in new funds for technology costs.

Fire and Police Disability and Retirement Fund

The FY 2006-07 Adopted Budget supports ongoing activities and services provided for sworn members of the Fire and Police Bureaus, as well as their spouses and dependent minor children. The FY 2006-07 Adopted Budget is 3% higher than the FY 2005-06 Revised Budget. The increase is due to anticipated retirements; the Retirement program's budget is up 7%. By contrast, the Disability & Death Benefits program's budget is decreasing by 16% because of fewer claims and improved return-to-work efforts. The Administration program's costs are level.

In June 2006, Council directed the City Attorney to draft changes to the City Charter that would place new sworn hires in the Police and Fire Bureaus into the Oregon Public Service Retirement Plan. The charter amendments would also change the structure and responsibilities of the fund's Board of Trustees, removing the board from the disability decision-making process. The charter changes are expected to be included on the ballot for the November 2006 General Election.

Bureau of Emergency Communications

Public Safety Service Area

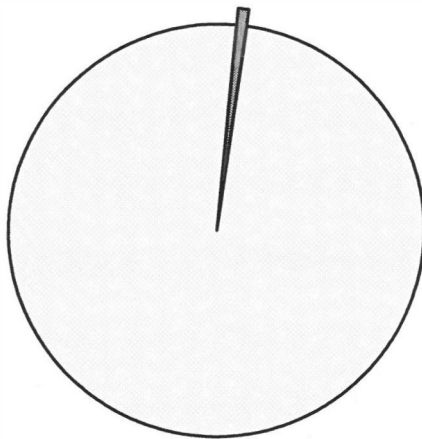
Randy Leonard, Commissioner-in-Charge

Lisa Turley, Director

Percent of City Budget

BOEC = \$14.3 Million

0.9%

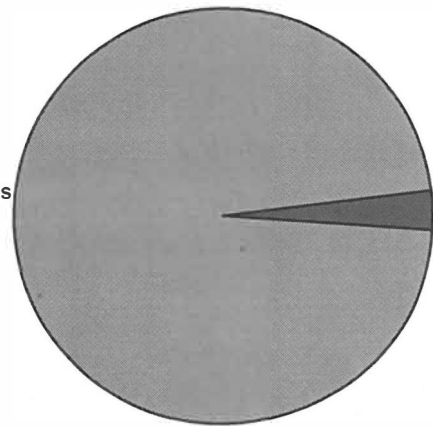


City Budget = \$1.58 Billion

Bureau Programs

9-1-1
Operations

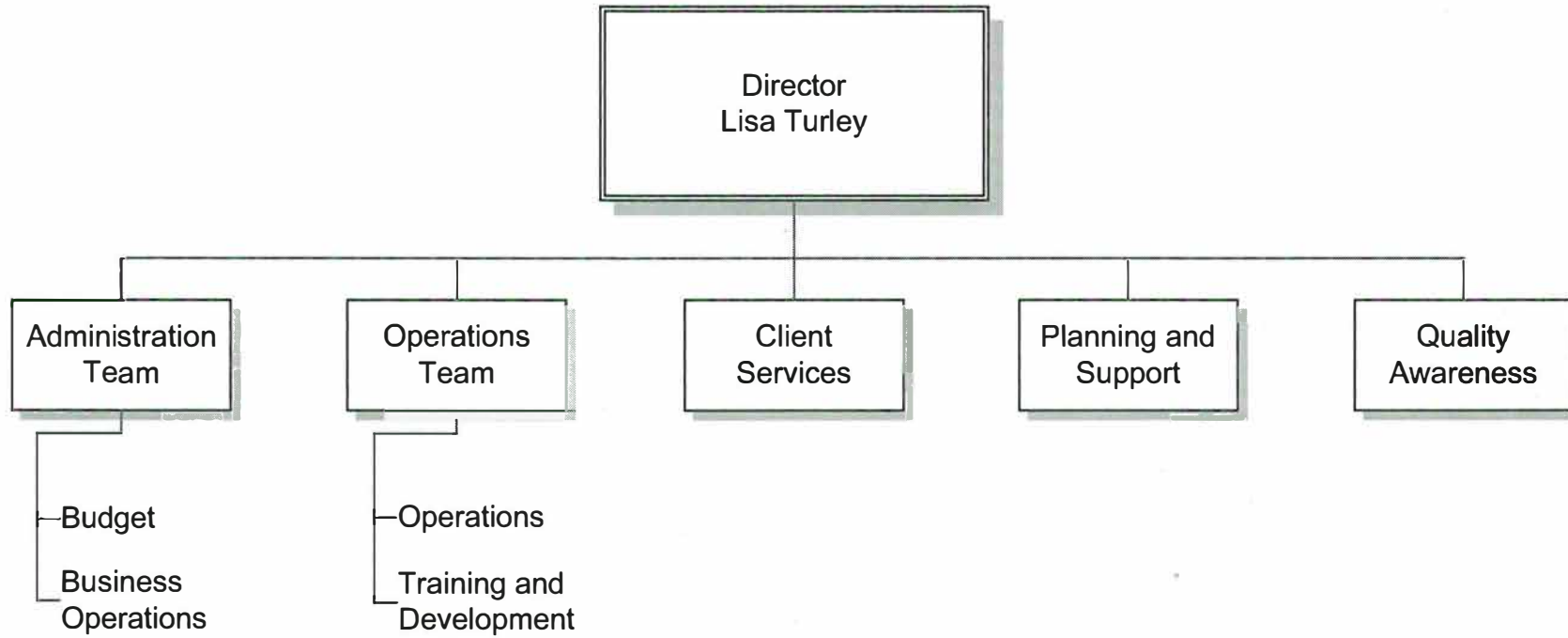
Admin



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	13,559,359	14,342,698	783,339	5.8%
Capital	0	0	0	0.0%
Total Expenditures	\$ 13,559,359	\$ 14,342,698	\$ 783,339	\$ 5.8%
Authorized Positions	131.75	140.00	8.25	6.3%

Bureau of Emergency Communications



Bureau Summary

BUREAU MISSION

The mission of the Bureau of Emergency Communications (BOEC) is to provide exemplary, quality, and timely 9-1-1 call-taking services to the citizens of Portland and Multnomah County, and to provide the best possible dispatch services to BOEC's police, fire, and medical user agencies.

VISION AND VALUES

We are a committed and compassionate community supporting each other through respect, consistency, fairness, and integrity, trusting that every action is taken from the highest and purest motive. BOEC strives to serve the public by providing the vital link between citizens in need and the proper emergency service responder by means of the most efficient operating systems available.

Our values are:

- ◆ *Competence:* The ability to perform all facets of the job with a high degree of skill, confidence, and efficiency. People have the expertise to work individually or as a team with a diverse customer base, including both callers and responders. People are able to fashion appropriate responses to new situations based on past experiences.
- ◆ *Integrity:* Actions and decisions are values-based. Values are not compromised for the sake of expediency. Doing the right thing in the right way is more important than doing things the easy way.
- ◆ *Respect:* People are valued and feel valued. They support and encourage each other. The environment is free of hostility, intimidation, discrimination, and harassment. When people disagree, they do so with civility.
- ◆ *Responsibility:* People understand their jobs and perform their duties to the best of their ability. People are accountable for their statements, actions, and performance. Credit for success is shared with all who contributed.
- ◆ *Teamwork:* The organization and its mission are paramount. There is a shared understanding of goals and priorities. People set aside their personal agendas and work together for the good of the organization. Everyone pulls his or her weight. Team members are loyal to each other.
- ◆ *Compassion:* We care about each other, emergency responders, and residents. That caring is demonstrated in the way we work together and the way we treat each other.

BUREAU OVERVIEW

Organizational Description

BOEC is the primary organization for public safety call taking and dispatch in Multnomah County. BOEC personnel process all 9-1-1 telephone calls, as well as calls to a government nonemergency number. Staff also dispatch police, fire, and emergency medical responders to incidents.

Operating Budget

The FY 2006-07 Adopted Budget for BOEC operations totals \$14.3 million and supports 137 permanent positions and 3 limited term positions. Of these positions, 116 are emergency communications operators (ECOs) and trainees. The budget is primarily supported by resources from the City of Portland and other regional user jurisdictions, as well as State of Oregon 9-1-1 tax revenues.

SUMMARY OF BUDGET DECISIONS

The FY 2006-07 Adopted Budget reflects an increase of \$783,339 in BOEC's operating budget from the FY 2005-06 Revised Budget.

A significant contributor to this increase in costs is an adjustment to fully fund health care benefits. For the past several years the City has subsidized the cost of health benefits from a reserve fund that is now depleted. All City bureaus must now cover the full cost of benefits.

Adopted Budget Changes

The FY 2006-07 Adopted Budget also includes the following key changes:

- ◆ The addition of six ECO trainee positions that will be funded with existing BOEC resources. The overtime budget has been reduced to \$231,718 to fund these positions, although overtime expenditures are expected to be maintained at about \$650,000 in FY 2006-07. It is anticipated that salary savings from attrition or recruitment challenges will be transferred to support this overtime expenditure level.
- ◆ The addition of six ECO II positions (three permanent and three limited term) that will be funded by an increase in BOEC's budget. Portland will fund its share of the three permanent positions with additional General Fund resources and its share of the three limited term positions with a transfer from the Public Safety Fund. Other BOEC user jurisdictions will share in the additional position expenses according to the same cost-sharing arrangement applied to all operating expenses.
- ◆ A change in funding source for development or acquisition of a digital mapping system. Rather than being funded from the operating budget, this project will be funded from the Public Safety Fund. The funding level required for internal development of the mapping system is \$86,000, but another option is to obtain a vendor system. A vendor system may be less expensive than internal development.

Continued Low Funding Levels for Information Technology

For FY 2006-07, the Bureau of Technology Services (BTS) recommended a funding level of \$950,000 for the equipment purchase and support agreement components of BOEC's interagency agreement (IA). The budget includes a lower funding level, which will only allow BOEC to keep existing equipment operational. It does not allow for the addition of new and more efficient technology or the aggressive replacement schedule recommended for an emergency response center that operates 24 hours a day, seven days a week.

Additional Funds for Trainees May Be Required

Due to the implementation of a third training academy each fiscal year, BOEC anticipates that there may be more trainees than available positions for several months in FY 2006-07. BOEC will double-fill trainees into existing positions to meet this need and will fund the additional cost with savings from months when there were fewer trainees than positions. However, additional funding from the Public Safety Fund may also be required.

BUDGET NOTES

New Positions

The FY 2006-07 budget adds nine permanent and three limited term operator positions. Six of the permanent positions are funded through a reduction in the Bureau of Emergency Communications' overtime budget. It is Council's intent that anticipated salary savings be used to supplement the overtime budget. The other three permanent positions will be funded with additional General Fund resources and payments from other user jurisdictions, according to the pro-ratio used for all bureau operating expenses. The three limited term positions will be funded with Public Safety Fund resources (for Portland's share of expenses) and payments from other user jurisdictions. It is Council's intent to convert some or all of these to permanent positions supported with General Fund and user jurisdiction payments in future budget years. The Bureau of Emergency Communications (BOEC) will report to Council in each BuMP on the following:

- ◆ Estimated salary savings generated thus far in the fiscal year that can be applied to the overtime budget
- ◆ The number of vacancies in the 12 new positions
- ◆ The status of other jurisdictions' payments for the six positions not funded through a reduction in the overtime budget

Surplus Resources

Council is concerned that there is inconsistency in the payment structure for the jurisdictions served by the bureau. BOEC will propose an amendment to the appropriate intergovernmental agreement(s) to require all user jurisdictions to provide BOEC with their entire share of the budget, regardless of actual expenditures, in FY 2007-08 and thereafter. Beginning in FY 2007-08, if there are surplus resources at fiscal year-end, BOEC will deposit these resources in the Public Safety Fund to cover capital improvement and technology upgrade expenses at the bureau. BOEC will establish a structure to govern the expenditure of these resources that includes all user jurisdictions.

Strategic Direction

SIGNIFICANT ISSUES

CAD Replacement

BOEC and its partner agencies have initiated a project to review the replacement options for the computer aided dispatch (CAD) system. The current system was installed in 1994 and is 12 years old. The average life span for a CAD system is 10 to 15 years. Of the identified options, the consultant is expected to recommend the purchase of a commercial off-the-shelf system. If this approach is pursued, the acquisition and implementation cost is estimated at \$12 million over two to three years. Identification of funding and system specification documentation are the next steps in this complex project.

Staffing Issues

Beginning in FY 2005-06, BOEC increased the number of recruitment processes and trainee academies each fiscal year from two to three, in an attempt to increase the number of ECO trainees hired and certified. In addition to the usual academies that begin in September and February, BOEC has added a November academy for FY 2006-07. Up to nine trainees are hired for each academy. Currently, there are about 85 certified ECOs. BOEC's goal is to maintain a certified staffing level of at least 102.

BOEC has also established a Recruitment and Retention Committee that is tasked with identifying and implementing actions to improve recruitment success and trainee certification rates. This committee was formed in FY 2005-06 and will continue its work in FY 2006-07.

Public Safety Fund

The Public Safety Fund was originally created through a 1989 property tax levy to fund construction of the emergency communications center and acquisition of the CAD system. The fund has been maintained for over 15 years with surplus revenues and interest income, but the fund's resources are diminishing. Portland and the other user jurisdictions have elected to draw on the Public Safety Fund to periodically supplement BOEC's operating budget over the years.

The Adopted Budget contains a proposal that any year-end savings in BOEC's operating budget be transferred to the Public Safety Fund for capital and technological needs, rather than refunded to the user jurisdictions. Portland is currently the only user jurisdiction that waives its right to a refund. BOEC will lead discussions of this proposal in the coming year for implementation in FY 2007-08.

Other Significant Strategic Issues

BOEC is currently addressing other significant strategic issues:

- ◆ *Community and Agency Relationships*—promoting and nurturing relationships with the community and client agencies
- ◆ *Agency Service*—increasing the efficiency and quality of call handling and dispatching
- ◆ *Organizational Improvement*—improving internal organizational effectiveness
- ◆ *Training and Development*—providing consistent, high quality, and ongoing training to develop employees to their fullest potential
- ◆ *Employee Well-Being*—increasing employee morale, health, and job satisfaction

MANAGEMENT GOALS & OBJECTIVES

Long-Term Goals

BOEC's primary goal is to provide excellent 9-1-1 call-taking and dispatch services to the citizens and emergency response agencies of the regional user jurisdictions. This goal aligns with the City goal of ensuring a safe and peaceful community.

In order to provide excellent 9-1-1 call-taking and dispatch services, BOEC has adopted the following secondary goals:

- ◆ Strive to attain and maintain full staffing levels by continuously reviewing hiring and selection processes
- ◆ Provide initial and continuing education for instructors and vigilantly monitor trainee progress toward certification
- ◆ Provide in-service continuing education and training for certified operators that improves employee performance, as well as job satisfaction, knowledge, and skills
- ◆ Review and update BOEC's technological support systems, which are critical to reliable and efficient call-taking and dispatch
- ◆ Improve labor-management relations and cooperation to improve accountability and work processes. To reach this objective, BOEC convenes monthly meetings of the bureau's labor-management committee
- ◆ Enhance the bureau's quality awareness program to ensure continuous improvement in bureau policies, procedures, training processes, and work environment. The bureau also evaluates the need for new technologies as part of its quality assurance process

Bureau Management Objectives for FY 2006-07

In addition to long-term goals, BOEC has identified several specific, measurable objectives for FY 2006-07. BOEC is committed to meeting or exceeding these requirements.

Call-Taking Objectives

- ◆ 80% of all emergency 9-1-1 calls will be answered in less than 20 seconds

Police Dispatch Objectives

- ◆ For 90% of all priority emergency and priority 1 calls, the time from entry to first dispatch action will be less than 30 seconds
- ◆ For 90% of all priority 2 calls, the time from entry to first dispatch action will be less than 60 seconds
- ◆ For 90% of all priority 3-5 calls, the time from entry to first dispatch action will be less than 180 seconds

Fire Dispatch Objectives

- ◆ For 90% of all urgent calls (commercial, auto, and residential fires), the time from entry to first dispatch action will be less than 15 seconds
- ◆ For 90% of all other calls, the time from entry to first dispatch action will be less than 30 seconds

Emergency Medical Dispatch Objectives

- ◆ For 90% of all priority emergency, priority 1, and priority 2 calls, the time from entry to first dispatch action will be less than 30 seconds
- ◆ For 90% of all priority 3-9 calls, the time from entry to first dispatch action will be less than 90 seconds

Hiring Objectives

- ◆ Actively participate in City-sanctioned recruiting events
- ◆ Exceed the bureau's affirmative action goals for hiring
- ◆ Hire, train, and certify a sufficient number of employees each year to offset attrition and meet operational demands

Overview of Programs

ADMINISTRATION

Description	Administration provides oversight and leadership for BOEC operations, as well as administrative support for the organization as a whole. The functions performed by administrative staff are similar from year to year. In FY 2006-07, BOEC's Administration team will continue to provide operations support, including budget preparation and administration, purchasing, accounting, payroll processing, building security, and research and analysis.
Relationship to Goals	<p>City Goal: Ensure a safe and peaceful community</p> <p>This program also supports the bureau goals to:</p> <ul style="list-style-type: none"> ◆ Attain and maintain full staffing levels ◆ Train instructors and monitor trainee progress ◆ Provide continuing education and training for certified operators ◆ Review and update BOEC's technological support systems ◆ Improve labor-management relations ◆ Enhance the bureau's quality awareness program
Performance	Administration strives to keep its program costs and staffing at no more than 10% of overall bureau costs and staffing. The FY 2006-07 Adopted Budget includes administrative costs that equal 6% of the total bureau budget, and administrative staffing that equals 4% of total bureau staffing. This represents a slight improvement over FY 2005-06 and FY 2004-05, when administrative costs were 7% of the total bureau budget.
Changes to Services and Activities	There are no significant changes in this program for FY 2006-07.

9-1-1 OPERATIONS

Description	The Operations program provides 9-1-1 call-taking and dispatch services to the residents and emergency response agencies of the regional user jurisdictions.
Relationship to Goals	<p>City Goal: Ensure a safe and peaceful community</p> <p>BOEC has identified several performance goals for the Operations program. Call-taking performance is measured primarily by the percent of emergency 9-1-1 calls answered within 20 seconds. BOEC's User Board has established a goal of answering 80% of all emergency 9-1-1 calls within 20 seconds. Dispatch performance is measured primarily by the percent of top priority calls dispatched within a certain time frame. The BOEC User Board has established a goal of dispatching top priority police and medical emergency calls within 30 seconds and top priority fire calls within 15 seconds.</p>
Performance	Most of BOEC's performance measures reflect the success of the Operations program. These performance measures are discussed in detail below.

Call-Taking and Dispatch

Success in achieving call-taking and dispatch performance goals reflects call volume, staffing levels, and emergency responder availability, as well as the individual performance of operators. BOEC expects call volume to increase to roughly 870,000 calls in FY 2006-07, consisting of approximately 570,000 emergency and 300,000 nonemergency calls.

Percent of emergency 9-1-1 calls answered within 20 seconds: The BOEC User Board has set a goal of 80% for this measure. Performance has increased from 85% to 89% in recent years, which is probably attributable to operator efforts and reduced call volume due to the implementation of the "Reno Solution" last year. However, with current low staffing levels, BOEC expects performance to drop to 85% in FY 2006-07.

The total number of emergency 9-1-1 calls answered in more than two minutes has increased from an average of 40 per month in 2001 to more than 250 per month in 2005. This past August, BOEC's busiest month, an alarmingly high number of calls—4,000—held for more than two minutes. In addition, more than 10,500 emergency callers were on hold for 20 seconds or longer in August 2005.

Percent of police "emergency priority" calls dispatched within 30 seconds: The BOEC User Board goal is 90%. Recent performance has ranged from 78% to 80%. BOEC anticipates FY 2006-07 performance to be about 80%. On average, there are 350,000 police dispatches per year. This dispatch volume is expected to continue next year.

Percent of medical "priority emergency, 1, or 2" calls dispatched within 30 seconds: The BOEC User Board goal is 90%. Recent performance has been 96%. BOEC expects this performance level to continue for FY 2006-07. On average, there are 50,000 to 55,000 medical dispatches per year. This dispatch volume is expected to continue next year.

Percent of fire "urgent" calls dispatched within 15 seconds: The BOEC User Board goal is 90%. Recent performance has been about 81%. BOEC expects this to improve to about 85% in FY 2006-07. On average, there are about 70,000 fire dispatches per year. This dispatch volume is expected to continue next year.

Average time to answer emergency 9-1-1 calls: Unless there is an extreme emergency or a phone system problem, this measure stays fairly close to 8 seconds from year to year.

Trainee Certification

Percent of trainee class certified within 18 months: The training process for new ECOs involves a nine-week classroom academy and approximately 10 months of coaching and on-the-job training. Operator certification is a nationwide challenge in the 9-1-1 industry, and BOEC's performance of around 50% is similar to the national average. BOEC expects this rate to continue into FY 2006-07. To improve trainee retention in FY 2006-07, BOEC will begin providing more call-taking experience to trainees before moving on to dispatch training.

Workload

Emergency calls and nonemergency calls: Traditionally, the number of calls has increased in concert with the population, generally about 1% to 2% per year. Call volume had increased to a high of about 940,000 in FY 2003-04. When BOEC introduced the "Reno Solution," a call screening mechanism that requires cell phone callers to verify that they are having an emergency, call volume was reduced. About 870,000 total calls are expected in FY 2006-07.

Calls per emergency communications operator: This measure indicates workload per operator, although calls are of varying lengths so this measure only provides a partial picture. Currently, there are 85 certified operators, with six on short-term medical or other leave. Calls per operator in FY 2004-05 were 7,803. BOEC anticipates this to increase slightly this year and next year, to around 8,000.

Calls per capita: This is an average measure of the number of calls per person in Multnomah County. The previously mentioned "Reno Solution" reduced the average from 1.4 to 1.3 in FY 2004-05. BOEC expects this to drop further to about 1.2 in FY 2005-06, but then return to 1.3 in FY 2006-07 as a result of population growth.

Changes to Services and Activities

Staffing Levels

BOEC is accelerating its recruitment and training efforts by adding a third trainee academy to FY 2006-07. BOEC's goal is to hire nine trainees for each of these academies. During the last several years, the number of ECO positions has been reduced from a high of 120 positions to 104 in FY 2005-06. The FY 2006-07 Adopted Budget begins to reverse this trend by adding four permanent and two limited term ECOs, as well as six permanent ECO trainee positions.

The training time from date of hire to full certification is 12 to 18 months. With this training time requirement, BOEC does not expect performance improvements from the new positions in FY 2006-07. However, BOEC does expect to expend a great deal of effort on training next year, with more trainees on staff than at any time in the past ten years.

The "Reno Solution"

The "Reno Solution" has achieved significant reductions in cell phone call processing volume with very few complaints. BOEC implemented the change on December 1, 2004, and the average number of cell phone calls dropped almost immediately from 580 to 184 per day. Previously, cell phone calls made up approximately 50% of overall call volume. If the trend following the "Reno Solution" implementation continues, this number could drop to 25%.

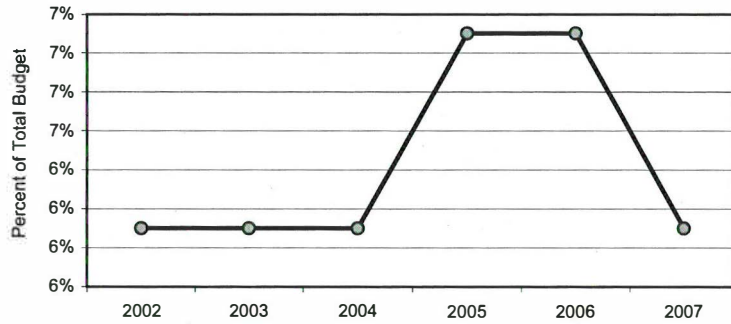
Call Volume

As discussed above, call volume is expected to increase by about 20,000 to 870,000 total calls in FY 2006-07.

Performance Measures

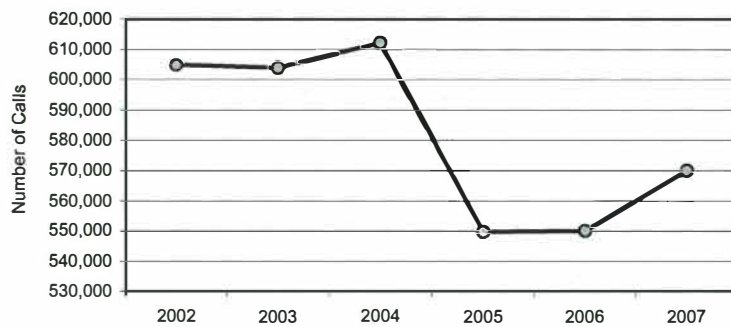
Administrative Costs as Percent of Total Budget

- ◆ BOEC's objective is to manage administrative costs so that they are 10% or less of BOEC's total budget.



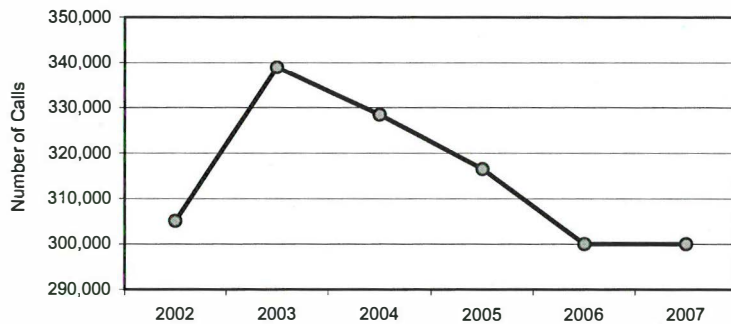
Number of Emergency 9-1-1 Calls

- ◆ The 2004 introduction of the "Reno Solution," a screening technique that requires cell phone callers to verify their call is intentional, caused a significant drop in call volume. BOEC expects emergency calls to increase from this lower point in accord with population growth, which has historically driven increases in 9-1-1 call volume.



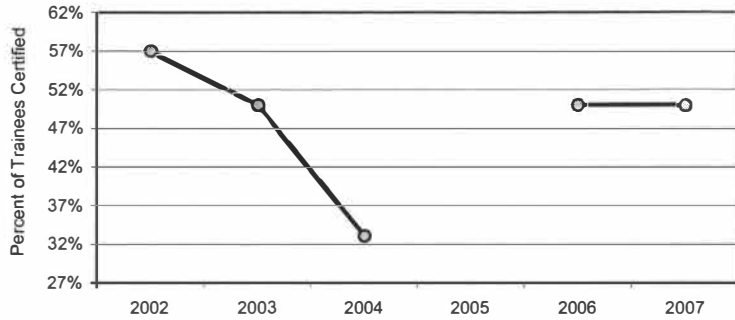
Number of Nonemergency Calls

- ◆ The number of calls to the nonemergency number has been steadily declining since 2003. The "Reno Solution" contributed to this decline in 2004. BOEC expects nonemergency call volume to level out at about 300,000 calls per year.



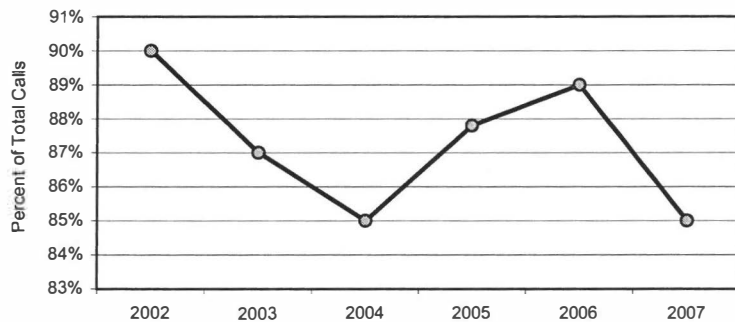
Trainee Certification Rate

- ◆ The trainee certification rate dipped to less than 33% in 2004 and was not measured in 2005. This year the rate returned to 50%, in line with the historical and industry average of 50% to 60%. BOEC is working to improve certification success through better recruitment, selection, training, and retention processes.



Percent of Emergency Calls Answered Within 20 Seconds

- ◆ The BOEC User Board has adopted a performance goal of 80%, which BOEC has consistently exceeded in recent years. BOEC expects the percent of calls answered within 20 seconds to drop in FY 2006-07, given the current low number of certified operators.



Bureau of Emergency Communications

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
BUREAU OF EMERGENCY COMMUNICATIONS						
Administration						
Efficiency						
Administrative Cost as a Percent of Total Budget	6%	6%	6%	7%	7%	6%
9-1-1 Operations						
Effectiveness						
Percent of Emergency 9-1-1 Calls Answered Within 20 Seconds	90%	87%	85%	88%	89%	85%
Percent of Police "Emergency Priority" Calls Dispatched Within 30 Seconds	76%	77%	79%	78%	80%	80%
Percent of Fire "Urgent Priority" Calls Dispatched Within 15 Seconds	82%	81%	81%	81%	81%	85%
Percent of Medical "Priority Emergency, 1, or 2" Calls Dispatched Within 30 Seconds	96%	96%	96%	96%	96%	96%
Average Time to Answer Emergency 9-1-1 Calls (Seconds)	5	8	9	8	8	8
Efficiency						
Percent of Trainee Class Certified Within 18 Months of Hire	57%	50%	33%	NA	50%	50%
Overtime Hours	24,660	24,877	11,530	12,973	11,300	11,300
Workload						
Total Calls, Emergency Telephone Lines	604,863	603,923	612,176	549,691	550,000	570,000
Total Calls, Nonemergency Telephone Lines	305,066	338,910	328,418	316,470	300,000	300,000
Calls per Emergency Communications Operator	9,553	8,772	9,256	7,803	8,170	7,980
Calls per Capita	1.40	1.40	1.40	1.30	1.20	1.30

Bureau of Emergency Communications

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	9,176,240	9,204,599	10,280,242	10,828,635	10,863,545
External Materials and Services	386,133	278,809	265,542	185,736	185,736
Internal Materials and Services	2,349,281	2,743,304	3,013,575	3,320,791	3,293,417
Minor Capital Outlay	64,868	0	0	0	0
Total Operating Budget	11,976,522	12,226,712	13,559,359	14,335,162	14,342,698
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 11,976,522	\$ 12,226,712	\$ 13,559,359	\$ 14,335,162	\$ 14,342,698
Allocated Overhead	385,968	204,723	303,779	455,561	455,561
Total Cost with Allocated Overhead	12,362,490	12,431,435	13,863,138	14,790,723	14,798,259
RESOURCES					
Emergency Communication Fund	11,976,522	12,226,712	13,559,359	14,335,162	14,342,698
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Administration	844,489	841,957	672,742	486,896	486,896
<i>Positions</i>	<i>8.00</i>	<i>8.00</i>	<i>7.00</i>	<i>5.00</i>	<i>5.00</i>
9-1-1 Operations	11,132,033	11,384,755	12,886,617	13,848,266	13,855,802
<i>Positions</i>	<i>129.00</i>	<i>128.00</i>	<i>124.75</i>	<i>135.00</i>	<i>135.00</i>
TOTAL PROGRAMS	\$ 11,976,522	\$ 12,226,712	\$ 13,559,359	\$ 14,335,162	\$ 14,342,698
<i>Positions</i>	<i>137.00</i>	<i>136.00</i>	<i>131.75</i>	<i>140.00</i>	<i>140.00</i>

Bureau of Emergency Communications

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7978	Asst Emergency Comm Oper Mgr	0.00	1.00	1.00	73,904	1.00	76,708	1.00	76,708
0316	Emerg Comm Oper, Trainee	0.00	0.00	0.00	0.00	6.00	210,240	6.00	210,240
0317	Emergency Comm Operator I	4.00	2.00	1.00	49,908	1.00	48,516	1.00	48,516
0318	Emergency Comm Operator II	105.00	103.00	103.00	5,317,044	105.00	5,376,483	106.00	5,418,831
0100	Office Supp Spec I	0.00	0.00	1.00	25,150	1.00	29,660	1.00	29,660
0102	Office Supp Spec II	1.00	1.00	1.00	35,222	1.00	38,568	1.00	38,568
7103	Administrative Assistant	1.00	1.00	1.00	60,924	1.00	60,924	1.00	60,924
7102	Administrative Specialist, Sr	1.00	1.00	1.00	47,004	1.00	47,648	1.00	47,648
7106	Administrative Supervisor I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7112	Business Operations Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7110	Business Operations Supervisor	0.00	1.00	1.00	71,100	1.00	73,278	1.00	73,278
7985	Emergency Com Pgm Coord	0.00	2.00	2.00	148,464	2.00	148,464	2.00	148,464
7977	Emergency Comm Oper Mgr	1.00	1.00	1.00	88,776	1.00	90,594	1.00	90,594
7975	Emergency Comm Supervisor	8.00	10.00	11.00	720,708	11.00	722,040	11.00	722,040
7976	Emergency Comm Supervisor, Sr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7980	Emergency Comm Train/Dev Officer	1.00	1.00	1.00	54,348	1.00	55,596	1.00	55,596
7085	Emergency Communications Dir.	1.00	1.00	1.00	104,976	1.00	107,130	1.00	107,130
7131	Management Analyst	0.00	0.00	1.00	58,776	1.00	59,982	1.00	59,982
7133	Principal Management Analyst	1.00	1.00	1.00	81,421	1.00	84,744	1.00	84,744
0970	Program Manager II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		128.00	127.00	128.00	\$ 6,937,725	136.00	\$ 7,230,575	137.00	\$ 7,272,923
0316	Emerg Comm Oper, Trainee	9.00	9.00	3.75	353,826	0.00	0.00	0.00	0.00
0318	Emergency Comm Operator II	0.00	0.00	0.00	0.00	4.00	169,392	3.00	127,044
TOTAL LIMITED TERM POSITIONS		9.00	9.00	3.75	\$ 353,826	4.00	\$ 169,392	3.00	\$ 127,044

Bureau of Emergency Communications

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	14,157,838	0	14,157,838	128.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(82,708)	0	(82,708)	0.00	Reduction in Employee Health Insurance Rates
Mayor's Proposed Budget Decisions					
	(86,000)	0	(86,000)	0.00	Shift Digital Map Project Cost to Public Safety Fund
	0	0	0	6.00	Six Permt. Trainees Funded from Overtime
	115,344	0	115,344	2.00	Two Permt. Operators Funded from General Fund
	0	230,688	230,688	4.00	Four LT Operators Funded from Public Safety Fund
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	57,672	(57,672)	0	0.00	Shift One LT Operator to Permanent GF Support
	7,536	0	7,536	0.00	Decrease Transfer to Campaign Finance Fund
	11,844	173,016	184,860	12.00	Total FY 2006-07 Decision Packages
			\$ 14,342,698	140.00	Total Adopted Budget



Bureau of Fire, Rescue, and Emergency Services

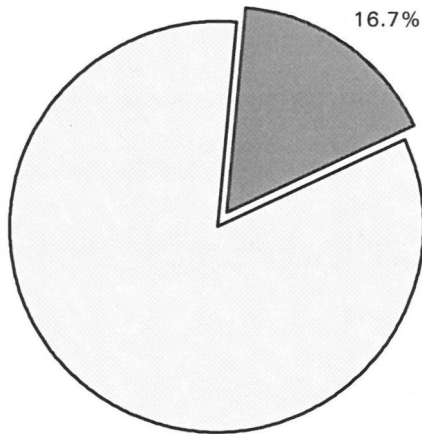
Public Safety Service Area

Erik Sten, Commissioner-in-Charge

Dave Sprando, Fire Chief

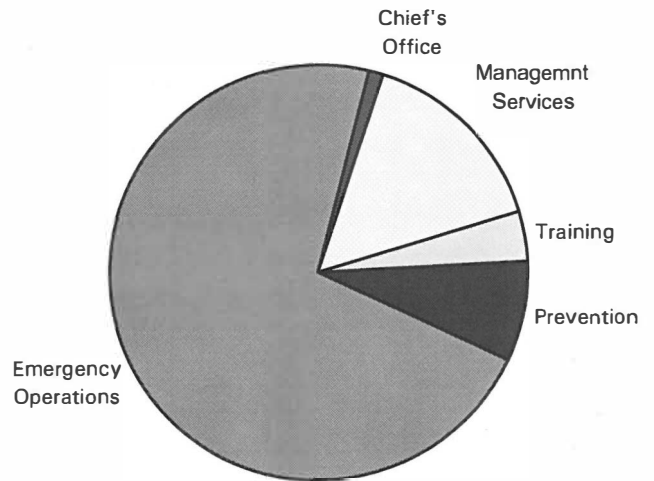
Percent of General Fund

Fire = \$78.3 Million



General Fund = \$469.7 Million

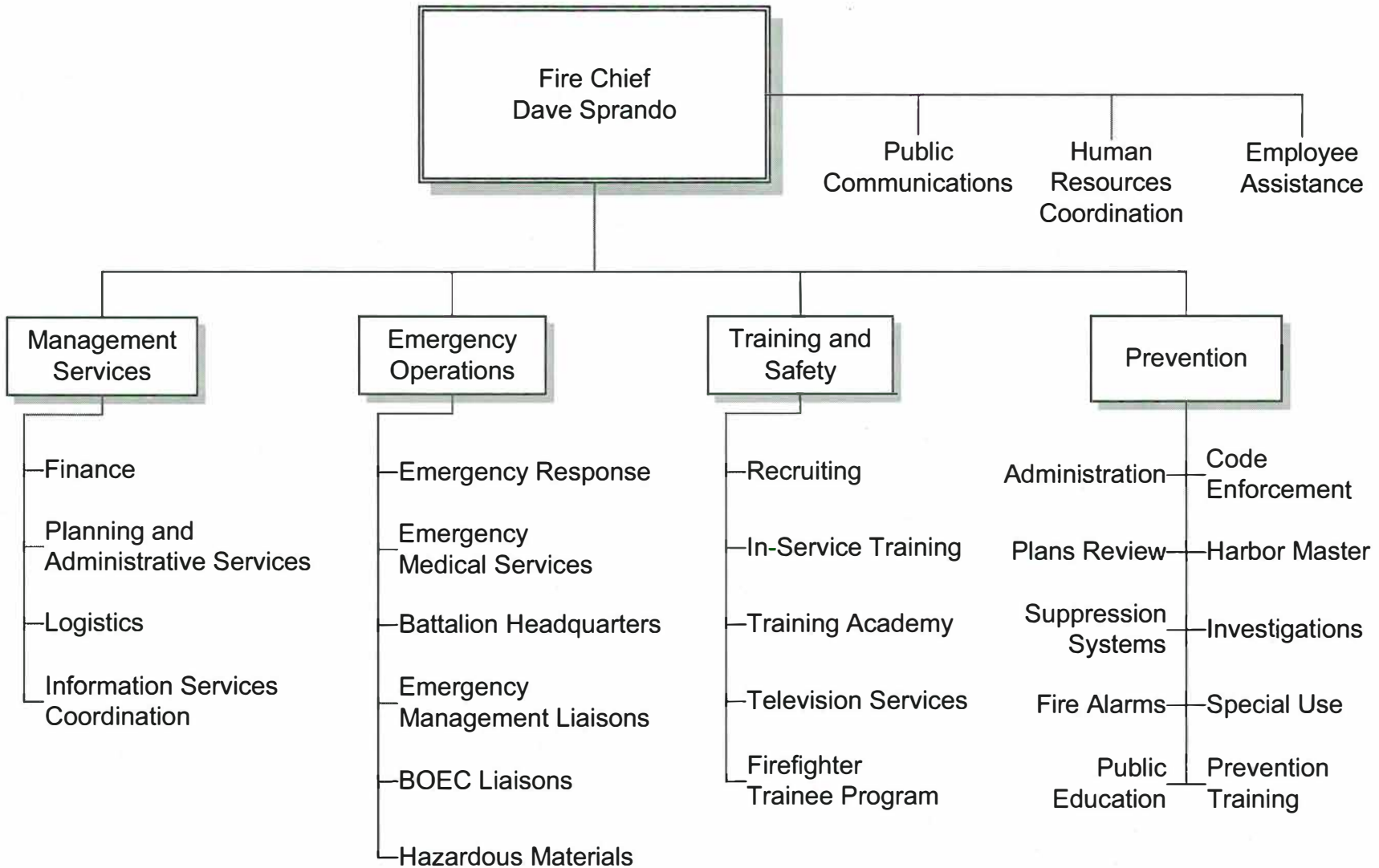
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	76,378,607	76,786,881	408,274	0.5%
Capital	3,078,875	1,560,073	-1,518,802	-49.3%
Total Expenditures	\$ 79,457,482	\$ 78,346,954	\$ -1,110,528	\$ -1.4%
Authorized Positions	708.69	727.36	18.67	2.6%

Portland Fire & Rescue



Bureau Summary

BUREAU MISSION

The mission of Portland Fire & Rescue (PF&R) is to aggressively and safely protect life, property, and the environment by providing excellence in emergency services, training, and prevention.

VISION AND VALUES

Our Vision

The community we serve is safe from fire, injury, and preventable emergencies because of our responsiveness, leadership, quality services, and partnerships.

Our Principles

We save lives and property: committing to deliver high-quality emergency response, fire and life safety, and mitigation services.

We set high standards for ourselves: valuing and promoting professionalism, diversity, integrity, pride, competency, commitment, and tradition.

We are highly trained: using the latest techniques and technology to ensure a safe and effective workforce.

We are responsive to our customers: always ready, always there, providing efficient and effective services to the public and each other.

We are good neighbors: working together to promote caring and trusting relationships that let us solve problems safely and courteously.

BUREAU OVERVIEW

Portland Fire & Rescue promotes a safe environment for all people who live and work in Portland and surrounding areas. The bureau provides an extensive range of public safety services including fire prevention; public education; response to fire, medical, and other emergency incidents; and disaster mitigation.

PF&R operates 29 engine companies, nine truck companies, two fireboats, and a squad, providing emergency services 24 hours a day, 365 days a year. Emergency response is provided from 29 fire stations, which are strategically located throughout the city to maximize resources and provide the quickest possible response times. New Station 27 will open on NW Skyline Boulevard in FY 2006-07.

Organizationally, PF&R is divided into the following five functional areas: Office of the Chief, Emergency Operations, Prevention, Training & Safety, and Management Services.

Office of the Fire Chief

The Fire Chief manages and directs Portland Fire & Rescue, the second largest General Fund bureau in the City. Human resources coordination and employee assistance are assigned to the Chief's Office. The Public Communication Office is also organizationally located in the Office of the Fire Chief and provides accurate crisis communication, grant writing, and other communication services. Key accomplishments include:

- ◆ In 2005, PF&R applied for and received more than \$1 million in federal grants to protect life and property and to help ensure firefighter safety with items such as rope rescue belts, upgrades to breathing apparatus, sprinkler and alarm systems, and vehicle exhaust removal systems. Additional regional grant funds are improving PF&R's ability to respond to a major disaster, such as earthquakes, major industrial accidents, or acts of terrorism. PF&R will continue these innovative efforts to secure outside funding sources in FY 2006-07.
- ◆ The Standard of Emergency Response Coverage and the FY 2005-10 Strategic Plan were adopted.
- ◆ The initial assessment by the Commission on Fire Accreditation International was completed.

Emergency Operations

Emergency response is PF&R's most critical service to the community. It is the primary means by which the bureau saves lives and property for the people who live and work here. Emergency response incidents have increased by 19% in the last 11 years. At the same time, average on-duty staffing has decreased by 7%, resulting in an increase of incidents per on-duty personnel of 28%. Firefighters provide quick and effective response to medical emergencies, fires, automobile wrecks, special rescues, hazardous materials incidents, and many other types of situations where people need immediate help. In addition, Portland firefighters are the first line of defense for a human-caused or natural disaster, providing first response with emergency medical care, fire suppression, rescue, and mitigation. PF&R's hazardous materials (HAZMAT) team is a statewide and regional responder, and urban search and rescue (USAR) capability has been developed to more effectively respond to major disasters. Key accomplishments include:

- ◆ Survival rate of cardiac arrest has increased from 16% to 21% since PF&R implemented advanced life support at all stations, according to Multnomah County emergency medical service (EMS) statistics. The county's EMS medical director believes that the bureau is on track to achieve 25%, which would be one of the highest in the nation.
- ◆ Property loss as a percent of value has remained under 1%.
- ◆ Fire deaths, at 0.7 per 1,000 residents, are lower than in any of the past five years.
- ◆ PF&R partners with Oregon Health & Science University for improvement in the health and wellness of firefighters through lifestyle changes including fitness and nutrition.

Prevention

Saving lives and property through Prevention is another extremely valuable service to the community. Through arson investigation, public education, enforcement of fire code, building plans inspection, and other prevention programs, PF&R saves lives and property by stopping emergencies before they happen. Key accomplishments include:

- ◆ Each year PF&R schedules 21,000 inspections. Fires are down 15% in all inspectable occupancies, and structural fires per 1,000 residents are down 43% in the past 10 years from 2.34 in FY 1994-95 to 1.34 in FY 2004-05.
- ◆ Youth programs have provided fire and life safety education, including Adopt-a-School, Riskwatch, Fire & Life Safety Learning Center, and the Juvenile Fire Setter Prevention program.
 - ◆ Juvenile fire setter prevention efforts have resulted in an 84% reduction in fire deaths (from child-set fires) in the past nine years.
 - ◆ Belmont Learning Center had 4,937 citizen contacts and logged 1,449 volunteer hours.
- ◆ 2,931 permit applications were received and processed in FY 2004-05.

- ◆ 937 fire investigations were performed in FY 2004-05.
- ◆ PF&R had 52,560 volunteer hours contributed through the Trauma Intervention Program, with a total of 9,532 citizens helped.
- ◆ The Toy & Joy program volunteers collected and distributed holiday gifts for more than 10,000 underprivileged children in Portland.
- ◆ 15,449 hours were devoted to station-based community partnership activities.

Training & Safety

Training is an important program to Portland Fire & Rescue, because it saves lives and property by making sure firefighters have the skills and expertise to perform their jobs at the highest level of efficiency. That provides public safety and helps keep firefighters out of harm's way as well. Key accomplishments include:

- ◆ A strong recruiting program has increased diversity by 362% since 1993.
- ◆ Workforce development efforts help to ensure a respectful work environment.
- ◆ 85% of recruits successfully completed the training program.
- ◆ PF&R partnered with Risk Management to control claims costs. FY 2004-05 claims, compared to the average of the three prior years, were 40% lower in workers' compensation, 46% lower in general liability, and 15% lower in fleet liability.
- ◆ PF&R provided 58,000 hours of training to employees. Emergency response personnel have been trained in the following areas:
 - ❖ Weapons of mass destruction
 - ❖ Technical rescue - rope, trench, dive, and confined space
 - ❖ HAZMAT response
 - ❖ High-rise firefighting
 - ❖ Shipboard firefighting

Management Services

Management Services provides the support necessary to operate a 24-hours-a-day, 7-days-a-week organization. This division includes the Logistics section, which supports emergency response by ensuring that firefighters have the tools they need to respond 24 hours a day, 7 days a week. Specially certified mechanics keep fire apparatus running, carpenters keep the fire stations fully operational, and other logistics employees provide tools, protective clothing, and other equipment to help firefighters perform safely. Financial Services and Planning & Administrative Services are also part of this division.

SUMMARY OF BUDGET DECISIONS

The Adopted Budget includes a number of adjustments to PF&R's budget from the current appropriation level. These adjustments include a Code Enforcement fee increase and additional Prevention program revenues that allow PF&R to shift General Fund resources from revenue-supported activities to other programs within the bureau. The Adopted Budget directs PF&R to use these General Fund resources along with savings from decreased healthcare costs to fund Station 45, apparatus replacement, and increased fuel costs. In addition, four restricted duty positions have been added which will enhance PF&R's ability to bring injured emergency response personnel back to work in a different capacity. Listed below are the adjustments to PF&R's budget.

Current Prevention Revenues	Current Prevention revenues are projected to grow by \$262,000 in FY 2006-07. This trend is projected to continue in the next several years as a result of large development projects in the Pearl District, South Waterfront, OHSU, Cascade Station, and the Gateway area. The Adopted Budget recognizes the additional Prevention revenues and redirects the resources within PF&R for apparatus replacement.
External Materials & Services Reduction	The Adopted Budget cuts \$100,000 in PF&R's external materials and services expenditures. PF&R will provide incentives for stations to reduce energy costs and other expenses, establish annual supply contracts to lower service costs, and tighten inventory control.
Code Enforcement Fee Increase	The Adopted Budget directs PF&R to move forward with a code enforcement inspection fee increase. This increase will generate approximately \$714,000 annually beginning in FY 2007-08. Because extensive public outreach, City Code revision, and other technical changes are required, the fee increase will not be fully implemented until January 1, 2007, resulting in half the full amount, \$357,000, being realized in FY 2006-07.
Funding for Stations 45 & 27	Beginning in FY 2006-07, PF&R needs additional resources to staff Station 45 for seven months a year, in accordance with the City's agreement with the City of Gresham. Station 45 provides service to an area where the population continues to grow. The Adopted Budget includes ongoing resources to fund the personnel assigned to Station 45 and ensures that service will remain uninterrupted with our partners at Gresham Fire. The budget also includes funding to staff new Station 27, which is scheduled to become operational in July 2006.
Ongoing Apparatus Replacement Funding	The Adopted Budget includes \$490,000 of ongoing resources to fully fund PF&R's apparatus replacement. Apparatus replacement is an ongoing need to ensure reliable emergency response. PF&R's apparatus replacement plan calls for replacement of all frontline fire engines and trucks at 15 years or 100,000 miles. With this addition to the existing \$1.06 million in the current appropriation level, PF&R will have a combined budget of approximately \$1.6 million a year for apparatus replacement and will be able to implement its 15-year-or-100,000-mile replacement plan.
Fuel Cost Increase	The Adopted Budget allocates \$123,130 to cover anticipated fuel cost increases in FY 2006-07. Fuel prices have escalated significantly since last spring. CityFleet projects that PF&R's fuel costs will increase by 47% in FY 2006-07 compared to the FY 2005-06 Adopted Budget as a result of higher fuel prices.
New Fire Inspector Specialist Position	Due to strong development activities in the city, PF&R is not able to meet the plan review turnaround time targets at the current staff level. The Adopted Budget adds a new fire inspector specialist position to PF&R in response to increased workload. The position will be funded by plan review and permits fees under the current fee schedule.
Firefighter Positions with Permanent Restrictions	The Adopted Budget includes four firefighter positions with permanent restrictions. These positions will enhance PF&R's ability to return injured emergency response personnel back to work in a different capacity. The Fire & Police Disability & Retirement Fund is funding 75% of the salary costs of these positions.

BUDGET NOTES

The Bureau of Fire, Rescue, and Emergency Services has an excellent record of returning to work firefighters with permanent restrictions, and the bureau is directed to expand on this record as other positions the bureau has identified as suitable for sworn employees with permanent restrictions become open. The Bureau of Fire, Rescue, and Emergency Services will report as part of each "BuMP" report on the number of positions available for sworn employees with permanent restrictions and the number of sworn employees with permanent restrictions currently on staff. The bureau will also report on the results achieved with the four permanent restriction positions added for FY 2006-07.

Strategic Direction

SIGNIFICANT ISSUES

Council Focus Area: Public Safety and Emergency Preparedness

All areas of PF&R's core mission address City Council's focus area of public safety and emergency preparedness. In addition, we effectively coordinate with the community, as well as with other regional agencies as indicated by our leadership in the area of terrorism and disaster preparedness. Portland is planning to host a regional "TOPOFF" (Top Officials) exercise to test the capabilities of all jurisdictions and disciplines in the five-county area. Participants will include fire, EMS, police, maintenance, transportation, communications, federal entities, community response teams, etc. This drill is expected to last ten days.

PF&R is also using Urban Area Security Initiative (UASI) grant funds to purchase numerous emergency response apparatus, such as those used for urban search and rescue; hazardous materials response; incidents of terrorism involving the use of chemical, biological, radiological, nuclear, or explosive (CBRNE) weapons of mass destruction; and mobile command centers. The UASI grant is the largest security grant for the five-county region, consisting of Multnomah, Columbia, Clackamas, Washington, and Clark counties.

MANAGEMENT GOALS & OBJECTIVES

Managing for Results

PF&R fully supports City Council's Managing for Results initiative. To that end, PF&R developed our new FY 2005-10 Strategic Plan using a process that kept Managing for Results in mind, addressing outcomes and measurable results within our plan. The plan is organized by strategic themes, each serving as a major focus for PF&R.

A task force comprised of a cross section of employees, including labor and management, sworn and nonsworn, developed these themes, along with corresponding goals, strategies, objectives, and performance measures. They based decisions on extensive research, data, and anecdotal information from focus groups, interviews, surveys, research, and analysis.

A Three-Tiered Approach to Managing for Results

Using the strategic plan as a guide, division managers establish annual work plans to outline activities for personnel throughout the year. Division managers also provide quarterly reports pertaining to the annual work plans to ensure accountability. Each of the five division work plans are folded into the PF&R annual business plan, which also contains major initiatives. As with Managing for Results this approach allows us to link our planning and budgeting process, track performance, and report on our results. Each level of planning is linked to the next, to ensure that implementation is attainable and successful.

A three-tiered approach is achieved through the linkage of the following documents:

- ◆ The five-year strategic plan
- ◆ The annual business plan
- ◆ Annual division work plans

The following narrative outlines the four main strategic themes, and the corresponding goals to achieve results.

Strategic Themes**Operational Effectiveness**

By thoroughly evaluating all levels of service delivery in the organization, Portland Fire & Rescue can provide the most appropriate services to best serve our customers.

Goals:

1. Keep the city safe from low frequency/high consequence events.
2. Maximize dispatch effectiveness.
3. Improve technology use and system implementation.
4. Implement resource demand management and response strategies.
5. Improve quality, value, efficiency, and timeliness of external support services.
6. Enhance effectiveness of internal communication.
7. Educate employees about internal planning process.

Customer Service

Portland Fire & Rescue strives to improve relationships with diverse and supportive constituencies, partners, and employees through excellent service.

Goal:

8. External and internal customers experience consistent, timely, quality customer service from all levels of the organization.

Workforce Development

The success of Portland Fire & Rescue depends on a highly motivated workforce with integrity and professional expertise. These qualities are recognized nationwide and help attract and retain outstanding employees.

Goals:

9. Maintain a highly trained and educated workforce.
10. Enhance the safety and health of the workforce.
11. Demonstrate leadership in the area of cultural competency where all employees are treated with respect and dignity.
12. Enhance effectiveness of staffing and human resource processes.

Financial Resource Management

Efficient management of financial resources allows PF&R to optimize delivery of fire and life safety services to the community.

Goals:

13. Effectively manage overall PF&R costs.
14. Secure stable funding for all PF&R operations.

Major Initiatives

Implement Cultural Assessment Study Recommendations

In line with the October 2001 Council resolution that outlined strategies for all bureaus to create a diverse and culturally competent workforce, PF&R will continue to review and implement the recommendations outlined in the Metropolitan Cultural Assessment Study dated September 2002. The recommendations included addressing conflict, management, communication, career development, hiring, promotions, and work climate and harassment. PF&R has completed many of the recommendations and is partnering with the Bureau of Human Resources to complete the program goals. The ultimate goal is to ensure a respectful, healthy, and diverse work environment for all employees, and create a useful model that other bureaus might find beneficial.

Program: Chief's Office

Completion date: June 2007

Ensure Preparedness for Low Frequency/High Consequence Events

PF&R will continue planning and coordinating with all City bureaus, local governmental agencies, regional partners, and mutual aid fire departments to effectively respond to and mitigate natural disasters such as earthquakes, floods, and wildfires; infectious disease outbreak; terrorist events, such as CBRNE weapons of mass destruction; and human-caused events such as fires, hazardous materials incidents, and industrial emergencies.

Program: Emergency Operations

Completion date: December 2006

Adopt Urban Wildfire Hazard Zones in the City of Portland

PF&R will work with other bureaus and private citizens to refine and communicate structural requirements for maintaining defensible spaces, in an effort to mitigate the losses expected from serious urban wildfires in Portland.

Program: Prevention

Completion date: June 2007

Plan and Implement a Safety Learning Center & Fire Museum

Using historical fire apparatus, photos, and documents as a backdrop, PF&R will create a public space that teaches Portland residents how to improve their personal safety. The project will involve working with community and nonprofit organizations, as well as current and former PF&R staff, and will focus on high-risk populations (children and the elderly).

Program: Prevention

Completion date: This major initiative is ongoing.

Expand Leadership/Management Development Training

PF&R will intensify training in management/leadership abilities, using City internal resources and external opportunities to increase effectiveness at all levels of sworn and nonsworn employees in the organization. Officer training as well as diverse subjects, from developing a positive workplace environment to incident management of major catastrophic events, are included in this initiative. More structured training in this area will cultivate future leaders and define the management/leadership development path.

Program: Training & Safety

Completion date: June 2007

Seismically Upgrade Fire Facilities through General Obligation Bond Funding

PF&R is more than two-thirds of the way through a ten-year bond program to strengthen existing stations and other facilities to withstand an earthquake, relocate stations for response time improvements, and build new stations to address growth in the city. As part of this program, PF&R will move its Administration Building.

Program: Management Services

Completion date: September 2008

Overview of Programs

CHIEF'S OFFICE

Description	The Office of the Fire Chief provides overall direction and management of PF&R. The Chief ensures that PF&R complies with federal, state, and local regulations in the areas of fire suppression, emergency medical services, fire prevention, investigation, and disaster mitigation. Other activities include human resources coordination, public communications, and employee assistance.
Relationships to Goals	The Office of the Fire Chief aligns with the City goal to ensure a safe and peaceful community and supports PF&R's strategic goal of customer service. Portland Fire & Rescue strives to improve relationships with diverse constituencies, partners, and employees through excellent service.
Performance	The Office of the Chief's key performance measure is the percent of citizens rating service good or very good, which historically has ranged between 89% and 91%. For FY 2006-07 the performance target is 92%. Another measurement of success is the percent of strategies completed in the strategic plan out of the number target for the fiscal year; PF&R has set a performance target of 95%.
Changes to Services and Activities	The Adopted Budget includes four firefighter positions with permanent restrictions. These positions will enhance PF&R's ability to return injured emergency response personnel back to work in a different capacity. The Fire & Police Disability & Retirement Fund is funding 75% of the salary costs of these positions.

MANAGEMENT SERVICES

Description	Management Services provides the administrative staff and resources to support PF&R services. Management Services is made up of the following sections: financial services, logistics, and planning and administrative services. Specific responsibilities include ensuring the financial integrity of PF&R by providing all budgetary and accounting activities; maintaining and repairing all of the City's fire stations, fire apparatus, and equipment; and overseeing PF&R's strategic planning efforts and coordination of information technology.
Relationships to Goals	Management Services aligns with the City goal to ensure a safe and peaceful community and supports PF&R's strategic goal of financial resources management. Efficient management of financial resources allows PF&R to optimize delivery of fire and life safety services to the community.
Performance	Management Services' key performance measures relate to PF&R's frontline emergency apparatus. The efficiency measures will track the average age and miles of frontline engines and trucks. The performance targets for FY 2006-07 support PF&R's apparatus replacement plan which calls for replacement of all frontline fire engines and trucks at 15 years or 100,000 miles. For FY 2006-07 the projected average age and miles of frontline engines is 8.3 years and 70,000 miles respectively, and for frontline trucks is 9.3 years and 60,000 miles.

Changes to Services and Activities No significant changes for FY 2006-07.

EMERGENCY OPERATIONS

Description	<p>Emergency response is PF&R's most critical service to the community. It is the primary means by which PF&R save lives and property for the people who live and work here. Emergency response has increased by 19% in the last 11 years, and FY 2004-05's run volume totaled 59,696 incidents.</p> <p>Firefighters provide quick and effective response to medical emergencies, fires, motor vehicle wrecks, marine incidents, special rescues, hazardous materials incidents, and many other types of situations where people need immediate help. In addition, Portland firefighters are the first line of defense during a disaster. No matter if the incident is caused by humans, such as an act of terrorism or hazardous materials spill; or by nature, such as an earthquake, severe winter storm, or flooding, Portland Fire & Rescue provides first response with emergency medical care, fire suppression, rescue, and mitigation.</p>
Relationships to Goals	<p>Emergency Operations aligns with the City goal to ensure a safe and peaceful community and supports PF&R's strategic goal of operational effectiveness. By thoroughly evaluating all levels of service delivery in the organization, Portland Fire & Rescue can provide the most appropriate services to best serve the customers.</p>
Performance	<p>The performance targets for FY 2006-07 focus on improving response times and ensuring adequate resources for fires, emergency medical incidents, and all other types of incidents. PF&R will continue to report on the total number of incidents; an increase in incidents each year due to increased population density and call volume within the city can adversely affect the response time performance target. The performance targets for the percentage of incidents for which response time is within PF&R's stated goal of five minutes, 20 seconds show improvement for both fire and medical response.</p>
Changes to Services and Activities	<p>The Adopted Budget establishes ongoing resources to fund the personnel assigned to Station 45 and allows PF&R to continue with the cooperative agreement with the City of Gresham. PF&R is responsible for staffing the station seven months of the year, and the funding ensures that service to the area will remain uninterrupted. Also, the budget includes the staffing for Station 27, which is scheduled to become operational July 2006.</p>

TRAINING

Description	<p>Training & Safety ensures that all firefighters have the knowledge, skills, and physical abilities to perform their jobs safely and effectively. These activities include in-service training on new techniques and equipment, as well as ongoing training to meet recertification requirements for state and federal agencies. Recruiting and the Firefighter Trainee program provide outreach programs to each community served by PF&R, to raise awareness of career opportunities and enhance workforce diversity. Once hired as PF&R firefighters, recruit training provides the knowledge and skills needed to perform the job. PF&R's program is recognized as a model of firefighter training and begins in an academy setting. Successful recruits transition to an active fire station and receive on-the-job, supervised experience.</p>
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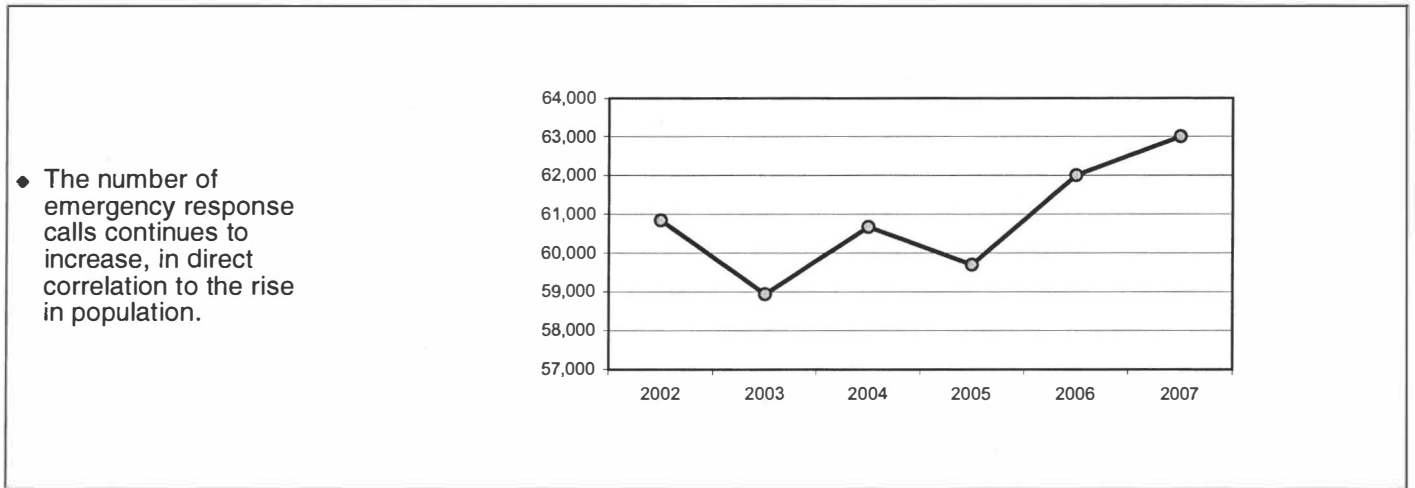
Relationship to Goals	Training & Safety aligns with the City goal to ensure a safe and peaceful community and supports PF&R's strategic goal of workforce development. The success of Portland Fire & Rescue depends on a highly motivated workforce with integrity and professional expertise.
Performance	Training & Safety's key performance measure is the percent of recruits successfully completing training curriculum and station-based training, and the performance target is 87%. Firefighter success in the Recruit Academy is critical because it provides the foundation for new firefighters' knowledge, skills, and abilities to perform their duties with a high degree of proficiency and safety.
Changes to Services and Activities	No significant changes for FY 2006-07.

PREVENTION

Description	Prevention saves lives and property by helping to stop fire and unintentional injury from happening in the first place. Four sections make up Prevention: Public Education, Plan Review, Code Enforcement, and Fire Investigations. Prevention programs target Portland's most vulnerable and least accessible populations, specifically children, the disabled, and the elderly. Other activities include evaluating construction and development plans for compliance with fire and life safety code, and identifying and mitigating fire hazards in commercial buildings, multi-family housing of three or more units, and marine-related operations. Lastly, arson investigators save lives and property by determining the cause of fires, identifying arson situations, and helping to put dangerous criminals behind bars.
Relationships to Goals	Prevention aligns with the City goal to ensure a safe and peaceful community and supports PF&R's strategic goal of operational effectiveness. By thoroughly evaluating all levels of service delivery in the organization, Portland Fire & Rescue can provide the most appropriate services to best serve the customers.
Performance	Prevention's performance measurements focus on code enforcement inspections, and during FY 2006-07 PF&R will be reporting on several workload measures such as the number of inspectable occupancies and the number of fires in these buildings, versus the number of fires in noninspectable occupancies. Historical data shows a downward trend in the number of fires found in inspectable occupancies. Also, performance targets are established for the numbers of inspections, re-inspections, and code violations found.
Changes to Services and Activities	<p>Current Prevention revenues are projected to grow by \$262,000 in FY 2006-07. This trend is projected to continue in the next several years as a result of large development projects in the Pearl District, South Waterfront, OHSU, Cascade Station, and the Gateway area. Also, due to strong development activities in the city, PF&R is not able to meet the plan review turnaround time targets at the current staff level. The Adopted Budget adds a new fire inspector specialist position to PF&R in response to increased workload. The position will be funded by plan review and permit fees under the current fee schedule.</p> <p>The Adopted Budget directs PF&R to move forward with a Code Enforcement inspection fee increase. This increase will generate approximately \$714,000 annually beginning in FY 2007-08. Because extensive public outreach, City code revision, and other technical changes are required, the fee increase will not be fully implemented until January 1, 2007, resulting in half the full amount, \$357,000, being realized in FY 2006-07.</p>

Performance Measures

Total number of incidents



Bureau of Fire, Rescue, and Emergency Services

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
BUREAU OF FIRE, RESCUE AND EMERGENCY SERVICES						
Chief's Office						
Effectiveness						
Percent of citizens rating service good or very good	90%	89%	90%	90%	92%	92%
Percent of strategies completed in Strategic Plan out of number targeted for fiscal year	NA	NA	NA	NA	95%	95%
Emergency Operations						
Effectiveness						
Lives lost per 100,000 residents	1.30	0.90	1.30	0.70	0.70	0.70
Property loss as a percent of value of property	0.59%	0.55%	1.08%	0.95%	0.95%	1.00%
Efficiency						
Response time (turnout & travel) at 90th percentile (Goal: 5:20 or 5.33 minutes)	NA	NA	NA	NA	6.33	6.16
Incidents per average on-duty emergency staff	385	378	391	385	385	394
Percent of fire response times within 5:20	71%	71%	68%	71%	71%	72%
Percent of medical response times within 5:20	69%	70%	66%	67%	67%	68%
Workload						
Total number of incidents	60,841	58,939	60,672	59,696	62,000	63,000
Average on-duty emergency staffing	157	156	155	155	156	160
Number of fire incidents	2,549	2,706	2,528	2,204	2,204	2,250
Number of medical incidents	39,677	38,707	38,929	39,769	39,769	41,500
Number of other incidents	18,162	17,526	19,215	17,723	17,723	19,250
Total number of structural fires	856	823	795	740	740	755
Structural fires per 1,000 residents	1.60	1.53	1.46	1.34	1.34	1.37
Total fires per 1,000 residents	4.75	5.03	4.64	4.00	4.00	4.09
Medical incidents per 1,000 residents	74.00	71.90	71.40	72.20	72.20	75.38
Management Services						
Efficiency						
Average age of frontline engines	7.60	7.80	8.70	7.30	8.40	8.30
Average age of frontline trucks	6.60	7.60	8.60	9.60	9.60	9.30
Average miles on frontline engines	58,313	62,834	71,307	59,736	59,736	70,000
Average miles on frontline trucks	41,789	47,887	54,204	60,210	60,210	60,000
Workload						
Number of frontline emergency vehicles	62	63	63	63	63	67
Prevention						
Effectiveness						
Number of structural fires in inspectable occupancies per 1,000 inspectable occupancies	9.78	9.04	8.03	7.85	7.45	7.30
Efficiency						
Percent of inspectable occupancies inspected within 27 months	NA	NA	82%	86%	86%	86%
Percent of violations abated within 90 days of detection	79%	72%	64%	73%	73%	73%
Workload						
Number of inspectable occupancies	35,689	37,071	37,741	37,961	39,350	39,448
Number of structural fires in inspectable occupancies	349	335	303	298	293	288

PERFORMANCE MEASURES

Bureau of Fire, Rescue, and Emergency Services
Public Safety Service Area

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
Number of structural fires in non-inspectable occupancies	507	488	492	440	435	430
Code enforcement inspections	19,359	17,811	18,336	16,605	28,070	28,070
Code enforcement re-inspections	11,318	9,805	7,798	7,937	7,936	7,936
Total code violations found	29,834	26,937	24,036	20,725	20,725	21,750
Average violations per inspection	1.50	1.50	1.30	1.20	1.20	1.25
Training						
Effectiveness						
Percent of recruits successfully completing training curriculum and station-based training	NA	NA	NA	NA	87%	87%

Bureau of Fire, Rescue, and Emergency Services

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	57,695,965	59,282,808	61,081,294	65,691,897	66,461,742
External Materials and Services	5,063,391	5,344,548	7,995,841	5,761,083	5,633,265
Internal Materials and Services	4,575,580	4,781,742	4,726,448	4,231,874	4,241,874
Minor Capital Outlay	323,714	1,642,916	2,575,024	450,000	450,000
Total Operating Budget	67,658,650	71,052,014	76,378,607	76,134,854	76,786,881
Capital Improvements	988,901	586,123	3,078,875	1,560,073	1,560,073
TOTAL BUREAU EXPENDITURES	\$ 68,647,551	\$ 71,638,137	\$ 79,457,482	\$ 77,694,927	\$ 78,346,954
Allocated Overhead	1,289,303	1,294,240	1,354,811	2,122,051	2,122,051
Total Cost with Allocated Overhead	69,936,854	72,822,541	80,812,293	79,816,978	80,469,005
RESOURCES					
Discretionary Revenue	64,917,553	65,536,467	70,780,982	72,204,473	72,688,020
Non-Discretionary Revenues					
Grants & Donations	694,125	2,262,160	5,072,507	1,200,000	1,200,000
Contract Revenues	322,074	334,027	329,230	339,600	339,600
Interagency Revenues	101,621	418,475	287,834	288,440	456,920
Program Revenue	2,510,733	2,971,155	2,859,730	3,541,966	3,541,966
Overhead Recovery	101,445	115,853	127,199	120,448	120,448
Total Non-Discretionary Revenues	3,729,998	6,101,670	8,676,500	5,490,454	5,658,934
TOTAL GENERAL FUND RESOURCES	\$ 68,647,551	\$ 71,638,137	\$ 79,457,482	\$ 77,694,927	\$ 78,346,954
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Chief's Office	1,968,437	1,851,191	1,380,402	624,231	909,991
<i>Positions</i>	<i>5.50</i>	<i>12.40</i>	<i>17.40</i>	<i>4.50</i>	<i>8.50</i>
Emergency Operations	49,149,896	52,524,465	56,120,181	55,817,747	56,310,632
<i>Positions</i>	<i>581.00</i>	<i>571.00</i>	<i>570.33</i>	<i>583.90</i>	<i>595.90</i>
Management Services	9,774,664	9,383,685	13,451,664	12,177,491	12,050,873
<i>Positions</i>	<i>35.00</i>	<i>35.46</i>	<i>33.46</i>	<i>34.46</i>	<i>34.46</i>
Prevention	5,476,886	5,569,252	5,977,927	6,191,501	6,191,501
<i>Positions</i>	<i>57.00</i>	<i>57.96</i>	<i>58.50</i>	<i>59.50</i>	<i>59.50</i>
Training	2,277,668	2,309,544	2,527,308	2,883,957	2,883,957
<i>Positions</i>	<i>22.00</i>	<i>26.00</i>	<i>29.00</i>	<i>29.00</i>	<i>29.00</i>
TOTAL PROGRAMS	\$ 68,647,551	\$ 71,638,137	\$ 79,457,482	\$ 77,694,927	\$ 78,346,954
<i>Positions</i>	<i>700.50</i>	<i>702.82</i>	<i>708.69</i>	<i>711.36</i>	<i>727.36</i>

Bureau of Fire, Rescue, and Emergency Services

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06	FY 2005-06	FY 2006-07	FY 2006-07	FY 2006-07	FY 2006-07
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	1.00	1.00	2.00	78,180	2.00	84,960	2.00	84,960
0516	Accountant III	1.00	1.00	1.00	54,852	1.00	58,185	1.00	58,185
0510	Accounting Technician	3.00	3.00	2.00	75,384	2.00	77,136	2.00	77,136
0337	Distribution Tech	1.00	1.00	1.00	40,380	1.00	41,304	1.00	41,304
0100	Office Supp Spec I	1.00	1.00	1.00	34,140	1.00	34,920	1.00	34,920
0102	Office Supp Spec II	5.00	4.00	2.00	75,384	2.00	77,136	2.00	77,136
0104	Office Supp Spec III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1456	Senior Electrician	0.00	1.00	1.00	62,556	1.00	64,008	1.00	64,008
7103	Administrative Assistant	6.00	6.90	6.90	397,236	6.90	404,844	6.90	404,844
7102	Administrative Specialist, Sr	1.00	2.00	2.00	99,576	2.00	102,924	2.00	102,924
7106	Administrative Supervisor I	0.00	1.00	1.00	60,648	1.00	62,104	1.00	62,104
7107	Administrative Supervisor II	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
5347	Ass't Public Education Officer	1.00	1.00	1.00	65,520	1.00	69,000	1.00	69,000
7112	Business Operations Manager	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7113	Business Operations Mgr, Sr	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
7110	Business Operations Supervisor	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
1420	Carpenter	2.00	2.00	2.00	95,832	2.00	98,064	2.00	98,064
7950	Deputy Fire Chief	6.00	6.00	6.00	579,000	6.00	582,432	6.00	582,432
6042	Dev Services Tech II	0.00	1.75	1.00	42,600	1.00	45,722	1.00	45,722
1453	Electrician	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5349	Emerg Med Svcs Coordinator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5348	Emerg Med Svcs Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5248	Emerg Med Svcs Specialist	0.00	2.00	2.00	163,800	2.00	178,764	2.00	178,764
5249	EMS Coordinator	0.00	1.00	1.00	91,992	1.00	103,500	1.00	103,500
7197	EMS Program Manager	1.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
7651	Engineer, Supervising	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7127	Executive Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7717	Facilities Maintenance Sprvsr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7718	Facilities Maintenance Sprvsr Sr	1.00	1.00	1.00	70,596	1.00	70,596	1.00	70,596
1115	Facilities Maintenance Tech	2.00	2.00	2.00	96,792	2.00	99,048	2.00	99,048
7377	Financial Analyst, Senior	1.00	1.00	1.00	70,116	1.00	72,996	1.00	72,996
6046	Fire & Land Use Review Tech	0.00	0.00	0.75	35,004	0.75	35,576	0.75	35,576
5216	Fire Battalion Chief - Staff	11.00	11.00	11.00	1,091,273	11.00	1,158,024	11.00	1,158,024
5214	Fire Captain	31.00	31.00	31.00	2,594,988	31.00	2,685,696	32.00	2,760,432
7095	Fire Chief	1.00	1.00	1.00	134,928	1.00	134,928	1.00	134,928
7955	Fire Division Chief	1.00	2.00	2.00	235,488	2.00	235,488	2.00	235,488
5208	Fire Fighter	422.00	422.00	427.00	25,586,868	427.00	26,871,476	438.00	27,302,072
5209	Fire Fighter Specialist	10.00	8.00	8.00	511,606	7.00	469,036	7.00	469,036
5220	Fire Inspector	26.00	25.00	25.00	1,793,738	25.00	1,852,500	25.00	1,852,500
5221	Fire Inspector, Senior	5.00	6.00	6.00	518,032	6.00	530,892	6.00	530,892
5222	Fire Inspector/Specialist	7.00	7.00	7.00	544,188	10.00	801,900	10.00	801,900
5225	Fire Investigator	7.00	7.00	7.00	522,079	7.00	554,642	7.00	554,642
5211	Fire Lieutenant	98.00	98.00	102.00	7,376,514	102.00	7,626,137	104.00	7,756,313
7960	Fire Marshall	1.00	1.00	1.00	117,744	1.00	117,744	1.00	117,744
5212	Fire Training Officer	4.00	4.00	4.00	313,018	4.00	333,672	4.00	333,672
5260	Harbor Pilot	7.00	7.00	7.00	512,328	7.00	524,112	7.00	524,112
6150	Hazardous Materials Coordinator	0.00	1.00	1.00	65,040	1.00	71,244	1.00	71,244
5352	Hazardous Materials Coordinator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1520	Industrial Machinist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7131	Management Analyst	0.00	0.00	1.00	67,164	1.00	67,164	1.00	67,164
1443	Painter	2.00	2.00	1.00	47,916	1.00	49,032	1.00	49,032
7133	Principal Management Analyst	1.00	0.90	0.90	78,456	0.90	78,996	0.90	78,996
7206	Public Information Officer	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
5230	Staff Fire Captain	5.00	5.00	5.00	477,060	5.00	477,060	5.00	477,060
5213	Staff Fire Lieutenant	2.00	4.00	4.00	305,445	4.00	328,422	4.00	328,422
3107	Technician I	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1210	Utility Worker I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1211	Utility Worker II	0.00	1.00	1.00	37,560	1.00	38,436	1.00	38,436
1532	Vehicle & Equipment Mechanic	5.00	6.56	6.56	313,644	6.56	324,876	6.56	324,876
7708	Vehicle Maint Supervisor II	1.00	1.00	1.00	70,596	1.00	70,596	1.00	70,596
7246	Video Production Specialist	1.00	1.00	1.00	63,984	1.00	63,984	1.00	63,984
7247	Video Production Supervisor	1.00	1.00	1.00	69,468	1.00	69,468	1.00	69,468
TOTAL FULL-TIME POSITIONS		700.00	700.11	706.11	\$ 46,258,013	708.11	\$ 48,418,044	722.11	\$ 49,053,552
6042	Dev Services Tech II	0.00	0.75	0.75	34,226	0.75	37,516	0.75	37,516
7172	EAP Specialist	0.50	0.50	0.50	30,108	0.50	31,344	0.50	31,344
TOTAL PART-TIME POSITIONS		0.50	1.25	1.25	\$ 64,334	1.25	\$ 68,860	1.25	\$ 68,860
7717	Facilities Maintenance Sprvsr	0.00	1.00	1.00	59,172	1.00	61,405	1.00	61,405

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
5208	Fire Fighter	0.00	0.00	0.33	11,520	1.00	44,196	3.00	156,516
7153	Program Specialist	0.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	1.46	1.33	\$ 70,692	2.00	\$ 105,601	4.00	\$ 217,921

Bureau of Fire, Rescue, and Emergency Services

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	78,053,063	240,109	78,293,172	710.36	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(739,846)	0	(739,846)	0.00	Discretionary Adj-Human Resources to Overhead
	660	0	660	0.00	Discretionary Adj-Increase Employee Transit
	(462,279)	0	(462,279)	0.00	Discretionary Adj-Healthcare Costs
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	Current Prevention Revenues
	(100,000)	0	(100,000)	0.00	External Materials & Services Reduction
	228,872	0	228,872	0.00	Code Enforcement Fee Increase
	390,000	0	390,000	0.00	Ongoing Apparatus Replacement
	84,348	0	84,348	1.00	Add New Inspector Position
Approved Budget Additions and Reductions					
	0	285,760	285,760	4.00	Add Limited Term Restricted Duty Positions
	0	492,000	492,000	12.00	Open Station 27 July 2006
	0	(125,733)	(125,733)	0.00	Perform Station Connectivity Work in FY 2005-06
Adopted Budget Additions and Reductions					
	58,640	(58,640)	0	0.00	Convert 2 Limited Term Positions to Permanent
	(539,605)	593,387	53,782	17.00	Total FY 2006-07 Decision Packages
			\$ 78,346,954	727.36	Total Adopted Budget

Bureau of Police

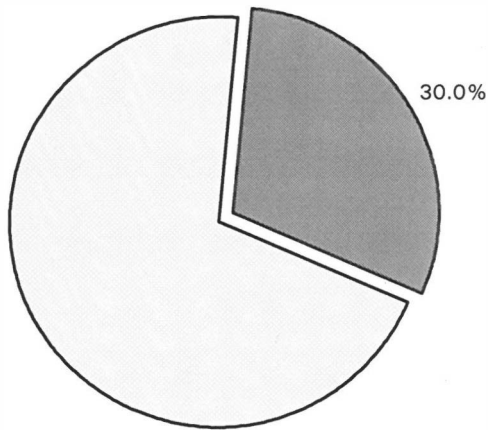
Public Safety Service Area

Mayor Tom Potter, Commissioner-in-Charge

Rosanne Sizer, Chief of Police

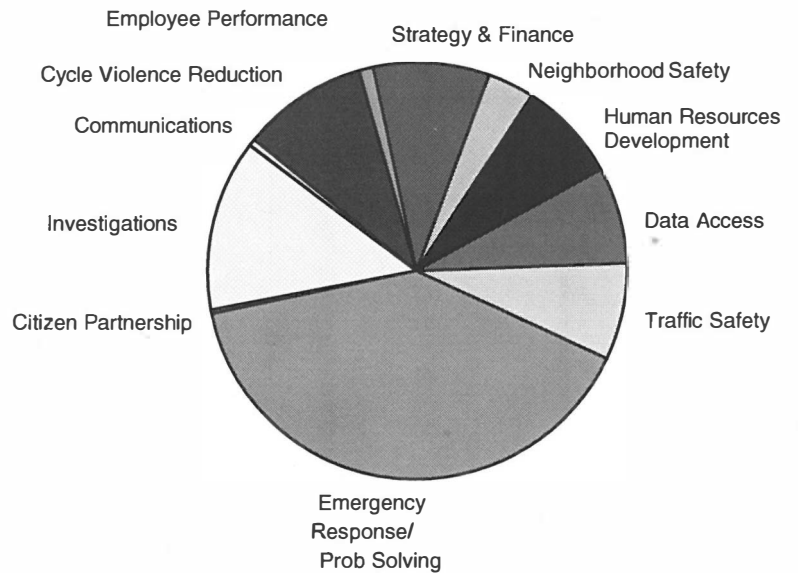
Percent of General Fund

Police = \$141.1 Million



General Fund = \$469.7 Million

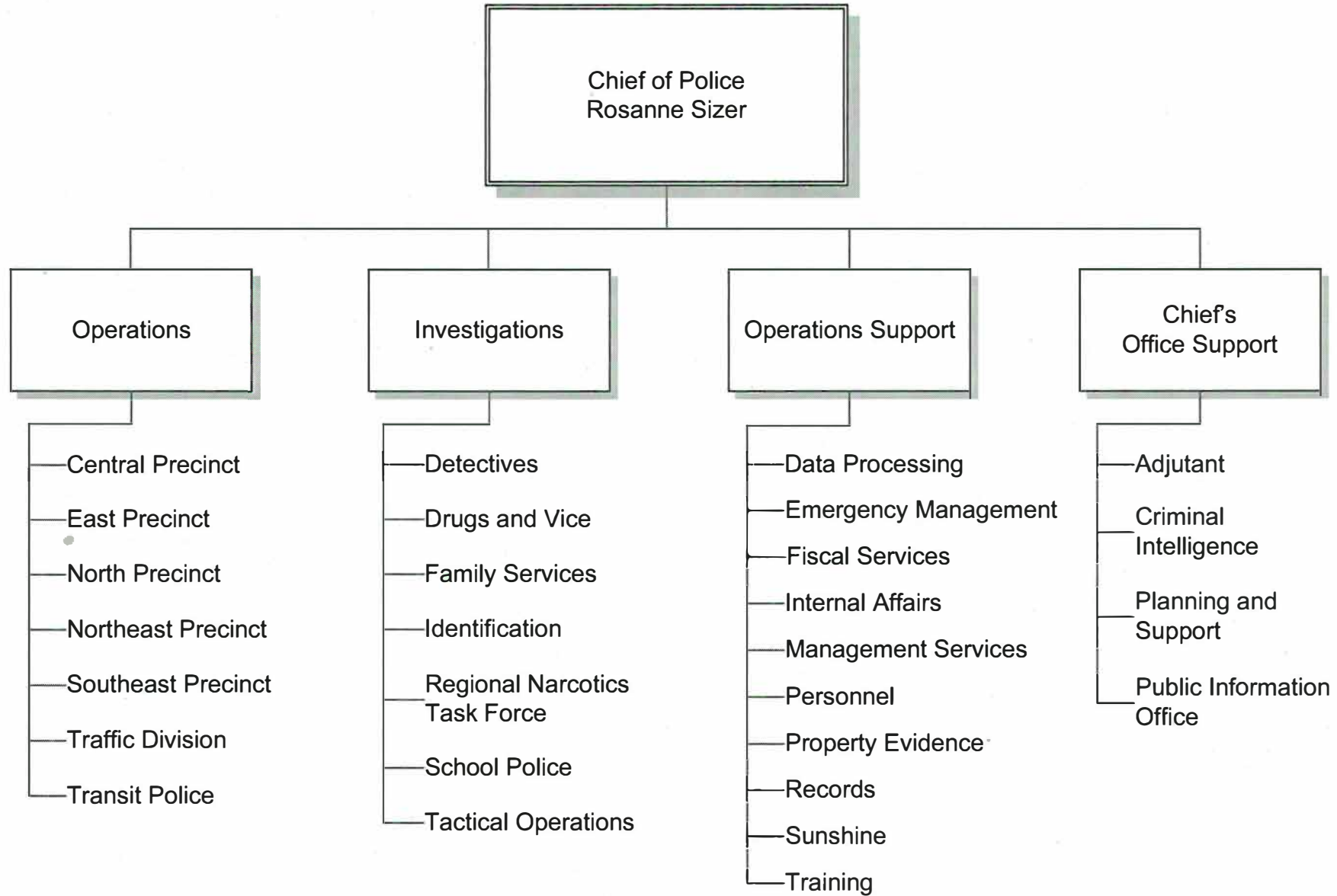
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	138,280,371	140,955,559	2,675,188	1.9%
Capital	80,000	150,000	70,000	87.5%
Total Expenditures	\$ 138,360,371	\$ 141,105,559	\$ 2,745,188	\$ 2.0%
Authorized Positions	1,256.17	1,269.75	13.58	1.1%

Police Bureau



Bureau Summary

BUREAU MISSION

The mission of the Portland Police Bureau is to maintain and improve community livability by working with all citizens to preserve life, maintain human rights, protect property, and promote individual responsibility and community commitment.

VISION AND VALUES

The vision for community policing recognizes a shared responsibility and connection between the police and community in making Portland a safer, more livable city. Community policing encourages a problem-solving partnership between residents and police. These partners jointly identify community safety issues, locate resources, and apply innovative strategies designed to create and sustain healthy, crime-resistant neighborhoods.

Values

The values of the Portland Police Bureau are rooted in the bureau's cornerstones, reflected in the bureau's mission statement, and representative of the bureau's commitments to the community. Those values are:

- ◆ Integrity
- ◆ Compassion
- ◆ Accountability
- ◆ Respect
- ◆ Excellence
- ◆ Service

Cornerstones

The bureau's cornerstones were adopted in 1990, and reaffirmed in subsequent strategic plans as values. The cornerstones continue to reflect the core internal principles that guide decision making in the agency at all levels:

- ◆ *Service Orientation:* Provide supportive, professional service to the community and to employees by promoting human rights, mutual respect, and courtesy.
- ◆ *Partnership:* Work in partnership with the community, City Council, other bureaus, service agencies, and the criminal justice system as a whole.
- ◆ *Empowerment:* Encourage decision making at all levels, and promote resident responsibility and involvement.
- ◆ *Problem Solving:* Use problem-solving methods to reduce the incidence and fear of crime and to improve internal operations.
- ◆ *Accountability:* Promote responsibility for public safety resources, strategies, and outcomes among bureau management, employees, the community, the City Council, and other agencies.

BUREAU OVERVIEW

Organizational Description

The bureau is managed and directed by the Chief of Police and three assistant chiefs. The bureau is composed of the Chief's Office and three branches: Operations, Investigations, and Operations Support.

The FY 2006-07 Adopted Budget includes the following:

- ◆ Innovations that will produce \$2,064,420 in savings
- ◆ A \$1,871,574 investment in program enhancements
- ◆ \$343,862 for special projects to be approved by the Mayor
- ◆ \$150,000 for a capital improvement project

The bureau's positions in the Adopted Budget total 1,269.75. This includes 32 new positions that are part of the bureau's innovation and investment packages.

Chief's Office

The Chief's Office includes the Chief's staff, Criminal Intelligence, Fiscal Services, Planning and Support, the Adjutant, and the Public Information Office.

Operations Branch

The Operations Branch is composed of the five precincts, the Traffic Division, and Transit Police. This branch provides neighborhood policing services to help reduce crime and the fear of crime.

Investigations Branch

The Investigations Branch includes the following divisions: Detectives, Drugs and Vice, Family Services, Identification, Regional Organized Crime Narcotics (ROCN) Task Force, School Police, and Tactical Operations.

Operations Support Branch

The Operations Support Branch includes the following divisions: Data Processing, Emergency Management, Internal Affairs, Management Services, Personnel, Property Evidence, Records, Sunshine, and Training.

SUMMARY OF BUDGET DECISIONS

Decision Packages

The FY 2006-07 Adopted Budget reduces the bureau's General Fund budget by 0.7% from the current appropriation level, but increases the bureau's program revenue by 3% through innovations and efficiencies. Many of these innovations and efficiencies had their genesis in an all-day budget workshop that included employees and residents.

Innovations**Impound Vehicles - Savings of \$1.2 Million and New Revenue of \$3 Million**

The Asset Forfeiture Unit of the Drugs and Vice Division developed a plan to impound more vehicles directly, rather than releasing them to private tow companies. Due to limited impound space, the bureau has not been able to impound all vehicles in accordance with City Code and bureau policy. These vehicles must be released to private tow companies, which keep the tow and storage fees charged to vehicle owners. Working with Facilities Services, the bureau has identified additional impound space that will allow police officers to impound many more vehicles directly. Facilities has also helped the bureau identify new office space for the entire Drugs and Vice Division as part of this package. This package also provides funding for five support staff to process the additional impounds.

Technology Contracts - Savings of \$63,992 and New Revenue of \$30,000

The bureau's Identification Division has determined that cost savings can be achieved if the bureau begins using the Western Identification Network, a nonprofit corporation created by western states, to obtain fingerprint identification services. The division will also realize additional revenue estimated at \$30,000 from the provision of applicant identification card services to residents and outside agencies. Some of these savings will be redirected to support two police identification technicians.

Quartermaster Program - Savings of \$50,000

The bureau intends to reduce expenditures on uniforms through a quartermaster program to recycle bureau uniforms wherever possible, as well as through other efficiencies in uniform purchasing and distribution. The bureau also hopes to explore collaboration opportunities with the Fire Bureau for establishing a central inventory location for used uniforms.

Interagency Reductions - Savings of \$280,000

The Adopted Budget includes interagency agreement reductions of \$280,000 in the areas of:

- ◆ Communications, through the elimination of some duplicative phone and voice mail services
- ◆ Fleet costs, in areas such as custom fabrication and body work
- ◆ Technology costs, through a reduction in billable hours based on historical expenditure patterns

Alarms Revenue Enhancement - New Revenue of \$11,000

The bureau's Alarm Ordinance Administration Unit will pursue agreements with the Cities of Fairview and Troutdale to provide administrative services for the alarm programs of those neighboring jurisdictions. It is expected that these agreements will generate additional alarm permit revenue of \$11,000 for the Police Bureau in FY 2006-07.

Public Records Revenue Enhancement - New Revenue of \$1,000

The bureau will review the expense of staff time and printing associated with responding to public records requests and propose rate increases. As mandated by Oregon law, fees will be reasonably calculated to reimburse the City for costs incurred, and will not generate revenue in excess of the actual expense.

Eliminate Support for the Defunct Police Corps Program - Savings of \$9,115

The bureau's Police Corps Division, which operated Oregon Police Corps, was eliminated when the U.S. Department of Justice discontinued federal grant funding for this program. This package eliminates communications equipment and associated interagency expenses of the former program, for savings of \$9,115.

Photo Radar Expansion - New Revenue of \$100,000

The bureau's Traffic Division will pursue efforts to increase public safety through more efficient deployment of photo radar equipment. This equipment records the speed of automobiles and takes photographs of drivers who violate the speed limit. New revenue from increased citations is estimated at \$100,000.

Red Light Camera Expansion - New Revenue of \$50,000

The bureau's Traffic Division will work in collaboration with the Office of Transportation to add six new red light cameras to Portland intersections. This will increase traffic safety at signaled intersections and generate additional program revenue of approximately \$50,000 from increased citations.

Special Event Recovery - New Revenue of \$75,000

The bureau will focus on recovery of costs related to for-profit special events in the city that require significant police resources.

Administrative Fee for Tow Releases - New Revenue of \$200,000

The bureau will review expenses incurred in processing private tow releases, and propose a rate increase. As mandated by Oregon law, the fee will be reasonably calculated to reimburse the City for actual costs. A full cost analysis will incorporate all costs to the City, such as the cost of officer time, records staff time, and other related administrative costs.

Program Reduction

Reduce Auto Theft Task Force

The Auto Theft Task Force will redeploy five positions, three detectives and two officers, to patrol and investigation operations in the precincts. This action will reduce the positions assigned to the auto theft task force to one sergeant, four officers, and one administrative support position.

Investments

Open Precincts 24/7 - \$508,998

To further community policing efforts and fulfill the direction of the Mayor's Office in cooperation with other City Commissioners' Offices, the Police Bureau is restoring services to the residents by reopening the precincts 24 hours a day, seven days a week. The bureau will do this by bringing injured officers back to work in suitable positions to staff the precincts. A cooperative effort with the Fire and Police Disability and Retirement Fund (FPD&R) and the Bureau of Human Resources has been launched to return these valued employees back to work to serve the residents in a meaningful and productive way. The current desk clerks will be retained and assigned unique duties. The bureau will supplement existing desk staffing with a total of 18 officers returning to work.

The cost to the General Fund is estimated at \$508,998 for officer, uniform, and equipment costs. Through the temporary wage subsidy for officers returning to work, the bureau estimates it will receive an additional \$858,438 for officer costs from FPD&R. FPD&R will pay 75% of the officers' salaries, and the General Fund will pay for 25% of salaries and 100% of benefits. The package also includes a materials and services appropriation of \$500 from the General Fund for each of the 18 officers, to cover uniforms and equipment.

Opening the precincts 24/7 will make police resources and contact available to residents at any time of day, any day of the week. A police officer will be available to answer questions, take reports, respond to inquiries, or make recommendations to residents at all times. Reopening the precincts for 24/7 front-counter services and opening up the community rooms for evening meetings are key components of community policing services.

Electronic Field Reporting - \$146,876

To continue the bureau's efforts to implement the electronic field reporting project, \$146,876 is included in the Adopted Budget to add one position and to support software contracts. The project requires additional technology support for the core software application, which needs to operate 24/7. This package adds an applications analyst III to transition responsibility for the highly complex programming for the application from the vendor to the City.

Software applications are needed to run the document imaging and electronic work flow systems required to electronically link and retrieve police reports with other documents associated with that case. Electronic field reporting provides the real-time data necessary for crime analysis and problem solving. The bureau is currently in the testing stages for initial deployment of electronic field reporting.

Early Intervention and Internal Audit Units - \$590,700

The Adopted Budget includes \$65,730 in one-time funds for start-up and \$524,970 in ongoing resources to add six positions to create an Early Intervention Unit and an Internal Audit Unit. The creation of these units conforms with recommendations made by such groups as the International Association of Chiefs of Police, the Police Executive Research Foundation, and the Police Assessment Resource Center.

The purpose of the Early Intervention Unit is to identify employees whose performance exhibits problems or patterns that, if not addressed early, may increase the risk of harm to the employee, coworkers, the public, or the bureau itself. Specific behaviors will be identified and tracked to trigger an intervention aimed at correcting the employee's performance in a nondisciplinary manner.

The Internal Audit Unit will be charged with conducting audits and inspections of the units, divisions, and precincts that comprise the Police Bureau. The scope of an audit or inspection may include determining if a unit, practice, or policy is in compliance with applicable laws, rules, or other authoritative relevant standard; the efficient allocation and use of resources; the administrative and organizational design of a program; the achievement of a program or organizational goal or objective; and any other purpose set forth by the Chief of Police.

Portland Police Data System Study - \$150,000

The Adopted Budget provides \$150,000 from the General Fund Capital Set-Aside to study replacement options for the aging Portland Police Data System. The system is the primary law enforcement records management system in the Portland metropolitan region.

Domestic Violence Advocates - \$150,000

The Adopted Budget provides one-time funds of \$100,000 and ongoing funds of \$50,000 for the bureau to pass through to community organizations that provide advocates to assist victims of domestic violence. This funding fills a gap that will be left by the expiration of the federal Project Safe Neighborhoods grant.

Problem-Oriented Policing Strategies - \$475,000

Problem-oriented policing strategies are designed to resolve a discrete set of crime and livability problems in the community. The bureau will work in conjunction with community partners and other agencies to apply traditional and nontraditional community-based policing approaches to the identified problems.

Asset Forfeiture Funds - \$343,862

The City Attorney's Office and the City Treasury Division have determined that a trust fund containing interest earned on forfeited assets can be dissolved. These one-time funds will be transferred to the Police Bureau's operating budget for special projects.

BUDGET NOTES

**Opening of Precincts
24/7**

The Police Bureau will report as part of each budget "BuMP" report on the following with respect to the opening of the precincts 24 hours a day, seven days a week:

- ◆ The services made available to the community that were previously unavailable or available only on a limited basis
- ◆ The responsibilities transferred to the officers staffing the precinct desks on the afternoon and night shifts to ensure their maximum use and productivity
- ◆ Performance measures against which the success of opening the precincts can be gauged

**Problem-
Oriented
Policing
Strategies**

FY 2006-07 is the final year additional resources will be provided for implementation of the problem-oriented policing strategies (POPS) begun in FY 2005-06. The Police Bureau will present a plan to Council in the winter 2007 budget monitoring process (BuMP) to incorporate these projects into regular bureau operations with existing ongoing resources.

Photo Radar Program

The FY 2006-07 budget includes additional revenue of \$100,000 to be generated by the photo radar program. If less than this amount materializes, the Police Bureau will reduce its external materials and services budget as an offset.

Trust Account Funds

The FY 2006-07 budget includes a \$343,862 appropriation that reflects the transfer of interest earned on forfeited assets from a trust account to the Police Bureau budget. Expenditure of these funds is subject to approval by the Mayor.

Strategic Direction

SIGNIFICANT ISSUES

The Police Bureau's strategic direction includes the bureau's community policing goals to:

- ◆ reduce crime and the fear of crime
- ◆ improve the quality of life in neighborhoods
- ◆ improve community and police partnerships
- ◆ develop and encourage personnel
- ◆ improve accountability

These goals connect to a wide range of issues, such as the adequacy of staffing, recruitment diversity, accountability to the community, the commitment of partner agencies, the quality of training and supervision, technology capabilities, and the ability to secure resources to support all of these efforts.

Several budget decisions in the Adopted Budget are expected to aid the bureau in managing several strategic issues:

- ◆ The bureau will open the precincts 24 hours a day, seven days a week by assigning 18 limited duty officers to precinct front-desk staffing. This is expected to further community policing efforts by increasing the availability to the public of police resources and contact.
- ◆ Additional resources are included in the budget for electronic field reporting. By improving the speed and efficiency of the entry of police reports and other data into the records system, the bureau will improve the ready accessibility and linkage of that information. In the long term, the bureau expects that the implementation of electronic field reporting will free up more officer time for problem solving.
- ◆ General Fund Capital Set-Aside resources have been made available for a Portland Police Data System (PPDS) replacement study. Replacing PPDS with modern technology before it becomes obsolete will enable Portland to continue as the regional provider of a law enforcement database. Currently, many of the law enforcement agencies in Multnomah, Clackamas, Washington, and Columbia Counties subscribe to PPDS.
- ◆ Funds to create an Early Intervention Unit and an Internal Audit Unit will help the bureau respond to strategic concerns related to employee and agency performance and accountability. The Early Intervention Unit will be charged with identifying and addressing individual performance issues. The Internal Audit Unit is expected to improve compliance with policies and procedures, and to ensure the efficient allocation and use of resources.
- ◆ Resources to continue the problem-oriented policing strategies begun in FY 2005-06 will help the bureau resolve many long-standing neighborhood crime and livability problems and promote problem solving.

The primary challenge currently facing the Police Bureau is to pursue bureau goals while reexamining the implications of our mission to serve the community. This year also marks the bureau's seventh consecutive year of reductions in General Fund discretionary resources. The bureau is challenged to maintain direct services to the community while seeking innovative and creative solutions to budget reductions.

MANAGEMENT GOALS & OBJECTIVES

City Goals

The Police Bureau primarily supports the City goal to ensure a safe and peaceful community. The bureau also supports the City goal to improve the quality of life in neighborhoods. In addition, many of the bureau's programs are related to Council's FY 2006-07 budget focus areas of "a family-friendly city" and "public safety and emergency preparedness."

2004-06 Community Policing Strategic Plan

The Police Bureau has identified a number of goals and objectives linked to the bureau's strategic direction, which is fully detailed in the 2004-06 Community Policing Strategic Plan. These goals are listed above and described more fully below.

Reduce Crime and the Fear of Crime

Responding to and investigating crimes, apprehending criminals, and initiating problem-solving strategies to alleviate chronic community problems remain the top priorities for the Portland Police Bureau. In FY 2006-07, the agency will prioritize enforcement efforts that target crimes that most affect community livability, such as drug crimes, gang crimes, and crimes that begin a cycle of violence, like domestic abuse. Another high priority objective is to reduce the incidence of major crimes, especially where the city has seen increases, such as in aggravated assault, burglary, and auto theft. These efforts will not only reduce the overall incidence of crime, but will also reduce the fear of crime in the community and promote a sense of neighborhood and personal safety.

Crime analysis will be an important tool in achieving these objectives, as it allows the bureau to identify crime patterns. Challenges to reaching these objectives are adequate staffing strength and the bureau's reliance on other criminal justice partners that have also experienced budget and service cuts.

Bureau programs that support this goal include:

- ◆ Emergency Response and Problem Solving
- ◆ Investigations
- ◆ Cycle of Violence Reduction

Improve the Quality of Life in Neighborhoods

Police employees, together with community members and partners from other agencies, will work together to maintain safe, crime-resistant neighborhoods. They will plan and implement strategies to improve safety at public events, minimize traffic collisions and other traffic-related problems, reduce nuisance activity, and resolve other neighborhood problems. Precinct neighborhood officers are the primary points of contact for this work.

High priority strategies to achieve this goal are to strengthen and support the precinct officers' ability to conduct neighborhood problem solving, increase resident involvement in public safety projects, and reemphasize traffic enforcement. Challenges to reaching this goal include developing new programs and maintaining a commitment from partner agencies.

Bureau programs that support this goal include:

- ◆ Neighborhood Safety
- ◆ Traffic Safety

**Improve the
Community and Police
Partnership**

The police and community will recognize a shared responsibility for public safety in their community, and will work together to promote education and understanding. Community members will increase their understanding of police procedures, and police members will increase their understanding of community fears and issues. People with specific crime prevention needs - youth, seniors, cultural groups, people with mental illnesses, people with developmental disabilities - will receive specific focus.

High-priority strategies to achieve this goal are improving the community's understanding of police policies and procedures and increasing community involvement in developing those policies. One of the challenges to reaching this goal is to retain commitment and focus after initial partnerships are formed.

Bureau programs that support this goal include:

- ◆ Citizen Partnership
- ◆ Communications

**Develop and
Encourage Personnel**

All employees will understand the mission and goals of the bureau and their role in meeting them. Training, employee evaluations, promotions, and agency communications will be geared toward helping employees meet expectations in achieving these goals. The bureau has a goal for all employees to rate their overall job satisfaction as good or very good, and for this to be reflected in excellent customer service to the community. The bureau strives to maintain adequate staffing levels and to reflect the demographic make-up of the community in its staff.

One of the high-priority strategies to achieve these goals is to develop and implement improved problem-solving and communication training for all personnel. Challenges to reaching this goal are to maintain adequate field supervision and to continuously emphasize communication skills as a foundation of leadership.

Bureau programs that support this goal include:

- ◆ Human Resources Development
- ◆ Data Access

**Improve
Accountability**

Budgets, strategies, activities, policies, and procedures will fully reflect community priorities and concerns. Strategic plans will be updated every two years with community and employee input, and will be linked to budget planning. To the extent possible, financial forecasting will foresee legislative and demographic changes that affect calls for service. Internal systems for managing funds and people will be updated continuously and applied consistently. Community members, elected officials, and employees will view the bureau as both responsive and responsible.

High-priority strategies to achieve these goals are to renew the bureau's commitment to community policing, to improve public confidence in the Police Bureau, and to develop and enhance management information systems. One of the challenges to reaching these goals is to obtain resources to develop and maintain management information systems.

Bureau programs that support this goal include:

- ◆ Employee Performance
- ◆ Strategy and Finance

Overview of Programs

EMERGENCY RESPONSE & PROBLEM SOLVING

Description

Responding to crimes and initiating problem-solving activities to alleviate chronic problems and prevent crimes remains the key program for the Portland Police Bureau. These efforts are designed to not only reduce the overall incidence of crime, but also to reduce the fear of crime in the community and to promote a sense of neighborhood and personal safety.

This program includes the precincts, portions of the Tactical Operations Division, and emergency management.

Precincts

Precincts respond to calls for service from the public and conduct problem-solving activities through individual contacts, neighborhood associations, advisory committees, and other partners. These first responders are also responsible for preliminary investigations, securing crime scenes for preservation and collection of evidence, identifying potential witnesses and/or suspects, and generally ensuring the safety of the community.

Tactical Operations Division

The mission of the Tactical Operations Division (TOD) is to support community safety through specialized tactical services, emergency preparedness, and directed enforcement and intervention. TOD includes the Special Emergency Reaction Team and the Explosives Disposal Unit, which respond to emergency and tactical situations. In addition, the Canine Unit, the Rapid Response Team, and the Air Support Unit assist in providing various specialized policing services. The Police Bureau's Emergency Operations Center is also maintained by TOD.

Emergency Management

The mission of emergency management is to enhance the community's ability to maintain quality of life following the impact of a natural or human-caused catastrophe. This is accomplished by facilitating training, creating and exercising emergency operation plans, and acquiring equipment so that the bureau can prepare for, respond to, and mitigate emergencies.

Relationship to Goals

This program links to the City goal to ensure a safe and peaceful community and the bureau goal to reduce crime and the fear of crime.

Performance

Meet timeliness goals:

- ◆ Average travel time to high priority calls has crept up in recent years, and now exceeds the bureau's goal of five minutes or less.
- ◆ Officer time available for problem solving increased in 2004 and held steady at 34% last year.
- ◆ Dispatched incidents, per officer and in total, fell in 2005. However, this was largely offset by an increase in the number of telephone reports of crime and an increase in officer-initiated calls for service.

Reduce the incidence of major crimes:

- ◆ Part I crimes per 1,000 residents, both against persons and against property, have dropped since 2003.

Reduce the community's fear of crime:

- ◆ Despite the reduction in most major crimes in recent years, the percent of citizens who feel safe walking alone at night decreased to 49% in 2005.

Key Accomplishments for 2005:

- ◆ **Electronic Field Reporting:** The Police Bureau completed business process reengineering for the reports in fall 2005; installed computers and printers in precincts, contact offices, and custody locations in fall 2005; and began testing the officer entry screens for the newly developed field reporting application in November 2005 (the first phase of deployment).
- ◆ **Holiday Safety Plan:** The purpose of this plan was to improve community livability in downtown Portland during the holiday season by running overlapping missions designed to decrease crime and the fear of crime. Beginning November 22, 2005 and continuing throughout the holiday season, officers increased patrols in downtown public areas, such as Pioneer Courthouse Square and along Northwest 21st and Northwest 23rd Avenues. On November 20, 2005, Central Precinct officers conducted a prostitution mission in northwest Portland that led to the arrest of 14 suspects.
- ◆ **East Portland Methamphetamine Missions:** East Precinct conducted a series of missions to reduce methamphetamine use and related crimes in east Portland.
- ◆ **Gun Lock Distribution:** On November 7, 2005 the bureau distributed 1,300 free gun locks made available through U.S. Department of Justice funds and donations from the firearms industry.
- ◆ **Project 57 Jail Beds:** Effective November 1, 2005, additional jail beds were made available under an inter-governmental agreement between the City of Portland and Multnomah County.
- ◆ **Target Meetings:** The bureau began holding these meetings once a month to discuss problem-solving strategies concerning crime and livability issues.

Changes to Services and Activities

The Adopted Budget provides funds and staff to open the precincts 24/7 to further our community policing efforts. The budget also increases the cost recovery for special events that require additional police services and are held for profit.

INVESTIGATIONS

Description

Investigating crimes and apprehending criminals are key components of public safety. Solving crimes can promote a sense of community safety, and information gained in investigations can be shared to prevent future crimes.

This program involves the Detective Division, precinct detectives, the Criminal Intelligence Unit, the Property and Evidence Division, and the Identification Division.

Detective Division

The Detective Division is organized into two sections: person crimes and property crimes. The person crimes section is responsible for major crime scene response, and initial and follow-up investigation of serious felony crimes (homicides, assaults, robbery, sex crimes, bias/hate crimes, and missing persons). The property crimes section is responsible for the investigation of fraud and white collar crime, elder fraud and identity theft, computer crimes, special property investigations (such as pawn shops), and arson. In addition, the Detective Division has a full-time polygraph examiner and a hostage negotiations team. The Detective Division is also the parent division for the Auto Theft Task Force, the Telephone Report Unit, the Information and Referral Unit, the Complaint Signer, the Court Services Unit, and District Attorney Investigations.

Through community policing, partnerships have been created with the Multnomah County District Attorney's Office, the Federal Bureau of Investigation Violent Crimes Task Force, the U.S. Marshal's Service, the Portland Fire Bureau's arson detail, the Regional Economic Crime Investigation Center, and the Bureau of Alcohol, Tobacco, and Firearms to jointly investigate specific crimes.

Criminal Intelligence Unit

The Criminal Intelligence Unit's duties are to create and maintain a sound criminal information base, to analyze acquired information on criminal activity, and to provide the operational and support units of the Police Bureau with predictive information. The unit also provides information and personnel support for the protection of dignitaries and persons of special interest.

Property and Evidence

The Property and Evidence Division is responsible for receiving, processing, accounting for, and warehousing the property and evidence items received by the Police Bureau and other law enforcement agencies within Multnomah County. The division also stores vehicles and disposes of property when it is no longer required.

Identification Division

The Identification Division provides specialized support services to the Portland Police Bureau and other criminal justice agencies by determining the identity of individuals through fingerprints, photos, and other evidence obtained from major crime scenes. The division also processes film and enhances surveillance videos, still photos, and audio tapes. The Integrated Biometrics Identification System and X-Imaging photo systems have made it easier to positively identify people and firearms.

Relationship to Goals

This program links to the City goal to ensure a safe and peaceful community and the bureau goal to reduce crime and the fear of crime.

Performance

Improve the ability to identify and apprehend serious offenders:

- ◆ Clearance rates for major crimes against persons (murder, aggravated assault, robbery, and rape) and major crimes against property (larceny, arson, auto theft, and burglary) have essentially held steady at 36%-38% and 14-15%, respectively.

Key Accomplishments for 2005:

- ◆ **LoJack Technology:** On September 1, 2005 the bureau, along with 19 area law enforcement agencies, partnered with LoJack to reduce auto theft. Law enforcement agencies that have vehicles equipped with the LoJack technology are able to track signals of stolen automobiles that are also equipped with LoJack.
- ◆ **Computer Access:** The bureau increased the number of personal computers available for detectives in 2005.
- ◆ **Deadly Force Investigations:** The bureau researched national best practices and worked with representatives from the Police Assessment Resource Center to revise protocols for deadly force investigations.
- ◆ **Robbery Detail Partnerships:** The bureau established partnerships across the metropolitan region to share robbery data with other law enforcement agencies.
- ◆ **Auto Theft Task Force (ATTF):** The ATTF worked with several partners, including the Federal Bureau of Investigation, to make an interstate auto theft racketeering case against a large syndicate.

Changes to Services and Activities

The Adopted Budget includes an initiative for the Identification Division to outsource services related to reading and matching fingerprint images that will result in savings. Some of these savings will be redirected to support two identification technicians. This division will also enhance revenue by providing identification card services to residents and outside agencies at a nominal charge.

The ATTF will be reduced by redeploying five positions to patrol and investigation operations in the precincts.

CYCLE OF VIOLENCE REDUCTION

Description

In order to reduce crime and improve neighborhood safety and livability, the Cycle of Violence Reduction program focuses its efforts on reducing drug and gang crimes, as well as crimes that begin a cycle of violence in the home.

This program involves the Drugs and Vice Division (DVD), Family Services Division, Gang Enforcement Team (GET), Youth Gun Anti-Violence Task Force (YGAT), Youth Crime Prevention (YCP), and the ROCN.

Drugs and Vice Division

Drug enforcement efforts concentrate on mid- to high-level manufacturing and distribution. Drug house investigations also continue to be a primary focus of the Drug Unit. Drug interdiction efforts include participation in the Portland Interdiction Task Force with the Federal Drug Enforcement Agency.

The Vice Unit’s activities include special enforcement efforts targeting illegal adult businesses. The unit also conducts liquor license investigations to ensure liquor establishments do not reduce neighborhood quality of life.

The Forfeiture Unit assists all divisions in removing profit incentives from criminal enterprises. The drug dog/officer teams are also assigned to the Drugs and Vice Division.

Family Services Division

The Family Services Division consists of the Child Abuse Team, the Domestic Violence Reduction Unit, the Domestic Violence Intervention Team, a juvenile section, and the Elder Crimes unit. The bureau also provides an officer for the Child Abuse Response and Evaluation Services NW project, which works with the victims of child sex assault and abuse.

The Domestic Violence Reduction Unit is a team of officers who assist with domestic violence investigations to improve the system's ability to hold batterers accountable, thus breaking the cycle of violence. The Domestic Violence Intervention Team combines officers with domestic violence advocates to offer services to repeat and first-time victims of domestic violence, with the intent to intervene early in the progressive cycle of violence. Another program of the division is WomenStrength, which teaches self-defense classes and personal safety workshops.

Tactical Operations Division: GET, YGAT, and YCP

GET and YGAT are components of the Tactical Operations Division. This division spans two different programs (Emergency Response and Problem Solving, and Cycle of Violence Reduction) because of the street-level activities it performs.

GET has a detective section, which is charged with intelligence gathering, identification of gang members, and investigation of gang-related crimes. GET and YGAT often work independently of the patrol components of the precincts, investigating mid- to low-level street drug dealers and users. Much of this work involves potential and identified gang members, and often involves armed suspects. Other projects of these units are the gun buy-back initiative and undercover gun show operations.

The mission of the Youth Crime Prevention Unit is to provide education and intervention strategies that support community safety initiatives. The unit administers the Gang Resistance Education and Training program, which provides training to officers in the ten-state western region and prevention programs to students and their families in the Portland, Parkrose, and David Douglas School Districts.

ROCN Task Force

The Police Bureau's drug interdiction efforts have intensified through participation in this regional program. The bureau currently has a limited term captain's position assigned to the ROCN (for which the bureau receives reimbursement from the federal government), as well as one sergeant and two officers detached from the Drugs and Vice Division (for which the bureau receives reimbursement for ROCN-related overtime).

Relationship to Goals

This program links to the City goal to ensure a safe and peaceful community and the bureau goal to reduce crime and the fear of crime.

Performance

Reduce drug house complaints:

- ◆ The number of addresses generating drug house complaints fell significantly in 2003, but increased slightly in both 2004 and 2005. In 2005, drug house complaints reflected 1,464 distinct addresses.

Key Accomplishments for 2005:

- ◆ Central Precinct Missions: On November 21, 2005, Central Precinct officers conducted a warrant sweep mission targeting street-level narcotics trafficking and sex offenses that led to the arrest of 22 suspects.
- ◆ Northeast Precinct Missions: Northeast Precinct conducted Hispanic and black gang intervention, curfew and underage drinking, violent crime interdiction, prostitution, car prowl, and drug missions.
- ◆ Collaboration: The Drugs and Vice Division and the Tactical Operations Division led and/or participated in several key partnerships and task forces with other agencies and community groups which focused on drugs (Oregon Partnership, Meth Watch), identity theft (Regional Economic Crime Information Center), and youth crime prevention (Gang Resistance Education and Training).
- ◆ Meth Watch: This partnership includes local retailers, hotel and motel operators, law enforcement, and community leaders in a campaign to heighten awareness of the ingredients used to manufacture methamphetamine and to deter thefts and bulk purchases of these materials by meth cooks. Drugs and Vice Division personnel are an integral part of this committee.
- ◆ Meth Labs and Treatment: In 2005, the bureau participated on a committee with the District Attorney's Office, substance abuse treatment providers, parole and probation personnel, and the Multnomah County Sheriff's Office to develop a plan to reduce the number of meth labs and provide treatment options for offenders.
- ◆ Drug-Endangered Children: In 2005, the bureau worked with the Oregon Department of Human Services, the District Attorney's Office, Legacy Emanuel Hospital, and other law enforcement providers to design the Multnomah County protocols for Drug Endangered Children.

Changes to Services and Activities

The Adopted Budget expands the number of vehicles impounded directly by the Police Bureau's Drugs and Vice Division. This change is the largest program expansion planned at the bureau for FY 2006-07.

NEIGHBORHOOD SAFETY**Description**

Neighborhood problem solving between residents and their neighborhood officers is a major tenet of community policing. Precincts assign officers to work with the community in a specific geographic district, and assign Neighborhood Response Team (NRT) officers to work with neighborhood and business associations on broader strategies and chronic problems.

This program involves School Police, Home Security Locks, the precinct NRTs, and the Alarms Administration Unit.

School Police

The mission of the School Police Division is two-fold:

- 1) Provide an environment in and around Portland Public Schools that is free of crime, the fear of crime, intimidation, and disorder, so that school staff and students can attain their educational goals and objectives without distraction.
- 2) Improve the quality of life for students, both in the present and in the future.

The Portland Public School District is divided into ten school clusters. Each of the ten school clusters has at least one school resource officer assigned to it. Busy school clusters have two school resource officers. School resource officers at Parkrose High School and David Douglas High School are also part of the School Police Division.

The school resource officers engage in several activities to help keep school campuses safe. These activities include high visibility patrol inside and outside of schools, response to calls for service, mediation of disputes, classroom teaching related to law enforcement, and mentoring/coaching.

The Police Cadet program is also part of the School Police Division. This program allows young people with a desire to enter the law enforcement profession the opportunity to study police procedures and work with law enforcement officers.

Home Security Locks

The Home Security Locks program provides locks and other home security devices to qualifying low-income seniors. This program is partially funded by a federal grant passed through the Bureau of Housing and Community Development.

Neighborhood Response Teams

NRT units work closely with residents, other bureaus and agencies, and the precinct crime analysts to identify crime patterns and livability concerns, and to develop and monitor responses.

Alarms Administration Unit

The Alarm Administration program, governed by City Code 14, provides services to alarm permit customers who receive Portland Police response. This unit also works to reduce false alarms and to educate alarm permit customers.

Relationship to Goals

This program primarily links to the City goal to ensure a safe and peaceful community, but also links to the City goal to improve the quality of life in neighborhoods. The program also links to the bureau goal to improve the quality of life in neighborhoods.

Performance

Increase community crime prevention efforts:

- ◆ The burglary victimization rate increased slightly in 2005, from 5% to 7%.

Key Accomplishments for 2005:

- ◆ **Community Livability Mission:** On November 25, 2005, officers conducted a visibility mission with increased patrols at several events in downtown Portland. The officers talked with residents about crime prevention. Drug missions focused on the inner Burnside and Belmont areas were also conducted in October and December 2005.
- ◆ **Tired of Tweakers Crime Prevention Campaign:** In partnership with the Office of Neighborhood Involvement (ONI), the Police Bureau conducted missions to reduce meth-related burglaries and other property crimes.
- ◆ **National Night Out:** Also in collaboration with ONI, the bureau hosted a National Night Out in August 2005 and a public safety volunteer recognition event in October 2005.
- ◆ **Precinct Open Houses:** In July and August 2005, the Portland Police Bureau invited members of the community into the precincts. Each open house was an opportunity for bureau members to get to know their neighbors and to discuss public safety, community policing strategies, and neighborhood livability with the community.
- ◆ **Crime Prevention Campaign in East Precinct:** Officers conducted a door-to-door campaign to distribute crime prevention and awareness literature. Residents in the Powelhurst-Gilbert neighborhoods were also invited to attend community policing training sessions.
- ◆ **Homeless Outreach:** Southeast Precinct designated an officer to work with JOIN on issues involving homeless camps and camping. JOIN also participates in monthly precinct problem-solving meetings.

Changes to Services and Activities

The Adopted Budget increases alarm administration revenue by seeking to establish agreements with Fairview and Troutdale to provide alarm administration within those jurisdictions.

TRAFFIC SAFETY

Description

The Police Bureau, as well as neighborhoods and business associations, is concerned about improving traffic safety for vehicles, bicycles, and pedestrians, and supports efforts to reduce traffic collisions. The bureau and associations are also interested in ensuring the safety of those using the public transit system.

This program involves the Transit Police and the Traffic Division.

Transit Police

The Transit Police provide contract police services for TriMet to respond to primary calls in, on, and related to TriMet property and vehicles. The budget for the Transit Police draws on intergovernmental agreements with Washington County, Multnomah County Sheriff's Office, and the Cities of Gresham, Beaverton, Milwaukie, and Tigard.

Changes to Services and Activities There are no changes in the Adopted Budget for this program.

COMMUNICATIONS

Description Centralized communications at the Police Bureau include a public information section and nonemergency telephone response through the Police Information Line.

This program involves Public Information and Information and Referral.

Public Information

This unit responds to information requests from the public and the media about police activities. The Public Information Unit also helps coordinate communications between the Chief's Office and the rest of the bureau, and organizes media interviews within the Police Bureau. This unit is also responsible for the Crimestoppers program.

Information and Referral

This unit answers the nonemergency police line. Employees provide direct information to callers, and also process calls for transfer to the telephone report unit, other Police Bureau divisions, and the 9-1-1 center. Call volume is approximately 12,000 calls per month.

Relationship to Goals This program links to the City goal to ensure a safe and peaceful community and the bureau goal to improve the community and police partnership.

Performance The performance measure "Citizens Rating Service as Good or Better" is assigned to this program. The rating has hovered at 62% to 63% for the last several years.

Key Accomplishments for 2005:

- ◆ Public Response to Deadly Force Incidents: The Police Bureau created and published a new section of the deadly force policy in 2005. This section articulates a process for informing residents and the media after deadly force incidents.
- ◆ Media Response: Coordinated staff assignments to provide coverage for media questions and requests 24 hours a day, seven days a week.
- ◆ Northeast Notifications: Northeast Precinct established a new policy to notify ONI crime prevention staff of significant crimes and police actions within 72 hours of the incident. ONI then prepares a bulletin to send to neighborhood associations.

Changes to Services and Activities There are no changes in the Adopted Budget for this program.

HUMAN RESOURCES DEVELOPMENT

Description Hiring, training, evaluations, and promotions at the Police Bureau are designed to encourage a diverse workforce focused on community policing and the goals of the bureau. For police officers, special emphasis is placed on officer safety, to reduce the likelihood of an officer being killed or injured in the line of duty.

This program includes the Crisis Intervention Team (CIT), the Personnel Division, the Training Division, and Management Services.

Crisis Intervention Team

The CIT provides specialized training for patrol officers to enhance their ability to respond to calls involving people with mental illness. The CIT program receives feedback from the CIT Advisory Committee, which is made up of representatives from organizations that serve people with mental illnesses.

Personnel Division

The Personnel Division performs human resource functions for the Police Bureau. In partnership with the Bureau of Human Resources (BHR), this division is responsible for the recruitment, selection, and hiring of all bureau personnel. The division implements activities aimed at recruiting a diverse group of officers. Personnel also manages labor relations and contracts, employee relations, discipline and discharge, human resources policies and procedures, personnel records and reports, and employee benefits. The division also coordinates the Use of Force and Performance Review Boards, which review cases and recommend employee discipline where necessary.

Training Division

Training Division responsibilities include the training, education, and professional development of bureau personnel. The division works with new recruits through all stages of initial training, as well as with existing bureau personnel, in the development of new skills, procedures, and tactics. The Training Division is responsible for the bureau's annual in-service training program, the Advanced Academy for recruit officers, the Citizen Police Academy, and numerous other bureau-wide trainings. The Training Division is responsible for seeking resident input through a Citizen Training Council.

Management Services

Management Services is made up of Loss Control, Liability Management, Fleet Services, Facilities, and Communications. Loss Control manages safety and health programs for the Police Bureau. These include the Safety Committee, the Collision Review Board, the hazardous materials program, Occupational Safety and Health Administration compliance, accident prevention, workplace hazard assessment, and accident trend analysis.

The Liability Management Unit works with the Bureau of Risk Management to investigate claims brought against the City and the bureau. The unit evaluates and investigates incidents to enable the City to properly adjust these claims. The unit also works with the City's vehicle, facilities, and communications service providers to evaluate, test, and order a variety of equipment.

Relationship to Goals

This program links to the City goal to ensure a safe and peaceful community and the bureau goal to develop and encourage personnel.

Performance

Key Accomplishments for 2005:

- ◆ Advanced Academy Training: In 2005, the Training Division increased community policing training for the Advanced Academy from five to 25 hours.
- ◆ Cultural Competency: The Training Division partnered with BHR to provide cultural competency training to all sworn personnel as part of in-service training in 2005. In addition, a team of bureau personnel participated in the Perspectives in Profiling course and will learn to be co-trainers within the bureau. BHR staff have been invited to become co-trainers as well.
- ◆ Communicating with Special Needs Populations: The bureau conducted training in crisis intervention (with Project Respond) and training on serving people with epilepsy during 2005 in-service training.
- ◆ Taser Deployment: In 2005, the Police Bureau deployed tasers to the precincts and divisions. Training for taser certification was initiated.
- ◆ Recent accomplishments in recruitment include the following:
 - ❖ In 2005, all announcements and postings for police officer recruitments were rewritten to emphasize community policing. Also, the Planning and Support Division developed a recruitment interest postcard that recruiters now distribute at area colleges and job fairs.
 - ❖ In January 2005, the bureau began the "For every Portland police officer there is a story..." advertising campaign to attract a diverse pool of applicants from the Portland community, including women and minorities.
 - ❖ In February 2005, five additional background investigators were hired to accommodate an increased number of police officer applicants.
- ◆ Applicant Testing: The number of minorities who applied to take the community police officer written exam in 2004 was 237. This number increased to 322 for 2005, a 36% increase.
- ◆ Diversity in Hiring: The percentage of female officers hired in 2003 was 16%. This percentage rose to 24% in 2004 and 20% in 2005. The percentage of minority officers hired in 2003 was 28%. This percentage rose to 29% in 2004 and 31% in 2005.
- ◆ Promotional Criteria: The published criteria for all sworn position promotions now include problem solving, creativity, judgment, commitment to a diverse workplace, performance in achieving bureau goals and objectives, and overall commitment to community policing.

Changes to Services and Activities

The Adopted Budget includes funds to create an Early Intervention Unit that will monitor and track employee performance, triggering an intervention aimed at correcting poor employee performance in a nondisciplinary manner where necessary.

A quartermaster program to reduce uniform expenditures by recycling uniforms is also created in the FY 2006-07 budget.

DATA ACCESS

Description

Access to timely information about reported crimes is crucial for crime analysis, problem solving, and internal bureau communications. Officers need information in the field that is reliable and comprehensive.

This program includes the Police Records Division and Data Processing.

Records Division

The Records Division is responsible for all police and auto records. The division enters all report data into the Portland Police Data System (PPDS), and integrates relevant information from other state and federal law enforcement data systems. Special duties include providing information in compliance with public records law, and providing auto releases for towed vehicles.

Data Processing Division

In cooperation with the Bureau of Technology Services (BTS), the Data Processing Division is responsible for providing information and assistance to the officers, investigators, and managers of the bureau through PPDS, local- and wide-area networks, and other computerized systems of the Police Bureau. Division staff promote and support PPDS as an effective regional law enforcement system. Together with BTS, the division also projects future technological needs and acquires technological equipment for the entire Police Bureau.

Relationship to Goals This program links to the City goal to ensure a safe and peaceful community and the bureau goal to develop and encourage personnel.

Performance *Key Accomplishments for 2005:*

- ◆ **Electronic Citations:** The Oregon Legislature recently approved the use of electronic citations. The Traffic Division purchased an electronic citation device for every officer and began distributing the devices in August 2005. The bureau is currently working with the state and the courts to accept the new citations.
- ◆ **Service Complaints:** The Internal Affairs Division is currently piloting a new system to process service complaints electronically.
- ◆ **Emergency Call-up:** The bureau created new emergency call-up roster capabilities on the Police Bureau intranet in 2005.

Changes to Services and Activities The Adopted Budget includes support for a replacement study for the outdated PPDS. This is the first phase of a five-year project to migrate to new technology, with the goal of remaining the exclusive provider of a law enforcement records management system in the region. The Adopted Budget also includes support for one position and software costs for the electronic field reporting project.

EMPLOYEE PERFORMANCE

Description The bureau's new goal of accountability focuses on efforts to collect, analyze, and share data and information that will help improve employee performance and, in turn, overall bureau performance.

The Internal Affairs Division (IAD) is the only division involved in this program. IAD has an important role in promoting individual and organizational accountability. The division is responsible for investigations into police conduct complaints, and also attempts to identify behaviors and trends among officers that may erode community trust and confidence. IAD pinpoints policy and training issues that need to be addressed to strengthen the police/ community relationship and quality of service.

Relationship to Goals This program primarily links to the City goal to ensure a safe and peaceful community, but also links to the City goal to deliver efficient, effective, and accountable municipal services. This program also links to the bureau goal to improve accountability.

Performance *Key Accomplishments for 2005:*

- ◆ Early Intervention System: Research began in 2005 on creating an early intervention system. The system will connect key performance data so supervisors can analyze employee behavior and provide targeted feedback on employee performance.
- ◆ Deadly Force Policy: Investigation procedures for incidents involving the use of deadly force were revised last year, and now include a new section on the sanctity of human life. New restrictions on shooting at and from moving vehicles were also added.
- ◆ Discipline Policy: Discipline policy was revised in 2005 to include more detailed procedures on how discipline can be recommended and implemented.

Changes to Services and Activities The Adopted Budget expands the Internal Affairs Division to include an Early Intervention Unit and an Internal Audit Unit.

STRATEGY & FINANCE

Description The bureau's budgets, strategic plans, policies, procedures, and overall approach to project management must fully reflect community priorities. Internal systems for managing funds and people need to be updated continuously and applied consistently.

This program includes the Chief's Office, Planning and Support, and Fiscal Services.

Chief's Office

The Chief's Office is responsible for the overall leadership, management, policy formulation, legal review, and internal control of the Police Bureau. Members of the Chief's Office also play a role in facilitating multicultural advisory committees and councils, such as the African American, Arab/Muslim, Asian, Latino, Sexual Minority, and Bureau Advisory Committees. The Chief's Office staff includes the Chief, three assistant chiefs, and support staff. The Crimestoppers program and the Public Information Unit are also housed in the Chief's Office.

Planning and Support Division

The Planning and Support Division provides bureau-wide strategic planning, performance measurement, surveying, communication support, crime analysis, statistical support, and policy development in accordance with the bureau's goals and objectives. The division develops and maintains the bureau web site, which includes more than 400 topic areas. The division also develops and conducts an annual review of the bureau's 180 policies and procedures, and publishes the Manual of Policy and Procedure on the web site.

Staff in Planning and Support are responsible for a variety of other duties, including coordination of the Developmental Disabilities Advisory Committee, the Safety Zone crime prevention program for adults with developmental disabilities, the emergency telephone notification system, efforts to develop new crime analysis software, and electronic field reporting.

Fiscal Services

Fiscal Services coordinates and monitors the annual budget; facilitates the acquisition of goods and services; processes the bureau's payroll, accounts payable, and accounts receivable; administers grants and contracts; and manages the alarm program. The division also prepares, controls, and monitors daily financial activities, and provides fiscal reports on bureau operations and resources.

The division monitors many activities for compliance, including travel expenses, procurement cards, take-home vehicles, tow fees, board-up fees, and the financial matters of the "Day Watch" childcare program.

Relationship to Goals

This program primarily links to the City goal to ensure a safe and peaceful community, but also links to the City goal to deliver efficient, effective, and accountable municipal services. This program also links to the bureau goal to improve accountability.

Performance

Key Accomplishments for 2005:

- ◆ Community Policing Assessment: In 2005, the bureau participated in a review of a draft community policing assessment tool developed by the Police Executive Research Forum.

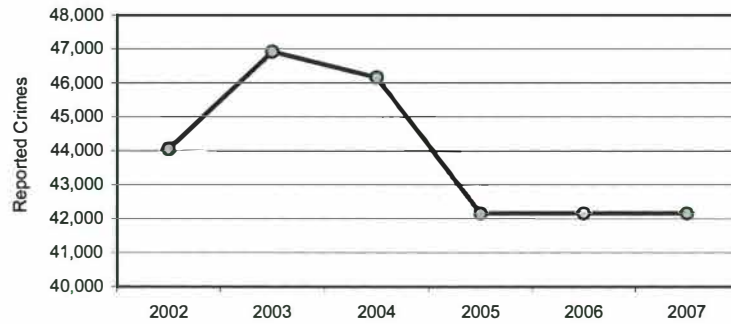
Changes to Services and Activities

No changes to this program are expected in FY 2006-07.

Performance Measures

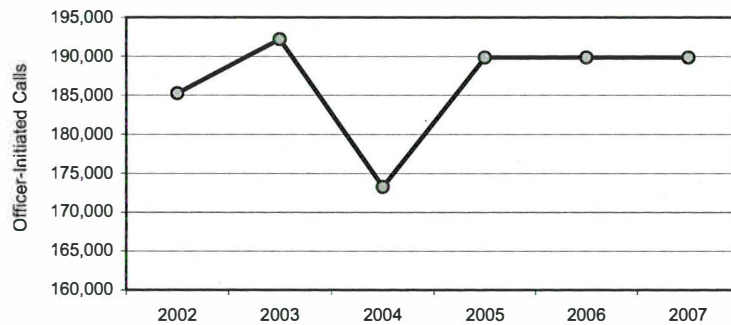
Part 1 (Major) Crimes

- ◆ Part 1 crimes have decreased for the past two years. Reductions have been in both person and property crimes.



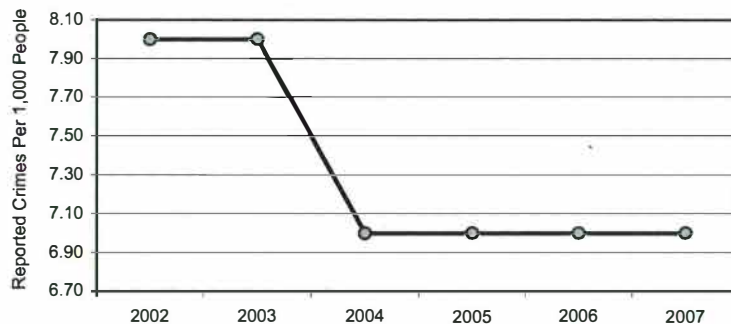
Officer-Initiated Calls for Service

- ◆ Self-initiated calls increased 10% in 2005, after dropping significantly in 2004.



Part 1 Person Crimes per 1,000 Residents

- ◆ Crimes against persons per 1,000 residents continue to remain at the lowest level seen in many years.



Bureau of Police

PERFORMANCE MEASURES¹

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
BUREAU OF POLICE						
Emergency Response/Prob Solving						
Effectiveness						
Part 1 (Major) Crimes	44,048	46,909	46,150	42,154	42,154	42,154
Part 2 Crimes	40,337	40,897	44,393	45,341	45,341	45,341
Part 1 Person Crimes per 1,000 Residents	8.00	8.00	7.00	7.00	7.00	7.00
Part 1 Property Crimes per 1,000 Residents	73	78	77	69	69	69
Total Part 1 Crimes per 1,000 Residents	82	86	84	76	76	76
Percent of Citizens who Feel Safe Walking Alone in Their Neighborhood at Night	50%	53%	53%	49%	49%	49%
Efficiency						
Average Officer Time Available for Self-Initiated Activity and Problem Solving	31%	32%	34%	34%	34%	34%
Average Travel Time to High Priority Calls, Minutes	4.87	4.88	5.12	5.13	5.13	5.13
Workload						
Average Number of Cars on Patrol, Midnight to 4 AM	70	71	71	71	71	71
Average Number of Cars on Patrol, 4 AM to 8 AM	51	54	53	55	55	55
Average Number of Cars on Patrol, 8 AM to Noon	54	56	55	56	56	56
Average Number of Cars on Patrol, Noon to 4 PM	53	57	54	53	53	53
Average Number of Cars on Patrol, 4 PM to 8 PM	76	80	76	78	78	78
Average Number of Cars on Patrol, 8 PM to Midnight	79	83	80	80	80	80
Incidents Dispatched	248,865	262,670	259,661	244,335	244,335	244,335
Officer-Initiated Calls for Service	185,261	192,184	173,269	189,861	189,861	189,861
Telephone Reports	38,973	30,110	25,486	30,219	30,219	30,219
Dispatched Calls per Officer	441	469	451	438	438	438
Investigations						
Effectiveness						
Percent of Person Crimes Cleared	38%	36%	37%	38%	38%	38%
Percent of Property Crimes Cleared	15%	15%	14%	14%	14%	14%
Cycle of Violence Reduction						
Effectiveness						
Addresses Generating Drug House Complaints	1,556	1,376	1,390	1,464	1,464	1,464
Neighborhood Safety						
Effectiveness						
Burglary Victimization Rate	5%	6%	5%	7%	7%	7%
Traffic Safety						
Workload						
Traffic Collision Calls for Service per 1,000 Residents	31	32	30	28	28	28

1. Please note that Police Bureau performance measures are reported on a calendar year, rather than a fiscal year, basis. For example, the FY 2004-05 column shows data from calendar year 2005.

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
Communications						
Effectiveness						
Citizens Rating Service as Good or Better	68%	63%	62%	63%	63%	63%

Bureau of Police

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	93,445,287	98,164,996	98,746,456	105,181,608	105,178,980
External Materials and Services	9,241,447	10,441,612	13,567,592	10,667,707	11,002,337
Internal Materials and Services	22,531,774	24,561,633	23,946,014	24,663,382	24,675,242
Minor Capital Outlay	888,694	726,637	2,020,309	99,000	99,000
Total Operating Budget	126,107,202	133,894,878	138,280,371	140,611,697	140,955,559
Capital Improvements	0	0	80,000	150,000	150,000
TOTAL BUREAU EXPENDITURES	\$ 126,107,202	\$ 133,894,878	\$ 138,360,371	\$ 140,761,697	\$ 141,105,559
Allocated Overhead	4,038,642	3,603,152	4,024,713	4,771,469	4,771,469
Total Cost with Allocated Overhead	130,145,844	137,498,030	142,385,084	145,533,166	145,877,028
RESOURCES					
Discretionary Revenue	109,377,749	117,177,324	120,377,307	123,284,718	123,284,718
Non-Discretionary Revenues					
Grants & Donations	4,989,507	4,800,882	5,978,581	1,529,740	1,529,740
Contract Revenues	5,006,472	5,571,139	5,463,603	5,527,146	5,527,146
Interagency Revenues	649,621	690,545	648,554	1,479,396	1,479,396
Inter-Fund Cash Transfers	37,486	0	312,567	0	0
Program Revenue	6,046,367	5,654,988	5,579,759	8,940,697	9,284,559
Total Non-Discretionary Revenues	16,729,453	16,717,554	17,983,064	17,476,979	17,820,841
TOTAL GENERAL FUND RESOURCES	\$ 126,107,202	\$ 133,894,878	\$ 138,360,371	\$ 140,761,697	\$ 141,105,559
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Neighborhood Policing Services	76,221,933	79,584,854	79,139,454	0	0
<i>Positions</i>	<i>808.00</i>	<i>784.53</i>	<i>740.23</i>	<i>0.00</i>	<i>0.00</i>
Investigative Services	15,489,014	17,156,009	17,822,448	0	0
<i>Positions</i>	<i>166.00</i>	<i>210.23</i>	<i>210.57</i>	<i>0.00</i>	<i>0.00</i>
Crime Interdiction Services	10,075,724	11,869,878	11,933,440	0	0
<i>Positions</i>	<i>97.00</i>	<i>98.25</i>	<i>98.25</i>	<i>0.00</i>	<i>0.00</i>
Support Services	24,320,531	25,284,137	29,465,029	0	0
<i>Positions</i>	<i>186.00</i>	<i>207.12</i>	<i>207.12</i>	<i>0.00</i>	<i>0.00</i>
Emergency Response/Prob Solving	0	0	0	55,945,327	55,945,327
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>629.00</i>	<i>629.00</i>
Investigations	0	0	0	18,791,950	18,791,950
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>193.00</i>	<i>193.00</i>
Cycle of Violence Reduction	0	0	0	13,800,850	13,801,054
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>120.00</i>	<i>120.00</i>
Neighborhood Safety	0	0	0	4,739,733	4,739,733
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>55.00</i>	<i>55.00</i>
Traffic Safety	0	0	0	10,518,854	10,678,838
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>75.00</i>	<i>75.00</i>
Citizen Partnership	0	0	0	511,316	511,316
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>4.25</i>	<i>4.25</i>
Communications	0	0	0	672,285	675,498
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>6.50</i>	<i>6.50</i>
Human Resources Development	0	0	0	11,063,070	11,046,424
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>43.00</i>	<i>43.00</i>
Data Access	0	0	0	10,559,728	10,576,935
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>86.00</i>	<i>86.00</i>
Employee Performance	0	0	0	0	1,526,580
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>15.00</i>	<i>15.00</i>
Strategy & Finance	0	0	0	0	12,811,904
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>43.00</i>	<i>43.00</i>
TOTAL PROGRAMS	\$ 126,107,202	\$ 133,894,878	\$ 138,360,371	\$ 140,761,697	\$ 141,105,559
<i>Positions</i>	<i>1,257.00</i>	<i>1,256.17</i>	<i>1,255.96</i>	<i>1,269.75</i>	<i>1,269.75</i>

Bureau of Police

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06		FY 2006-07		FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	6.00	5.00	5.00	206,760	5.00	214,992	5.00	214,992
0515	Accountant II	1.00	1.00	1.00	52,116	1.00	53,316	1.00	53,316
0510	Accounting Technician	1.00	1.00	1.00	37,692	1.00	38,568	1.00	38,568
0401	Evidence Control Spec Lead	1.00	1.00	1.00	51,924	1.00	53,124	1.00	53,124
0400	Evidence Control Specialist	7.00	7.00	9.00	388,062	9.00	399,972	9.00	399,972
0403	Evidence Control Supervisor	2.00	2.00	2.00	103,848	2.00	106,248	2.00	106,248
0151	P A S S	44.00	44.50	46.00	1,620,700	49.00	1,802,127	49.00	1,802,127
0153	P A S S Lead	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0152	P A S S Senior	10.00	10.00	10.00	421,724	10.00	442,867	10.00	442,867
0149	Police Desk Clerk	18.00	14.90	15.00	469,894	16.00	521,135	16.00	521,135
0155	Police I & R Specialist	3.00	3.00	3.00	125,004	3.00	131,640	3.00	131,640
7927	Police Mgmt Service Div Mgr	0.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
0147	Police Rec Train Coord	9.00	9.00	9.00	376,686	9.00	394,765	9.00	394,765
0146	Police Records Spec	56.00	57.39	60.00	2,076,525	59.00	2,145,129	59.00	2,145,129
7103	Administrative Assistant	1.00	2.00	1.00	55,968	1.00	57,696	1.00	57,696
7102	Administrative Specialist, Sr	2.00	2.00	2.00	87,888	2.00	90,271	2.00	90,271
7106	Administrative Supervisor I	7.00	7.00	6.00	333,660	6.00	341,145	6.00	341,145
7107	Administrative Supervisor II	2.00	2.00	3.00	197,028	3.00	201,492	3.00	201,492
7906	Alarm Program Coordinator	1.00	1.00	1.00	66,744	1.00	67,164	1.00	67,164
2533	Applications Analyst III	1.00	0.50	1.00	57,384	2.00	116,856	2.00	116,856
2534	Applications Analyst IV	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
1232	Auto Servicer	4.00	4.00	4.00	160,340	4.00	165,216	4.00	165,216
7112	Business Operations Manager	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7110	Business Operations Supervisor	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
7178	Claims Analyst	2.00	2.00	2.00	110,808	2.00	114,604	2.00	114,604
7243	Comm/Internet Mapping Spec, Sr	1.00	1.00	1.00	70,596	1.00	70,596	1.00	70,596
7203	Community Outreach/Info Rep	2.00	2.00	2.00	107,760	2.00	111,492	2.00	111,492
7204	Community Outreach/Info Rep, Sr	2.00	2.00	2.00	138,504	2.00	141,192	2.00	141,192
7919	Crime Analyst	2.00	2.00	3.00	158,796	3.00	163,321	3.00	163,321
7920	Crime Analyst Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7918	Crime Analyst, Assistant	2.00	2.00	2.00	109,070	2.00	112,592	2.00	112,592
5185	Crime Prevent Prog Administrator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5175	Criminalist	18.00	18.00	18.00	1,274,715	18.00	1,322,104	18.00	1,322,104
1213	Equestrian Trainer	0.00	0.00	1.00	41,196	1.00	43,392	1.00	43,392
7127	Executive Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7377	Financial Analyst, Senior	0.00	1.00	1.00	62,712	1.00	64,210	1.00	64,210
7902	Home Security Specialist	1.00	1.00	1.00	42,864	1.00	42,864	1.00	42,864
7903	Home Security Specialist, Senior	1.00	1.00	1.00	49,260	1.00	49,260	1.00	49,260
2542	Information Systems Analyst II	0.00	1.00	1.00	61,684	0.00	0.00	0.00	0.00
2544	Information Systems Analyst IV	1.00	0.00	0.00	0.00	1.00	67,164	1.00	67,164
7509	Information Systems Manager	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
7131	Management Analyst	2.00	2.00	2.00	120,936	3.00	179,964	2.00	125,880
7132	Management Analyst, Senior	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7322	Management Auditor	0.00	0.00	0.00	0.00	1.00	54,084	0.00	0.00
7323	Management Auditor, Senior	0.00	0.00	0.00	0.00	0.00	0.00	1.00	55,596
5138	Police Captain	8.00	7.00	9.00	873,330	9.00	905,086	9.00	905,086
7090	Police Chief	1.00	1.00	1.00	147,144	1.00	151,852	1.00	151,852
7941	Police Chief, Assistant	3.00	3.00	3.00	360,416	3.00	366,033	3.00	366,033
5140	Police Commander	8.00	9.00	9.00	946,265	9.00	971,650	9.00	971,650
7922	Police Data Research Supervisor	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
5150	Police Detective	90.00	88.00	89.00	6,305,376	89.00	6,555,093	89.00	6,555,093
7908	Police ID Technology Coordinator	1.00	1.00	1.00	64,464	1.00	64,464	1.00	64,464
5173	Police Ident Tech Lead	3.00	3.00	3.00	186,780	3.00	191,064	3.00	191,064
5172	Police Identification Technician	16.00	15.50	16.00	900,132	18.00	1,010,244	18.00	1,010,244
1235	Police Impound Technician	1.00	1.00	1.00	43,080	3.00	134,340	3.00	134,340
5189	Police Investigative Accountant	1.00	1.00	1.00	73,128	1.00	74,820	1.00	74,820
5137	Police Lieutenant	32.00	34.00	31.00	2,632,199	31.00	2,718,042	31.00	2,718,042
5128	Police Officer	734.00	752.00	704.00	40,601,972	724.00	43,656,371	724.00	43,656,371
5174	Police Photo Reproduction Spec	2.00	2.00	2.00	124,200	2.00	127,056	2.00	127,056
7925	Police Records Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7924	Police Records Supervisor	4.00	4.00	4.00	267,816	4.00	268,516	4.00	268,516
5134	Police Sergeant	126.00	123.00	122.00	8,635,677	125.00	9,174,558	125.00	9,174,558
7930	Police Support Services Manager	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
7507	Prin Info Sys Analyst IV(Supr)	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2545	Principal Info Systems Analyst	0.00	0.00	2.00	127,161	2.00	149,100	2.00	149,100
7153	Program Specialist	1.00	1.00	2.00	110,880	2.00	111,972	2.00	111,972
7193	Safety and Risk Officer II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1217	Stable Attendant	1.00	1.90	1.00	33,335	1.00	40,104	1.00	40,104
7270	Training & Development Analyst	0.00	0.00	0.00	0.00	0.00	0.00	1.00	50,400

FTE SUMMARY

Bureau of Police
Public Safety Service Area

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7245	Video Production Assistant	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7246	Video Production Specialist	0.00	0.00	1.00	63,984	1.00	63,984	1.00	63,984
TOTAL FULL-TIME POSITIONS		1,257.00	1,270.69	1,226.0	\$ 72,321,595	1,259.0	\$ 77,200,319	1,259.0	\$ 77,198,147
2534	Applications Analyst IV	0.00	0.00	1.39	102,559	1.00	78,168	1.00	78,168
5185	Crime Prevent Prog Administrator	0.00	0.75	0.75	29,166	0.75	33,189	0.75	33,189
1217	Stable Attendant	0.00	0.00	0.50	18,862	0.00	0.00	0.00	0.00
TOTAL PART-TIME POSITIONS		0.00	0.75	2.64	\$ 150,587	1.75	\$ 111,357	1.75	\$ 111,357
0515	Accountant II	0.00	1.00	1.00	43,916	1.00	49,078	1.00	49,078
0400	Evidence Control Specialist	0.00	0.67	0.00	80,153	0.00	0.00	0.00	0.00
0151	P A S S	0.00	2.47	2.60	57,505	0.00	0.00	0.00	0.00
0152	P A S S Senior	0.00	0.42	0.00	0.00	0.00	0.00	0.00	0.00
0155	Police I & R Specialist	0.00	2.00	2.00	88,944	0.50	22,758	0.50	22,758
7102	Administrative Specialist, Sr	0.00	0.00	1.00	65,779	0.25	9,204	0.25	9,204
2533	Applications Analyst III	0.00	0.00	0.58	31,087	0.00	0.00	0.00	0.00
7242	Comm/Internet Mapping Spec	0.00	1.00	1.00	63,144	1.00	63,564	1.00	63,564
7203	Community Outreach/Info Rep	0.00	0.67	1.00	49,956	0.00	0.00	0.00	0.00
7919	Crime Analyst	0.00	0.00	0.58	40,236	0.00	0.00	0.00	0.00
2523	Information Systems Tech II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7131	Management Analyst	0.00	1.00	1.00	50,400	1.00	52,292	1.00	52,292
5138	Police Captain	0.00	1.66	1.00	100,464	1.00	102,756	1.00	102,756
5150	Police Detective	0.00	1.00	0.75	55,110	0.00	0.00	0.00	0.00
5171	Police ID Technician Trainee	0.00	1.33	0.00	0.00	0.00	0.00	0.00	0.00
5137	Police Lieutenant	0.00	0.58	1.00	0.00	0.00	0.00	0.00	0.00
5128	Police Officer	0.00	6.58	5.00	217,639	3.00	191,712	3.00	191,712
5134	Police Sergeant	0.00	2.25	2.00	143,784	1.25	92,280	1.25	92,280
7154	Program Coordinator	0.00	0.08	1.00	55,116	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	3.08	4.92	272,404	0.00	0.00	0.00	0.00
1217	Stable Attendant	0.00	0.33	0.00	0.00	0.00	0.00	0.00	0.00
7270	Training & Development Analyst	0.00	1.57	1.10	21,140	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	28.69	27.53	\$ 1,436,777	9.00	\$ 583,644	9.00	\$ 583,644

Bureau of Police

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	137,993,966	0	137,993,966	1,237.75	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	0	6,983	6,983	0.0	Grant Match Requirements for General Fund
	(1,288,592)	0	(1,288,592)	0.0	Move Human Resources Charges to Overhead
	4,171	0	4,171	0.0	Increase Employee Transit Pass Subsidy
	(237,423)	0	(237,423)	0.0	Reduction in Employee Health Insurance Rates
Mayor's Proposed Budget Decisions					
	0	150,000	150,000	0.00	Replacement/Upgrade Study for PPDS
	1,805,687	0	1,805,687	5.00	Impound Vehicles Directly, Reduce Private Towing
	(63,992)	0	(63,992)	2.00	Identification Division Efficiencies & Revenue
	(50,000)	0	(50,000)	0.00	Uniform Efficiencies
	(280,000)	0	(280,000)	0.00	Fleet and BTS Interagency Reductions
	0	0	0	0.00	Alarms Revenue Enhancement
	0	0	0	0.00	Public Records Fee Increase
	(9,115)	0	(9,115)	0.00	Eliminate Police Corp Program Costs
	0	0	0	0.00	Increase Photo Radar Revenue
	0	0	0	0.00	Red Light Camera Expansion
	0	0	0	0.00	Enhanced Special Event Cost Recovery
	0	0	0	0.00	Increase in Tow Release Fees
	508,998	858,438	1,367,436	18.00	Open Precincts 24/7 with Restricted Officers
	146,876	0	146,876	1.00	Support for Electronic Field Reporting
	524,970	65,730	590,700	6.00	Create Internal Audit and Early Intervention Units
	0	475,000	475,000	0.0	Problem-Oriented Policing Services
	50,000	100,000	150,000	0.0	Domestic Violence Contract Funding
Approved Budget Additions and Reductions					
	0	0	0	0.0	None
Adopted Budget Additions and Reductions					
	0	343,862	343,862	0.0	Appropriation of Forfeiture Trust Funds
	1,111,580	2,000,013	3,111,593	32.00	Total FY 2006-07 Decision Packages
			\$ 141,105,559	1,269.75	Total Adopted Budget

Fire & Police Disability & Retirement

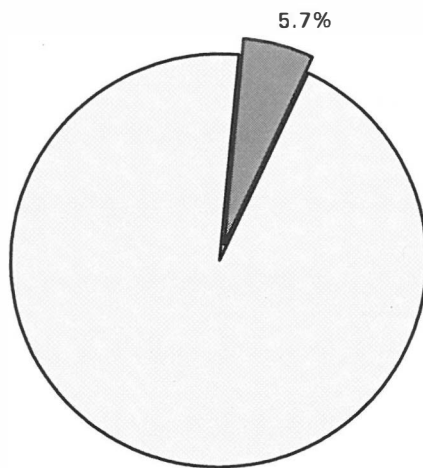
Public Safety Service Area

Auditor Gary Blackmer, Commissioner-in-Charge

Babette Heefle, Director

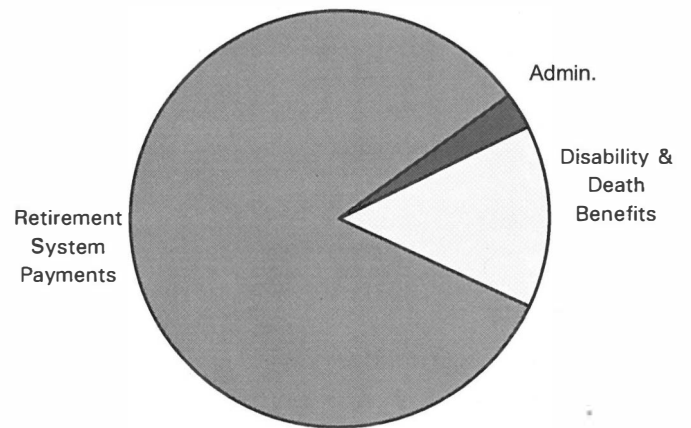
Percent of City Budget

Fire & Police Disability & Retirement = \$89.7 Million



City Budget = \$1.58 Billion

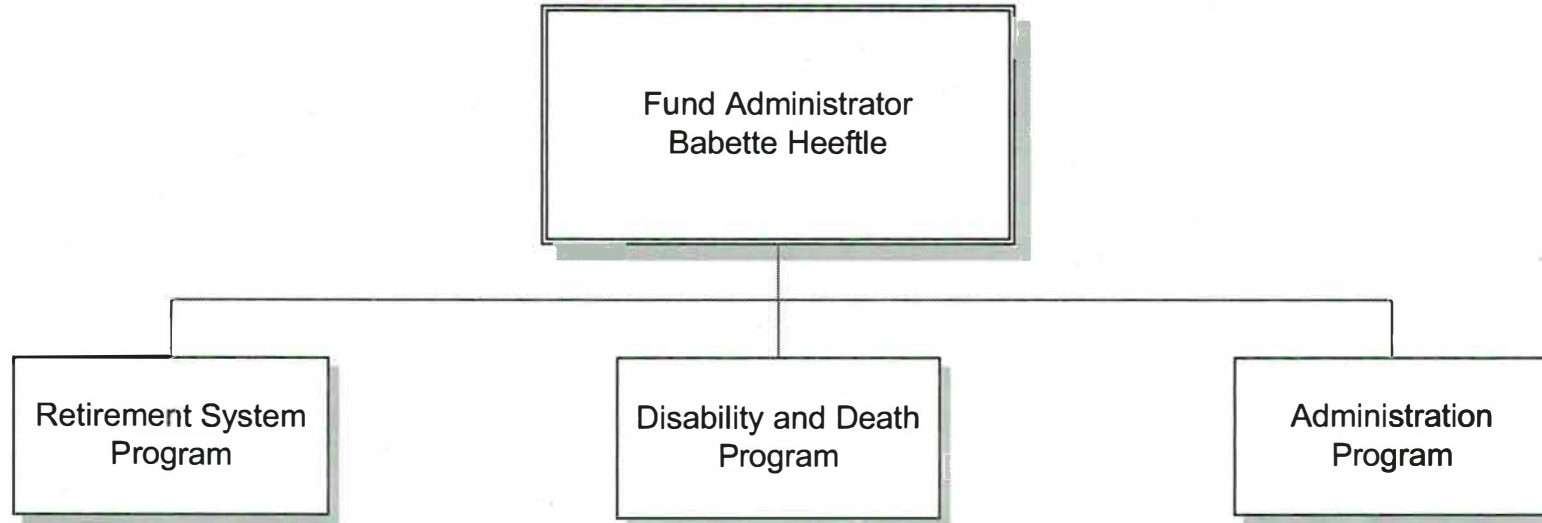
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	87,502,596	89,725,872	2,223,276	2.5%
Capital	0	0	0	0.0%
Total Expenditures	\$ 87,502,596	\$ 89,725,872	\$ 2,223,276	\$ 2.5%

Fire and Police Disability and Retirement Fund



Bureau Summary

BUREAU MISSION

We provide disability and retirement benefits to Portland firefighters, police officers, and their survivors as prescribed by City Charter.

VISION AND VALUES

Vision

We take care of our members.

Values

- ◆ We offer our members the best possible service by providing benefits in a compassionate and competent manner.
- ◆ We treat our members with respect, dignity, and courtesy.
- ◆ We serve the Board of Trustees with professionalism and efficiency.
- ◆ We fulfill our mission with fiscal responsibility and careful stewardship of the public resources.
- ◆ We maintain a positive and supportive work environment with an atmosphere of mutual respect, teamwork, humor, and camaraderie.
- ◆ We maintain active communication and a free flow of ideas to foster individual and organizational development.

BUREAU OVERVIEW

Programs

The bureau is divided into the following three programs.

- ◆ *Retirement System Payments* includes the direct costs of pension benefits or refunds of contributions to members and beneficiaries.
- ◆ *Disability and Death Benefits* includes all direct benefit costs for time lost due to disability, medical claims, vocational rehabilitation, and death benefits.
- ◆ *Administration* includes all the other costs of providing benefits such as staffing costs, actuarial expenses, legal fees, and other office expenses.

SUMMARY OF BUDGET DECISIONS

Retirement System Payments

Overall expenditures in retirement system payments total \$74,592,871, an increase of \$4.7 million or 6.7% over the FY 2005-06 Adopted Budget. The change from prior year includes an estimated net increase of 66 pension recipients, and increases in benefits for the annual cost of living adjustment (COLA). The total number of pension recipients estimated by the end of FY 2006-07 is 1,740.

Disability and Death Benefits

Overall expenditures in disability and death benefits total \$12,727,046, a decrease of \$2.4 million or 16.0% from the FY 2005-06 Adopted Budget. The decrease is due to the declining trends in time-loss benefits and medical benefits compared with trends utilized in developing the FY 2005-06 Adopted Budget. The following factors contribute to the declining trends: increased availability of limited duty positions in the Fire and Police bureaus, the board-directed enhancement of the claim management process, an administrative rule change to strengthen the requirement that members utilize Preferred Provider Organizations (PPOs) for their medical care, and the change to the administrative rules to require members to pursue employment.

Administration

Overall expenditures in the Administration program total \$2,405,955, 2.6% of the total operating budget.

Strategic Direction

SIGNIFICANT ISSUES

FPDR Fund Reforms In February 2005, the City Council appointed an Independent Review Committee (IRC) to review the operations, structure, and funding of the Fire and Police Disability and Retirement (FPD&R) Fund. The IRC concluded its review with recommendations in December 2005. In January 2006, the City Council appointed a committee of stakeholders (Reform Committee) to develop a reform package for the November 2006 General Election. This committee concluded its work in May 2006.

In June 2006, Council directed the City Attorney to draft changes to the City Charter that would put new sworn hires in the Police and Fire Bureaus into the Oregon Public Service Retirement Plan and would change the structure and responsibilities of the fund's Board of Trustees, removing the board from the disability decision-making process. The charter change is expected to be included in the ballot for the November 2006 General Election.

MANAGEMENT GOALS & OBJECTIVES

In November 2004, the FPD&R Board of Trustees adopted a strategic plan, which contains strategies to address the following critical business issues:

- ◆ Contain disability costs while maintaining appropriate levels of service.
- ◆ Pre-fund the pension system.
- ◆ Partner with the Fire and Police Bureaus' leadership to implement strategies to reduce or contain disability costs.

FPD&R staff developed the following specific goals and objectives based on the strategies identified by the board:

- ◆ Reduce prescription costs. Identify past year prescription costs, explore discount prescription programs, and present the options to the board.
- ◆ Provide disability management training to the board and staff to ensure more informed decisions concerning disability claims. Assess the training needs and develop a curriculum/training plan.
- ◆ Redefine the PPO providers exception policy. Review actual utilization of non-PPOs and evaluate exceptions currently allowed. Review current administrative rules on the PPO exception policy and develop recommendations for the board.
- ◆ Evaluate the current administrative rules and develop recommendations to improve vocational rehabilitation program practices and cost effectiveness.
- ◆ Establish consequences for noncompliance with treatment plans. Assess current procedures and develop a written procedure for approving and monitoring treatment plans.
- ◆ Encourage members' responsibility for their health and safety by educating them on their role in preventing injuries and reducing disability costs. Create an instructional video for members and develop a resource packet.
- ◆ Collaborate with the Fire and Police Bureaus' leadership to develop strategies to reduce disability costs.

The above goals were largely implemented during 2005. The board elected to defer further strategic planning while fund reforms are being considered. Staff were directed to continue making progress on the goals as well as to provide assistance to the City Council committees.

Overview of Programs

RETIREMENT SYSTEM PAYMENTS

Description

This program provides pension benefits to retired sworn members of the Fire and Police Bureaus, their surviving spouses, and minor children. By the end of FY 2006-07, there are projected to be 1,740 retired members and beneficiaries, an increase of 66 from the projected year-end total for FY 2005-06.

FY 2006-07 Budget

The expenses for the program are based on projected current year costs plus expected new retirements and inflation factors less projected deaths. Retirement benefits for Old Plan retirees and beneficiaries are increased in step with increases to the salaries of active firefighters and police officers. For New Plan retirees and beneficiaries, benefits are increased in step with increases to PERS.

Benefits under the New Plan

Effective July 1, 1990, the plan was amended to provide for the payment of benefits upon termination of employment on or after attaining age 55, or on or after attaining age 50 if the member has 25 or more years of service. Members become 100% vested after five years of service. Benefits are paid at retirement using the following formula: 2.2% to 2.8%, multiplied by the number of years of service up to 30 years. That product is multiplied by the highest one-year base pay the member received during the final three years of the member's employment. A survivor's benefit is paid to a surviving spouse at 25% to 100% of the member's final pension, depending on the accrual rate selected (2.2 to 2.8) at the time of retirement.

Benefits under the Old Plan

Prior to July 1, 1990, plan participants became eligible for pension benefits after 20 years of employment if they were 55 years of age, or after 25 years of employment if they were 50 years of age. Participants were not entitled to any retirement benefits except for refunds of their contributions into the plan unless they attained 20 years of service. Pension benefits were paid using the following formula: 2.0% multiplied by the number of years of service up to 30 years, multiplied by the current salary of a first-class firefighter or police officer, as defined in the plan. A survivor's benefit is paid to a surviving spouse based on a survivor annuity table and is up to 56% of the member's final pension.

Relationship to Goals

This program provides for retirement and termination benefits to sworn members of the Fire and Police bureaus. By remaining financially strong and providing promised benefits effectively and efficiently, the program supports the Citywide goal of ensuring a safe and peaceful community.

Performance

In FY 2004-05, the fund provided retirement benefits for 1,649 members and beneficiaries, processed 236 pension estimates, processed 48 New Plan retirement applications, and provided pre-retirement workshops for 56 members.

Changes to Services and Activities The budget assumes no significant changes at this time. However, significant changes in the structure and operations of the program may be implemented after the November 2006 General Election.

DISABILITY & DEATH BENEFITS

Description This program provides for short-term and long-term time-loss benefits for injuries or illness incurred in the line of duty as well as non-service-connected injuries and illness, no-time-loss medical benefits, vocational rehabilitation benefits, and funeral benefits to sworn members of the Fire and Police Bureaus and their survivors.

FY 2006-07 Budget

The budget for the program is based on an updated review of overall trends plus inflationary adjustments in long-term and short-term time-loss benefits and medical benefits, funeral benefits, and projected vocational rehabilitation costs. Furthermore, the budget assumes a net increase of ten New Plan members for long-term time-loss benefits, an annual increase of 5.4% above inflation for medical benefits, and increased vocational rehabilitation costs, which include a total of 16 limited duty wage subsidies. The budget assumes a level growth for short-term time-loss benefits and that 66 Old Plan members and beneficiaries and 91 New Plan members and beneficiaries will receive long-term disability benefits.

In addition to these basic assumptions, the budget assumes cost savings totaling \$0.3 million from the following three board strategies to reduce disability costs: enhanced claims management, a vocational rehabilitation rule change to require members to pursue employment, and a change in the administrative rules to strengthen the requirement that members utilize PPOs for their medical care.

New Plan Benefits

Sworn Fire and Police members become eligible for membership in the plan immediately upon employment. The New Plan (as amended effective July 1, 1990) provides for occupational or service-connected disability benefits at 75% of the member's base pay reduced by 50% of any wages earned in other employment, with reduced percentages of base pay and offsets for wages earned in other employment for later years. The plan also provides for non-service-connected disability benefits at reduced rates of base pay for members with ten or more years of service.

Old Plan Benefits

Members receiving disability benefits on January 1, 1990, who were not expected to return to work, remained under the Old Plan and continue to receive benefits under its provisions. The Old Plan provides for benefits at a rate of 100% of pay initially, reduced to 60% of pay after four years on disability. Under the Old Plan, members on long-term disability remain in disability status until they reach disability retirement age at 64.

Relationship to Goals This program provides for disability and death benefits to public safety employees of the City of Portland. These benefits are essential in recruiting and retaining the most qualified individuals for important public safety operations. Thus, the program contributes to the Citywide goal to ensure a safe and peaceful community.

Performance	In FY 2004-05, the fund processed 403 new time-loss and no-time-loss claims, provided disability benefits to 462 New Plan members and beneficiaries, processed 9,375 medical bills, and received \$981,360 in PPO discounts.
Changes to Services and Activities	The budget currently assumes no significant changes for FY 2006-07. However, significant changes to the structure and operations of the program may be implemented after the November 2006 General Election.

ADMINISTRATION

Description	The Administration program provides funding for all activities and staffing in support of the provision of pension, disability, and death benefits for members of the Fire and Police Bureaus and their survivors. Staffing is provided through interagency agreements with the City Auditor's Office and the Fire and Police Bureaus. Administrative functions include processing applications for benefits, issuing payments for approved claims, tracking payments, and monitoring and forecasting the financial status of the fund. Staff also provides assistance to and answers inquiries from the Board of Trustees, members, attorneys, medical providers, and the public.
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FY 2006-07 Budget

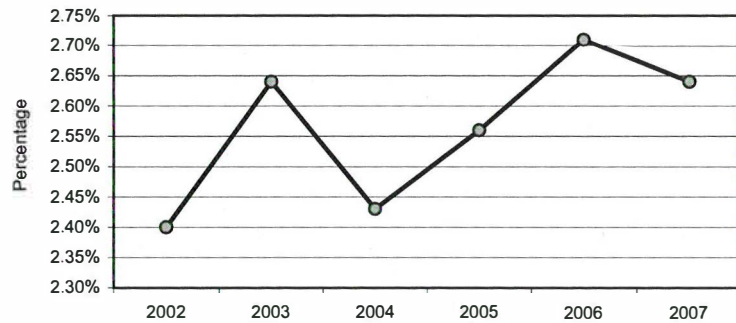
The FY 2006-07 program budget is a current appropriation level budget which is determined by the current year budget plus the appropriate inflation rates. The program budget represents 2.6% of the total operating budget.

Relationship to Goals	The Administration program supports the City goal of ensuring a safe and peaceful community and the bureau goal of providing benefits with fiscal responsibility.
Performance	The percentage of members reporting "satisfied" with service was 99% in the most recent member survey. Our goal is to continue the level of member satisfaction in FY 2006-07 while continuing to increase the efficiency and effectiveness of the operations.
Changes to Services and Activities	The budget currently assumes no significant changes to services and activities, although structural and operational changes may be possible after the November 2006 General Election.

Performance Measures

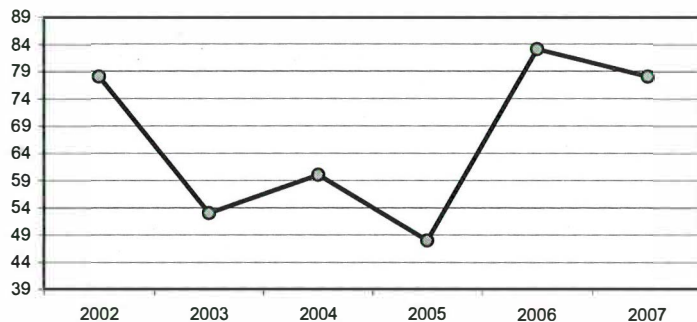
Administrative Cost as a Percent of Total Budget

- ◆ Administrative costs have historically been between 2% and 3% of the total operating budget. Peaks in 2003 and 2006 were due to add packages to increase staffing levels.



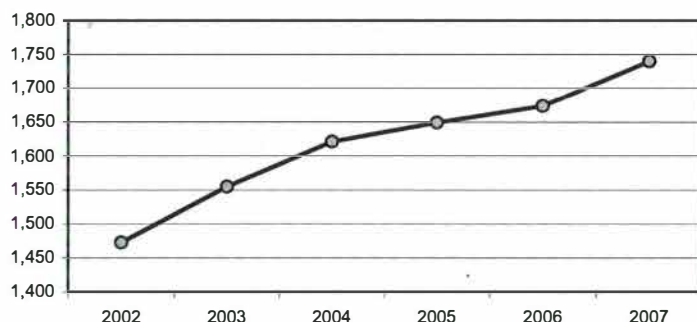
Number of Retirements from Active Service

- ◆ The number of retirements is largely due to the demographics of the Fire and Police Bureaus. In addition, factors such as labor negotiations also affect retirement patterns.



Number of Pension Recipients

- ◆ Longer life expectancies and hiring patterns affect the size of the retiree membership.



Fire & Police Disability & Retirement

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
FIRE & POLICE DISABILITY & RETIREMENT						
Administration						
Effectiveness						
Percentage of members reported satisfied with service via survey	99%	NA	99%	NA	NA	100%
Efficiency						
Administrative cost as a percentage of total budget	2.40%	2.64%	2.43%	2.56%	2.71%	2.64%
Retirement System Payments						
Effectiveness						
Percentage of workshop participants who rated workshop helpful	100%	100%	100%	100%	100%	100%
Efficiency						
Percentage of pension estimates processed within one week	93%	91%	84%	90%	90%	90%
Workload						
Number of New Plan retirees	78	53	60	48	83	78
Number of pension estimates	367	265	232	236	232	232
Number of pension recipients	1,473	1,555	1,621	1,649	1,674	1,740
Number of pre-retirement workshop participants	69	36	39	56	28	40
Disability & Death Benefits						
Effectiveness						
Medical cost savings	\$619,348	\$719,477	\$591,427	\$981,360	\$1,074,502	\$1,174,317
Savings as a percentage of total medical costs	22.8%	26.1%	16.2%	28.0%	28.0%	28.0%
Workload						
Number of new no-time-loss claims	162	170	171	134	122	122
Number of new time-loss claims	322	309	271	269	204	204
Number of members on short-term disability	321	353	290	359	294	294
Number of medical bills	9,033	9,800	9,810	9,375	8,292	8,292
Number of New Plan members on long-term disability	NA	NA	108	103	93	91

Fire & Police Disability & Retirement

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	0	0	0	0	0
External Materials and Services	76,113,640	78,709,602	86,120,334	87,362,312	87,193,832
Internal Materials and Services	1,151,266	1,240,614	1,382,262	2,360,560	2,532,040
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	77,264,906	79,950,216	87,502,596	89,725,872	89,725,872
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 77,264,906	\$ 79,950,216	\$ 87,502,596	\$ 89,725,872	\$ 89,725,872
Allocated Overhead	93,172	69,973	101,332	221,711	221,711
Total Cost with Allocated Overhead	77,358,078	80,020,189	87,603,928	89,947,583	89,947,583
RESOURCES					
Fire & Police Disability & Retirement	77,264,906	79,950,216	87,502,596	89,725,872	89,725,872
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Administration	1,859,987	2,050,248	2,404,213	2,405,955	2,405,955
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Retirement System Payments	62,013,424	64,883,976	69,940,355	74,592,871	74,592,871
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Disability & Death Benefits	13,370,698	13,015,992	15,158,028	12,727,046	12,727,046
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Employee Assistance	20,797	0	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 77,264,906	\$ 79,950,216	\$ 87,502,596	\$ 89,725,872	\$ 89,725,872
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

Fire & Police Disability & Retirement

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	89,725,872	0	89,725,872	0.0	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.0	None
Mayor's Proposed Budget Decisions	0	0	0	0.0	None
Approved Budget Additions and Reductions	0	0	0	0.0	None
Adopted Budget Additions and Reductions	0	0	0	0.0	None
	0	0	0	0.0	Total FY 2006-07 Decision Packages
			\$ 89,725,872	0.0	Total Adopted Budget



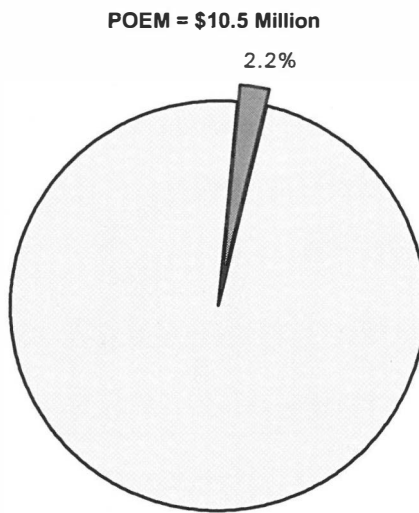
Portland Office of Emergency Management

Public Safety Service Area

Mayor Tom Potter, Commissioner-in-Charge

Shawn Graff, Director

Percent of General Fund

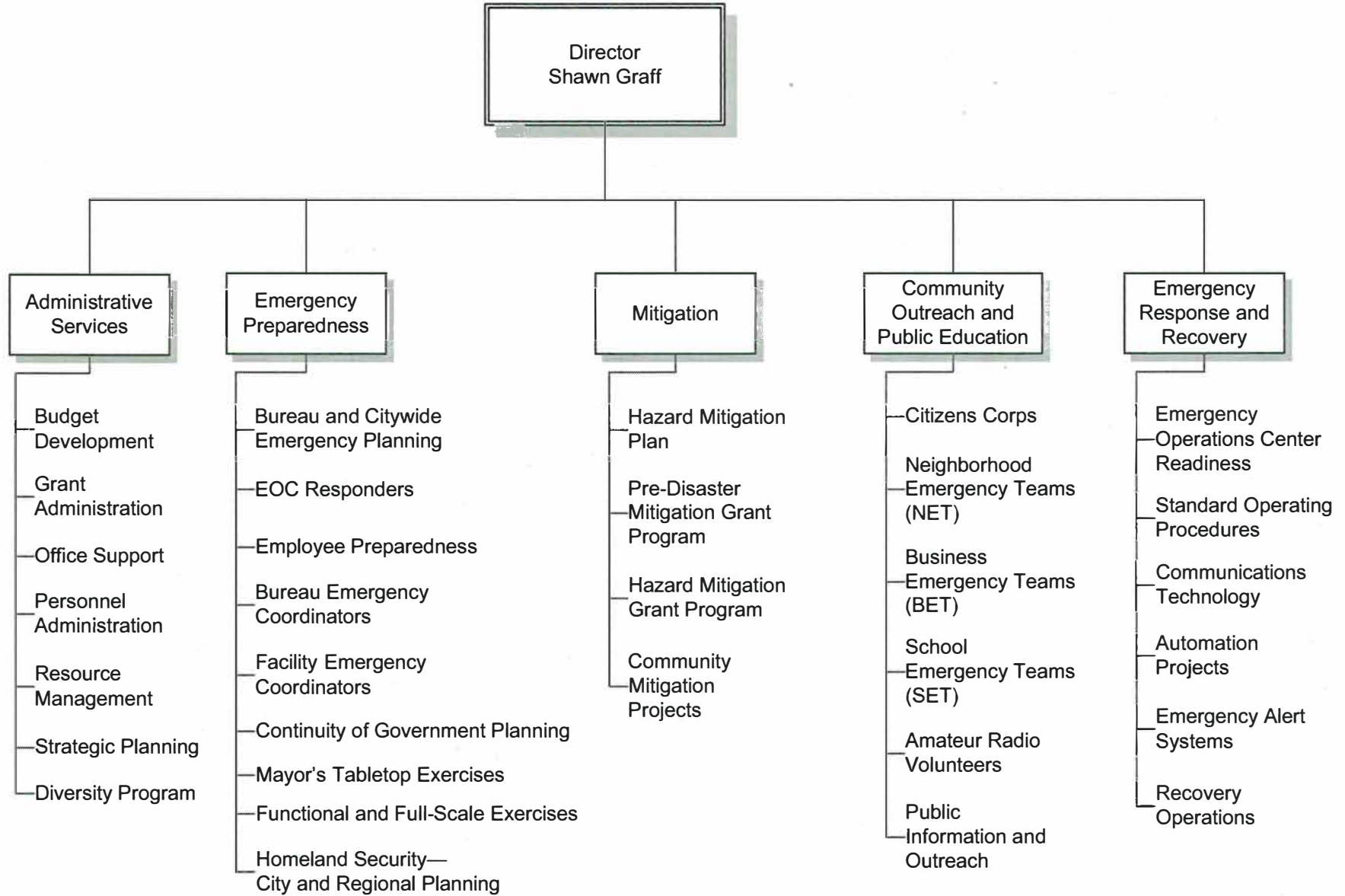


General Fund = \$469.7 Million

Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	10,447,406	10,509,883	62,477	0.6%
Capital	0	0	0	0.0%
Total Expenditures	\$ 10,447,406	\$ 10,509,883	\$ 62,477	\$ 0.6%
Authorized Positions	10.58	15.00	4.42	41.8%

Portland Office of Emergency Management



Bureau Summary

BUREAU MISSION

The mission of the Portland Office of Emergency Management (POEM) is to effectively lead the emergency preparedness, risk reduction, and response and recovery efforts of the City of Portland in order to protect lives and property in the event of a natural or human-caused disaster.

VISION AND VALUES

The Portland Office of Emergency Management will become a national leader in emergency management. We will build coalitions to provide the City of Portland with strategic leadership in comprehensive emergency planning. We will strive to establish best practices in planning, equipment readiness, and training. We will encourage our diverse community to be well prepared.

We value:

- ◆ Accountability
- ◆ Integrity
- ◆ Respect
- ◆ Leadership
- ◆ Open and consistent communication
- ◆ Inclusiveness and collaboration
- ◆ Community partnerships
- ◆ Professional development
- ◆ Cultural awareness and diversity
- ◆ Continuous improvement

BUREAU OVERVIEW

POEM provides planning, training, exercises, and educational outreach programs to prepare residents, government agencies, and private/nonprofit organizations for natural and human-caused disasters. POEM also leads the City of Portland's response during and after a local emergency or disaster. The office manages the City's emergency operations center (EOC) during any major emergency or disaster and activates emergency warning systems. POEM serves as an interagency coordinator, partnering with local, state, federal, and private entities to provide comprehensive planning, response, mitigation, and recovery capabilities for all potential hazards facing the City of Portland.

POEM was created in FY 2003-04 to consolidate emergency management leadership and coordination into a single organization. POEM is supported by a mixture of General Fund discretionary resources, General Fund overhead recovery, and grant revenues.

SUMMARY OF BUDGET DECISIONS

New Positions

In accordance with POEM's reorganization plan, six new positions have been added to the Office in the FY 2006-07 Adopted Budget, at a cost of \$410,885. The new positions include

an operations manager, a senior administrative specialist, an assistant program specialist, and three program specialists.

Technology Costs

The vacant assistant director position is eliminated in the Adopted Budget. The funds associated with the position - \$90,768 - have been redirected to the Bureau of Technology Services interagency agreement (IA) to fund likely increases in POEM's technology costs. In addition, another \$49,798 was added to POEM's budget for technology costs.

Financial Analyst Position

POEM's request to discontinue an Office of Management and Finance IA that partially supports a public information officer was approved. This will help fund conversion of POEM's financial analyst position from limited term to permanent, and will help increase General Fund support for this position to 30%. (The rest of the position will continue to be funded with grants.) Since the savings from discontinuing the OMF IA are not quite sufficient to cover the increased General Fund cost of the financial analyst, an additional \$1,178 in ongoing General Fund resources has been added to POEM's budget for this purpose.

POEM Relocation

Finally, one-time funds of \$276,856 have been added to POEM's budget to cover some or all of the costs of a physical relocation of POEM's offices. Relocation is currently under study and may occur during FY 2006-07.

Strategic Direction

SIGNIFICANT ISSUES

Notable strategic issues currently facing POEM include the following.

- ◆ The federal Department of Homeland Security has introduced a new risk and effectiveness approach to the grant allocation process in federal fiscal year 2006. The approach entails a competitive process requiring states to justify funding based on defined regional needs and innovative solutions to address those needs. In the past, these grant allocations were not made on a competitive basis. POEM, together with its regional partners, has realigned its application process to meet the challenge of these competitive application processes.
- ◆ Six new positions have been added to POEM to help keep pace with the workload of emergency management and the task of managing multiple grants concurrently. POEM is a new bureau and has now reached a point where program effectiveness and the growing demands placed on the office require a new level of staffing. The objective of the ongoing reorganization of POEM is to take the bureau to the level of program operation that provides the community with the highest level of emergency management.
- ◆ TOPOFF (Top Officials) 4, a national terrorism response and recovery exercise and the cornerstone of the Department of Homeland Security's National Exercise Program, will take place in Portland sometime during calendar year 2007. Extensive planning will take place during FY 2006-07. TOPOFF is designed to test the ability of federal, state, regional, and local authorities to work together during a time of disaster. Prior TOPOFF events have been conducted in the states of Washington, New Jersey, and Connecticut. The Portland Urban Area Security Initiative Group will be hiring two TOPOFF coordinators to work with the state and the Department of Homeland Security to plan and prepare for the full-scale exercise. Many City bureaus will also be engaged in planning for the simulated terrorist event. The event will test the City of Portland's capabilities in prevention, preparedness, response, and recovery from a major disaster. The event and its planning will heavily impact the staff at POEM and will add to an existing extensive work schedule.

MANAGEMENT GOALS & OBJECTIVES

POEM's mission, vision, and strategic planning goals support the City Council's goal of ensuring a safe and peaceful community. They also align with the Mayor's goals of:

- ◆ Increasing cultural awareness and workforce diversity
- ◆ Fostering interbureau collaboration and eliminating silos
- ◆ Enhancing customer service, both internal and external
- ◆ Incorporating Managing for Results in bureau operations

Goals of the Strategic Plan

POEM's draft strategic plan identifies six priority goals.

1. Increase risk reduction and citywide emergency preparedness.
2. Engage the various stakeholders and communities we serve in emergency management to ensure maximum coordination of effort.
3. Increase community preparedness.

4. Provide staff training and professional development opportunities.
5. Increase diversity in staff recruitment and public outreach activities.
6. Engage in continuous improvement activities designed to enhance our infrastructure and internal organizational processes.

Increase risk reduction and citywide emergency preparedness.

Emergency preparedness is an ongoing effort to develop and update emergency plans, provide disaster training and exercise opportunities, and secure state and federal grants for preparedness activities. POEM will continue to make this a strategic priority for City bureaus and the Portland community.

Emergency preparedness begins with risk reduction activities. To accomplish this goal, POEM will emphasize citywide individual preparedness through education and training. POEM will also assist City bureaus in planning for mitigation activities and in identifying and securing funding for beneficial mitigation strategies. POEM will continue to work with bureaus and the community to implement projects and activities identified in the Natural Hazards Mitigation Plan.

Engage the various stakeholders and communities we serve in emergency management to ensure maximum coordination of effort.

POEM will establish and maintain collaborative working relationships and coordinating procedures with stakeholders, including government agencies, nongovernmental organizations, private businesses, and other community groups. POEM will foster interbureau collaboration and work with the community to implement its strategic planning goals and objectives.

Increase community preparedness.

Emergency preparedness is every person's responsibility. Preparing families and the community for potential disasters is the highest priority for POEM. POEM will engage various stakeholders and communities in preparedness activities.

POEM has established forums to address the goal of increasing community preparedness, including the City's Disaster Policy Council (DPC) and the Portland Citizen Corps Council (PCCC). The DPC is chaired by the Mayor and includes directors from key emergency response bureaus. This body provides policy direction on Citywide emergency management priorities and fosters interbureau collaboration on related projects. The PCCC is also chaired by the Mayor and has members from government and nongovernmental organizations, businesses, and community groups. The PCCC develops community partnerships to improve emergency preparedness and to assist POEM in achieving its strategic goals. POEM will continue to provide leadership and staff support to both the DPC and the PCCC.

Provide staff training and professional development opportunities.

POEM strives to ensure its employees keep pace with professional development training through courses offered by the Department of Homeland Security, the Federal Emergency Management Agency (FEMA), and the Emergency Management Institute. Staff will be encouraged to complete the FEMA Professional Development Series with the goal of obtaining an Oregon Certified Emergency Management Specialist credential. As an organization, POEM will work to obtain national emergency management accreditation

through the Emergency Management Accreditation Program. Currently, two staff members are Oregon Certified Emergency Management Specialists, one staff member is an Emergency Management Accreditation Program National Assessor, and two staff members will complete the Master Exercise Practitioner Program in FY 2006-07. Staff are also currently completing course work on the National Incident Management System.

Increase diversity in staff recruitment and public outreach activities.

POEM conducts public outreach and recruitment to engage every population segment in the city: residents, business groups, neighborhood associations, civic organizations, cultural-specific communities, low-income communities, non-English speaking communities, and special needs communities.

Engage in continuous improvement activities designed to enhance our infrastructure and internal organizational processes.

POEM fosters an environment that supports responsible risk taking and continuous improvement of both the City's emergency management activities and internal organizational processes. POEM focuses on enhancing communication and managing change to increase effectiveness and efficiency. POEM uses tools such as staff focus sessions, after-action reports, and employee counseling and evaluation to create an organizational culture of continuous improvement.

Overview of Programs

POEM

POEM has four primary sections: emergency preparedness, mitigation, response and recovery operations, and community outreach and public education. Each section is tied to the City Council's goal of ensuring a safe and peaceful community.

Emergency Preparedness

Emergency preparedness is the process of ensuring that all segments of our community, both public and private, are prepared to manage the threat and consequences of a potentially disastrous natural or human-caused event. Preparedness includes planning, coordination, education, training, disaster exercises, warning system maintenance, and homeland security.

POEM partners with City bureaus and other governments to plan and prepare for natural and human-caused disasters. At present, plans have been completed for six of the 13 federally-identified disaster types that could impact Portland: earthquake, flood, winter storm, hazardous materials, terrorism, and wildland interface fire. In the event of an emergency, City bureaus need to have a plan to follow. Many City bureaus have disaster response procedures. POEM staff will continue to work to increase the number of bureaus with disaster response procedures to 100%. During FY 2006-07, POEM will initiate the creation of emergency operation plans and continuity of operations plans for all City bureaus. This program will ensure all bureaus are ready to deal with potential disasters, and will understand their roles and responsibilities in keeping the City of Portland operational during such events.

To test the reliability of bureau emergency plans, POEM conducts various types of disaster exercises, including tabletop, functional, and full-scale exercises. Well-trained emergency responders help ensure the City is prepared to respond to and recover from major emergencies or disasters. During FY 2005-06, POEM participated in or assisted with several exercises, including exercises for the Emergency Management and Disaster Policy Council, the TOPOFF Command Post, the Federal Emergency Regulatory Commission, Strategic National Stockpile, maritime explosive device, winter weather, and wildland interface. POEM also conducts Citywide EOC and Incident Command Center training.

POEM coordinates state and federal homeland security grant programs for the Portland metropolitan area, as well as associated training and disaster exercise requirements. POEM has been selected as the administrator for Citywide homeland security grants and region-wide Urban Area Security Initiative (UASI) grants. Over the past four years, POEM has administered more than \$30 million in homeland security grant funding for the City and its regional partners. These funds have been used for equipment, training, planning, and staffing needs.

Relationship to Goals

Emergency preparedness supports the City goal of ensuring a safe and peaceful community and the bureau goal of increasing citywide emergency preparedness.

Performance

Performance measures in this area include the percent of EOC responders trained in the National Incident Management System (NIMS) and the percent of required bureau personnel trained in NIMS, as well as the number of disaster exercises, disaster preparedness presentations, and training sessions conducted annually. In FY 2006-07, POEM hopes to significantly increase the number of bureau personnel trained in NIMS, from 50% to 75%. A reduction in disaster exercises has occurred due to planning for the TOPOFF exercise, and POEM expects to complete only four non-TOPOFF exercises next fiscal year.

Changes to Services and Activities

An operations manager to oversee all aspects of EOC readiness and three program specialists—an exercise coordinator, training coordinator, and planning coordinator—are new in FY 2006-07.

Mitigation

Mitigation is the reduction or elimination of exposure to any hazard that could lead to disaster. POEM coordinates citywide mitigation planning activities, including updates to the City's Hazard Mitigation Plan and administration of pre- and post-hazard mitigation grant programs. In FY 2006-07, POEM will work with government agencies, businesses, and community groups to implement recommended actions in the City's Hazard Mitigation Plan, which was approved in December 2004. POEM will also identify and secure pre- and post-hazard mitigation grant funding for priority mitigation projects.

Relationship to Goals

Mitigation and risk reduction primarily supports the City goal of ensuring a safe and peaceful community, but also supports the City goal of protecting and enhancing the natural and built environment. This area also links to the bureau goal of increasing risk reduction.

Performance

The Portland Office of Emergency Management is responsible for coordinating 20 identified hazard mitigation action items, and expects to work on 12 of those items in FY 2006-07.

Changes to Services and Activities

No significant changes for FY 2006-07.

Response and Recovery

Response and recovery encompass all activities involved in responding to an emergency and returning the community to its pre-disaster condition or better. During a disaster, POEM would manage the information, decision-making, and coordination processes necessary to protect the lives and property of all Portlanders, safeguard the natural environment, and help protect the city's economic base.

POEM is responsible for maintaining a command and control facility (the EOC) to coordinate response to and recovery from a major disaster. The basis for response and recovery across the state is the Oregon Emergency Response System, which is accessed in the EOC. City employees who work in the EOC, or who support emergency response in the field, are required to have Incident Command System (ICS) training. To date, approximately

85% of City EOC responders have received ICS training. However, only approximately 40% of the City's field responders (including elected officials and senior and executive staff) have received NIMS ICS basic training. For FY 2006-07, POEM plans to provide key City leaders and bureau emergency responders with ICS basic training, in compliance with new federal NIMS requirements.

Relationship to Goals

Response and recovery primarily supports the City goal of ensuring a safe and peaceful community, as well as the bureau goals of engaging in continuous improvement activities designed to enhance our infrastructure and internal organization processes, and providing staff training and professional development opportunities.

Performance

Performance measures linked to this program include bureau personnel trained in NIMS, EOC responders trained in NIMS, and disaster preparedness presentations and training sessions conducted annually. Performance in these areas is discussed above under "Emergency Preparedness."

Changes to Services and Activities

A new position will be added for FY 2006-07, a senior administrative specialist to assist with grant research and writing for response and recovery efforts, among other duties.

POEM's funding for technology has been increased by approximately \$140,000 in FY 2006-07. These additional resources will be used to improve the functionality of the City's EOC.

In addition, POEM will begin the planning process for TOPOFF in FY 2006-07. This will impact the workload in response and recovery, and will engage many personnel in other bureaus as well.

Community Outreach and Public Education

Community outreach, education, and information services make residents, civic groups, and neighborhoods aware of issues related to preparing for and surviving disaster. Outreach activities also provide an opportunity for these groups to influence emergency management policies and procedures. Residents are a critical link in community disaster preparedness.

City Council established the PCCC in January 2005. The PCCC's mission is to build on community strengths and encourage every resident to participate in community preparedness through personal responsibility, training, and volunteer service. The charter programs under the PCCC include the Neighborhood, Business, and School Emergency Teams; crime prevention initiatives; and the Medical Reserve Corps.

Through Neighborhood Emergency Teams (NETs), POEM strives to bring emergency response capacity into every neighborhood. Working in collaboration with the Portland Fire Bureau, POEM trains approximately 100 NET volunteers annually. Each NET is comprised of residents trained to provide emergency assistance in their own neighborhood for 72 hours following a disaster.

POEM also trains volunteers from the Portland business community through Business Emergency Teams (BETs). In addition to direct training for business sector volunteers, POEM offers a train-the-trainer course for private sector safety officers, training managers, and property managers who want to establish their own in-house disaster response teams. The train-the-trainer approach allows POEM to reach a greater number of businesses, and also allows businesses to provide basic disaster training in a manner that best meets the needs of their own employees and operations.

Relationship to Goals

Community outreach and public education primarily supports the City goal of ensuring a safe and peaceful community, although it also supports the City goal of improving the quality of life in neighborhoods. Activities in this area also support the bureau goals of increasing community preparedness, engaging the various stakeholders and communities we serve in emergency management to ensure maximum coordination of effort, and increasing diversity in staff recruitment and public outreach activities.

Performance

Performance measures in this area include neighborhoods with 20 or more NET members and disaster preparedness presentations and training sessions delivered annually. POEM's goal is to organize and train a NET in each of Portland's 96 neighborhoods. Currently, NET volunteers represent 86 neighborhoods. Since 1994, over 1,000 residents have completed basic NET training, and nearly 75% of these remain active in the program. Exit survey responses collected after each series of NET classes indicate that all volunteers experience an increase in their personal preparedness.

Changes to Services and Activities

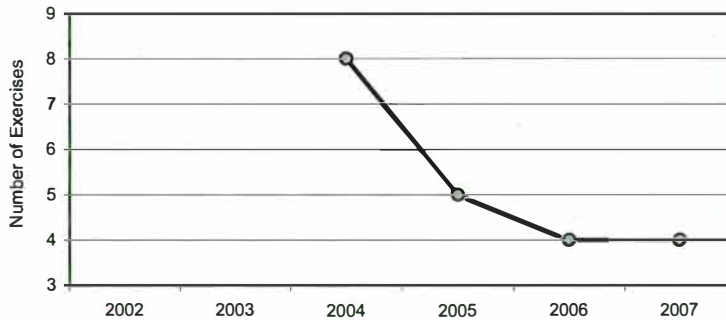
During FY 2005-06, POEM created a Speakers Bureau to conduct community presentations on disaster preparedness. These volunteers target special needs and at-risk populations.

A new position for FY 2006-07, an assistant program specialist, will focus on meeting POEM's goal to establish NETs in each Portland neighborhood, as well as on conducting general public outreach. In FY 2006-07 POEM will also work to continue the community momentum gained with the Operation Welcome Oregon events after the Katrina disaster.

Performance Measures

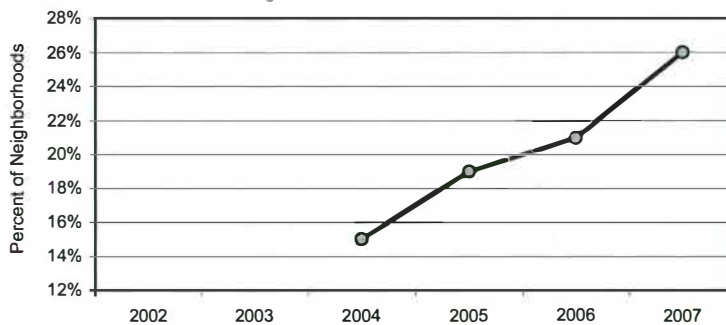
Disaster Exercises Conducted

- ◆ POEM conducts tabletop, functional, and full-scale disaster exercises as part of its training efforts. The reduction in exercises is due to planning for the national TOPOFF exercise, which Portland will host in 2007.



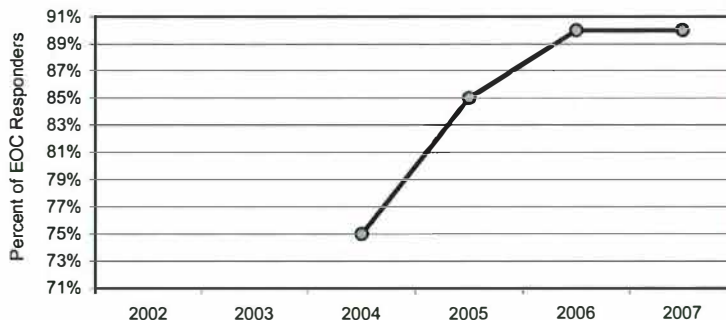
Percent of Neighborhoods With >20 NET Members

- ◆ POEM continues to train Neighborhood Emergency Team volunteers. POEM's goal is to have an active team in each Portland neighborhood.



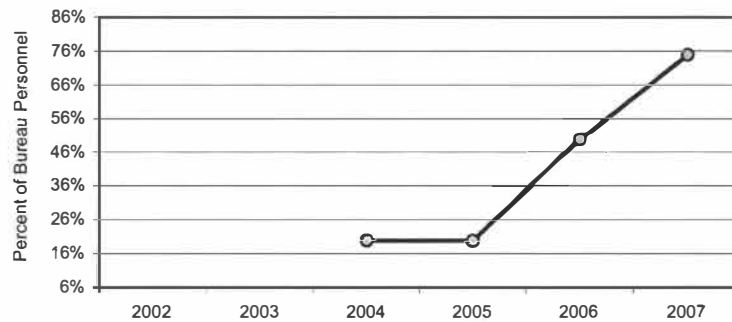
EOC Responders Trained in NIMS

- ◆ The federal Department of Homeland Security requires all emergency operations center responders to be trained in the National Incident Management System.



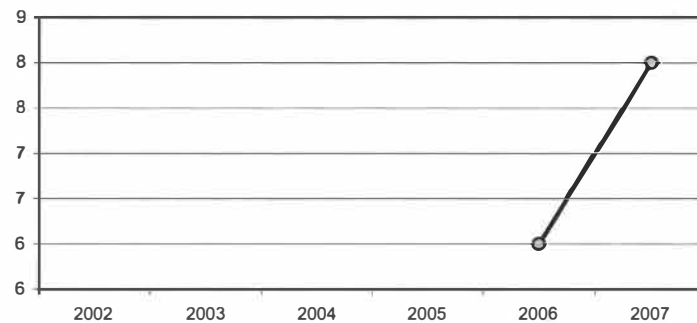
Required Bureau Personnel Trained in NIMS

- ◆ The federal Department of Homeland Security requires personnel who have emergency management responsibilities to be trained in the National Incident Management System. Each bureau is responsible for identifying those personnel.



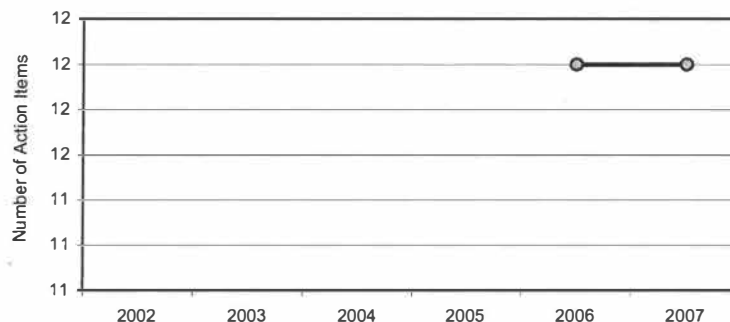
Number of Disasters Addressed in Emergency Plans

- ◆ In FY 2006-07 POEM will have complete plans for eight of 13 federally recognized disasters with potential to affect this region, up from six in FY 2005-06.



Hazard Mitigation Action Items Coordinated

- ◆ POEM is responsible for coordinating the implementation of 20 Mitigation Plan action items. Of these items, 12 are scheduled for continued implementation in FY 2006-07.



Portland Office of Emergency Management

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
PORTLAND OFFICE OF EMERGENCY MANAGEMENT						
POEM						
Effectiveness						
Percent of Neighborhoods with 20 or More NET Members	NA	NA	15%	19%	21%	26%
EOC Responders Trained in NIMS	NA	NA	75%	85%	90%	90%
Required Bureau Personnel Trained in NIMS	NA	NA	20%	20%	50%	75%
Number of Potential Disasters Addressed in Current Emergency Plans	NA	NA	NA	NA	6	8
Workload						
Disaster Exercises Conducted	NA	NA	8	5	4	4
Disaster Preparedness Presentations and Training Sessions	NA	NA	NA	42	40	40
Hazard Mitigation Actions Items Coordinated	NA	NA	NA	NA	12	12

Portland Office of Emergency Management

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	447,637	657,810	923,782	706,250	1,182,135
External Materials and Services	294,718	4,611,269	9,000,715	7,247,888	8,756,332
Internal Materials and Services	376,494	404,499	522,909	571,416	571,416
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	1,118,849	5,673,578	10,447,406	8,525,554	10,509,883
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 1,118,849	\$ 5,673,578	\$ 10,447,406	\$ 8,525,554	\$ 10,509,883
Allocated Overhead	0	0	0	8,541	8,541
Total Cost with Allocated Overhead	1,118,849	5,673,578	10,447,406	8,534,095	10,518,424
RESOURCES					
Discretionary Revenue	340,780	367,301	386,688	696,588	865,380
Non-Discretionary Revenues					
Grants & Donations	316,558	4,783,799	9,554,756	7,269,810	8,843,254
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	0	0	0	0
Program Revenue	0	0	0	0	0
Overhead Recovery	461,511	522,478	505,962	559,156	801,249
Total Non-Discretionary Revenues	778,069	5,306,277	10,060,718	7,828,966	9,644,503
TOTAL GENERAL FUND RESOURCES	\$ 1,118,849	\$ 5,673,578	\$ 10,447,406	\$ 8,525,554	\$ 10,509,883
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
POEM	1,118,849	5,673,578	10,447,406	8,525,554	10,509,883
<i>Positions</i>	<i>6.00</i>	<i>8.00</i>	<i>10.58</i>	<i>9.00</i>	<i>15.00</i>
TOTAL PROGRAMS	\$ 1,118,849	\$ 5,673,578	\$ 10,447,406	\$ 8,525,554	\$ 10,509,883
<i>Positions</i>	<i>6.00</i>	<i>8.00</i>	<i>10.58</i>	<i>9.00</i>	<i>15.00</i>

Portland Office of Emergency Management

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	0.00	1.00	1.00	31,924	1.00	34,748	1.00	34,748
7103	Administrative Assistant	1.00	1.00	1.00	48,276	1.00	50,256	1.00	50,256
7102	Administrative Specialist, Sr	0.00	0.00	0.00	0.00	0.00	0.00	1.00	36,816
7140	Bureau Director, Assistant to	1.00	1.00	1.00	64,392	0.00	0	0.00	0
7198	Comm Emergency Svcs Mgr	0.00	0.00	1.00	54,348	1.00	55,596	1.00	55,596
7977	Emergency Comm Oper Mgr	0.00	0.00	0.00	0.00	0.00	0.00	1.00	76,152
7087	Emergency Management Director	1.00	1.00	1.00	79,992	1.00	81,828	1.00	81,828
7376	Financial Analyst	0.00	0.00	0.00	0.00	0.50	33,582	0.50	33,582
7154	Program Coordinator	2.00	2.00	2.00	141,192	2.00	141,192	2.00	141,192
7156	Program Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7153	Program Specialist	0.00	0.00	0.00	0.00	0.00	0.00	3.00	143,964
7152	Program Specialist, Assistant	0.00	0.00	0.00	0.00	0.00	0.00	1.00	39,540
TOTAL FULL-TIME POSITIONS		6.00	7.00	7.00	\$ 420,124	6.50	\$ 397,202	12.50	\$ 693,674
0514	Accountant I	0.00	0.00	0.58	19,040	1.00	37,192	1.00	37,192
7204	Community Outreach/Info Rep, Sr	0.00	0.00	1.00	55,992	0.00	0.00	0.00	0.00
7376	Financial Analyst	0.00	0.00	1.00	39,179	0.50	33,582	0.50	33,582
7375	Financial Analyst, Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7154	Program Coordinator	0.00	0.00	1.00	51,744	1.00	52,932	1.00	52,932
TOTAL LIMITED TERM POSITIONS		0.00	1.00	3.58	\$ 165,955	2.50	\$ 123,706	2.50	\$ 123,706

Portland Office of Emergency Management

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	8,206,255	0	8,206,255	9.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(8,541)	0	(8,541)	0.00	Move Human Resources Charges to Overhead
	160	0	160	0.00	Increase Employee Transit Pass Subsidy
	(152)	0	(152)	0.00	Reduction in Employee Health Insurance Rates
Mayor's Proposed Budget Decisions					
	0	0	0	(1.00)	Eliminate Asst. Dir. Position, Redirect Funds
	1,178	0	1,178	1.00	Convert LT Analyst Position to Permanent
	49,798	0	49,798	0.00	Increased Technological Costs
	0	276,856	276,856	0.00	Funds for POEM Move or Reorganization
Approved Budget Additions and Reductions					
	0	410,885	410,885	6.00	Add Six Permanent General Fund Positions
	0	1,050,000	1,050,000	0.00	Grant Carryover - UASI 04 and SHSP 04
Adopted Budget Additions and Reductions					
	0	523,444	523,444	0.00	Grant Carryover - UASI 03 & Critical Infrastructure
	84,888	(84,888)	0	0.00	Replace \$85K in One-Time GF with Ongoing GF
	127,331	2,176,297	2,303,628	6.00	Total FY 2006-07 Decision Packages
			\$ 10,509,883	15.00	Total Adopted Budget



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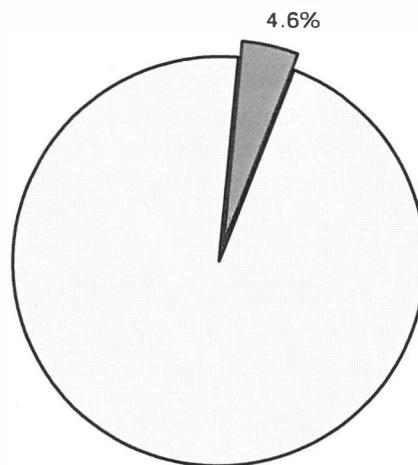


Parks, Recreation, and Culture

Portland Parks & Recreation

Percent of City Budget

Parks = \$72.1 Million



City Budget = \$1.58 Billion

Service Area Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	55,536,024	54,495,631	-1,040,393	-1.9%
Capital	18,796,477	17,568,733	-1,227,744	-6.5%
Total Expenditures	\$ 74,332,501	\$ 72,064,364	\$ -2,268,137	\$ -3.1%
Authorized Positions	411.97	400.59	-11.38	-2.8%

Service Area Highlights

DESCRIPTION

The Parks, Recreation, and Culture service area includes services for Parks, Golf, Portland International Raceway, and the Parks Construction Fund.

MAJOR THEMES

Portland Parks and Recreation

Budget Changes

The FY 2006-07 Adopted Budget reflects the Council's decision to minimize service level reductions while adding resources to support infrastructure improvements within the Parks system. These goals are accomplished by reprogramming \$346,582 of ongoing General Fund resources to major maintenance capital projects. In combination with last year's contribution, Parks will now receive an \$800,000 annual allocation from the City's General Fund to be used for infrastructure maintenance.

Planning for the Future

For FY 2006-07 a large focus for Parks will be on initiatives relating to two future challenges: financial sustainability and infrastructure renewal and development. Major components of this workplan include:

- ◆ Development of a bureau-wide five-year financial plan
- ◆ Development of a service strategy to guide decisions related to service mix, service delivery approach, and service standard
- ◆ Nurturing and expanding partnerships with non profit and private organizations
- ◆ Continued development of a total asset management strategy

Capital Improvement Plan

The Portland Parks and Recreation capital improvement plan (CIP) budget totals approximately \$20 million. Of this amount, \$995,000 is supported by the City's General Fund with remaining funds coming from grants, Parks Local Option Levy, and various external and internal sources. Significant projects for FY 2006-07 include:

- ◆ East Portland Community Center Pool
- ◆ Installation of ultraviolet pool disinfection at four indoor pools
- ◆ Duniway running track replacement
- ◆ Riverplace dock repair
- ◆ University Park Community Center phase 3
- ◆ Springwater Corridor - Sellwood Gap
- ◆ Development of Holly Farm Park
- ◆ Improvements to Lents Park restrooms and Walker Stadium

Portland Parks & Recreation

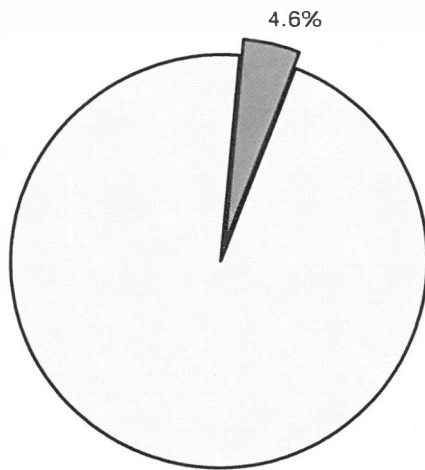
Parks, Recreation, and Culture Service Area

Dan Saltzman, Commissioner-in-Charge

Zari Santner, Director

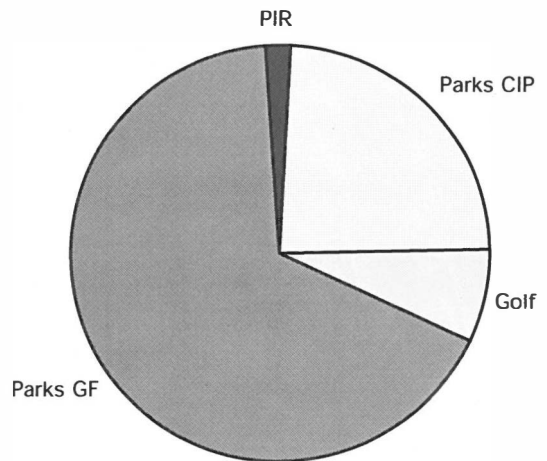
Percent of City Budget

Parks = \$72.1 Million



City Budget = \$1.58 Billion

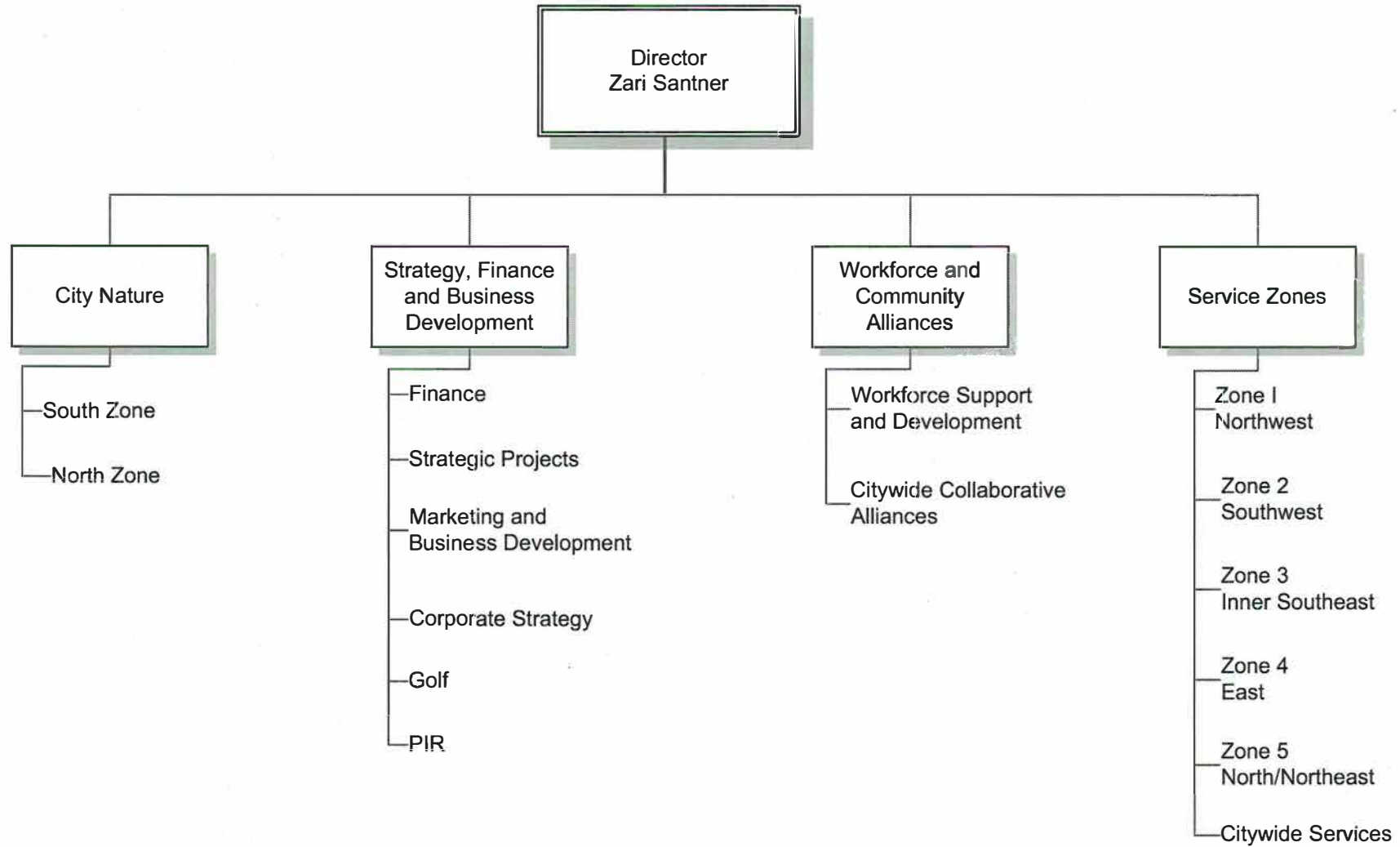
Bureau Divisions



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	55,536,024	54,495,631	-1,040,393	-1.9%
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Authorized Positions	411.97	400.59	-11.38	-2.8%

Portland Parks & Recreation



Bureau Summary

BUREAU MISSION

Sustaining a healthy park system to make Portland a great place to live, work, and play. In pursuit of this mission, Portland Parks & Recreation (PP&R) contributes to the City's vitality by:

Establishing and safeguarding the parks, natural resources, and urban forest that are the soul of the city, ensuring that green spaces are accessible to all

Developing and maintaining excellent facilities and places for public recreation, building community through play and relaxation, gathering, and solitude

Providing and coordinating recreation services and programs that contribute to the health and well being of residents of all ages and abilities

VISION AND VALUES

Portland Parks & Recreation has a clear vision and set of values to support its operation.

Our Vision

Portland's parks, public places, natural areas, and recreational opportunities give life and beauty to our city. These essential assets connect people to place, self, and others. Portland's residents will treasure and care for this legacy, building on the past to provide for future generations.

Organizational Values

Portland Parks & Recreation staff and management are committed to these values:

- ◆ Responsible stewardship of Portland's park and recreation system
- ◆ Quality, responsive service to our customers and partners
- ◆ Community participation in program and project planning
- ◆ Innovation, creativity, and excellence in all we do
- ◆ Openness, honesty, and respect in all relationships
- ◆ A diverse and culturally competent workforce
- ◆ Transparent, ethical, and accountable decision making
- ◆ Personal and professional development

BUREAU OVERVIEW

Portland's Park & Recreation System

Portland Parks & Recreation is the steward of a diverse portfolio of parks and recreation facilities that are used extensively by the city's residents and visitors. Representing about 11.4% of the area that falls within the City's jurisdiction, this portfolio of assets comprises:

- ◆ 10,585 acres of parkland
- ◆ 369 sports fields
- ◆ 178 developed parks
- ◆ 177 miles of recreational trails
- ◆ 142 playground sites
- ◆ 123 tennis courts

- ◆ 61 habitat parks
- ◆ 50 recreational facilities (arts and community centers, community schools, pools)
- ◆ 30 community gardens
- ◆ 15 urban parks & plazas
- ◆ 7 public gardens
- ◆ 5 golf courses
- ◆ 1 arboretum
- ◆ 1 historic mansion
- ◆ 1 motorsports race track

The Organization

Portland Parks & Recreation is responsible for the management of one of the nation's most comprehensive park and recreation systems. Employing 400 permanent personnel and more than 500 seasonal staff in a variety of roles, the organization provides an extensive range of services. These are delivered through four new departments which were created in January 2005 as part of a bureau reorganization:

City Nature

Manages Portland's natural areas, urban forest, recreational trails, and wildlife habitat in an integrated and sustainable way by:

- ◆ Protecting and maintaining a healthy ecosystem for air and water quality
- ◆ Conserving biodiversity and enhancing the natural beauty of the city
- ◆ Ensuring safe and accessible access to nature for residents

Services provided by the department include:

- ◆ Natural area management
- ◆ Integrated pest management
- ◆ Trail maintenance
- ◆ Plant production
- ◆ Horticultural maintenance

Parks and Recreation Services

Delivers services and programs that respond to identified community needs within a given area of the city, and that are within the context of system-wide policies by:

- ◆ Providing active recreation programs
- ◆ Maintaining and improving the developed parks
- ◆ Supporting athletics by providing sport fields, diamonds, and stadia

Services provided by the department include:

- ◆ Park and landscape maintenance
- ◆ Recreation programs
- ◆ Pools and aquatic programs
- ◆ Turf, irrigation, and sports field maintenance
- ◆ Facility maintenance
- ◆ Fleet and equipment
- ◆ Waste management and recycling

Workforce and Community Alliances

Nurtures and maintains effective relationships for a healthy park and recreation system by:

- ◆ Building and supporting an inspired and diverse workforce
- ◆ Ensuring excellent customer service at all levels of the organization
- ◆ Cultivating mutually beneficial alliances
- ◆ Managing services with a specialized focus on outreach

Services provided by the department include:

- ◆ Payroll and administrative support
- ◆ Safety and risk management
- ◆ Park Ranger security services
- ◆ Workforce development
- ◆ Internal communications
- ◆ Special recreation and outreach programs
- ◆ SUN Community School program
- ◆ Community Gardens
- ◆ Arts and cultural facilities
- ◆ Volunteer coordination
- ◆ Class registration and activity permits

Strategy, Finance, and Business Development

Provides bureauwide direction and guidance for the management of a sustainable park and recreation system by:

- ◆ Establishing and maintaining efficient business processes, systems, and strategies
- ◆ Monitoring and reporting on organizational performance
- ◆ Ensuring fiscal accountability and transparency in all activities
- ◆ Growing and diversifying the bureau's revenue base
- ◆ Planning and designing parks and recreation services
- ◆ Increasing public awareness and understanding of PP&R's values, benefits, and challenges

Services provided by the department include:

- ◆ Financial management
- ◆ Strategic business planning
- ◆ Strategic community involvement
- ◆ Program evaluation and performance measurement
- ◆ Park and recreation management planning, design, and development
- ◆ Project management
- ◆ Policy development and review
- ◆ Property and asset management
- ◆ Contract management
- ◆ Marketing
- ◆ Media and other external communications

- ◆ Website management and publications production
- ◆ Grants and sponsorship management
- ◆ Enterprise fund program management (Golf and Portland International Raceway)

SUMMARY OF BUDGET DECISIONS

Reduction Packages

Recycle plastic bags for dog waste: This budget package resulted from recommendations originally made by the Off-Leash Advisory Committee and endorsed by the staff and citizen Budget Review Committee. In lieu of purchasing dog waste bags, containers to recycle plastic bags will be provided at off-leash areas and other selected locations. General Fund discretionary savings total \$22,000.

Selected fee increases in recreation programs: For some services, fees have not been increased since 2003 and are in need of being updated, given subsequent cost increases. This package will raise fees for selected services at all aquatic facilities as well as at the Mt. Scott Community Center, the Southwest Community Center, the Laurelhurst Dance Studio, and the Montavilla Community Center. This package also includes extending the duration of, and increasing the fees for, course offerings at the Multnomah Arts Center.

Revenue from fee increases at the community centers and the dance studio is forecast to be \$146,836. In the case of pool admission fees, new revenue is estimated at \$80,000.

The final part of this package will create a recreation leader position to work 75% of the time at the Hillside Community Center and 25% of the time at the Fulton Park Community Center. Preschool services will be enhanced, and other community center programs will be expanded. New fee revenues will more than offset the cost of the position, leaving a net increase in revenue of \$36,738.

The net General Fund discretionary savings is forecast at \$240,587 and includes the addition of one FTE.

Position reductions: The Adopted Budget eliminates the following vacant positions:

- ◆ A maintenance mechanic which supports services to irrigation systems
- ◆ A recreation coordinator in the Sports/Athletics unit
- ◆ A workforce development and preparedness officer
- ◆ A maintenance worker responsible for natural areas.

General Fund discretionary savings totals \$248,373.

Reduce pass-through grants: All pass-through grants made by PP&R are reduced by 1.8%. These include grants to the Police Activity League, Pioneer Courthouse Square, SUN community schools, Multnomah County Aging Services, and the TLC-TnT summer camp.

Conserve water and mowing by reducing irrigation: This decision reduces irrigation by implementing further refinements in how irrigation systems are operated, with the intent of conserving water. Savings is estimated at \$50,000 and will accrue from reduced water use which, in turn, will enable reductions in mowing and grounds maintenance in parks and on athletic fields.

Conserve energy by turning lights off in parks after midnight: This package will be implemented as a pilot project at 25% of the original proposal. It is projected to generate \$18,750 in annual savings in electric utility costs by turning off lighting systems within *selected* City parks between midnight and dawn. New timed switches will be required in the parks to implement these savings, a one-time investment of \$15,000.

Golf program: The Golf program continues to struggle with declining play and lower than expected revenue. In an effort to reduce expenses, 5 full time vacant greenskeeper positions are being eliminated and replaced with an increase in part-time seasonal labor.

The Youth Trust sub account, which is funded by a \$0.50 surcharge on golf greens fees, is being transferred from the Parks Trust Fund into the Golf Fund for the Adopted Budget.

In 1991, the \$0.50 surcharge was established to fund high priority youth recreation programs. Proceeds from the surcharge have never been deposited in the Golf Fund, but instead are deposited in the Parks Trust Fund and tracked in a separate center code. Depositing the funds in a separate center code within the Golf Fund will still allow for accurate tracking of the funds and will help the Golf Fund meet ongoing cash flow requirements.

Add Packages

Eight add packages are included in the Adopted Budget that implement City Council direction, and provide for continuity of service and maintenance of new assets.

1. Reopen Pier Pool

Funding for Pier Pool was eliminated in last year's budget deliberations. This add package provides funds to reopen this outdoor summer pool. Although Pier Pool is not as heavily used as other outdoor pools, it is the only pool in St. Johns. Columbia Pool is the nearest aquatic facility, approximately 3.5 miles away. The majority of swimmers at Pier Pool are children who walk or ride their bikes to the pool. Columbia Pool does not provide them with convenient access to a swimming pool. This add package restores funding for Pier Pool aquatics staff and for operations, including part-time seasonal staff and a portion of a utility worker. A portion of these funds will be used for annual opening costs (e.g., pressure washing, painting, and other cleaning) and ongoing maintenance work, such as chemical testing and pool supplies. The cost of the package is \$83,145, plus \$11,070 in one-time start-up costs, for a total FY 2006-07 addition of \$94,215.

2. Provide funding for operation and maintenance of new park facilities

Several new parks and park facilities open in FY 2006-07. Each requires funding for operation and maintenance, including staff, materials, and services. This package authorizes the addition of two maintenance workers. The following sites will be opened or enhanced at the indicated costs in FY 2006-07:

- ◆ Springwater Corridor (southeast Portland) - Three Bridges trail segment: \$6,800
- ◆ Kelley Point Park (north Portland) - canoe launch: \$10,500
- ◆ McCoy Park (north Portland): \$58,711
- ◆ University Park Community Center (north Portland): \$49,808

The total cost of the package is \$125,819.

3. Reimburse costs of repairs to the Hillside Community Center

The Hillside Community Center caught fire in 2004. Funds necessary to repair the facility were borrowed from the Parks Local Option Levy. City Council authorized reimbursement to the Levy from the General Fund Capital Set-Aside in the amount of \$200,000 each year for three years, beginning in FY 2005-06, for a total amount of \$600,000. This package funds the second installment toward full reimbursement.

4. Relocate PP&R maintenance services from the Mt. Tabor Yard to new facilities

This package provides \$650,000 from the General Fund Capital Set-Aside toward the goal of closing the Mt. Tabor Yard and relocating maintenance services to several new sites, enabling the Service Zones to operate more efficiently. It will also improve working conditions for employees and will allow the Mt. Tabor site to become available for use by either the community or a private entity.

This package is part of a multi-year funding plan that will eventually total \$3 million from the General Fund and \$1.09 million from the Parks Local Option Levy. Additional funding is included in the Capital Improvement Plan (CIP) request over the next two years. Funds are set aside in General Fund contingency pending completion of a facilities plan due by October 2006.

5. Enhance services and improve Sellwood Park

Columbia Sportswear will provide an annual \$100,000 grant for each of ten years through the Portland Parks Foundation to enhance services within Sellwood Park and to make improvements to the park. This package will apply those funds first toward development of an improvement plan. Upon approval by the Foundation, the plan will be fully implemented. This package requires no General Fund discretionary resources.

6. Interstate Firehouse Community Center (IFCC) grant for FY 2006-07

The FY 2005-06 budget eliminated ongoing City funding for IFCC and replaced it with a challenge grant of up to \$80,000. The package included reductions in both direct operating support and funding for building maintenance provided by PP&R. This package provides one-time funding for another challenge grant in FY 2006-07 of \$80,000, plus the building maintenance and utility costs incurred by PP&R of \$20,118. The total cost of the package is \$100,118.

7. Fund Camp Ky-O-Wa for FY 2006-07

This package funds the summer day camp program for one additional year. Camp Ky-O-Wa is an inclusive summer day camp for children, some with disabilities and some without. Camp Ky-O-Wa has operated for over 40 years under the auspices of Portland Parks & Recreation. Two recent changes of significance are:

1. In response to the mainstreaming/recreation inclusion movements, the last 15 years or more the camp has functioned as an inclusive setting with about half of the campers disabled and the other half not.
2. The camp location has moved from Dodge Park to Roslyn Lake which is owned by Portland General Electric (PGE).

PGE has informed PP&R that the Roslyn Lake facility will be drained with the closure of the dam. We expect the facility to become unavailable to PP&R sometime in 2007. Summer 2006 or 2007 will be the final year of camp operation.

Approximately \$11,500 is collected in fees from the families of the campers, leaving a General Fund discretionary one-time requirement of \$28,965.

8. East Portland Community Center (EPCC) Pool

Parks & Recreation intends to build an indoor aquatic center addition to East Portland Community Center. The EPCC pool fills a critical gap in the uneven distribution of PP&R aquatic facilities across the city. Parks Vision 2020 Plan identified the need for more developed facilities in outer east Portland to serve a fast growing community characterized by lower median incomes and growing cultural diversity.

The EPCC was completed in 1998 as part of the 1994 General Obligation Bond measure that built and renovated over 100 Parks facilities. At the time, need for a new indoor pool was identified by the east Portland community and acknowledged by PP&R. Building plans were laid out and land divided to allow for a future pool. The Parks Levy, passed by the voters in 2002, provided funding for the new pool based on preliminary construction cost estimates from 2001. Funding available in the levy for the pool addition is now \$3.8 million short of estimated project cost.

\$3.8 million is included in the Adopted Budget to complete the pool. Funds are set aside pending beginning of construction, at which time they will be transferred to PP&R's capital construction and major maintenance fund.

9. Capital Planning and Major Maintenance

Continuing a Council commitment to support infrastructure maintenance, \$346,582 of ongoing General Fund discretionary resources are added to PP&R's capital budget for major maintenance. These funds are made available by the reductions discussed above, and monies freed up by lower than expected health care costs. When added to the funding provided beginning in FY 2005-06, the annual General Fund commitment to Parks major maintenance totals \$795,288.

In order to allow for better management of capital and major maintenance projects the Adopted Budget allows for the creation of a CIP manager within the newly created Capital Program Management (CPM) division.

The Capital Program Management division will be responsible for implementing the annual CIP budget, and will be staffed by existing capital project managers as well as staff assigned project inspection and management responsibilities but currently reporting to the Parks Maintenance division.

The CPM division manager position will be funded from capital program resources through an internal overhead cost allocation plan.

BUDGET NOTES

Interstate Firehouse Culture Center

In order to be eligible for \$80,000 in one-time General Fund resources for the IFCC, the IFCC board will obtain \$80,000 in matching donations from non-City government sources and the approval of the oversight committee to disburse funds. Council will match dollar for dollar, up to \$80,000, the matching donations from non-City government sources.

- Golf** In a change of direction from last year, this budget directs Parks to raise fees within the City's Golf operation in order to raise funds to support ongoing operations and capital improvements within the Golf program. Parks will report back to Council as part of each FY 2006-07 BuMP review on progress made in developing a five-year capital investment plan for the Golf program.
- East Portland Pool** This budget includes a General Fund set-aside of up to \$3.8 million for assisting with the completion of the East Portland Pool. Funds will be made available to Parks when construction begins, currently estimated for August 2007.
- Parks Maintenance Facility** The General Fund contingency will include \$650,000 for the Parks maintenance facility. To be eligible for the funds Parks must submit to the City Council for consideration a final Maintenance Facility Plan showing site acquisition and facility construction requirements by October 1, 2006.

Strategic Direction

SIGNIFICANT ISSUES

The challenges facing Portland Parks & Recreation are many and varied. Accordingly, in 2003 the organization developed a strategic plan by which it could focus its resources to bring about sustained organizational improvements and improved customer service.

The organization's initial focus is on building a strong foundation upon which it can move forward. Over the next five years the organization will need to deliver strong, lasting results to realize the *Parks 2020 Vision* plan. The key challenges the bureau needs to address and the principal strategies to be implemented follow:

Infrastructure Renewal and Development

Key Challenge: Address the backlog of maintenance needs for those assets that are deteriorating due to either age or overuse while also ensuring that the recreational needs of a growing and changing population are met by providing new parks and recreation facilities. In addition, the bureau is further challenged by the need to ensure that the city's green infrastructure, particularly our natural areas which contributes to the city's livability, is protected from the increased pressures from urban development and population growth.

Strategies: Implement a total asset management approach to guide decision making relative to the planning, development, and maintenance of all assets.

Acquire and develop sufficient open space to provide for both the protection of natural resources and the provision of recreational opportunities.

Reaching the Community

Key Challenge: Ensure the awareness, appreciation, and understanding of the community and its civic leaders about the environmental, social, and economic benefits of park and recreation services, and the challenges that arise in relation to these services.

Strategies: Increase awareness and understanding of the economic, social, and environmental values and benefits that Portland Parks & Recreation provides.

Develop and market specific outreach programs that increase community awareness of our services.

Working Cooperatively

Key Challenge: Build strong, mutually beneficial partnerships and alliances with government agencies, non profits, and private sector organizations to enhance our ability to meet the community's need for a wide range of quality services.

Strategies: Collaborate with non profit and private sector organizations to improve the delivery of existing services where there is an alignment with PP&R's mission and strategic objectives.

Work with other City bureaus to deliver integrated solutions to key issues.

Strengthen PP&R's volunteer program by identifying and facilitating new opportunities for volunteer involvement.

Delivering Services

Key Challenge: Meet the increasing needs of our community with limited fiscal and physical resources.

**Achieving
Organizational
Excellence**

Strategies: Define and review on an ongoing basis those services delivered by Portland Parks & Recreation.

Design and provide services based on a comprehensive understanding of community needs, trend research, and customer surveys.

Systematically assess all services to identify efficiencies that can be achieved through different service delivery models.

Key Challenge: Strengthen and/or establish new policies, systems, and processes that will enable the organization to reposition itself so it can operate more effectively in an environment of continual change.

Strategies: Create an organizational culture based on continuous improvement, customer service, and objective and knowledge-based decision making.

Provide training and development opportunities to ensure all staff are equipped with the necessary skills to better function within an environment of continual change.

Increase diversity within the organization to foster greater understanding of the needs and interests of the community.

Integrate and strengthen management information systems and work processes to improve efficiency and effectiveness.

**Financial
Sustainability**

Key Challenge: Develop a more diversified and sustainable revenue base so that the bureau can maintain and grow its services despite the increased demands upon the City's General Fund, the principal source of funding for PP&R.

Strategies: Establish policy frameworks that will enhance Portland Parks & Recreation's ability to generate revenues through sponsorships, partnerships, and other innovative approaches to resource growth.

Investigate and report upon options that will enable the continuation of park and recreation services upon expiration of the current Parks Local Option Levy in 2008.

MANAGEMENT GOALS & OBJECTIVES

**Update on Major
Initiatives for FY
2005-06**

Portland Parks & Recreation outlined a number of initiatives it would undertake in FY 2005-06. The current status of these is as follows:

Bureau Restructuring

In response to a comprehensive organizational analysis, PP&R embarked upon a major restructure during the latter part of FY 2004-05. This restructure, which is in the final stages of implementation, is designed to improve service delivery, accountability, and communication with our stakeholders. The restructuring process has involved a reduction in the number of management and supervisory positions and the reassignment of some staff resources to ensure the organization has the capacity to respond to its key challenges.

Total Asset Management

Throughout FY 2005-06, PP&R has continued to make steady progress since it adopted the principles of asset management in late 2003. To date, the Bureau has completed development of:

- ◆ An asset inventory and data framework for recording and assessing the condition and value of assets
- ◆ A Total Asset Management manual and Facility Condition Index report on our community centers

Service Delivery Strategy

Steady progress has been made in relation to phase one of this two-year project. Work completed to date includes the identification of existing services, service outcomes, current service delivery methods and options, and recreational and demographic trends that may influence service delivery. Work is now underway in determining service costs and performance measures.

Performance Measures

In keeping with the City's commitment to improve accountability, PP&R has developed an appropriate range of performance indicators by which the organization's performance outcomes can be assessed. Refinement of these indicators is currently underway.

**Major Initiatives for
FY 2006-07**

In keeping with its strategic plan, PP&R will continue to focus on the implementation of strategies that are designed to address these major challenges. However, in 2006 the bureau's primary focus will be on initiatives relating to the two greatest challenges: financial sustainability and infrastructure renewal and development. Some of the more significant initiatives to be pursued are outlined below.

Financial Sustainability

Prepare a strategy for the end of the Parks Local Option Levy. FY 2007-08 is the last year of the five-year levy. The levy provides \$2.5 million to restore services cut in response to Measures 47 and 50; \$600,000 in continued support to local schools; and \$1.6 million in enhanced services for a total of \$4.7 million in operating support per year. It also provides \$18.7 million of capital funding over the five years.

Develop a five-year financial plan which will integrate strategic directions, performance measurement, and finance into a comprehensive management planning tool.

Develop a marketing and business development strategy.

Introduce five-year business plans for Golf, Portland International Raceway, and other major facilities.

Continue and enhance partnerships with non-profits and private organizations.

Develop a comprehensive policy and guidelines for the establishment of fees relating to recreation activities.

Develop and implement of a sponsorship policy.

Develop a service strategy which will be used to guide decision making relating to service mix, service standard, service delivery approach, and cost.

Strengthen financial and business management practices and processes throughout bureau.

Infrastructure Renewal and Development

Acquire suitable properties as future parks to meet growth needs.

Implement a program to repair infrastructure that has deteriorated from deferred maintenance

Continue development and implementation of a total asset management strategy that will inform decisions relating to the acquisition, development, and maintenance of both built and green infrastructure.

Leverage funds from System Development Charges (SDC's) to facilitate the acquisition and land banking of suitable properties that will later be developed to address the recreational needs associated with the City's continued growth.

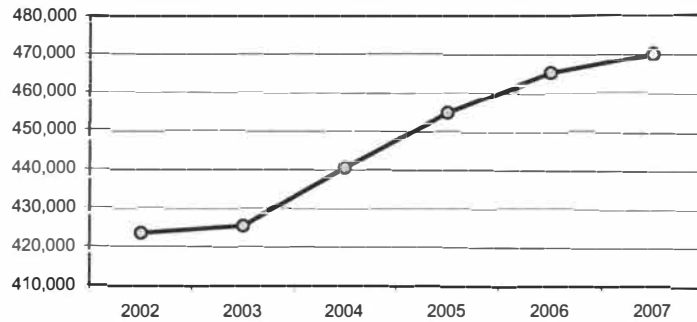
Undertake further analysis of suggestions brought forward by staff and community members during the budget process to achieve efficiencies relating to energy and sustainability.

Strengthen of work practices and processes to facilitate improved efficiency.

Performance Measures

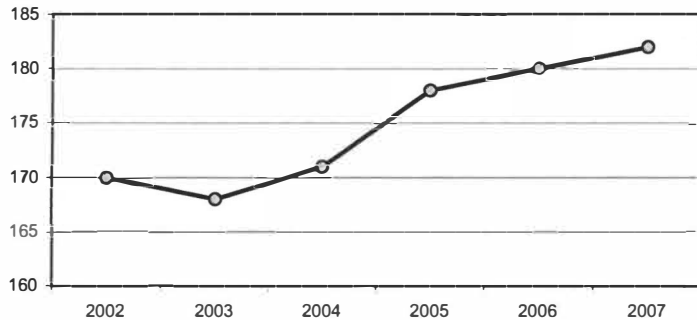
Number of Volunteer Hours

- ◆ Use of volunteers continues to be a positive asset for PP&R. In FY 04-05 over 450,000 volunteers hours were recorded, representing more than \$4.4 million in wages or 218.6 FTEs.



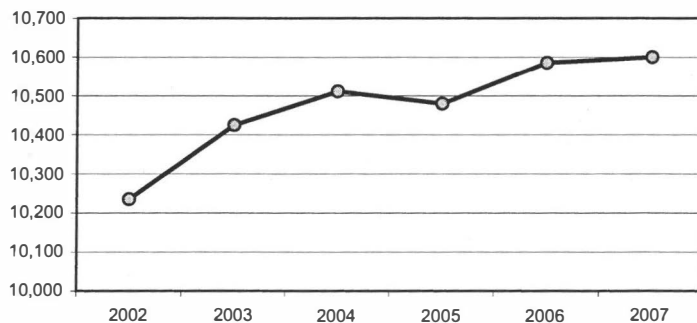
Number of Developed Parks

- ◆ The number of developed parks have continued to increase over time.



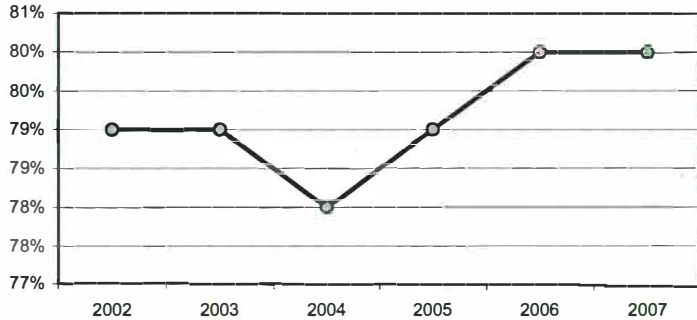
Number of Acres Maintained

- ◆ Total acreage continues to grow as parks are opened and donated property is land banked. New parks are planned for Holly Farm (1.72 acres); Kelley Point Park (4.7 acres); Eastridge Park (3.53 acres); Earl Boyles (8.1 acres); and Three Bridges section of Springwater Trail (2 acres).



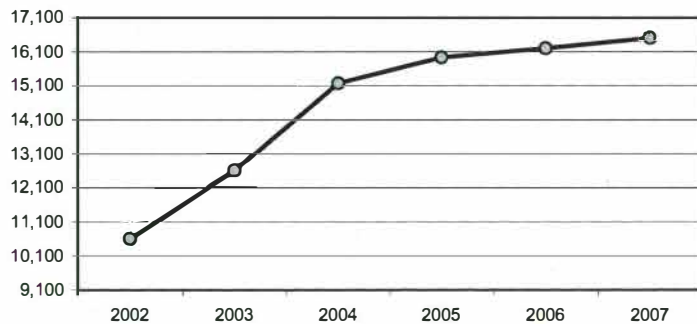
Park Condition Rating

- ◆ Citizen satisfaction with parks has remained fairly stable and appears to be returning to 2001 rates.



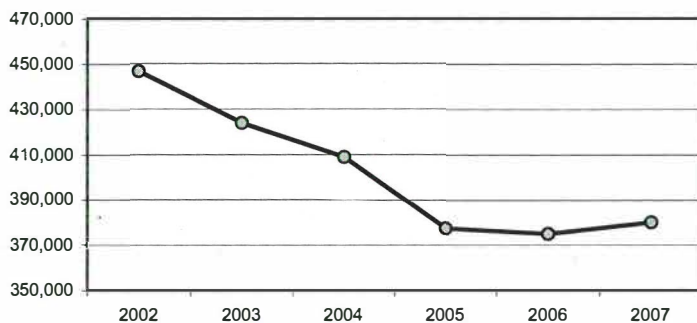
Average Daily Visits--All Centers & Programs

- ◆ Reported attendance increased dramatically in FY 03-04 due to improved data collection. However, based on past experience, PP&R expects recreation attendance to continue increasing.



Number of Golf Rounds Played

- ◆ The number of golf rounds played has continued to decrease since FY 01-02. Upon completion of the marketing and business plan being developed by PP&R's contractor, there is an expectation that golf rounds played will begin to increase.



Portland Parks & Recreation

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	30,360,756	31,355,848	32,887,720	33,263,823	33,299,416
External Materials and Services	14,440,221	13,826,425	15,191,052	14,643,476	14,727,018
Internal Materials and Services	7,101,699	7,046,514	7,265,434	6,247,444	6,373,576
Minor Capital Outlay	59,452	44,317	191,818	95,621	95,621
Total Operating Budget	51,962,128	52,273,037	55,536,024	54,250,364	54,495,631
Capital Improvements	12,338,327	15,159,314	18,796,477	15,919,349	17,568,733
TOTAL BUREAU EXPENDITURES	\$ 64,300,455	\$ 67,432,418	\$ 74,332,501	\$ 70,169,713	\$ 72,064,364
Allocated Overhead	1,959,139	1,912,821	2,535,371	3,713,030	3,713,030
Total Cost with Allocated Overhead	66,259,594	69,345,172	76,867,872	73,882,743	75,777,394
RESOURCES					
Discretionary Revenues					
PP&R Operating Support	30,033,876	30,427,743	31,128,637	30,656,362	30,722,262
Parks Construction (Capital)	1,073,676	2,211,544	2,703,227	1,061,104	995,204
Parks Stores Revenue	53,344	37,896	25,000	0	0
Total Discretionary Revenues	31,160,896	32,677,183	33,856,864	31,717,466	31,717,466
Non-Discretionary Revenues					
PP&R Grants & Donations	293,376	259,873	480,575	414,203	414,203
PP&R Contract Revenues	0	17,185	48,884	56,576	56,576
PP&R Interagency Revenues	6,547,827	6,421,092	7,638,042	7,266,730	7,255,821
PP&R Fees & Permits	8,764,750	9,285,193	9,926,726	9,695,629	9,695,629
Parks Construction Fund	9,747,481	12,075,344	15,868,250	14,608,245	16,323,529
Golf Fund Revenues	6,296,567	5,178,663	5,102,867	4,918,356	5,108,632
PIR Fund Revenues	1,489,558	1,517,885	1,385,293	1,492,508	1,492,508
Total Non-Discretionary Revenues	33,139,559	34,755,235	40,450,637	38,452,247	40,346,898
TOTAL RESOURCES	\$ 64,300,455	\$ 67,432,418	\$ 74,332,501	\$ 70,169,713	\$ 72,064,364
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
DIVISIONS					
Parks & Recreation	45,639,829	46,694,529	49,222,864	48,089,500	48,144,491
<i>Positions</i>	<i>365.38</i>	<i>370.10</i>	<i>359.47</i>	<i>350.88</i>	<i>350.88</i>
Parks Stores	53,344	37,896	25,000	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Portland International Raceway	1,489,558	1,517,882	1,385,293	1,492,508	1,492,508
<i>Positions</i>	<i>6.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
Golf Program	6,296,567	5,178,663	5,102,867	4,918,356	5,108,632
<i>Positions</i>	<i>34.00</i>	<i>36.00</i>	<i>34.00</i>	<i>29.00</i>	<i>29.00</i>
Parks Capital Improvement Program	10,821,157	14,003,381	18,596,477	15,669,349	17,318,733
<i>Positions</i>	<i>17.90</i>	<i>14.00</i>	<i>13.50</i>	<i>14.71</i>	<i>15.71</i>
TOTAL DIVISIONS	\$ 64,300,455	\$ 67,432,418	\$ 74,332,501	\$ 70,169,713	\$ 72,064,364
<i>Positions</i>	<i>423.28</i>	<i>425.10</i>	<i>411.97</i>	<i>399.59</i>	<i>400.59</i>

Portland Parks & Recreation

BUREAU PROGRAMS BY DIVISION

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
PROGRAMS					
PARKS & RECREATION					
Administration	3,128,307	4,372,795	0	0	0
<i>Positions</i>	19.16	21.76	0.00	0.00	0.00
C I P	1,580,604	1,638,401	0	0	0
<i>Positions</i>	15.85	15.88	0.00	0.00	0.00
Forestry	2,315,647	2,439,303	0	0	0
<i>Positions</i>	26.00	26.00	0.00	0.00	0.00
Parks/Natural Resources	19,810,444	19,878,732	0	0	0
<i>Positions</i>	180.69	184.99	0.00	0.00	0.00
Recreation	18,804,827	18,364,448	0	0	0
<i>Positions</i>	123.68	121.47	0.00	0.00	0.00
Recreation	0	0	18,861,409	18,962,992	19,020,832
<i>Positions</i>	0.00	0.00	111.71	112.47	108.79
Support	0	0	7,194,161	6,573,507	6,523,894
<i>Positions</i>	0.00	0.00	51.06	46.49	46.49
Social	0	0	2,156,939	1,893,929	1,933,174
<i>Positions</i>	0.00	0.00	10.98	9.73	9.73
Environment	0	0	21,010,355	20,659,072	20,666,591
<i>Positions</i>	0.00	0.00	185.72	182.19	185.87
TOTAL PROGRAMS	\$ 45,639,829	\$ 46,694,529	\$ 49,222,864	\$ 48,089,500	\$ 48,144,491
<i>Positions</i>	365.38	370.10	359.47	350.88	350.88
PARKS STORES					
Stock Account	53,344	37,896	25,000	0	0
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
TOTAL PROGRAMS	\$ 53,344	\$ 37,896	\$ 25,000	\$ 0	\$ 0
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
PORTLAND INTERNATIONAL RACEWAY					
Portland International Raceway	1,489,558	1,517,882	1,385,293	1,492,508	1,492,508
<i>Positions</i>	6.00	5.00	5.00	5.00	5.00
TOTAL PROGRAMS	\$ 1,489,558	\$ 1,517,882	\$ 1,385,293	\$ 1,492,508	\$ 1,492,508
<i>Positions</i>	6.00	5.00	5.00	5.00	5.00
GOLF PROGRAM					
Golf Operations	6,296,567	5,178,663	5,102,867	4,918,356	5,108,632
<i>Positions</i>	34.00	36.00	34.00	29.00	29.00
TOTAL PROGRAMS	\$ 6,296,567	\$ 5,178,663	\$ 5,102,867	\$ 4,918,356	\$ 5,108,632
<i>Positions</i>	34.00	36.00	34.00	29.00	29.00
PARKS CAPITAL IMPROVEMENT PRO-					
CIP	10,821,157	14,003,381	18,596,477	15,669,349	17,318,733
<i>Positions</i>	17.90	14.00	13.50	14.71	15.71
TOTAL PROGRAMS	\$ 10,821,157	\$ 14,003,381	\$ 18,596,477	\$ 15,669,349	\$ 17,318,733
<i>Positions</i>	17.90	14.00	13.50	14.71	15.71

Parks & Recreation

OVERVIEW

Portland Parks & Recreation is responsible for the management of one of the nation's most comprehensive park and recreation systems. Portland's parks, public places, natural areas, and recreational opportunities give life and beauty to our city. These essential assets connect people to place, self, and others.

The bureau is taking a service-based approach to programs.

Bureau programs are based on a service approach, rather than functional or organizational perspective. This outcome of the recent reorganization of the bureau allows for a more clear vision of service provided to the public.

Whereas in the past the organizational perspective did not wholly capture the complete scope of services offered, the service based approach does so. Service programs are as follows: Recreation, Environment, Social, and Support. These are described in the following section.

Overview of Programs

RECREATION

Description	The Recreation Program is about making the city a great place to live by providing an extensive range of programmed educational, cultural, and recreational activities which are delivered through venues such as community centers, pools, parks, community schools, and outdoor recreation.
Relationships to Goals	Services delivered by the Recreation program support the City goal to <i>improve the quality of life in neighborhoods</i> and the council focus area of a <i>family-friendly city</i> through the provision of a broad variety of high quality opportunities for recreation, arts, and cultural activities. Activities are offered at sites across the city for children, youth, seniors, and families together.
Performance	Performance is measured by the number of participants, and as a percentage of the overall population, their satisfaction with the programs offered, and the cost effectiveness of these programs balanced with maintaining access to participation.
Changes to Services and Activities	<p>Recreation programming services are preserved and expanded in this budget while meeting constrained resources. Selected fee increases, in keeping with program demand and customer acceptance allow continued options for public participation. A new recreation leader position shared between Hillside and Fulton community centers allows the expansion of after school and immersion language programs. Adjustments and slight contractions in hours at the Mt Scott skating rink and certain pools during under utilized times will allow these services to continue operations.</p> <p>The budget funds the continued summer operations of Pier Pool in St. Johns. This outdoor pool was slated for closure in the FY 2005-06 budget, but is now funded. With the completion of phase 2 renovation at University Park Community Center, new operating and maintenance requirements are funded, including a new maintenance position. Funds to complete an aquatics center at East Portland Community Center are set-aside and will be made available to the bureau when construction begins.</p>

SUPPORT

Description	The Support Services program is about effective stewardship of a large and diverse park and recreation system by ensuring the efficient and effective use of our resources. The program involves key support services such as administrative support, financial management, strategic planning, property management, marketing and business development services, and performance measurement.
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Relationships to Goals	The strategic direction of PP&R’s Support Services program directly promotes the City goal to <i>deliver efficient, effective, and accountable municipal services</i> . The bureau’s strategic plan goal is to reach financial sustainability through a stable and diversified revenue base and improving cost efficiency. The goal to achieve organizational excellence is addressed through improving organizational structure and culture, enhancing workforce development and performance, ensuring a safe working environment, diversifying the workforce, integrating and strengthening business processes and management information systems, and developing clear policies and innovative planning efforts that are coordinated throughout the bureau.
Performance	Progress towards achieving its goal of organizational excellence will be measured through the completion rate of capital and major maintenance projects, and the satisfaction of employees. Delivery of key planning documents such as the next update of the Asset Management Plan, incorporating the Facility Condition Index for pools, an update of the Cost of Service study, a system-wide service strategy, and a five year financial plan will demonstrate organizational effectiveness.
Changes to Services and Activities	<p>With a focus on infrastructure and financial stability guiding budget priorities, core support and strategic services to bureau programs are preserved. This continues the direction envisioned in Vision 2020, and is articulated in the bureau’s Strategic Plan.</p> <p>Funding to replace aging and outdated parks maintenance facilities is set-aside in the General Fund and will be made available upon completion of a facilities plan.</p> <p>The Adopted Budget adds a Capital Improvement Program manager position to assist the bureau in implementing the annual CIP budget, which includes new General Fund support for infrastructure major maintenance improvements. The position is funded using internal overhead recovered from capital projects.</p>

ENVIRONMENT

Description	The Environment program is about protecting and enhancing our greenspaces and is critical to conserving biodiversity, enhancing the aesthetic appearance of our city, and ensuring a sustainable future. Responsibilities range from large natural areas such as Forest Park and Oaks Bottom to developed parks that include Gabriel and Laurelhurst. Portland Parks & Recreation undertakes planning, research, and a range of ecological and horticultural maintenance activities as part of this program.
Relationships to Goals	Protecting and enhancing our natural greenspaces and developed parks forwards the City goals to <i>protect the natural and built environment</i> and to <i>improve the quality of life in neighborhoods</i> .
Performance	Performance in the provision of natural areas and developed parks is monitored by the health and condition of the landscape and citizen satisfaction. Efforts are measured by costs and staff hours of maintenance. Workload is monitored by the acres maintained.
Changes to Services and Activities	The Adopted Budget maintains provision of basic levels of service at all natural areas and parks, while selectively scaling back some activities to meet financial constraints.

Six positions are eliminated in this budget that maintained either natural areas or parks across the system. The budget also funds operating and maintenance costs due to new responsibilities at two parks and a trail, including the addition on one new maintenance position. One landscape design position in the capital program is also eliminated from the program.

SOCIAL

Description

The Social program is about enhancing the perceived quality of life for individuals, families, and communities; stimulating public involvement; and the building of community for a sustainable future. The program encompasses a range of planning and activities relating to outreach, volunteers, and partnerships.

Relationships to Goals

Services provided by the Social program support the City goal to *improve the quality of life in the neighborhoods* by offering a wide variety of high quality arts and cultural activities for residents. The program also includes outreach to communities that historically under utilize recreation opportunities, and those that face barriers to participation.

Bureau strategic plan goals that align with this City goal are *working cooperatively* and *reaching the community*.

Performance

Performance is measured by the number of participants, and the participation of traditionally underserved populations, their satisfaction with the programs offered, and the cost effectiveness of these programs balanced with maintaining access to participation.

Changes to Services and Activities

The budget protects and continues the full range and depth of services offered. As in the Recreation program, selected increases in fees allow programs to continue.

Parks & Recreation

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
PORTLAND PARKS & RECREATION						
Parks & Recreation						
Recreation						
Effectiveness						
Percentage of Youth Participating	59%	59%	58%	57%	57%	58%
Citizens' Rating of Recreation Programs	73%	72%	71%	70%	70%	72%
Workload						
Number of Summer Swim Lessons Taught	22,187	24,465	27,254	23,086	24,000	24,400
Average Daily Attendance	10,601	12,595	15,176	15,933	16,200	16,500
Support						
Effectiveness						
Percent Employee Satisfaction	72%	71%	NA	61%	65%	67%
Workload						
Number of Full-time Positions	403	366	425	410	410	400
Number of Part-time FTE	298	285	285	281	280	275
Social						
Efficiency						
Volunteer Hours Documented	423,727	425,623	440,526	454,777	465,000	470,000
Environment						
Effectiveness						
Average Backlog of Permits	2.50	2.75	3.00	3.25	3.00	3.00
Parks Grounds Maintenance - Citizen Satisfaction	77%	77%	80%	79%	80%	80%
Park Condition Rating	79%	79%	78%	79%	80%	80%
Workload						
Number of Inspections Performed	11,989	13,734	13,509	13,469	13,500	13,500
Total number of acres maintained	10,235	10,425	10,511	10,480	10,585	10,600

Parks & Recreation

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	27,506,065	28,657,316	29,866,201	30,016,211	30,069,660
External Materials and Services	12,019,663	11,499,404	12,835,437	12,359,436	12,360,978
Internal Materials and Services	5,924,352	6,210,059	6,417,005	5,618,232	5,618,232
Minor Capital Outlay	46,903	44,250	104,221	95,621	95,621
Total Operating Budget	45,496,983	46,411,029	49,222,864	48,089,500	48,144,491
Capital Improvements	172,846	283,500	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 45,669,829	\$ 46,694,529	\$ 49,222,864	\$ 48,089,500	\$ 48,144,491
Allocated Overhead	1,709,351	1,705,145	2,284,506	3,373,508	3,373,508
Total Cost with Allocated Overhead	47,379,180	48,399,674	51,507,370	51,463,008	51,517,999
RESOURCES					
Discretionary Revenue	30,033,876	30,427,699	31,128,637	30,656,362	30,722,262
Non-Discretionary Revenues					
Grants & Donations	251,425	240,896	448,874	382,502	382,502
Contract Revenues	0	17,185	48,884	56,576	56,576
Interagency Revenues	6,577,827	6,704,592	7,638,042	7,266,730	7,255,821
Program Revenue	8,806,701	9,304,157	9,958,427	9,727,330	9,727,330
Total Non-Discretionary Revenues	15,635,953	16,266,830	18,094,227	17,433,138	17,422,229
TOTAL GENERAL FUND RESOURCES	\$ 45,669,829	\$ 46,694,529	\$ 49,222,864	\$ 48,089,500	\$ 48,144,491
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Administration	3,128,307	4,372,795	0	0	0
<i>Positions</i>	<i>19.16</i>	<i>21.76</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
C I P	1,580,604	1,638,401	0	0	0
<i>Positions</i>	<i>15.85</i>	<i>15.88</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Forestry	2,315,647	2,439,303	0	0	0
<i>Positions</i>	<i>26.00</i>	<i>26.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Parks/Natural Resources	19,810,444	19,878,732	0	0	0
<i>Positions</i>	<i>180.69</i>	<i>184.99</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Recreation	18,804,827	18,364,448	18,861,409	18,962,992	19,020,832
<i>Positions</i>	<i>123.68</i>	<i>121.47</i>	<i>111.71</i>	<i>112.47</i>	<i>108.79</i>
Support	0	0	7,194,161	6,573,507	6,523,894
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>51.06</i>	<i>46.49</i>	<i>46.49</i>
Social	0	0	2,156,939	1,893,929	1,933,174
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>10.98</i>	<i>9.73</i>	<i>9.73</i>
Environment	0	0	21,010,355	20,659,072	20,666,591
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>185.72</i>	<i>182.19</i>	<i>185.87</i>
TOTAL PROGRAMS	\$ 45,669,829	\$ 46,694,529	\$ 49,222,864	\$ 48,089,500	\$ 48,144,491
<i>Positions</i>	365.38	370.10	359.47	350.88	350.88

Parks & Recreation

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06	Amount	FY 2006-07	Amount	FY 2006-07	Amount
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	1.00	1.00	1.00	45,540	1.00	46,596	1.00	46,596
0515	Accountant II	2.00	2.00	2.00	104,232	2.00	106,632	2.00	106,632
0510	Accounting Technician	1.00	1.00	2.00	75,384	2.00	77,136	2.00	77,136
0100	Office Supp Spec I	3.00	3.00	3.00	87,064	2.00	68,976	2.00	68,976
0102	Office Supp Spec II	8.00	7.88	6.00	226,152	4.75	183,192	4.75	183,192
0104	Office Supp Spec III	1.00	1.00	1.00	43,779	1.50	68,268	1.50	68,268
0106	Office Supp Spec Lead	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1219	Parks Maintenance Crew Lead	0.00	2.00	4.00	160,556	4.00	177,128	4.00	177,128
0406	Storekeeper/Acq Specialist II	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	2.00	3.00	2.00	111,840	2.00	116,028	2.00	116,028
7106	Administrative Supervisor I	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7107	Administrative Supervisor II	1.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
7818	Aquatic Program Supervisor	1.00	1.00	1.00	59,736	1.00	62,184	1.00	62,184
6004	Architect	0.00	0.00	0.00	0.00	0.02	1,380	0.02	1,380
7810	Arts Programs Supervisor	1.00	1.00	1.00	66,000	1.00	68,700	1.00	68,700
1311	Automotive Equipment Operator I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6011	Botanic Specialist I	2.00	2.00	3.00	152,838	3.00	159,972	3.00	159,972
6012	Botanic Specialist II	5.00	6.00	6.00	327,098	5.20	318,244	5.20	318,244
6001	Building/Landscape Designer I	0.50	0.00	0.00	0.00	0.03	1,437	0.03	1,437
6002	Building/Landscape Designer II	0.00	0.00	0.00	0.00	0.15	8,100	0.15	8,100
7140	Bureau Director, Assistant to	1.00	1.00	1.00	74,304	1.00	77,348	1.00	77,348
7112	Business Operations Manager	0.00	0.00	1.00	64,392	1.00	65,880	1.00	65,880
7113	Business Operations Mgr, Sr	0.00	0.00	1.00	96,972	0.90	89,064	0.90	89,064
6032	CAD Technician II	1.00	1.00	1.00	52,178	1.00	56,724	1.00	56,724
6033	CAD Technician III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1420	Carpenter	6.00	6.00	6.00	287,496	6.00	294,192	6.00	294,192
7842	City Forester	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7202	Community Outreach/Info Asst	0.00	2.00	1.00	60,408	1.00	60,881	1.00	60,881
7203	Community Outreach/Info Rep	0.00	0.00	1.00	55,992	1.00	57,520	1.00	57,520
7204	Community Outreach/Info Rep, Sr	2.80	1.00	0.98	68,532	0.98	69,180	0.98	69,180
1315	Construction Equipment Operator	2.00	2.00	2.00	89,382	2.00	95,454	2.00	95,454
1110	Custodian	1.00	1.00	1.00	33,300	1.00	34,068	1.00	34,068
7105	Director's Executive Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1453	Electrician	2.00	2.00	2.00	119,136	2.00	121,896	2.00	121,896
1457	Electrician, Supervising	1.00	1.00	1.00	65,664	1.00	67,188	1.00	67,188
1114	Fac Maintenance Tech Apprentice	0.00	1.00	1.00	31,464	1.00	37,146	1.00	37,146
7728	Facilities Construction Project	0.00	0.00	0.00	0.00	0.21	15,588	0.21	15,588
7725	Facilities Construction Project	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1115	Facilities Maintenance Tech	5.00	5.00	5.00	238,140	5.00	243,696	5.00	243,696
7376	Financial Analyst	1.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
7377	Financial Analyst, Senior	1.00	1.00	3.00	182,928	2.00	112,860	2.00	112,860
1524	General Mechanic	2.00	1.00	1.00	48,396	1.00	49,524	1.00	49,524
4110	High Climber	8.00	8.00	8.00	383,328	8.00	392,256	8.00	392,256
7864	Horticultural Services Superviso	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
4114	Horticulturist	27.00	26.00	21.90	982,332	21.90	1,016,984	21.90	1,016,984
4113	Horticulturist, Apprentice	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7790	Landscape Architect, Supervising	0.50	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1240	Maintenance Mechanic	10.00	12.00	12.00	517,966	11.00	493,080	11.00	493,080
1200	Maintenance Worker	0.00	1.00	2.00	40,584	3.00	69,686	3.00	65,822
7131	Management Analyst	0.00	0.00	1.00	50,744	1.00	52,822	1.00	52,822
7132	Management Analyst, Senior	1.00	2.00	3.90	222,900	3.27	186,817	3.27	186,817
7862	Natural Areas Horticulture Super	0.00	2.00	2.00	141,192	2.00	141,192	2.00	141,192
7866	Natural Areas Program Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7814	Outdoor Recreation & Env Educ Pr	1.00	1.00	1.00	63,900	1.00	66,519	1.00	66,519
1443	Painter	3.00	3.00	3.00	143,748	3.00	147,096	3.00	147,096
7825	Park Ranger Supervisor	1.00	1.00	1.00	51,108	1.00	53,196	1.00	53,196
1215	Park Technician	31.00	31.00	30.90	1,260,522	27.90	1,182,264	27.90	1,182,264
7109	Parks & Recr Admin Manager	0.00	0.00	1.00	82,308	1.00	82,308	1.00	82,308
7823	Parks & Recr City Nat Zone Mgr	0.00	0.00	2.00	150,780	2.00	153,260	2.00	153,260
7804	Parks & Recr Nat Areas Mgr	0.00	0.00	1.00	85,740	1.00	87,498	1.00	87,498
7809	Parks & Recr Services Mgr	0.00	0.00	1.00	97,848	1.00	99,852	1.00	99,852
7806	Parks & Recr Work/Comm Alli Mgr	0.00	0.00	1.00	99,960	1.00	100,680	1.00	100,680
7821	Parks & Recr Zone Mgr	0.00	0.00	5.00	384,000	5.00	391,658	5.00	391,658
7080	Parks & Recreation Director	1.00	1.00	1.00	128,937	1.00	133,641	1.00	133,641
7807	Parks and Recreation Division Ma	4.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
7831	Parks Fac Maint Supervisor	2.00	2.00	1.00	67,164	1.00	67,164	1.00	67,164
7832	Parks Irrigation Maintenance Sup	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7833	Parks Maintenance Superintendent	4.00	4.00	1.00	78,168	1.00	80,838	1.00	80,838
7830	Parks Maintenance Supervisor	8.00	9.00	8.00	482,682	8.00	491,418	8.00	491,418

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06		FY 2006-07		FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7788	Parks Planner, Supervising	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7826	Parks Security Manager	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7816	Pittock Mansion Supervisor	1.00	1.00	1.00	70,596	0.00	0	0.00	0
7133	Principal Management Analyst	1.00	1.00	1.00	76,128	1.00	77,428	1.00	77,428
7154	Program Coordinator	1.00	1.00	1.00	63,420	1.00	66,024	1.00	66,024
7156	Program Manager	0.00	1.00	1.00	70,596	0.75	55,116	0.75	55,116
7158	Program Manager, Senior	0.00	0.00	3.00	235,345	2.75	218,395	2.75	218,395
7153	Program Specialist	1.00	1.00	1.00	63,984	1.00	63,984	1.00	63,984
7152	Program Specialist, Assistant	0.80	1.00	0.50	30,384	0.50	30,456	0.50	30,456
7678	Property Acquisition & Services	1.00	1.00	1.00	70,716	1.00	73,136	1.00	73,136
7208	Public Information Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7553	Public Works Supervisor II	0.00	0.00	1.00	67,164	1.00	67,164	1.00	67,164
4325	Recreation Coordinator I	53.00	54.00	52.00	2,119,235	50.00	2,079,690	51.00	2,103,630
4326	Recreation Coordinator II	13.00	13.00	12.00	522,226	12.00	529,487	12.00	529,487
4322	Recreation Leader - Fulltime	14.00	14.63	14.75	477,188	15.75	522,469	14.75	498,529
7805	Recreation Manager	3.00	4.00	1.00	64,392	1.00	65,880	1.00	65,880
7820	Recreation Program Supervisor, S	1.00	1.00	1.00	59,736	1.00	62,184	1.00	62,184
7802	Recreation Supervisor I	12.00	13.00	13.00	803,988	13.00	823,328	13.00	823,328
7803	Recreation Supervisor II*	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7860	Rose Garden Horticulture Supervi	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7192	Safety & Risk Officer I	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
6134	Senior City Planner	4.20	5.00	4.90	322,452	4.06	280,044	4.06	280,044
6111	Senior Engineering Associate	1.00	1.00	1.00	66,108	1.00	68,976	1.00	68,976
3123	Surveyor II	1.00	1.00	1.00	54,684	1.00	55,956	1.00	55,956
4112	Tree Inspector	7.00	7.00	7.00	367,920	7.00	376,404	7.00	376,404
1214	Turf Maintenance Technician	19.00	8.00	6.00	248,688	6.00	254,448	6.00	254,448
7840	Urban Forestry Supervisor	1.00	1.00	1.00	70,596	1.00	70,596	1.00	70,596
1210	Utility Worker I	10.00	8.50	8.63	320,112	9.63	368,592	9.63	368,592
1211	Utility Worker II	25.00	25.89	24.89	1,000,134	24.89	1,025,196	24.89	1,025,196
7212	Volunteer Program Coordinator	2.00	2.00	1.00	62,028	1.00	64,572	1.00	64,572
1510	Welder	1.00	1.00	1.00	47,916	1.00	49,032	1.00	49,032
TOTAL FULL-TIME POSITIONS		349.10	344.90	334.35	\$ 16,183,342	325.14	\$ 16,133,760	325.14	\$ 16,129,896
0515	Accountant II	0.50	0.58	1.00	42,684	1.00	43,656	1.00	43,656
0510	Accounting Technician	0.75	0.75	0.00	0.00	0.00	0.00	0.00	0.00
0100	Office Supp Spec I	0.88	0.88	0.88	30,048	0.88	30,732	0.88	30,732
0102	Office Supp Spec II	1.29	0.75	1.00	27,024	1.00	27,648	1.00	27,648
6011	Botanic Specialist I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6012	Botanic Specialist II	0.80	0.80	0.80	40,388	0.80	44,230	0.80	44,230
7202	Community Outreach/Info Asst	1.78	2.64	0.00	0.00	0.00	0.00	0.00	0.00
1110	Custodian	0.60	0.60	0.60	19,980	0.60	20,448	0.60	20,448
4114	Horticulturist	0.60	0.60	1.60	65,004	1.60	66,516	1.60	66,516
7156	Program Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4325	Recreation Coordinator I	1.42	0.68	0.68	28,476	0.68	28,368	0.68	28,368
4322	Recreation Leader - Fulltime	4.78	4.68	4.98	155,282	4.98	159,359	4.98	159,359
1214	Turf Maintenance Technician	0.00	10.00	11.00	440,760	11.00	450,984	11.00	450,984
TOTAL PART-TIME POSITIONS		16.28	22.96	22.54	\$ 849,646	22.54	\$ 871,941	22.54	\$ 871,941
7103	Administrative Assistant	0.00	0.00	0.83	47,160	1.00	58,920	1.00	58,920
7102	Administrative Specialist, Sr	0.00	0.00	0.83	29,980	1.00	36,816	1.00	36,816
7202	Community Outreach/Info Asst	0.00	0.67	0.00	0.00	0.00	0.00	0.00	0.00
6062	GIS Technician II	0.00	0.00	0.92	39,050	1.00	45,176	1.00	45,176
1200	Maintenance Worker	0.00	1.57	0.00	0.00	0.00	0.00	0.00	0.00
7154	Program Coordinator	0.00	0.00	0.00	0.00	0.20	13,161	0.20	13,161
TOTAL LIMITED TERM POSITIONS		0.00	2.24	2.58	\$ 116,190	3.20	\$ 154,073	3.20	\$ 154,073

Parks & Recreation

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	49,388,579	0	49,388,579	357.34	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(144,453)	0	(144,453)	0.00	Revised health benefit rates - GF discretionary
	(127,743)	0	(127,743)	0.00	Revised health benefit rates - non-discretionary
	(1,215,512)	0	(1,215,512)	0.00	HR to overhead
	63,007	0	63,007	0.00	Non-discretionary technical adjustments
	0	(44,383)	(44,383)	0.00	Interagency revenue reductions
	3,267	0	3,267	0.00	Employee transit adjustment
Mayor's Proposed Budget Decisions					
	(22,000)	0	(22,000)	0.00	Recycled dog waste bags
	30,245	0	30,245	1.00	Fee increases
	(120,422)	0	(120,422)	(2.00)	Eliminate Maint. Worker and Rec. Leader
	(50,000)	0	(50,000)	0.00	Water conservation
	(127,951)	0	(127,951)	(2.00)	Eliminate WorkForce Dev. Officer and Maint.
	(18,751)	15,000	(3,751)	0.00	Reduce park lighting
	94,215	0	94,215	0.00	Ongoing support for Pier Pool
	58,711	0	58,711	1.00	McCoy Park O&M
	6,800	0	6,800	0.00	Springwater Corridor O&M
	10,500	0	10,500	0.00	Kelley Point Park O&M
	49,808	0	49,808	1.00	UPCC O&M
	0	100,118	100,118	0.00	IFCC
	0	40,465	40,465	0.00	Camp Ky-o-Wa
	0	0	0	(5.46)	Eliminate vacant positions to fund health/utility costs
	0	100,000	100,000	0.00	Sellwood Park grant
Approved Budget Additions and Reductions					
	65,900	0	65,900	0.00	Restore Non Discretionary Health Care Savings
Adopted Budget Additions and Reductions					
	(10,909)	0	(10,909)	0.00	Net of reduced levy support for pass throughs
	(1,455,288)	211,200	(1,244,088)	(6.46)	Total FY 2006-07 Decision Packages
			\$ 48,144,491	350.88	Total Adopted Budget

Golf Program

OVERVIEW

The City of Portland has provided its residents and visitors with quality golf experiences since 1917 when it opened its first municipal golf course in Eastmoreland. Today Portland boasts five well-designed and challenging public courses distributed throughout the city in the following locations: Eastmoreland in southeast Portland, Rose City in northeast Portland, Heron Lakes Greenback and the Heron Lakes Great Blue in north Portland, and RedTail near southwest Portland.

Overview of Programs

GOLF OPERATIONS

Description

Each golf facility offers a regulation, 18-hole course (two at Heron Lakes), a full service pro shop, food service, and except for Rose City Golf Course, a driving range. Clubhouse facilities are managed by private concessionaires. These contracts are administered by the Director of Golf and include the collection of greens fees, sales of golf equipment, clothing, food and beverage, cart and club rentals, group and private golf lessons, club repair, and starter and marshalling services. Golfers can reserve tee times online or at the pro shop in person or over the phone.

The restaurant facilities range from full-service dining rooms to cafeteria-style counter service, but all can accommodate luncheon meetings or large tournaments. RedTail and Eastmoreland can also accommodate large, non-golf-related banquets or parties. Knowledgeable, friendly, and hard-working employees are committed to providing excellent service to meet customer needs.

Maintenance of the golf courses is performed by City employees. Managed by the director of Golf, each facility has a golf course superintendent, an assistant superintendent, an on-site mechanic, and several greenskeepers that ensure environmentally-sound turf maintenance practices.

Now in its 13th year, our nationally-acclaimed EAGLE program selects deserving high school youth from disadvantaged backgrounds to work in the pro shops and on the golf courses. Students earn minimum wage and are given work study credits by their schools. Participation is for two years, and successful completion can lead to a full four-year scholarship to a state university funded by the Evans Scholarship Foundation. Fifty EAGLE Program participants have been awarded full four-year scholarships over the last four years.

Relationship to Goals

Services delivered by the Golf program support the City goal to *improve the quality of life in neighborhoods* and the council focus area of a *family-friendly city* through the provision of a broad variety of high quality opportunities for recreation.

Performance

The City's golf program has experienced a downturn over the last few years due to a weakened economy, an overabundance of private and public courses in the metro area, and a declining number of golfers. The number of nine-hole rounds played on the City's golf courses has dropped every year since 1998. The figures from the past five years are representative of this trend:

FY 2000-01: 485,345 actual rounds

FY 2001-02: 446,640 actual rounds

FY 2002-03: 423,878 actual rounds

FY 2003-04: 408,861 actual rounds

FY 2004-05: 377,349 actual rounds

Currently, a five-year strategic business plan is being designed to build on the golf program's strengths and overcome the challenges that confront it regionally as well as industry-wide. The plan will guide the implementation of a number of innovative approaches to generate greater revenues that will allow the program to continue to offer affordable, high-quality golf experiences to Portland's residents and visitors well into the future.

**Changes to Services
and Activities**

The FY 2006-07 budget eliminates five vacant greenskeeper positions in order to free up resources for ongoing expenses.

Golf Program

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
PORTLAND PARKS & RECREATION						
Golf Program						
Golf Operations						
Effectiveness						
Net Operating Income	\$928,570	\$506,325	\$1,027,024	\$1,087,622	\$1,000,500	\$1,100,000
Total Golf Rounds Played	446,640	423,878	408,861	377,349	375,000	380,000
Workload						
Total Course Acres Maintained	680	680	680	680	680	680

Golf Program

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	2,374,520	2,198,971	2,485,981	2,624,204	2,606,348
External Materials and Services	1,723,552	1,630,212	1,726,737	1,645,040	1,727,040
Internal Materials and Services	855,461	640,571	610,149	449,112	575,244
Minor Capital Outlay	12,549	0	80,000	0	0
Total Operating Budget	4,966,082	4,469,754	4,902,867	4,718,356	4,908,632
Capital Improvements	1,330,485	708,909	200,000	200,000	200,000
TOTAL BUREAU EXPENDITURES	\$ 6,296,567	\$ 5,178,663	\$ 5,102,867	\$ 4,918,356	\$ 5,108,632
Allocated Overhead	119,304	106,032	113,911	123,000	123,000
Total Cost with Allocated Overhead	6,415,871	5,284,695	5,216,778	5,041,356	5,231,632
RESOURCES					
Golf Fund	6,296,567	5,178,663	5,102,867	4,918,356	5,108,632
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Golf Operations	6,296,567	5,178,663	5,102,867	4,918,356	5,108,632
<i>Positions</i>	<i>34.00</i>	<i>36.00</i>	<i>34.00</i>	<i>29.00</i>	<i>29.00</i>
TOTAL PROGRAMS	\$ 6,296,567	\$ 5,178,663	\$ 5,102,867	\$ 4,918,356	\$ 5,108,632
<i>Positions</i>	<i>34.00</i>	<i>36.00</i>	<i>34.00</i>	<i>29.00</i>	<i>29.00</i>

Golf Program

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7852	Director of Golf	1.00	1.00	1.00	79,620	1.00	81,860	1.00	81,860
7850	Golf Course Superintendent	4.00	4.00	4.00	264,720	4.00	266,168	4.00	266,168
1220	Greenskeeper I	18.00	14.00	19.00	757,176	15.00	636,120	15.00	627,432
1221	Greenskeeper II	5.00	5.00	5.00	211,570	4.00	178,368	4.00	172,824
1222	Greenskeeper III	5.00	5.00	5.00	239,580	5.00	245,160	5.00	245,160
TOTAL FULL-TIME POSITIONS		34.00	29.00	34.00	\$ 1,552,666	29.00	\$ 1,407,676	29.00	\$ 1,393,444
1220	Greenskeeper I	0.00	7.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PART-TIME POSITIONS		0.00	7.00	0.00	\$ 0	0.00	\$ 0	0.00	\$ 0

Golf Program

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	4,848,133	0	4,848,133	34.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(303,084)	0	(303,084)	(5.00)	Eliminate 5 Greenskeeper FTE's
	492,313	0	492,313	0.00	Increase part-time employees
	89,417	0	89,417	0.00	Adjust OT, premium pay, health benefits
	(33,143)	0	(33,143)	0.00	Transfer to health fund for back premiums
	24,720	0	24,720	0.00	Health care rate savings
Mayor's Proposed Budget Decisions					
	(400,000)	0	(400,000)	0.00	Eliminate golf surcharge
	200,000	0	200,000	0.00	Golf fee increases
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	208,132	0	208,132	0.00	Transfer youth surcharge resources from trust
	(17,856)	0	(17,856)	0.00	Reduced Campaign Finance and position true-ups
	260,499	0	260,499	0.00	Total FY 2006-07 Decision Packages
			\$ 5,108,632	29.00	Total Adopted Budget

Parks Capital Improvement Program

OVERVIEW

Portland Parks & Recreation's Capital Improvement program (CIP) accounts for all capital activity including the projects budgeted in the bureau's two enterprise funds for Golf and Portland International Raceway. Staff are responsible for acquisition of parkland and management of trail, recreational facility, and park construction projects.

Strategic Goals

PP&R has in excess of \$600 million in built assets and over 10,000 acres of open space. The bureau's CIP is built on City Council's priorities, the Parks 2020 Vision plan, and PP&R's Total Asset Management plan. The four CIP strategic goals are:

- ◆ Restore failing infrastructure and maintain existing parks and buildings.
- ◆ Ensure a family-friendly city: address lack of equitable distribution of services across the city through park and facility development and acquisitions.
- ◆ Support population growth and density increases in neighborhoods by providing additional park and recreation facilities.
- ◆ Respond to new trends and the Citywide vision.

PP&R proposes a capital program for FY 2006-07 with projected expenditures of \$17 million. Of this, 76% will be spent on family-friendly projects and 24% on infrastructure.

Funding Sources

Funding for the FY 2006-07 CIP and the entire five-year CIP, which totals more \$95 million are obtained from a wide variety of sources. The major CIP funding sources and examples of associated projects are:

System Development Charge (SDC)

The PP&R residential SDC provides 17% of CIP funding. SDC resources are leveraged for acquisition of parks, trails, and natural areas in areas of new growth. They can also fund development of parks in these areas. In addition to acquisition, SDC funds will be used in this CIP to fund the development of Eastridge Park and as local match for trail grants.

Levy

The Parks Local Option Levy, passed in 2002 and expiring in 2008, funds 16% of the CIP. Key capital facility projects include a new skateboard park at Glenhaven Park, a new aquatic facility at East Portland Community Center, replacement of deteriorated wooden play structures, and the renovation of O'Bryant Square downtown.

Interagency/Intergovernment Revenues

A proposed Metro Natural Areas Bond Measure could provide the City with \$14 million dollars for acquisition of natural areas, restoration, neighborhood parks, and trail projects. Inclusion of the bond in the PP&R CIP is the major reason that Intergovernmental revenues are projected to be 16% of the five-year total.

General Fund

General Fund discretionary dollars to PP&R's capital program totals \$995,204 for FY 2006-07. This includes a total of \$795,204 for ongoing support of major maintenance projects. In addition, onetime General Fund resources are included in the budget for repaying a loan that was previously provided for repairing the Hillside community center.

Portland Development Commission (PDC) & Tax Increments

Tax Increment Financing and SDC's are the two primary funding sources available to address needs generated by population growth. Combined, they total 30% of the five-year CIP. PDC projects of note include development of the third River District park (currently called The Fields), Earl Boyles Park, improvements to Lents Park, and numerous park improvements in the Interstate Urban Renewal Area.

Grants

Income from grants currently provides 6% of the CIP revenue. Grant income fluctuates year to year. In 2005, PP&R was the designated recipient of three large grants for new trail construction. Funded trails include Swan Island Waud Bluff, sections of Marine Drive, and completion of the Sellwood Gap trail segment. In summer 2006, PP&R will open the Springwater Corridor Three Bridges trail segment.

Overview of Programs

CIP

Description

The PP&R Capital Improvement program is divided into six areas:

Acquisitions

Property acquisition priorities continue to focus on the purchase of land that protects natural resources. PP&R has a Natural Resources Acquisition Strategy that establishes priorities over the next 50 years. The proposed Metro Natural Areas Bond Measure may be a significant opportunity for acquisitions, especially in natural resource areas. In addition, acquisitions will be focused on neighborhood and community parks in growth areas.

Facilities

The focus here is on major maintenance, including repair and renovation of community centers and aquatic and arts facilities. The one-time funding provided by City Council in FY 2005-06, along with increased ongoing support from the General Fund in FY 2006-07, offers a significant opportunity to address the maintenance backlog. The project priorities are informed by PP&R's Total Assessment Management methodology.

Natural Areas and Trails

Capital projects for natural areas include investment in habitat restoration, removal of invasive species, and establishing the "desired future condition". PP&R's ecosystem management plan establishes the direction for this work.

Trail development priorities are described in PP&R's Trail Strategy, which includes acquisition, design, and construction priorities for the next 50 years.

Developed Parks

The *Parks 2020 Vision* plan addresses the need for developed parks and sets the background for current work on a system plan and service strategy. These two park planning efforts will inform the FY 2007-11 CIP for developed parks.

Portland International Raceway

A conditional use master plan has been established for PIR, and 30 capital projects have been identified to improve the financial viability and competitive positioning of this facility. Revenue strategies for implementation of these projects are incomplete, but typically rely on enterprise funds generated by PIR revenues.

Golf

Portland's Golf program is self-supporting and comprised of five 18-hole golf courses at four locations throughout the metropolitan area. Capital improvement needs were summarized in a report to Council in April 2005, and include priority needs at each of the four locations. Funding strategies are incomplete at this time.

Relationship to Goals	<p>Services delivered by PIR support the City goal to <i>improve the quality of life in neighborhoods</i> and the council focus area of a <i>family-friendly city</i> through the provision of a broad variety of high quality opportunities for recreation.</p> <p>Whether a project focuses on growing or fixing the system, all park improvement projects are evaluated and approved for inclusion in the PP&R CIP based on consistency with the four CIP strategic goals and adequately meeting the bureau concerns listed below:</p> <ul style="list-style-type: none">◆ Low long-term maintenance costs◆ Location in deficient neighborhoods◆ Broad community support◆ Location adjacent to schools and other public facilities◆ Supporting neighborhood stabilization through community development projects and policies and urban renewal◆ Consistent with park master development plans
Performance	<p>Performance is measured by the number of active projects and the number of developed Parks within the City.</p>
Changes to Services and Activities	<p>The FY 2006-07 budget includes an additional \$346,000 ongoing contribution from the General Fund to support major maintenance projects at various Park facilities. In addition, this budget includes authorization for a new CIP manager position within the CIP program. The new position will help to manage Parks' growing capital program and will be funded through a internal CIP overhead cost recovery model.</p>

Parks Capital Improvement Program

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
PORTLAND PARKS & RECREATION						
Parks Capital Improvement Program						
CIP						
Workload						
Number of Developed Parks	170	168	171	178	180	182
Number of Active Projects	40	65	35	50	55	55

Parks Capital Improvement Program

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	0	0	0	0	0
External Materials and Services	0	0	0	0	0
Internal Materials and Services	0	0	0	0	0
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	0	0	0	0	0
Capital Improvements	10,821,157	14,003,381	18,596,477	15,669,349	17,318,733
TOTAL BUREAU EXPENDITURES	\$ 10,821,157	\$ 14,003,381	\$ 18,596,477	\$ 15,669,349	\$ 17,318,733
Allocated Overhead	106,059	75,360	109,657	189,995	189,995
Total Cost with Allocated Overhead	10,927,216	14,078,741	18,706,134	15,859,344	17,508,728
RESOURCES					
Parks Capital Construction and	10,821,157	14,003,381	18,596,477	15,669,349	17,318,733
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
CIP	10,821,157	14,003,381	18,596,477	15,669,349	17,318,733
<i>Positions</i>	<i>17.90</i>	<i>14.00</i>	<i>13.50</i>	<i>14.71</i>	<i>15.71</i>
TOTAL PROGRAMS	\$ 10,821,157	\$ 14,003,381	\$ 18,596,477	\$ 15,669,349	\$ 17,318,733
<i>Positions</i>	<i>17.90</i>	<i>14.00</i>	<i>13.50</i>	<i>14.71</i>	<i>15.71</i>

Parks Capital Improvement Program

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	0.00	0.00	0.00	0.00	1.25	48,216	1.25	48,216
0104	Office Supp Spec III	1.00	1.00	1.00	43,086	0.50	22,764	0.50	22,764
6004	Architect	1.00	1.00	1.00	66,108	0.98	67,596	0.98	67,596
6001	Building/Landscape Designer I	3.50	3.00	1.00	43,824	0.97	46,569	0.97	46,569
6002	Building/Landscape Designer II	1.00	1.00	2.00	94,344	0.85	45,900	0.85	45,900
7113	Business Operations Mgr, Sr	0.00	0.00	0.00	0.00	0.10	9,894	0.10	9,894
6033	CAD Technician III	0.00	1.00	1.00	66,108	1.00	68,976	1.00	68,976
7134	CIP Planning Supervisor	0.00	0.00	0.00	0.00	0.00	0.00	1.00	61,260
7202	Community Outreach/Info Asst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7204	Community Outreach/Info Rep, Sr	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7728	Facilities Construction Project	1.00	1.00	1.00	74,232	0.79	58,644	0.79	58,644
7725	Facilities Construction Project	1.70	2.00	2.00	127,968	2.00	127,968	2.00	127,968
6003	Landscape Architect	2.00	2.00	2.00	128,596	2.00	137,410	2.00	137,410
7790	Landscape Architect, Supervising	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7132	Management Analyst, Senior	1.00	0.00	0.00	0.00	0.63	42,288	0.63	42,288
7156	Program Manager	3.00	2.00	1.00	74,232	1.25	92,604	1.25	92,604
7158	Program Manager, Senior	0.00	0.00	0.00	0.00	0.25	21,948	0.25	21,948
7152	Program Specialist, Assistant	0.20	0.00	0.50	30,372	0.50	30,468	0.50	30,468
6134	Senior City Planner	0.80	0.00	0.00	0.00	0.84	57,936	0.84	57,936
TOTAL FULL-TIME POSITIONS		17.90	14.00	12.50	\$ 748,870	13.91	\$ 879,181	14.91	\$ 940,441
7154	Program Coordinator	0.00	0.00	1.00	64,704	0.80	52,648	0.80	52,648
TOTAL LIMITED TERM POSITIONS		0.00	0.00	1.00	\$ 64,704	0.80	\$ 52,648	0.80	\$ 52,648

Parks Capital Improvement Program

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	15,121,414	0	15,121,414	14.71	FY 2006-07 current appropriation level estimate
CAL Adjustments					
	(11,983)	0	(11,983)	0.00	Transfer to Health Fund for back premiums
	0	13,336	13,336	0.00	Decreased health rate savings
Mayor's Proposed Budget Decisions					
	0	200,000	200,000	0.00	Hillside Community Center (GF Capital Set Aside)
	412,482	0	412,482	0.00	Additional funds for ongoing major maintenance
	0	0	0	0.00	Parks Maintenance Facility in GF contingency
	0	0	0	0.00	East Portland Pool in GF reserves
Approved Budget Additions and Reductions					
	85,116	0	85,116	1.00	Add CIP manager position
	1,550,668	0	1,550,668	0.00	Adjust capital budget to reduce carryover
	13,600	0	13,600	0.00	Adjustments to benefits
	(65,900)	0	(65,900)	0.00	Restore health care savings to AU 133
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	1,983,983	213,336	2,197,319	1.00	Total FY 2006-07 Decision Packages
			\$ 17,318,733	15.71	Total Adopted Budget

Portland International Raceway

OVERVIEW

Known as one of the top multi-use racing facilities in America, Portland International Raceway (PIR) is a self-sustaining operation that manages a world-class road course, a motor cross track, open air exhibit areas, and spectator facilities. The track has grandstand seating for 28,000, planned permanent corporate suites, and facilities for campers and RVs for a total capacity of 160,000 spectators.

PIR events attract over 400,000 spectators each year.

PIR attracts over 400,000 spectators to about 135 events annually and is in use nearly every day of the year. The raceway provides a safe place for groups, clubs, and organizations to conduct both racing and non-racing vehicle-oriented events. More than 25,000 people participate in driver training courses, recreational shows, and competitive events annually.

Revenue Sources

Revenues to maintain the facility come from track rentals and a multi-year concession agreement that grants the exclusive rights to sell food and beverage at PIR events. Except for an automotive swap meet and evening drag races, PIR does not directly promote the events held at the track. Instead, it rents the track to private promoters or clubs who in turn organize the events.

Overview of Programs

PORTLAND INTERNATIONAL RACEWAY

Description

From commercial photography shoots to professional driver training, roller-blades to motocross races, swap meets to car shows, kart races to holiday light shows, PIR fills over 640 "event days" each year. Hobbyists and other non profit groups and individuals use 95% of these days, though local police agencies also use 60 days a year for training. The racetrack is an active bidder for television commercial usage, commercial photography, and is used by auto manufacturers for new car demonstrations and testing.

Large spectator events include:

- ◆ *Champ Car:* 75,000 spectators, national television coverage, international coverage (180 countries) and national newspaper, and magazine coverage. This race is one of the premier events of the Portland Rose Festival Association's annual Rose Festival. The event occurs in June and has an estimated \$25 million impact on the Portland community.
- ◆ *Baxter's Auto Parts Historic Races:* an event with historic cars and a long history of success at PIR, with 30,000 spectators, local newspaper and television coverage
- ◆ *American Le Mans Gran Prix:* 40,000 spectators over three days, with national television coverage and a full slate of support races, including the Speed Channel Cup for high performance sedans
- ◆ *Columbia River Classic Vintage Race and All British Field Meet:* 10,000 spectators, local television, newspaper, and national magazine coverage

Regularly scheduled events include:

- ◆ *Drag Racing:* 75,000 yearly spectators at three times weekly events for local racers
- ◆ *Motocross Racing:* 20,000 yearly spectators at weekly events
- ◆ *Amateur Sports Car Racing:* 40,000 spectators throughout the season
- ◆ *Amateur Motorcycle Racing:* 25,000 spectators throughout the season
- ◆ *Driver Training Events:* A full season of dates devoted to the Pro Drive racing school, marquee club driving events, traveling driving schools, and motorcycle schools
- ◆ *Bicycle Racing:* Two nights a week throughout the summer
- ◆ *Holiday Lights Show:* Brings 100,000 spectators (non-racing fans) to the track from Thanksgiving to New Year's to see holiday light displays

Every year track events bring more than \$30 million into the Portland business community. Because of the popularity of PIR, there are between 35 and 40 race-related businesses in the Portland area that derive a portion or all of their revenues because of events at the raceway. The event organizers at PIR also donate over \$100,000 per year to local charities.

Relationship to Goals

Services delivered by PIR support the City goal to *improve the quality of life in neighborhoods* and the council focus area of a *family-friendly city* through the provision of a broad variety of high quality opportunities for recreation.

Performance

While the high-profile professional motorsports scene is always in flux, PIR's bread-and-butter business from local club events, drag races, driver training, and other track rentals has been healthy. These activities provide adequate revenue to maintain the track at its current level. PIR has a ten-year master plan to guide future capital improvements to the track. The primary constraint on capital improvements is the availability of capital funding.

PIR is in the process of redefining, rebuilding, and reinvigorating itself, both as a park and a home for amateur and professional motorsports of all kinds. Five key projects have been selected from PIR's master plan that are essential for PIR's continued operations or will generate new revenue.

Changes to Service

There are no changes to services planned for PIR in the FY 2006-07 budget.

Portland International Raceway

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
PORTLAND PARKS & RECREATION						
Portland International Raceway						
Portland International Raceway						
Workload						
P.I.R. Number of Use Days	520	577	643	640	645	650
P.I.R. Attendance (est.)	350,000	325,000	253,772	263,561	260,000	263,000

Portland International Raceway

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	480,171	499,561	535,538	623,408	623,408
External Materials and Services	643,662	658,913	603,878	639,000	639,000
Internal Materials and Services	321,886	195,884	238,280	180,100	180,100
Minor Capital Outlay	0	0	7,597	0	0
Total Operating Budget	1,445,719	1,354,358	1,385,293	1,442,508	1,442,508
Capital Improvements	43,839	163,524	0	50,000	50,000
TOTAL BUREAU EXPENDITURES	\$ 1,489,558	\$ 1,517,882	\$ 1,385,293	\$ 1,492,508	\$ 1,492,508
Allocated Overhead	24,425	26,284	27,297	26,527	26,527
Total Cost with Allocated Overhead	1,513,983	1,544,166	1,412,590	1,519,035	1,519,035
RESOURCES					
Portland International Raceway Fund	1,489,558	1,517,882	1,385,293	1,492,508	1,492,508
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Portland International Raceway	1,489,558	1,517,882	1,385,293	1,492,508	1,492,508
<i>Positions</i>	<i>6.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
TOTAL PROGRAMS	\$ 1,489,558	\$ 1,517,882	\$ 1,385,293	\$ 1,492,508	\$ 1,492,508
<i>Positions</i>	<i>6.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>

Portland International Raceway

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
1240	Maintenance Mechanic	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1200	Maintenance Worker	0.00	1.00	1.00	24,072	1.00	24,624	1.00	24,624
7130	Management Assistant	1.00	1.00	1.00	54,972	1.00	57,228	1.00	57,228
7855	Raceway Maintenance Supervisor	1.00	1.00	1.00	70,596	1.00	70,596	1.00	70,596
7857	Raceway Manager	1.00	1.00	1.00	79,758	1.00	82,308	1.00	82,308
1214	Turf Maintenance Technician	1.00	1.00	1.00	41,448	1.00	42,408	1.00	42,408
1211	Utility Worker II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		6.00	5.00	5.00	\$ 270,846	5.00	\$ 277,164	5.00	\$ 277,164

Portland International Raceway

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	1,401,732	0	1,401,732	5.00	FY 2006-07 current appropriation level estimate
CAL Adjustments					
	4,692	0	4,692	0.00	Health-care rate savings
	89,484	0	89,484	0.00	Increase rent and reimbursement
	0	(3,400)	(3,400)	0.00	Transfer to Health Fund for back premiums
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	None
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	94,176	(3,400)	90,776	0.00	Total FY 2006-07 Decision Packages
			\$ 1,492,508	5.00	Total Adopted Budget



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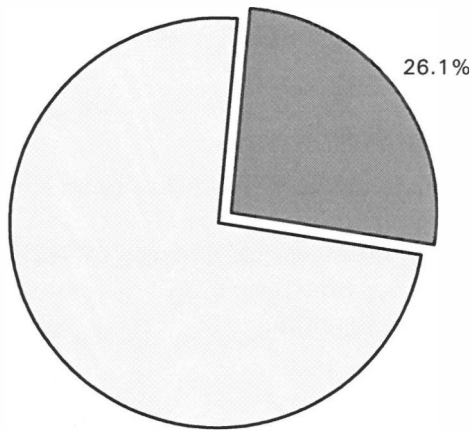


Public Utilities

Bureau of Environmental Services
Bureau of Water Works

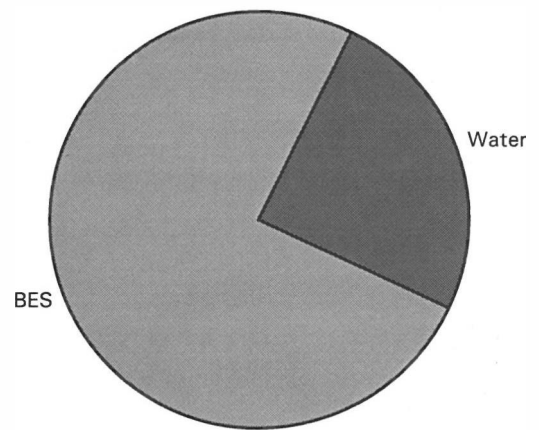
Percent of City Budget

Public Utility = \$412.8 Million



City Budget = \$1.58 Billion

Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	145,441,580	158,553,284	13,111,704	9.0%
Capital	190,131,880	254,286,742	64,154,862	33.7%
Total Expenditures	\$ 335,573,460	\$ 412,840,026	\$ 77,266,566	\$ 23.0%
Authorized Positions	966.55	1,026.86	60.31	6.2%

Service Area Highlights

DESCRIPTION

The Public Utilities service area includes utility services provided by the City. These include water service provided by the Bureau of Water Works (Water Bureau), and sewer and stormwater management services provided by the Bureau of Environmental Services.

MAJOR THEMES

Utility Rate Increases

The Adopted Budget for FY 2006-07 includes an average effective retail rate increase for water service of 2.5%. The average single family sewer bill increase is 5.6%. The rate increase for water service is consistent with the planned increase. The sewer rate increase is lower than the financial plan, largely due to changes in debt structure.

Bureau of Water Works

Adopted Budget

The FY 2006-07 Adopted Budget for the Bureau of Water Works (the Water Bureau) is \$102.2 million. The Water Bureau's budget consists of an operating budget of \$59.8 million (including \$625,563 for the Hydropower Division) and a capital budget of \$42.4 million. The operating budget increased about \$5.5 million from the FY 2005-06 Revised Budget and the capital budget increased approximately \$10 million.

Focus on Water System Maintenance

The Water Bureau is increasing staffing by 107 positions in the three years 2005-06 through 2007-08, largely to focus on maintenance of water system infrastructure. In FY 2006-07, there are 56.5 new positions, of which 33.5 are dedicated to increased maintenance.

Reduce Reliance on Outside Consultants

The Adopted Budget includes 15 new positions to bring on-going functions in-house and broaden expertise among bureau staff. These positions are budgeted to produce no net increase in costs, as there are commensurate reductions in the budget for outside consultant contracts.

Water System Security

The budget includes an additional six security positions, to conform with the Council's directive to increase security at the in-city reservoirs, and to bring the security function in-house rather than be provided through a contract.

Capital Improvement Plan Reductions

The Capital Improvement Plan (CIP) is reduced nearly \$10 million from the FY 2005-06 Revised CIP. This does not represent reductions in capital projects, as all projects planned for the five-year CIP are still included, but the reduction better reflects the actual spending in the past few years. CIP spending has been between 50-60% of budget, and the reduction in the capital budget for FY 2006-07 should produce a CIP that is more realistic and achievable.

**Bureau of
Environmental
Services****Adopted Budget**

The FY 2006-07 Adopted Budget for the Bureau of Environmental Services is \$310.7 million. The total consists of an operating budget of \$98.8 million and a capital budget of \$211.9 million. The operating budget increased about \$7.7 million compared to the FY 2005-06 Revised Budget, and the capital budget increased approximately \$74.1 million.

Combined Sewer Overflow Program

The Combined Sewer Overflow (CSO) program continues to be the bureau's largest capital program, with surface water management, treatment, and maintenance being other significant areas of capital spending. The construction of the Eastside CSO projects have started and the Westside Tunnel and Swain Island Pump Station will be operational by December 2006.

Portland Harbor Sediments

This program manages the City's response to the federal Environmental Protection Agency's listing of the Willamette River Portland Harbor as a Superfund site. Funding for this program is budgeted at approximately \$4.2 million in FY 2006-07, a slight decrease from the FY 2005-06 Revised Budget.



Bureau of Environmental Services

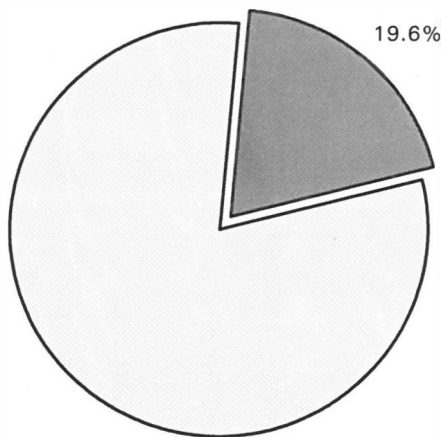
Public Utilities Service Area

Sam Adams, Commissioner-in-Charge

Dean Marriott, Director

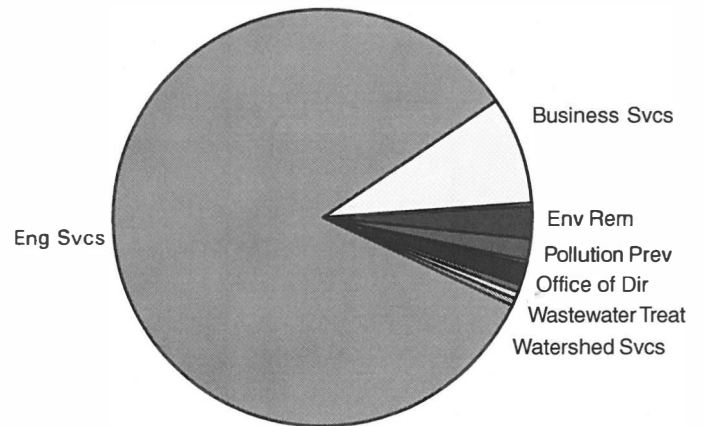
Percent of City Budget

BES = \$310.7 Million



City Budget = \$1.58 Billion

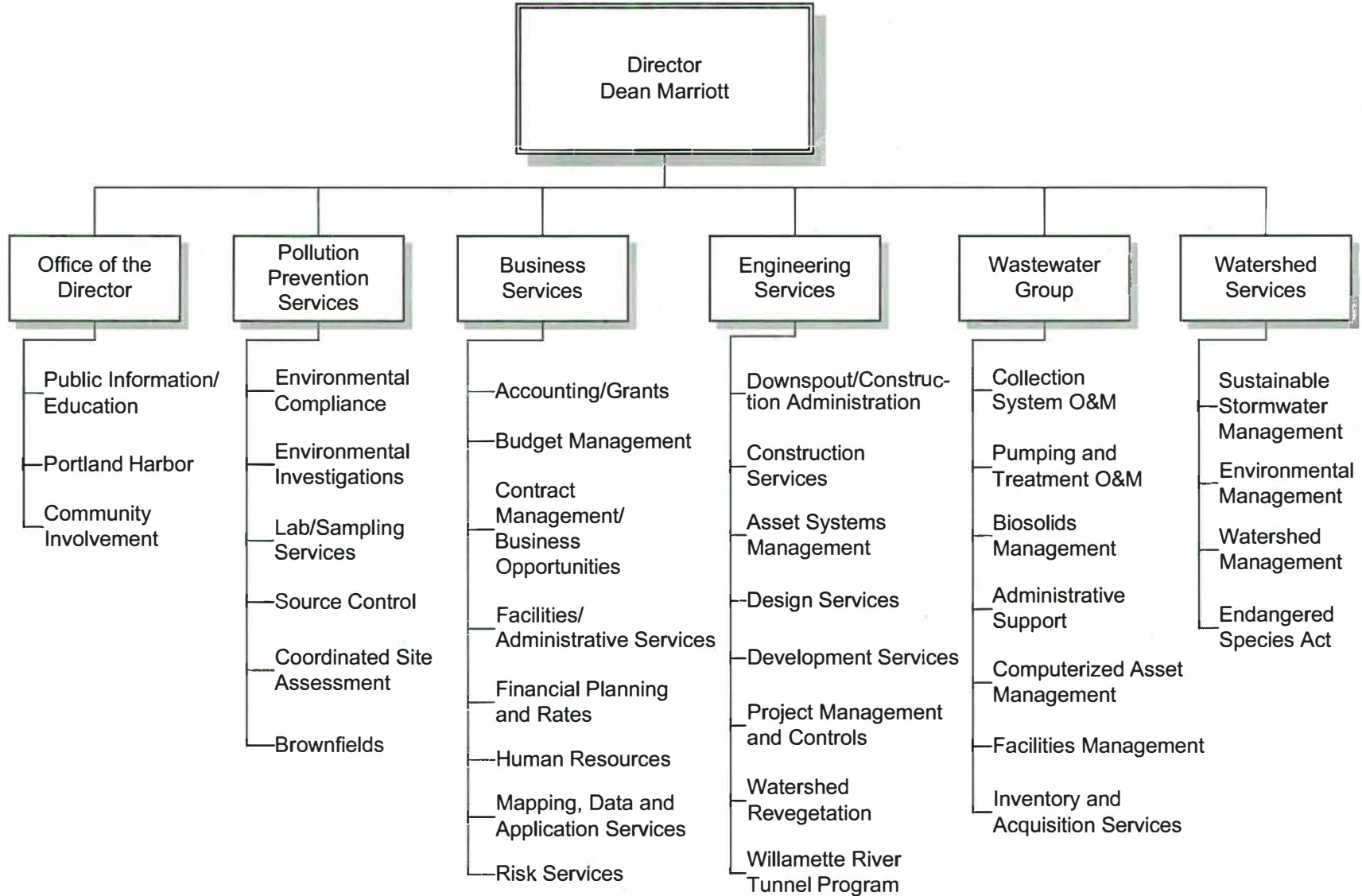
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	91,141,828	98,782,751	7,640,923	8.4%
Capital	137,757,496	211,875,242	74,117,746	53.8%
Total Expenditures	\$ 228,899,324	\$ 310,657,993	\$ 81,758,669	\$ 35.7%
Authorized Positions	478.23	482.91	4.68	1.0%

Bureau of Environmental Services



Bureau Summary

BUREAU MISSION

The Bureau of Environmental Services, Portland's clean river agency, serves the Portland community by protecting public health, water quality, and the environment.

We protect the quality of surface and ground waters and conduct activities that promote healthy ecosystems in our watersheds.

We provide sewage and stormwater collection and treatment services to accommodate Portland's current and future needs.

VISION AND VALUES

Bureau Values	The employees of the Bureau of Environmental Services
	<ul style="list-style-type: none"> ◆ Value Portland's natural environment
<i>Environmental sustainability</i>	<ul style="list-style-type: none"> ◆ Practice environmental sustainability in their work ◆ Promote environmental equity ◆ Take pride in their work and accountable for their actions
<i>Workplace diversity</i>	<ul style="list-style-type: none"> ◆ Respect and honor the diversity and contributions of the bureau's co-workers ◆ Help and encourage each other to succeed individually and as part of a team
<i>Customer service</i>	<ul style="list-style-type: none"> ◆ Explore both traditional and innovative ways to achieve intended results ◆ Provide responsive, cost effective, and reliable services to their customers
<i>Community involvement</i>	<ul style="list-style-type: none"> ◆ Value and promote the equitable development and use of historically under-utilized businesses ◆ Work in partnership with the community ◆ Promote a safe and healthy workplace
Bureau Vision	A future built on sustainability that supports a vibrant community and ensures a clean river legacy. Our guiding principles include:
	<ul style="list-style-type: none"> ◆ Stewardship of the sewer infrastructure, watersheds, and water quality;
<i>Sustainability that supports a vibrant community and a clean river legacy</i>	<ul style="list-style-type: none"> ◆ Accountability for the community's investment in sewer and stormwater infrastructure, watersheds, and water quality in local rivers and streams ◆ Community partnership with private citizens, businesses, community and environmental groups, agencies, and other jurisdictions ◆ Environmental leadership, to influence both environmental and watershed health and national, state, and local regulatory agendas

BUREAU OVERVIEW

Organizational Description

Six major program areas serving over 550,000 people

The bureau operates and maintains sanitary sewer and stormwater collection systems serving over 550,000 people. The bureau's activities are supported through retail sewer and stormwater charges, wholesale contract revenues from surrounding jurisdictions, and reimbursements for services provided to other bureaus. This budget reflects 482.91 equivalent full-time people and is organized into six primary program areas, Engineering Services, Pollution Prevention Services, Watershed Services, Wastewater Treatment, Business Services, and the Office of the Director.

The FY 2006-07 Adopted Budget reflects the bureau's ongoing efforts to provide cost effective and efficient sanitary sewer and stormwater services, to meet state and federal regulatory requirements, and to promote healthy Portland watershed ecosystems. We have maintained our commitment to restrain, and in some cases reduce, the growth in operating and capital expenditures while still meeting all of our service standards and regulatory mandates.

A 35.7% increase in FY 2006-07 operating and capital expenditures

The FY 2006-07 Adopted Budget for operating and capital expenditures is \$310.7 million, 35.7% higher than the Revised Budget for FY 2005-06, due to a 54.2% increase in capital improvement plan expenditures as the bureau moves into the Eastside Tunnel portion of the Combined Sewer Overflow (CSO) program. The FY 2006-07 Adopted Budget reflects continued support for the CIP program, where 78% of the budget is attributable to the Westside and Eastside Tunnel projects. It also includes increased operating costs for start-up and continued operation of CSO facilities on the west side of the Willamette River.

SUMMARY OF BUDGET DECISIONS

Budget Changes

The Adopted Budget for FY 2006-07 reflects continuing efforts within the bureau to constrain growth in costs and rates while supporting a higher level of capital expenditures. The coming fiscal year will mark both the completion and start-up of CSO control facilities on the west side of the Willamette River and the first full year of work on the eastside CSO control facilities. In an effort to mitigate rate increases associated with these capital expenditures, the bureau proposes to extend the term of the revenue bonds issued to finance these expenditures from 20 years to 25 years. Other significant changes include:

- ◆ \$2.4 million in strategic system investments, including a spot liner for sewer repair, additional funding for recycling biosolids through land application, additional sampling and laboratory analysis in support of Columbia Slough Sediment actions and Underground Injection Controls, and additional support for green street projects
- ◆ \$1.5 million in additional Capital Maintenance and Repair projects
- ◆ Implementation of the Clean River Rewards Program (CRRP) for stormwater ratepayers - the bureau expects as many as 110,000 applications for stormwater discounts, and associated costs of \$1.6 million for outreach and customer service, technical assistance, programming, and data entry
- ◆ A reduction of over \$400,000 associated with completion of the wastewater treatment facilities plan
- ◆ Elimination of three vacant management positions, with associated savings of \$250,000
- ◆ A reduction of \$590,000 in materials and services budgets, including reductions in computer replacements and network equipment maintenance budgets

- ◆ An increase of \$237,000 for Bureau Innovation Project (BIP) #19 Cross-Bureau Permitting to pay for technical personnel in BES and the Office of Transportation that are involved in this effort
- ◆ Creation of a \$500,000 Brownfields Investment Fund within the Environmental Remediation Fund - this effort is to identify and clean up contaminated sites in the community that will benefit the environment through improved stormwater runoff to surface and ground water and to return properties to productive, active use

Funding the FY 2006-07 Adopted Budget will require collecting \$190.4 million in sanitary sewer and stormwater rate revenues. This will require an increase of 5.6% in the monthly bill for an average residential customer.

Personal Services

Personal services are budgeted to increase 7.3% over the current year's Revised Budget. The significant increase is due to healthcare costs and the addition of resources for the CRRP and BIP #19.

The bureau is reducing three management positions.

Two technical positions are eliminated, reflecting a current mid-year transfer to the Revenue Bureau for customer service activities. Three management positions are eliminated, with work continuing through realignment of the affected work sections. One chemist is added for increased sampling and testing requirements related to EPA Underground Injection Control regulations and the Portland Harbor Superfund program. Two limited term positions are extended for grant support related to the Stormwater abatement and Brownfields remediation activities. Four positions are added for the CRRP and one position for BIP #19 to expedite decision-making for City permitting functions.

External Materials and Services

Operating expenses for external materials and services are increased.

Funding of the bureau's total external materials and services (M&S) budget is 0.9% over the FY 2005-06 Revised Budget due to the Brownfields funding addition. The external M&S budget within the capital program has decreased 4.3%, reflecting the shift of the design of the Eastside CSO project to construction. Within operating programs, the external M&S budget increases by \$646,000, or 3.2%. Changes are driven by reductions of one-time resources no longer needed. Those savings are offset by M&S increases for the startup and operation of CSO control facilities and the Swan Island Pump Station.

Internal Materials and Services

Internal materials and services levels increase 5.0%.

Total internal materials and services (M&S) expenditures will increase by \$2.0 million. For FY 2006-07, cost increases for services from other bureaus are due to:

- ◆ the addition of \$146,000 for BIP #19 to PDOT to pay for technical personnel involved in this effort
- ◆ increases to the Bureau of Technology Services of nearly \$300,000 for the replacement of the City's financial system
- ◆ increases to the Bureau of Development Services of nearly \$225,000 to respond to increased requests from ratepayers for permits to retrofit properties for on-site stormwater management facilities
- ◆ An additional half of a Deputy City Attorney has been requested for the Portland Harbor Superfund program - the funding for this comes from appropriation for legal consulting fees
- ◆ The addition of a sewer repair package estimated at \$1.2 million - these services are performed by the Bureau of Maintenance

Capital Outlay

Capital outlay reflects the completion of the Westside CSO Tunnel and Swan Island Pump Station and construction of the Eastside CSO Tunnel.

Capital outlay is budgeted at \$211.9 million in FY 2006-07 versus about \$137.8 million of FY 2005-06 revised appropriations. This change reflects the bureau's continued infrastructure expenditures associated with the completion of the Westside CSO Tunnel and Pump Station project and the start up of the Eastside Tunnel project.

Required funding for capital equipment of \$1.4 million within the operating programs has been reduced by nearly \$100,000 from the Revised Budget due to changes in the bureau's equipment needs.

CIP infrastructure funding has increased 70.6%, or \$76.5 million, reflecting the construction of several large projects. An additional \$1.5 million was added to the bureau's Five-Year CIP Plan by City Council for repair and maintenance activities.

BUDGET NOTES

Water Meter Maintenance and Replacements

Water, Environmental Services, and the Revenue Bureau will prepare a plan for maintenance and replacement of water meters. This plan will address the level of meter maintenance, frequency of meter replacement, evaluation of the costs and benefits of automatic meter reading, cost of the meter replacement program, method of payment, and share of the costs, for both large and small meters. This joint plan is to be incorporated into each bureau's five-year financial plan that is submitted in the fall of 2006.

Watershed Projects Plan

The Bureau of Environmental Services is the responsible City agency for watershed issues, and it will lead a partnership with environmental organizations and the larger community to develop a prioritized plan by October 1, 2006 for completing watershed projects. BES can request up to \$500,000 in General Fund one-time funding to jump start project implementation, but will incorporate a long-term watershed funding plan for projects into its future budgets.

Strategic Direction

SIGNIFICANT ISSUES

Environmental Issues

Continued CSO related capital expenditures

Combined Sewer Overflows

The City is subject to Oregon Department of Environmental Quality (DEQ) administrative orders regarding overflows from the bureau's combined sewer and stormwater collection system (CSO). The City has agreed to eliminate CSO discharges that violate applicable water quality standards by December 1, 2011. The FY 2006-07 Adopted Budget includes \$164.6 million of CSO capital costs.

Continued Portland Harbor Superfund assessment

Portland Harbor Superfund

The bureau represents the City's interests at the Portland Harbor Superfund site by working with the DEQ to identify and reduce sources of contamination conveyed to the Willamette River via stormwater outfalls. The bureau also continues to work with other stakeholders to assess current and past land use practices within the lower-Willamette drainage basin. This information will be used in the superfund process over the next several years to assess the City's potential liability for cleanup activities. The FY 2006-07 Adopted Budget includes \$4.2 million of Portland Harbor Superfund related expenditures.

Stringent stormwater management regulations

National Pollution Discharge Elimination System Stormwater Permit

On July 27, 2005, DEQ imposed new requirements on the City's National Pollution Discharge Elimination System (NPDES) stormwater permit. They include addressing the stormwater component of Total Maximum Daily Load (TMDL) waste load allocations in Portland-area streams and rivers. As a result, the bureau will be required to model and evaluate citywide pollutant loads, stormwater runoff volumes and the effectiveness of stormwater management program implementation. The FY 2006-07 Adopted Budget contains NPDES-related funding across a variety of bureau program areas including Watershed Services, Pollution Prevention Services, and Engineering Services.

Protecting Endangered Species Act compliance

Endangered Species Act Requirements

The bureau continues to develop and implement a comprehensive watershed framework for the protection of the Lower Columbia Steelhead and the Lower Columbia Chinook salmon per the requirements of the Endangered Species Act. In addition, the bureau has also begun implementing procedures to comply with the designation of the city's streams as critical habit by the National Marine Fisheries Service. This designation requires that City projects not adversely affect designated areas unless adequate mitigation is conducted. The designation is enforced as part of individual projects. The FY 2006-07 Adopted Budget contains Endangered Species Act-related funding across a variety of bureau program areas including Watershed Services, Pollution Prevention Services, and Engineering Services.

Water Quality Compliance

Clean Water Act compliance In addition to complying with NPDES requirements regarding stormwater-related total maximum daily load (TMDL) allocations, the bureau also engages in a comprehensive program of in-stream water quality and flow testing in order to comply with TMDL regulations issued by DEQ pursuant to the federal Clean Water Act. DEQ is in the process of finalizing TMDL regulations for the Willamette River, Johnson Creek, Columbia Slough, and Tryon Creek. The FY 2006-07 Adopted Budget contains funding for water quality compliance across a variety of bureau program areas including Watershed Services, Pollution Prevention Services, and Engineering Services.

Underground Injection Control Rules

Safe Drinking Water Act compliance The bureau is required to comply with underground injection control (UIC) regulations issued by DEQ. These regulations classify the City's approximately 8,500 stormwater sumps as Class V underground injection wells that must comply with the requirements of the Federal Safe Drinking Water Act. On June 1, 2005, the City was issued a Water Pollution Control Facility permit that regulates the construction, operation, and maintenance of UICs. The permit requires the bureau to implement a comprehensive evaluation of all City-owned UICs to determine if they comply with Safe Drinking Water Act requirements. UIC-related operating costs for stormwater management activities and UIC-related capital costs for retrofitting sumps with sedimentation manholes are included within the bureau's FY 2006-07 Adopted Budget.

Johnson Creek

Johnson Creek flood management The Bureau's FY 2006-07 Adopted Budget includes funding for continued flood management and watershed restoration activities in the Johnson Creek watershed.

Columbia Slough

Columbia Slough environmental remediation Pursuant to a consent order between the City and DEQ, the bureau remains engaged in the identification and characterization of contaminated sediment sites in the Columbia Slough. The bureau's FY 2006-07 Adopted Budget includes funding for Columbia Slough-related activities.

Operational Issues

Sewer System Operations

The bureau's FY 2006-07 Adopted Budget includes \$41.3 million to support the operation and maintenance of sanitary sewer and stormwater collection systems. The bureau's system includes 1,423 miles of separated sanitary and stormwater sewers and 861 miles of combined sewer lines that carry both sanitary waste and stormwater runoff. The bureau operates 92 pump stations and two wastewater treatment plants with a combined secondary treatment capacity of 108 million gallons per day. The Adopted Budget includes costs associated with the start-up and operation of CSO control facilities on the westside of the Willamette River.

**Focus Area:
Infrastructure****Sewer System Repair and Maintenance**

Also included in the FY 2006-07 Adopted Budget are \$20.4 million to support capital repair and replacement of sewer system assets to prevent catastrophic failures. More than 30% of the collection system is over 80 years old, and maintenance needs are anticipated to increase significantly in the near future. The bureau has committed to provide funding for repair of structurally deficient portions of the sewer collection system, and the long-term financial forecast anticipates significant increases in the capital maintenance budget beyond completion of the CSO program.

**Focus Area: Energy
Alternatives****Combined Heat and Power**

The FY 2006-07 Adopted Budget includes \$3.3 million for a co-generation facility at the Columbia Boulevard Wastewater Treatment Plant. This facility will produce electricity and heat for plant process and space heating requirements from digester gas currently being flared.

Rate Issues**Clean River Rewards Program (Stormwater Discount Program)**

The Clean River Rewards Program (CRRP) will grant discounted stormwater management charges and one-time retroactive stormwater credits to eligible ratepayers beginning in FY 2006-07. The bureau expects to receive as many as 110,000 applications during the first 15 months of the program.

The bureau began preparations in FY 2005-06 in anticipation of program start-up. Start-up costs include the costs to design, program, test, and implement computer systems to process and track discount applications, as well as initial public outreach and public information efforts. During the first year of operations in FY 2006-07, the bureau expects to grant discounts of approximately \$10.0 million and retroactive credits of approximately \$9.0 million.

The program start-up costs, discounts, and credits will be self-financed within the stormwater rate structure, resulting in an 18% increase in FY 2006-07 revenue requirements. The rate impacts of the retroactive credits will be smoothed over the five-year financial forecast interval by first using then replenishing Rate Stabilization Fund balances. The stormwater rate increase will be approximately 18% in FY 2006-07 for those customers not receiving discounts.

The FY 2006-07 Adopted Budget contains \$1.6 million for CRRP-related operational and capital costs.

MANAGEMENT GOALS & OBJECTIVES**City Goal: Protect and enhance the natural and built environment****Bureau Goal: Preserve, protect and improve infrastructure**

The bureau will plan, construct, operate, and maintain sewer and stormwater facilities that meet the City's current and future needs. The bureau will use effective project management and delivery systems in planning and constructing new facilities.

- ◆ Preserve and enhance sewer and stormwater assets through effective inventory assessment and reinvestment
- ◆ Control sewer overflows and reduce basement flooding caused by the sewer collection system

- ◆ Implement and evaluate innovative technologies through demonstration and pilot projects
- ◆ Integrate natural system concepts into design, construction, and maintenance of utility systems that retain or improve current service levels

Bureau Goal: Improve watershed health within our urban community

The bureau will evaluate how our programs, projects, and actions affect watershed health. The bureau will seek solutions that will improve watershed health, meet regulatory requirements, and reduce long-term costs.

- ◆ Communicate the advantages of watershed health evaluations before conducting programs and implementing projects
- ◆ Develop watershed health evaluation procedures
- ◆ Provide technical assistance and training on the evaluation procedures

Bureau Goal: Spend ratepayers' dollars wisely

The bureau will ensure it has the financial resources adequate to support current and planned activities while being sensitive to the financial impacts on customers.

- ◆ Monitor cost of services per capita
- ◆ Identify projects completed on budget
- ◆ Prioritize expenditures using bureau and City goals
- ◆ Incorporate lifecycle cost analysis into decision making
- ◆ Pursue alternate sources of funding

Bureau Goal: Comply with applicable regulations

The bureau will meet all local, state and federal regulations through a proactive, multi-objective approach.

- ◆ Operate the utility to meet regulatory requirements
- ◆ Develop programs that meet more than one regulatory requirement
- ◆ Work in partnership with other agencies to shape regulatory requirements
- ◆ Implement and enforce regulations in a fair and consistent manner

Bureau Goal: Prevent and control pollution

The bureau will develop effective, innovative programs to prevent and control pollution at its source in order to improve the environment and reduce long-term costs.

- ◆ Provide technical assistance on pollution prevention techniques
- ◆ Inform and involve others in pollution prevention activities
- ◆ Partner with customers to control pollutants at their source

Bureau Goal: Communicate openly and effectively

The bureau seeks to have a well-informed community that is involved in bureau decision-making and understands the value they receive for their rate dollars.

- ◆ Involve citizens in Bureau work priority decision-making
- ◆ Inform and educate citizens on what we do, how we do it, and what it costs
- ◆ Improve internal communications and monitor communications effectiveness

Bureau Goal: Advocate for and support Bureau employees

The bureau will provide a workplace that encourages diversity, safety, teamwork, and Citywide integration.

- ◆ Develop training programs to ensure the transfer of knowledge between employees
- ◆ Effectively manage employee performance and promptly recognize employee excellence
- ◆ Continue and enhance the bureau's comprehensive safety program
- ◆ Recruit and retain a diverse pool of talented employees

Overview of Programs

ENGINEERING SERVICES

The Engineering Services group is responsible for developing the bureau's capital improvement plan, system planning, managing implementation of capital projects, providing engineering services to all bureau programs, and managing the bureau's Development Services program.

Engineering Services Divisions and Programs

Program Management and Controls

Program Management and Controls develops the bureau's annual capital budget and five-year capital improvement plan. Project schedules and budgets are monitored to ensure timely and cost effective progress towards completion of capital projects. This division also has responsibility to maintain engineering standards and provide engineering support services to the rest of the group.

Asset Systems Management

This division is responsible for bureau-wide system planning and Combined Sewer Overflow program management. Work involves planning for all facilities, including pump station, treatment plant, and collection system, as well as program management and coordination services for the Combined Sewer Overflow Program to ensure the requirements of the Amended Stipulation and Final Order (ASFO) are met in a timely, cost effective, and functional manner.

Design Services

The Design Services division provides project management and engineering design services, and is responsible for ensuring each assigned project accomplishes its intended purpose on schedule, within budget, at best value, and in a manner consistent with City and bureau missions and values. In addition, this division provides professional engineering expertise to other divisions and groups in the bureau. The Design Services division also administers the Revegetation program.

Construction Services

This division provides construction management and inspection services for bureau projects and provides materials testing services for both bureau projects and projects managed by other City bureaus.

Development Services

The Development Services division assists developers and other customers and supports City development goals by reviewing and approving plans and issuing permits. This division also has primary responsibility to develop and revise the City's Stormwater Manual and to implement policies that protect water resources and stream integrity.

Administrative Services/Downspout Disconnect

This division is responsible for managing group operations, operating budget, personnel, and contract services and provides support to all group programs. The Downspout Disconnect program is also managed within this division.

Willamette River CSO

The Willamette River CSO program provides project management, engineering design, and construction management services for the large westside and eastside projects including the westside tunnel, eastside tunnel, Swan Island Pump Station, and force mains. The manager responsible for the Willamette River CSO program reports directly to the Bureau Director.

Relationship to Goals

Engineering Services supports the City Goal of protecting and enhancing the natural and built environment by preserving, protecting, and enhancing infrastructure. Engineering Services manages wastewater and stormwater assets to preserve and enhance the value of the community's investment; aggressively controlling sewer overflows and basement flooding; exploring and evaluating innovative technologies and solutions; and integrating natural system concepts into design, construction, and maintenance of systems that retain or improve the current service level.

Performance

Measurements include:

- ◆ An estimated 55% of combined sewer overflow volumes have been diverted from the rivers and receive treatment. This will increase to 65% when the West Side CSO abatement facilities come on-line in FY 2006-07.
- ◆ An additional 2,000 roof drains will be disconnected from the combined sewer in FY 2006-07 in accordance with the CSO program schedule, increasing the number of disconnected roof drains to 51,000.
- ◆ Construction management costs are forecast to total 12% of total construction costs.
- ◆ New for FY 2006-07 is a performance measure to assess effectiveness in addressing critical repair and replacement needs. The measure will determine the percent of high priority projects that are included in the Capital Improvement or Operating Programs. The percentage is expected to increase significantly over the next few years as procedures for facility condition assessments, criticality ratings, and prioritization are enhanced.
- ◆ 50% of pipe identified as highest priority for repair or replacement is incorporated into funded CIP or Operating projects.

Changes to Services and Activities

One Supervising Engineer position in the Design Services Division is being eliminated. One Senior Engineering Associate is added to respond to BIP #19, expediting City permitting processes. This effort will be implemented through the Development Services Division.

The total Capital Improvement Program is increasing from \$137.4 million to \$211.9 million.

WATERSHED SERVICES

The Watershed Services group FY 2006-07 budget covers the sixth full year of integrated watershed management under the Clean River Plan (CRP). The CRP provides coordination of, and consistent direction for, the goals and priorities of all bureau activities in conjunction with the bureau's Strategic Plan and River Renaissance objectives.

The Watershed Services Group is responsible for developing a watershed management plan covering all of the City's urban watersheds, policies, and programs needed to implement the Clean River Plan and meet federal and state regulations. Watershed Services conducts watershed assessments and comprehensive watershed planning via the Portland Watershed Management Plan (PWMP), monitors and evaluates the effectiveness of stormwater management practices, promotes and implements sustainable site development projects and practices, develops new policies, interprets and implements state and federal surface and groundwater policies and regulations, and implements projects to protect and restore watershed functions.

**Watershed Services
group Responsibilities
and Programs**

Watershed Management Plans

The Watershed Services (WS) group develops and coordinates implementation of a watershed management plan (the PWMP), within the context of the City's Clean River Plan and River Renaissance Strategy, as well as regulatory requirements of the Clean Water Act, the Safe Drinking Water Act, the Endangered Species Act, and other laws and programs. WS applies engineering, economic, and scientific principles and restoration guidelines to select or recommend courses of action to meet watershed specific needs and objectives. The PWMP was reviewed by the public, the City's Watershed Science Advisory Group, through watershed councils and other venues, and is the basis for future budgeting and regulatory compliance. BES will periodically update or refine the PWMP elements based on effectiveness of actions taken.

Coordination and Policy Development

The WS group is responsible for developing environmental policies and coordinating with other bureaus, interest groups, and federal, state, and local agencies involved in environmental planning that may affect the City. The group helps shape environmental policy and regulations.

WS also prepares BES's responses to federal and state regulations and facilitates BES's participation in development of policies made elsewhere in the City. Through partnerships and collaboration, WS works to not only comply with regulations, but also influence environmental legislation and codes to meet the bureau's mission and goals.

Stormwater Management

The WS group is responsible for program development and coordination of activities related to the City's NPDES Municipal Stormwater Permit and its state water pollution control facility (WPCF) permit for the City's stormwater sumps. WS coordinates permit implementation actions within BES and with other bureaus, as well as with stormwater NPDES permit co-permittees: the Port of Portland and Multnomah County.

In late 2001, the Environmental Protection Agency (EPA) classified subsurface stormwater infiltration facilities as Class V UIC wells. As a result of this classification, the City's stormwater sumps fall under Safe Drinking Water Act regulations. WS is developing a UIC and groundwater protection program as required by the WPCF permit in coordination with other bureaus and jurisdictions.

The WS group also provides policy and technical assistance, education and outreach, and project design and implementation, to demonstrate and create incentives for projects related to sustainable stormwater practices. Those efforts assist the City in meeting resource protection and environmental compliance goals by integrating sustainable stormwater management practices into the urban environment. Sustainable practices reduce the volume

of stormwater entering the combined system, mitigate impacts to sensitive habitats, and reduce stormwater pollutants. Projects that accomplish these goals include eco-roofs, green streets and parking lots, and downspout disconnections. The EPA Innovative Wet Weather Grant is another example of this kind of work. Beginning in FY 2001-2002 and through FY 2004-05, \$2,658,200 has been awarded by the EPA as grants for those innovative wet weather projects.

Endangered Species Act

The Endangered Species Act (ESA) Program transferred from the Bureau of Planning to BES in FY 2004-05. It was incorporated into the Science, Fish and Wildlife Division, in recognition of its broader programmatic responsibilities, the integration of its planning and analysis work into the bureau's overall watershed programs, and the expertise it provides to other bureaus. The Science, Fish, and Wildlife Division provides the scientific foundation and technical expertise needed to respond to the City's obligations under the ESA, and provides other services vital to implementation of a variety of City projects and programs in multiple bureaus.

The division has had a number of successes, including the completion of the comprehensive *Framework for Integrated Management of Watershed Health*, which is guiding the development and implementation of the PWMP. The division also has spearheaded the successful permit streamlining agreement and team. The streamlining work has proved invaluable to a variety of BES and other bureaus' projects. Other services provided to City bureaus include research, site assessment, pre- and post-project monitoring, permit development, strategy and negotiation, project design, and grant preparation and reporting. The division is responsible for managing in-water construction permits for all City bureaus. In addition, the division fosters and maintains coordination with a variety of federal, state, and regional-scale watershed management programs. More than 60% of the division's budget comes from sources other than BES.

Relationship to Goals

The Watershed Services group supports the City goal of protecting and enhancing the natural and built environment by improving watershed health within our urban community. The WS group promotes the advantages of considering watershed health when developing and implementing City programs and projects; develops methods for assessing the impacts that implementation has on watershed health goals of water quality, water quantity, habitat, and biological communities; and provides technical assistance and training for BES and other City staff on how to reduce impacts to watershed health.

Performance

Measurements include:

- ◆ An additional 3,000 feet of stream bank will be restored in FY 2006-07, bringing the cumulative total restored to 328,894 feet
- ◆ Last year 11,000 people participated in projects organized or catalyzed by the Stewardship Program, the same number as in the previous year - our goal for the coming year is to maintain the level of participation at 11,000

Changes to Services and Activities

FTE levels for the WS group will remain the same as those in the FY 2005-06 Adopted Budget. In addition, the current service levels for materials and services remain unchanged; however, issuance of new regulatory permits has expanded the mandated workload for the group. Both the WPFC permit and the new stormwater permit for the city were issued in FY 2005-06. Two positions were shifted from watershed work to WPFC permit work, but new resources were not provided to meet increased stormwater permit workload. The results of watershed planning presented in the PWMP will be to expand implementation efforts in FY 2006-07.

Funding of \$100,000 was added for additional sampling and laboratory analysis in support of Columbia Slough Sediment actions and \$150,000 in support of Underground Injection Controls. Another \$100,000 was added for Green Technology Solutions to treat stormwater runoff resulting in clean stormwater recharge to ground water sources.

WASTEWATER TREATMENT

The Wastewater Group (WG) protects public health, water quality, and the environment by operating and maintaining wastewater and stormwater collection and treatment facilities and managing programs in a manner that ensures compliance with applicable permits, regulations, and contracts.

Operates and maintains sewer system infrastructure.

The WG operates and maintains wastewater and stormwater collection, conveyance, and treatment systems. In addition to two wastewater treatment plants, the system includes 92 active pump stations, approximately 2,200 miles of pipeline, 8,500 stormwater sumps, 122 miles of ditches, 20 miles of culverts, 160 pollution reduction facilities, and 120 detention facilities.

Inspection, cleaning, maintenance, and repair for most sewer and stormwater facilities are provided through an interagency agreement with the City's Bureau of Maintenance. The Bureau of Maintenance also provides One-Call utility locating services.

Services provided by the WG also include stormwater residuals management, vector control contract management, emergency capital repair, and response to customer inquiries. The WG manages internal support services including computerized asset management, facilities management, and inventory management and acquisition to support wastewater and stormwater collection and treatment operations.

Relationship to Goals

The Wastewater Group supports the City goal of protecting and enhancing the natural and built environment by meeting our regulatory requirements. The WG efficiently operates and maintains the wastewater system to meet regulatory requirements and creates, implements, and evaluates innovative programs to respond to existing and new permit requirements.

Performance

Measurements include:

- ◆ For the current year, the WG met all wastewater treatment plant standards in their respective discharge permits for the seventh consecutive year. The treatment process removed approximately 95% of total suspended solids (TSS) and biochemical oxygen demand (BOD) from the wastewater, compared with the 85% regulatory performance required in the NPDES permit. A goal for the coming year is to sustain this high level of performance.
- ◆ Collection and treatment facilities delivered and processed 27.8 billion gallons of wastewater during the 2005 calendar year, which is a similar volume compared to the previous year. Factors affecting total volume include the degree of water conservation, the degree to which we are able to keep stormwater and groundwater out of the system, and rainfall in the service area. Over 29 billion gallons of wastewater is expected to be treated in FY 2006-07.
- ◆ The operating and maintenance cost of wastewater treatment is expected to be about \$491 per million gallons treated for FY 2005-06. The cost is projected to increase slightly in FY 2006-07 to \$518 and then decrease to about \$509 in FY 2007-08.

Changes to Services and Activities

The Wastewater Program budget maintains current service levels, limits program growth and will absorb many increases for the third consecutive budget cycle. This budget dictates the WG focus services in core areas of operation, inspection, condition assessment, preventive maintenance, and repair of facilities and equipment.

The Columbia Boulevard Wastewater Treatment Plant no longer uses liquid chlorine for disinfection. The treatment plant initiated a conversion to the use of hypochlorite, a safer alternative for employees and the community.

The most significant increase to the Wastewater Program include \$1.3 million for the cost of operating and maintaining the Swan Island CSO Pump Station and other Westside CSO facilities that will come on-line at the beginning of FY 2006-07. Additionally, \$1.2 million has been added for a spot liner for sewer repair and \$700,000 in funding for recycling biosolids through land application activities.

Reductions include the elimination of the Mapping/GIS Supervisor position and the shift and consolidation of the Mapping/As-built program with Business Services Group's Information Services division.

POLLUTION PREVENTION SERVICES

The Pollution Prevention Services group includes four functional divisions: Source Control, Environmental Investigations, Environmental Compliance and Enforcement, and Special Waste.

Pollution Prevention Services, Responsibilities, and Programs

Source Control

The Source Control Division provides environmental oversight and technical services to industrial and commercial customers to control or eliminate pollutants to wastewater or stormwater discharges. The services provided by the division include permitting and enforcement activities, industrial and commercial development plan reviews, best management plans, education, and alternative discharge control strategies as well as development and support of voluntary partnerships with regional organizations and business associations.

Environmental Investigations

The Environmental Investigations Division provides sampling and monitoring services, data collection and analysis, environmental process management, consultation and report development and preparation services for the bureau. Services include management of the bureau's hydrological data retrieval and alarm system, which provides remote telemetry sensing of sewer flows, rainfall, and pump station operations throughout the city, field sampling and flow monitoring and laboratory analysis, as well as sampling plan and protocol development and data interpretation.

Environmental Compliance and Enforcement

The Environmental Compliance Division manages the bureau's regulatory enforcement process, which includes industrial pretreatment, stormwater, and other environmental regulations under the bureau's authority. The division also ensures, through timely and accurate guidance, bureau compliance with its state and federal regulatory obligations including, but not limited to, permits governing wastewater collection and treatment. The division also includes the Spill Protection and Citizen Response Section.

Special Waste

The Special Waste Division is responsible for environmental assessment and clean-up of contamination on property in which the bureau has an interest. The division also provides this service to a large number of City bureaus, as well as designated Brownfields properties. The primary work of this division is handled through the Coordinated Site Assessment (CSA) program, staff of which perform environmental assessments and pre-qualifies contractors who supply a very broad range of property-related and contamination management services.

The Brownfields program provides remediation efforts for contaminated property.

This division also includes the Brownfields program. This program involves the guidance of contaminated properties in the City of Portland through site assessment, cleanup and redevelopment activities through use of federal Brownfields grants, matching funds from the City and other public agencies, and investment by private sector partners. The focus of the program is to return previously contaminated property to productive economic and community use through partnership with neighborhoods and businesses.

Relationship to Goals

Pollution Prevention Services supports the City goal of protecting and enhancing the natural and built environment by increasing pollution prevention. Pollution Prevention Services provides technical assistance internally and externally to help others prevent pollution, informs and involves City staff and citizens in pollution prevention activities, and partners with customers to prevent or control pollution at the source.

Performance

Measurements include:

- ◆ In FY 2005-06, 99% of industrial enforcement tests are expected to be in full compliance, which is the same level of performance as FY 2004-05. A goal for FY 2006-07 is to work with customers to maintain this level of performance.
- ◆ Site investigations and remediation required an average expenditure of \$2,000 in FY 2005-06, down from \$2,130 per site for FY 2004-05. A goal for FY 2006-07 is to keep average site expenditures at or below the current level.

- ◆ The Water Pollution Control Laboratory performed 35,000 lab analyses in FY 2005-06, down from 45,000 in FY 2004-05. We are forecasting a return to 45,000 analyses for FY 2006-07.

Changes to Services and Activities

There are no significant changes to this program. The Brownfields Program coordinator manages this program and will be coordinating the activities of the \$500,000 Brownfields Investment Fund included in the Environmental Remediation Fund.

BUSINESS SERVICES

The Business Services group includes Accounting Services, Financial Planning, Human Resources, Risk Services, Information Systems and Mapping Services, Contract and Grant Administration, Facilities and Administrative Services, Bureau Budget Development and Management, and Business Opportunity programs.

The Business Service group develops and recommends bureau-wide policies and practices related to all aspects of financial operations and administrative services, including coordination with the Office of Management and Finance.

Business Services group Programs and Divisions

Business Services Administration

Business Services Administration provides direction and support to divisions of the group, and includes the functional areas of Budget Development and Management, Grant Administration, Contract Management, and Business Opportunities.

Budget Development and Management

Budget Development and Management provides bureau-wide coordination for the annual budget development process, acts as the access point between the Office of Management and Finance related to the bureaus' budget activities, and provides analysis and technical budget management activities throughout the year.

Grant Administration

Grant Administration oversees pursuit of grant funding for projects that support the goals and responsibilities of the bureau. In addition, this area is responsible for managing, tracking, reporting, and closing out all grants activities for the bureau.

Contract Management and Business Opportunities

The Contract Management function provides a full range of procurement-related services including assistance with solicitation, selection, disputes and protests, and administration of contracts to ensure compliance with the bureau's contracting policy and procedures, City Code, and other applicable laws, regulations, and policies.

The Business Opportunity program has two primary goals: maximize the utilization of minority, women and emerging small businesses (M/W/ESBs) in all bureau contracting opportunities and create a favorable business environment in which these businesses may expand their capacity and capability to become and remain competitive.

Facilities and Administrative Services Division

Facilities and Administrative Services coordinates and manages bureau-wide administrative services, including training, human resources administrative support, clerical support, property management and administration, and management of the interagency agreements for communications, fleet, space acquisition and facilities planning, and printing and distribution.

Within these categories, the division coordinates and directs activities such as office moves; telecommunications installation and troubleshooting; furniture acquisition, installation, and disposal; fleet acquisition, repair, and disposal; property maintenance; training event development, centralized event/class registration, and records management; and bureau-centric human resources administrative processing and records management. Human Resources services outside of the administrative support activities are provided through OMF Human Resources.

Mapping, Data, and Application Services Division

The Mapping, Data, and Application Services Division provides technology services in support of bureau program objectives. This includes the following services:

- ◆ Identifying bureau technology requirements and working with BTS to implement acceptable solutions
- ◆ GIS and tabular application development, implementation, support and maintenance
- ◆ Collection system as-built mapping
- ◆ Development and provision of spatial data through electronic maps and GIS
- ◆ Maintenance and provision of collection system asset data
- ◆ Management of the IT service level agreement within the interagency with the Bureau of Technology Services

Accounting Services Division

The Accounting Services Division is responsible for all financial transaction processing and reporting for the bureau. This includes payroll, accounts payable, accounts receivable, grants, project tracking, and year-end financial reporting.

Risk Services Division

Risk Services administers loss control and safety for the bureau and owner-controlled insurance programs for the capital program.

Financial Management Division

Financial Management is responsible for financial planning and forecasting, wholesale service contract development and administration, debt management, and user fee and system development charge ratemaking. The division develops and recommends policies relating to funding for bureau services and cost recovery methodologies. Division staff also coordinates with the Revenue Bureau on customer service issues regarding rates and charges, and perform rate and billing calculations for specialized sewer services.

Relationship to Goals Business Services supports the City goal of protecting and enhancing the natural and built environment by facing funding limitations and ensuring that ratepayer dollars are spent wisely. Business Services plays a key role in prioritizing programs to limit rate increases and reflect those choices in the bureau's financial plan, works to maintain a strong bond rating on the bureau's revenue debt, works to improve employees' understanding of the financial impact their work and expenditures have on sewer and stormwater rates, and seeks funding sources to support programs and reduce impacts to ratepayers.

Performance Measurements include:

- ◆ The bureau's debt service coverage ratio for first-lien revenue bonds is 2.03 for the current year and is expected to be 1.86 for the coming year - our goal is to reduce this to the financial planning standard of 1.50 over the coming five years
- ◆ Our current bond rating is A1/A+, a strong rating for sewer revenue credit - our goal is to maintain this rating
- ◆ Hours lost to injuries were 4.6 for the current year, up from 4.3 for the previous year - our goal for the coming year is to reduce time lost to injuries to a level at or below 4.5 hours

Changes to Services and Activities The Business Services Program shows a reduction of two FTEs resulting from a mid-year (FY 2005-06) transfer of two positions from its Financial Management Division to the Revenue Bureau. The Program also absorbed within its Mapping, Data, and Application Services Division the Mapping Services functions and staff formerly assigned to the Wastewater Program. This change increased the number of assigned FTEs to the program by 11 to a total of 43, but does not represent any position additions to the Bureau.

The implementation of the CRRP for stormwater ratepayers is the responsibility of the Business Services Program. The bureau expects as many as 110,000 applications for stormwater discounts, and associated costs of \$1.6 million for outreach and customer service, technical assistance, programming, and data entry. Within the costs of this effort are four positions: one Environmental Specialist and three Technician II.

OFFICE OF THE DIRECTOR

The Office of the Director manages the Bureau of Environmental Services, coordinates the activities of the bureau's five operating groups, and ensures timely and appropriate response to the public, ratepayers, and regulatory agencies. Coordination includes overseeing the development of the bureau budget and managing review of programs, projects, and services offered by the bureau.

The Director's Office develops and manages bureau and environmental policy recommendations for City Council consideration. The office works closely with other City bureaus, regulatory agencies, and the Natural Resource Trustees and tribal governments on local, state, and national environmental issues. The Director provides immediate supervision of the bureau's Communications Division, the Portland Harbor Superfund program, and the Combined Sewer Overflow Tunnel program.

Office of the Director Programs

Communications Division

The Communications Division provides public information, communication planning, public involvement, environmental education, and internal communication services to keep the public, ratepayers, and bureau employees informed about the work of the bureau. Such services are required to meet the mandates of several state and federal requirements.

- ◆ Public involvement services ensure there is a process for shared decision-making with the community regarding the \$650 million capital improvement program that will impact a number of neighborhoods in Portland.
- ◆ Public information services include graphic design, publications, signage, public notification, media relations, and public service announcements and campaigns.
- ◆ Environmental education services include classroom presentation, fieldwork with students, assembly programs, and teacher workshops.

Portland Harbor Superfund

The Portland Harbor Superfund program is managed through the Office of the Director and is funded within the Environmental Remediation Fund. The existence of the bureau's Superfund program is recognition by Council that a strong City presence in the Superfund cleanup is critical. Efforts include participation in the Lower Willamette Group and coordination with tribal governments and federal and state agencies.

The City is a member of the Lower Willamette Group, a group of private and public entities who have signed an agreement with the EPA to fund and conduct a contaminated sediment investigation. The City also has a role as a party potentially responsible for cleaning up contaminated sediments. The City's involvement includes assessing the potential of the City's stormwater conveyance system to carry contamination from upland sources to the river sediments.

The program includes coordination with tribal governments and other natural resource trustees on natural resource damage assessments and efforts to develop a Lower Willamette Ecosystem Restoration project with the Corps of Engineers under the authority of the Water Resources Development Act (WRDA).

Combined Sewer Overflow (CSO) Program

The CSO abatement program is entering the final phase of major projects to reduce overflows to the Willamette River. The last phase is construction of the Eastside Big Pipe and related projects. This final set of projects will be constructed from 2006 to 2011. The Office of the Director administers the program and ensures that the program is responsive to all federal and state mandates regarding CSO control. Expenditures for the CSO program are recorded in Engineering Services.

Relationship to Goals

The Communication Division supports the City goal to protect and enhance the natural and built environment through communicating the importance of this to city residents and ratepayers. City staff cannot fully meet this goal without help from citizens. One method of attaining that help is through public information, education, and involvement in bureau programs and projects.

The Superfund program supports the City goal to protect and enhance the natural and built environment, as it will result in river clean-up that will enhance the quality of the Willamette River. The program will also ultimately promote economic vitality and opportunity. As Superfund cleanup issues are resolved, the contaminated area will be more conducive to economic development. The City is helping to fund and coordinate the investigation and potential cleanup activities to ensure that: the Lower Willamette River is fully evaluated in a timely and cost-effective manner, the Lower Willamette is restored to protect human health and the environment, and liability is fairly allocated among all responsible parties.

The CSO program is directly related to the City goal to protect and enhance the natural and built environment. The project is designed to reduce the level of pollutants entering the Willamette River so it will directly protect surface water resources and provide wastewater services.

Performance

During FY 2006-07 the Communications Division plans to conduct at least two separate Customer Satisfaction Surveys to test effectiveness of program outreach and involvement. These surveys will include:

- ◆ SE 16th and Taggart Sewer Re-construction Project - this project will be completed early in the FY 2006-07 fiscal year. Once work is complete, the Communications Division will survey all affected businesses and residents to determine how well they felt they were informed before and during the project, and how well bureau representatives responded to problems and issues that occurred during construction.
 - ❖ Outreach and involvement on this project will be considered effective if 70% or more of respondents rank performance at level 3 or above on a 1-5 satisfaction scale.
- ◆ Westside CSO Construction Project Information - during FY 2006-07, the Communications Division will survey more than 40,000 residences and businesses who have been receiving the quarterly *Big Pipe Update* newsletter. This survey will include questions to determine if this newsletter update approach has been useful and effective for recipients.
- ◆ The quarterly mass mailings will be considered effective and continued if at least 50% of the respondents rank the update as moderately to highly useful for:
 - ❖ Staying in touch with project activities;
 - ❖ Understanding project objectives;
 - ❖ Knowing how to contact the bureau if there were questions or concerns.

Note: This satisfaction percentage is lower because compared to the Taggart project, a smaller percentage of the WCSO Update recipients have been directly affected by project activities.

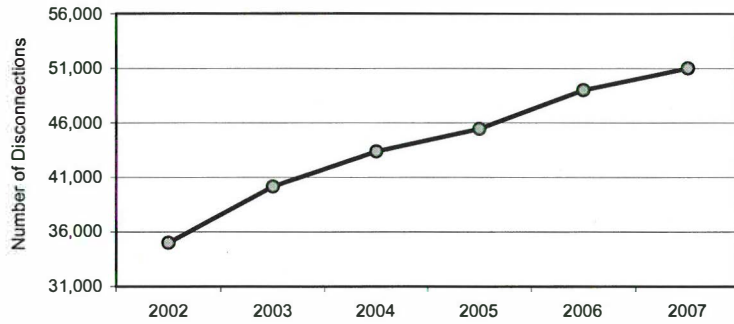
Changes to Services and Activities

No significant changes are planned for FY 2006-07.

Performance Measures

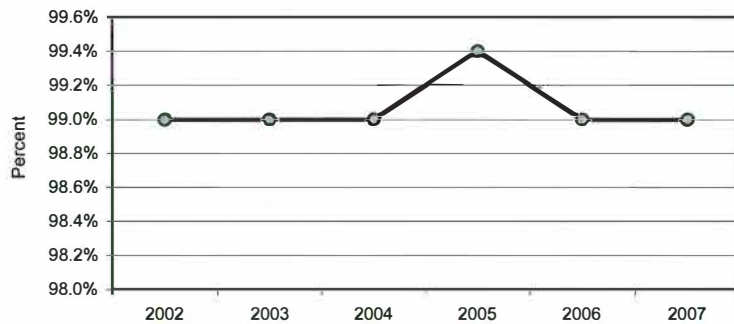
Roof Drain Disconnections

- ◆ Roof drain disconnections will proceed in accordance with CSO program schedules.



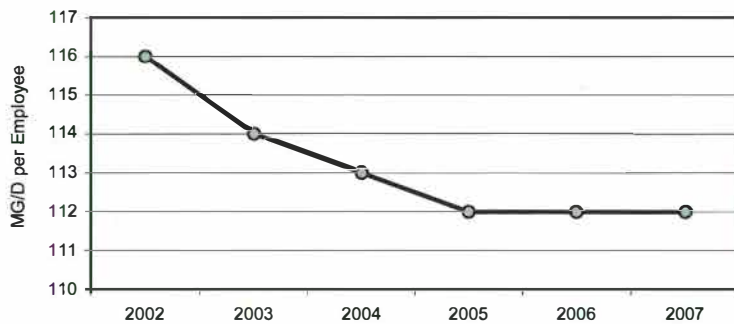
Enforcement Tests

- ◆ Percent of industrial enforcement tests in full compliance.



Wastewater Processed

- ◆ As millions of gallons per day of wastewater processed increases, the employees find operating efficiencies.



Bureau of Environmental Services

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
BUREAU OF ENVIRONMENTAL SERVICES						
Business Services						
Effectiveness						
Maintain the bureau's debt service coverage ratio at 1.5 or greater	1.45	1.55	1.80	2.09	1.50	1.50
Maintain bureau's combined 1st & 2nd debt service coverage ratio at 1.3 or greater	NA	NA	1.54	1.66	1.50	1.50
Efficiency						
Time loss hours (due to injuries)	3.60	2.20	4.30	4.30	4.50	4.50
Engineering Services						
Effectiveness						
Percent of pipe identified as highest priority for repair or replacement incorporated into funded CIP or Op. proj.	NA	NA	NA	NA	NA	50%
Efficiency						
Construction management costs as a percentage of total construction costs	11%	10%	12%	12%	12%	12%
Workload						
Cumu. disconnected roof drains	35,000	40,171	43,380	45,439	49,000	51,000
Office of the Director						
Workload						
No. of students provided with bureau education programs	25,701	25,222	22,208	16,197	18,000	20,000
Watershed Services						
Workload						
Feet of streambank restored (cumulative)	219,034	269,643	310,894	283,304	290,000	310,000
Number of individual participants in projects catalyzed or hosted by the Stewardship Program	8,252	11,299	11,000	14,265	15,000	15,000
Pollution Prevention Services						
Effectiveness						
Percent of industrial enforcement tests in full compliance	99.0%	99.0%	99.0%	99.4%	99.0%	99.0%
Efficiency						
Average resources spent in site investigations and cleanup, per site investigated or remediated	\$2,921	\$2,900	\$2,130	\$1,850	\$2,000	\$2,500
Workload						
No. of lab analyses performed each yr	53,923	55,000	45,000	37,537	46,000	50,000
Wastewater Treatment						
Effectiveness						
Percent of Biochemical Oxygen Demand (BOD) removed	95.0%	96.0%	96.0%	96.3%	85.0%	96.0%
Efficiency						
Millions of gallons per day wastewater processed per operating and maintenance employees, including Bureau of Maintenance staff.	116	114	113	112	112	112
Cost to operate and maintain the treatment plants reflected in costs per million gallons per day (mgd)	NA	NA	NA	NA	\$491	\$518
Workload						
Wastewater processed in million gallons per day	27,898	27,575	28,100	27,383	29,600	29,100

Bureau of Environmental Services

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	27,871,642	29,650,236	31,112,711	32,959,290	33,342,642
External Materials and Services	18,469,580	19,530,063	23,889,461	24,481,465	24,991,465
Internal Materials and Services	30,832,041	28,516,283	34,620,096	38,927,027	39,014,084
Minor Capital Outlay	1,104,685	1,254,779	1,519,560	1,434,560	1,434,560
Total Operating Budget	78,277,948	78,951,361	91,141,828	97,802,342	98,782,751
Capital Improvements	146,260,418	134,534,944	137,757,496	211,867,430	211,875,242
TOTAL BUREAU EXPENDITURES	\$ 224,538,366	\$ 213,486,305	\$ 228,899,324	\$ 309,669,772	\$ 310,657,993
Allocated Overhead	2,159,187	2,613,604	2,691,316	3,877,023	3,877,023
Total Cost with Allocated Overhead	226,697,553	216,099,909	231,590,640	313,546,795	314,535,016
RESOURCES					
Sewer System Operating Fund	224,538,366	213,486,305	228,899,324	309,669,772	310,657,993
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Business Services	17,201,551	18,108,608	22,701,279	21,718,017	22,328,542
<i>Positions</i>	<i>41.00</i>	<i>37.15</i>	<i>32.98</i>	<i>44.58</i>	<i>48.58</i>
Engineering Services	151,671,399	139,333,795	143,054,146	221,717,059	221,723,816
<i>Positions</i>	<i>150.00</i>	<i>162.98</i>	<i>162.98</i>	<i>162.58</i>	<i>163.58</i>
Environmental Remediation	146,136	159,467	561,457	229,410	729,410
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Office of the Director	5,373,551	5,364,092	5,823,315	5,941,218	5,951,817
<i>Positions</i>	<i>15.00</i>	<i>15.80</i>	<i>15.80</i>	<i>15.90</i>	<i>15.90</i>
Pollution Prevention Services	7,710,450	8,084,179	8,992,034	9,259,339	9,269,339
<i>Positions</i>	<i>70.00</i>	<i>74.00</i>	<i>70.92</i>	<i>71.60</i>	<i>71.60</i>
Wastewater Treatment	35,331,825	35,950,944	38,369,461	41,402,801	41,253,141
<i>Positions</i>	<i>150.00</i>	<i>149.25</i>	<i>149.25</i>	<i>136.75</i>	<i>136.75</i>
Watershed Services	7,103,454	6,482,220	9,397,632	9,401,928	9,401,928
<i>Positions</i>	<i>48.00</i>	<i>46.91</i>	<i>46.30</i>	<i>46.50</i>	<i>46.50</i>
TOTAL PROGRAMS	\$ 224,538,366	\$ 213,486,305	\$ 228,899,324	\$ 309,669,772	\$ 310,657,993
<i>Positions</i>	<i>474.00</i>	<i>486.09</i>	<i>478.23</i>	<i>477.91</i>	<i>482.91</i>

Bureau of Environmental Services

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06		FY 2006-07		FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	3.00	2.00	1.00	45,540	1.00	46,596	1.00	46,596
0515	Accountant II	2.00	3.00	3.00	146,916	3.00	150,288	3.00	150,288
3288	Laboratory Production Spec	0.00	1.00	1.00	54,492	1.00	58,404	1.00	58,404
0100	Office Supp Spec I	1.00	0.00	0.00	0	0.00	0	0.00	0
0102	Office Supp Spec II	11.00	10.90	9.90	347,524	10.00	366,627	10.00	366,627
0104	Office Supp Spec III	3.00	4.00	4.00	173,151	4.00	179,922	4.00	179,922
0406	Storekeeper/Acq Specialist II	3.00	3.00	3.00	130,641	3.00	138,780	3.00	138,780
0408	Storekeeper/Acq Specialist III	1.00	1.00	1.00	43,800	1.00	51,164	1.00	51,164
7103	Administrative Assistant	4.00	4.90	4.00	222,447	4.00	225,655	4.00	225,655
7102	Administrative Specialist, Sr	4.00	3.00	2.00	90,912	2.00	94,486	2.00	94,486
7106	Administrative Supervisor I	2.00	3.00	2.00	120,003	2.00	122,298	2.00	122,298
7107	Administrative Supervisor II	0.00	0.00	1.00	67,164	1.00	67,164	1.00	67,164
2534	Applications Analyst IV	1.00	0.00	0.00	0	0.00	0	0.00	0
0962	Assistant Program Specialist	1.00	0.00	0.00	0	0.00	0	0.00	0
1314	Automotive Equipment Operator II	1.00	1.00	1.00	44,748	1.00	45,780	1.00	45,780
7628	Biosolids/Reuse Program Manager	1.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
6012	Botanic Specialist II	6.00	5.00	4.00	219,132	4.00	237,092	4.00	237,092
7140	Bureau Director, Assistant to	2.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7112	Business Operations Manager	1.00	2.00	2.00	150,852	1.00	103,040	1.00	103,040
7113	Business Operations Mgr, Sr	1.00	1.00	1.00	99,072	1.00	103,128	1.00	103,128
7110	Business Operations Supervisor	3.00	2.00	2.00	156,336	2.00	156,336	2.00	156,336
7121	Business Systems Analyst	1.00	0.00	1.00	56,146	1.00	58,452	1.00	58,452
7120	Business Systems Analyst, Asst	1.00	0.00	0.00	0	0.00	0	0.00	0
6034	CAD Analyst	1.00	1.00	1.00	66,108	1.00	68,976	1.00	68,976
6032	CAD Technician II	14.00	16.00	15.00	739,827	15.00	790,346	15.00	790,346
6033	CAD Technician III	5.00	5.00	5.00	280,511	5.00	304,272	5.00	304,272
7660	Capital Program Mgmt & Controls	1.00	1.00	1.00	89,352	1.00	92,718	1.00	92,718
6141	Capital Project Manager I	2.00	2.00	2.00	129,108	2.00	137,952	2.00	137,952
7656	Capital Project Manager II	3.00	1.00	1.00	77,724	1.00	78,168	1.00	78,168
7165	CDD Program Coordinator	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
3285	Chemist	5.00	5.00	5.00	273,830	6.00	327,239	6.00	327,239
7685	Communications Engineer	1.00	1.00	1.00	69,324	1.00	72,168	1.00	72,168
7205	Community Outreach & Involvement	1.00	1.00	1.00	54,348	1.00	55,596	1.00	55,596
7203	Community Outreach/Info Rep	1.00	1.00	1.00	57,384	1.00	59,736	1.00	59,736
7204	Community Outreach/Info Rep, Sr	2.00	2.00	2.00	132,204	2.00	134,736	2.00	134,736
7135	Contracts Devel & Review Admin	0.00	1.00	1.00	74,364	1.00	76,650	1.00	76,650
7116	Customer Service Supervisor	0.00	1.00	1.00	62,736	1.00	65,304	1.00	65,304
7630	Data Acquisition & Mgmt Supr	1.00	1.00	1.00	80,916	1.00	82,308	1.00	82,308
6041	Dev Services Tech I	1.00	1.00	0.00	0	0.00	0	0.00	0
7768	Development Services Manager	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
7767	Development Supervisor	1.00	1.00	1.00	59,556	1.00	61,383	1.00	61,383
7386	Economist, Senior	1.00	1.00	1.00	64,152	1.00	66,342	1.00	66,342
7564	Electrical/Instrumentation Super	1.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
1453	Electrician	11.00	10.00	7.00	412,620	7.00	422,160	7.00	422,160
1459	Electrician/Instrument Tech	0.00	0.00	5.00	286,536	5.00	307,732	5.00	307,732
6160	Electronic Systems Technician	3.00	3.00	3.00	154,273	3.00	163,877	3.00	163,877
6112	Engineer	34.00	31.50	34.50	2,440,692	35.00	2,613,984	35.00	2,613,984
7653	Engineer, Chief	1.00	2.00	2.00	222,446	2.00	228,885	2.00	228,885
7650	Engineer, Senior	8.00	8.90	8.90	727,920	8.90	731,596	8.90	731,596
7651	Engineer, Supervising	9.00	11.00	11.00	916,116	10.00	855,676	10.00	855,676
6110	Engineering Associate	2.00	2.00	3.00	134,820	3.00	146,648	3.00	146,648
6022	Engineering Technician II	27.00	24.00	22.00	1,067,969	21.00	1,096,435	24.00	1,243,459
6023	Engineering Technician III	6.00	6.00	8.00	477,469	9.00	571,082	9.00	571,082
7622	Environ Monitor Svcs Group Mgr	1.00	1.00	1.00	92,160	1.00	94,680	1.00	94,680
7608	Environ Prgm Coordinator	3.00	3.00	3.00	184,968	3.00	187,012	3.00	187,012
7609	Environmental Program Manager	0.00	6.00	9.00	674,376	10.00	751,008	10.00	751,008
7607	Environmental Program Specialist	2.00	2.00	3.00	175,272	3.00	176,776	3.00	176,776
7040	Environmental Services Director	1.00	1.00	1.00	128,685	1.00	133,959	1.00	133,959
7605	Environmental Services Planning	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
7604	Environmental Services Planning	1.00	1.00	1.00	93,144	1.00	94,144	1.00	94,144
6053	Environmental Specialist	16.00	22.60	18.80	1,132,066	18.00	1,171,711	19.00	1,231,303
6051	Environmental Technician I	5.00	6.00	5.00	164,172	5.00	176,954	5.00	176,954
6052	Environmental Technician II	28.00	31.50	33.00	1,606,898	33.00	1,731,755	33.00	1,731,755
7614	ESA Program Coordinator	0.00	2.00	1.00	74,232	1.00	74,232	1.00	74,232
7127	Executive Assistant	1.00	0.00	0.00	0	0.00	0	0.00	0
7377	Financial Analyst, Senior	2.00	2.00	1.00	74,232	1.00	74,232	1.00	74,232
6061	GIS Technician I	2.00	2.00	2.00	75,852	2.00	80,890	2.00	80,890
6062	GIS Technician II	4.00	2.00	1.00	46,578	1.00	51,038	1.00	51,038
6063	GIS Technician III	2.00	3.00	3.00	182,418	3.00	199,740	3.00	199,740

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06	FY 2005-06	FY 2006-07	FY 2006-07	FY 2006-07	FY 2006-07
		No.	No.	No.	Amount	No.	Amount	No.	Amount
6123	Graphics Designer III	1.00	0.00	0.00	0	0.00	0	0.00	0
6055	Hydrogeologist	0.00	0.00	1.00	78,168	1.00	78,168	1.00	78,168
1803	Indust Maintenance Millwright	28.00	28.00	29.00	1,384,604	29.00	1,424,097	29.00	1,424,097
1520	Industrial Machinist	1.00	1.00	1.00	48,396	1.00	49,524	1.00	49,524
1445	Industrial Painter	1.00	1.00	1.00	47,916	1.00	49,032	1.00	49,032
2542	Information Systems Analyst II	1.00	1.00	0.00	0	0.00	0	0.00	0
2543	Information Systems Analyst III	0.00	0.00	1.00	53,292	1.00	69,576	1.00	69,576
2544	Information Systems Analyst IV	1.00	0.00	0.00	0	0.00	0	0.00	0
7508	Information Systems Supervisor	1.00	0.50	1.00	94,344	1.00	94,344	1.00	94,344
3260	Instrument Technician	8.00	9.00	8.00	476,544	8.00	487,584	8.00	487,584
3261	Instrument Technician, Lead	1.00	1.00	1.00	62,556	1.00	64,008	1.00	64,008
7176	Insurance Specialist	1.00	1.00	1.00	46,896	1.00	47,988	1.00	47,988
3280	Laboratory Analyst	8.00	7.00	7.00	313,745	7.00	327,173	7.00	327,173
7624	Laboratory Manager	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7580	Maintenance Planner/Scheduler	4.00	4.00	4.00	231,948	4.00	236,030	4.00	236,030
7131	Management Analyst	1.00	0.00	0.00	0	0.00	0	0.00	0
7132	Management Analyst, Senior	1.00	1.00	1.00	72,456	1.00	74,232	1.00	74,232
7130	Management Assistant	2.00	3.00	0.00	0	0.00	0	0.00	0
7666	Mapping & GIS Supervisor	1.00	1.00	1.00	59,880	0.00	0	0.00	0
6071	Materials Testing Technician I	1.00	1.00	1.00	41,755	0.00	0	0.00	0
6072	Materials Testing Technician II	3.00	3.00	3.00	163,044	4.00	216,840	4.00	216,840
6073	Materials Testing Technician III	1.00	1.00	1.00	66,108	1.00	68,976	1.00	68,976
3284	Microbiologist	1.00	1.00	1.00	55,440	1.00	56,724	1.00	56,724
7641	Portland Harbor Superfund Adm	1.00	1.00	1.00	100,752	1.00	100,968	1.00	100,968
7507	Prin Info Sys Analyst IV(Supr)	1.00	1.00	0.00	0	0.00	0	0.00	0
7652	Principal Engineer	5.00	4.00	4.00	388,272	4.00	390,568	4.00	390,568
7378	Principal Financial Analyst	3.00	3.00	3.00	263,340	3.00	263,340	3.00	263,340
2545	Principal Info Systems Analyst	3.00	3.90	3.80	316,464	4.00	351,096	4.00	351,096
7133	Principal Management Analyst	1.00	1.90	0.90	75,924	1.00	86,097	1.00	86,097
7156	Program Manager	5.00	4.00	4.00	296,928	4.00	296,928	4.00	296,928
7158	Program Manager, Senior	0.00	2.00	2.00	175,560	2.00	175,560	2.00	175,560
7153	Program Specialist	1.00	1.00	1.00	52,440	1.00	53,872	1.00	53,872
7152	Program Specialist, Assistant	0.00	2.00	1.00	48,984	1.00	49,652	1.00	49,652
7678	Property Acquisition & Services	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7640	Prtlnd Harbor Sprfund Tech Mgr	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7206	Public Information Officer	1.00	1.00	1.00	73,668	1.00	74,232	1.00	74,232
7663	Public Works Inspection Mgr	0.00	0.00	1.00	78,168	1.00	78,168	1.00	78,168
7662	Public Works Inspection Sprvsvr	1.00	1.00	0.00	0	0.00	0	0.00	0
3150	Public Works Inspector	16.00	16.00	16.00	867,794	15.00	843,250	15.00	843,250
3151	Public Works Inspector, Senior	10.00	10.00	10.00	606,253	11.00	695,892	11.00	695,892
7553	Public Works Supervisor II	0.00	0.00	2.00	123,528	2.00	125,651	2.00	125,651
7185	Risk Specialist	1.00	1.00	1.00	59,172	1.00	61,202	1.00	61,202
7186	Risk Specialist, Senior	2.00	2.00	2.00	141,192	2.00	141,192	2.00	141,192
7193	Safety and Risk Officer II	1.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
6111	Senior Engineering Associate	17.00	14.00	11.00	694,469	11.00	731,607	12.00	797,331
7610	Senior Environmental Prgm Mgr	1.00	2.00	4.00	315,012	4.00	321,420	4.00	321,420
7619	Source Control Supervisor	6.00	0.00	0.00	0	0.00	0	0.00	0
7620	Source Reduction & Control Mgr	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
7161	Stores System Supervisor II	1.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
7270	Training & Development Analyst	0.00	0.00	1.00	53,856	1.00	56,064	1.00	56,064
7635	Wastewater Collections Sys Mgr	1.00	1.00	1.00	101,400	1.00	101,400	1.00	101,400
7637	Wastewater Operations Grp Mgr	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
1815	Wastewater Operations Specialist	5.00	5.00	5.00	255,490	5.00	266,040	5.00	266,040
1811	Wastewater Operator II	39.00	41.00	39.00	1,861,155	39.00	1,921,191	39.00	1,921,191
1808	Wastewater Operator, Trainee	2.00	0.00	0.00	0	0.00	0	0.00	0
7633	Wastewater Treatment Manager	1.00	1.00	1.00	101,400	1.00	101,400	1.00	101,400
7632	Wastewater Treatment O&M Supr	5.00	3.60	1.50	117,252	2.00	156,336	2.00	156,336
7238	Water Conservation Prog Mgr	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
7600	Water Resources Program Manager	0.00	0.00	3.00	234,276	3.00	234,447	3.00	234,447
7615	Watershed and Regulatory Program	3.00	2.00	0.00	0	0.00	0	0.00	0
7617	Watershed Reveg Pgm Mngr	1.00	0.00	1.00	66,576	1.00	68,172	1.00	68,172
7616	Watershed Reveg Prog Supr	1.00	2.00	1.00	66,744	1.00	68,796	1.00	68,796
TOTAL FULL-TIME POSITIONS		474.00	477.20	469.30	\$ 28,070,207	468.90	\$ 29,184,961	473.90	\$ 29,457,301
0514	Accountant I	0.00	0.00	0.55	18,214	0.55	21,476	0.55	21,476
7103	Administrative Assistant	0.00	0.00	0.50	30,456	0.50	30,456	0.50	30,456

FTE SUMMARY

Bureau of Environmental Services
Public Utilities Service Area

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
6012	Botanic Specialist II	0.00	1.68	1.68	95,136	1.68	101,580	1.68	101,580
7120	Business Systems Analyst, Asst	0.00	0.65	0.75	45,696	0.75	45,696	0.75	45,696
6021	Engineering Technician I	0.00	1.00	1.00	35,602	1.00	38,970	1.00	38,970
6052	Environmental Technician II	0.00	0.00	1.00	42,600	1.00	44,448	1.00	44,448
6123	Graphics Designer III	0.00	0.90	0.90	56,700	0.90	62,076	0.90	62,076
7154	Program Coordinator	0.00	0.75	0.63	44,124	0.63	44,472	0.63	44,472
TOTAL PART-TIME POSITIONS		0.00	4.98	7.01	\$ 368,528	7.01	\$ 389,174	7.01	\$ 389,174
6053	Environmental Specialist	0.00	0.58	1.00	51,744	1.00	40,344	1.00	40,344
6052	Environmental Technician II	0.00	2.33	0.00	0	0.00	0	0.00	0
7154	Program Coordinator	0.00	0.00	0.92	48,521	1.00	56,722	1.00	56,722
7152	Program Specialist, Assistant	0.00	1.00	0.00	0	0.00	0	0.00	0
TOTAL LIMITED TERM POSITIONS		0.00	3.91	1.92	\$ 100,265	2.00	\$ 97,066	2.00	\$ 97,066

Bureau of Environmental Services

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	305,003,808	0	305,003,808	479.9	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	225,000	0	225,000	0.0	EBSP Increased Costs
	390,000	0	390,000	0.0	Accounting Adjustment - Debt Expense
	1,321,000	0	1,321,000	0.0	Revenue Bureau IA Increase for Billings
	(401,000)	0	(401,000)	0.0	Facilities Plan Completed in 2005-06
	(716,000)	0	(716,000)	0.0	Wastewater Program Reductions
	(1,980,000)	0	(1,980,000)	0.0	CIP Technical Adjustment (double count)
	250,000	0	250,000	0.0	Swan Island Pump Station Operating Supplies
	230,000	0	230,000	0.0	Hypochlorite Conversion Operating Costs
	848,000	0	848,000	0.0	Swan Island Pump Station Electricity
	8,494	0	8,494	0.0	OMF IA Adjustments
	0	500,000	500,000	0.0	Watershed Investment Fund
	0	500,000	500,000	0.0	Brownfields Investment Fund
	(383,638)	0	(383,638)	0.0	Health Benefits Savings
	(525,005)	0	(525,005)	0.0	HR IA to Overhead
Mayor's Proposed Budget Decisions					
	(250,704)	0	(250,704)	(3.0)	Eliminate Vacant Management Positions
	(590,850)	0	(590,850)	0.0	Tier 1 - M&S Reductions
	(148,600)	0	(148,600)	0.0	Tier 2 - Training, Sampling, etc. Reductions
	2,400,040	0	2,400,040	1.0	Strategic System Investments
	1,590,050	0	1,590,050	0.0	CRRP Stormwater Discount Program
	1,500,000	0	1,500,000	4.0	Additional CIP Maintenance
	0	(500,000)	(500,000)	0.0	Brownfields Investment Fund
Approved Budget Additions and Reductions					
	146,062	0	146,062	0.0	PDOT IA for BIP #19
	86,757	0	86,757	1.0	BIP #19 Cross-Bureau Permitting
	550,000	0	550,000	0.0	CIP Technical Adjustment
	126,957	0	126,957	0.0	CRRP M&S Technical Adjustment
	122,393	0	122,393	0.0	Carryover Revenue Bureau Moving Costs
	380,565	0	380,565	0.0	CRRP Personal Svcs Reconciliation
	282,315	0	282,315	0.0	CIP Adjustments for Overtime
	10,000	0	10,000	0.0	Fire IA for Site Assessments
	0	500,000	500,000	0.0	Brownfields Investment Funding
	0	(500,000)	(500,000)	0.0	Watershed Investment Pending Plan Details
Adopted Budget Additions and Reductions					
	(282,315)	0	(282,315)	0.0	CIP Fund Level to Bureau Level Adjustment
	(35,336)	0	(35,336)	0.0	Comm. Adams IA Reduction
	5,154,185	500,000	5,654,185	3.0	Total FY 2006-07 Decision Packages
			\$ 310,657,993	482.9	Total Adopted Budget

Bureau of Water Works

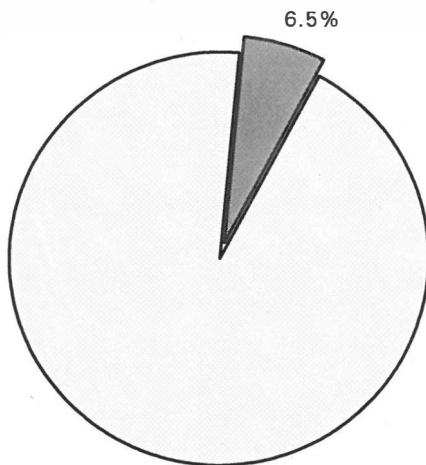
Public Utilities Service Area

Randy Leonard, Commissioner-in-Charge

David Shaff, Administrator

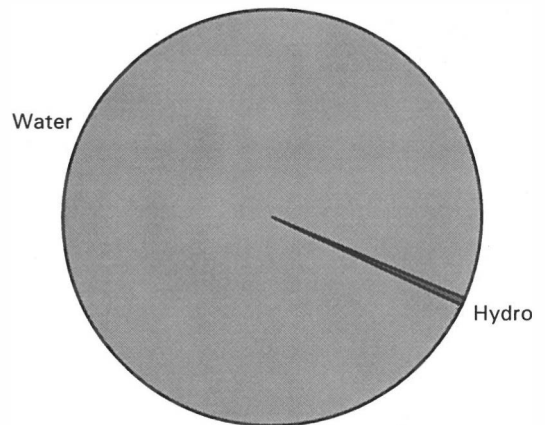
Percent of City Budget

Water = \$102.2 Million



City Budget = \$1.58 Billion

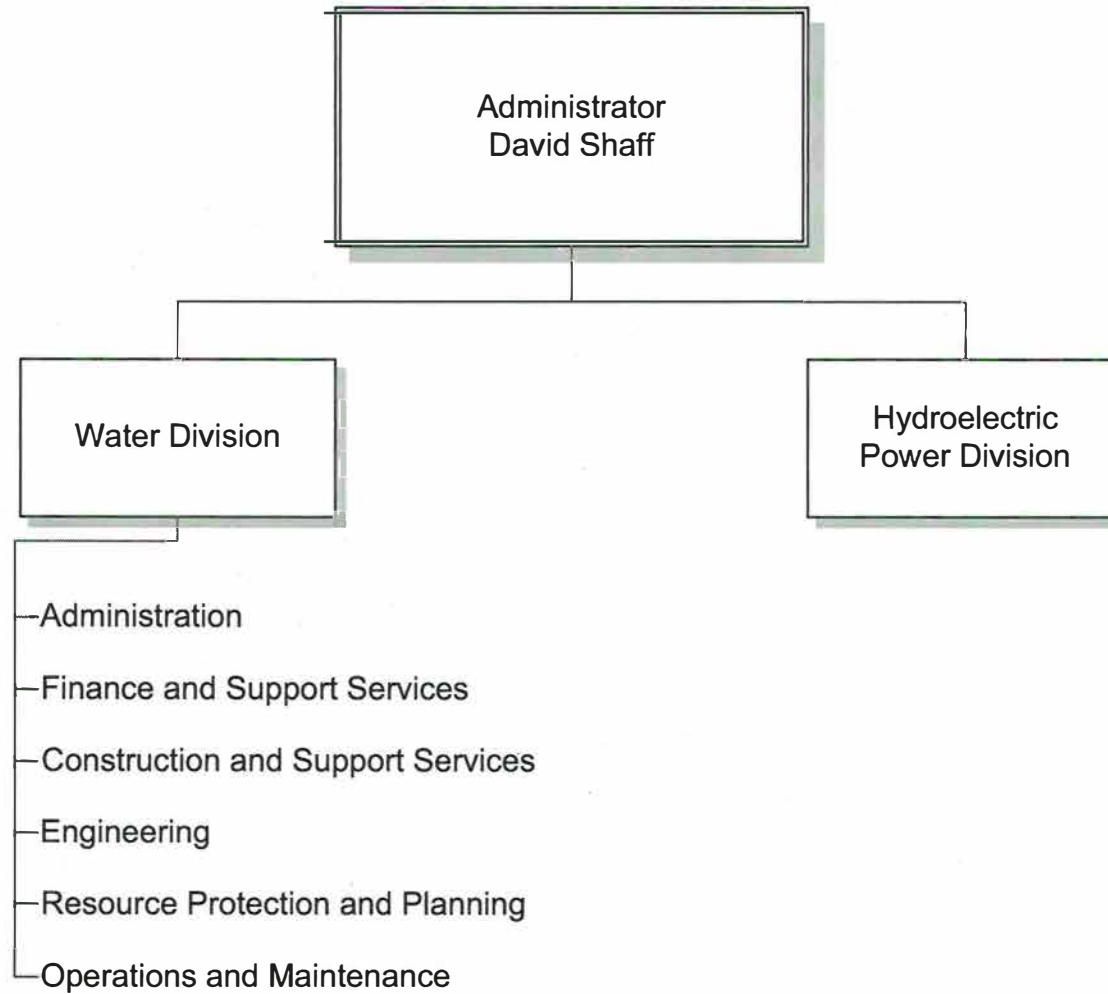
Bureau Divisions



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	54,299,752	59,770,533	5,470,781	10.1%
Capital	52,374,384	42,411,500	-9,962,884	-19.0%
Total Expenditures	\$ 106,674,136	\$ 102,182,033	\$ -4,492,103	\$ -4.2%
Authorized Positions	488.85	544.95	56.10	11.5%

Bureau of Water Works



Bureau Summary

BUREAU MISSION

The mission of the Bureau of Water Works is:

To provide reliable water service to customers in the quantities they desire and at a quality level that meets or exceeds both customer and regulatory standards;

To provide the highest value to customers through excellent business, management, and operational practices, and appropriate application of innovation and technology;

To be responsible stewards of the public's water infrastructure, fiscal, and natural resources; and

To provide the citizens and the City Council with a water system that supports their community objectives and overall vision for the City of Portland.

VISION AND VALUES

Vision

The Portland Bureau of Water Works provides the highest quality water, customer service, and stewardship of the critical infrastructure, fiscal, and natural resources entrusted to our care. We enhance public health and safety and contribute to the economic viability and livability of the Portland metropolitan region. We are a recognized leader among water service agencies across the country.

Values

Customers: Keep the needs and desires of our customers in the forefront of our thoughts and actions.

Service: Contribute responsibly to the welfare of the community.

Financial Health: Maintain fiscal integrity, undertake sound financing practices, and ensure auditable results.

Employees: Recruit, maintain, motivate, and retain a highly qualified, diverse, and committed workforce, and provide a safe work environment.

Partnership: Partner with our community, our customers, and regional water interests.

Leadership: Focus on goals, results, and accountability while promoting human health and development.

Responsiveness: React positively, cooperatively, and efficiently.

Effectiveness: Make the most appropriate use of resources and infrastructure.

Communication: Share information and knowledge openly.

Flexibility: Adapt to new, different, and changing requirements.

Equity: Ensure fair treatment and service to all.

Stewardship: Protect the natural environment so its benefits are available to meet today's needs as well as those of future generations.

BUREAU OVERVIEW

For budgetary purposes, the bureau contains two divisions: Water and Hydroelectric Power.

Water Division

The Bureau of Water Works is responsible for construction, maintenance, and operation of the municipal water system. The bureau ensures that the water system can provide a sufficient quantity of high-quality water to satisfy the existing and future needs of the community.

The Water Bureau serves 800,000 people.

Approximately 800,000 people (about one-quarter of the state's population) are served by the Water Division on either a retail or wholesale basis. The retail customers use about 60% of the water sold, and the other 40% is provided on a wholesale contract basis to 19 water purveyors, which include cities, water districts, private water companies, and a people's utility district. Approximately 80% of water sales revenue is from retail customers and 20% is from wholesale contracts.

A new budget process guided the development of the FY 2006-07 budget request. The cornerstone of this new process was the creation of a Citizen/Employee Budget Committee (Budget Committee) that included not only bureau management but also citizens and frontline staff. Numbering about 40 in all, this committee met regularly from mid-October through late December, discussing and evaluating the preliminary budget proposal developed by the bureau. The focus in developing this budget request included addressing the infrastructure needs of the water system, improving staffing and the professional and technical capacity of the workforce, and improving public understanding of needed infrastructure improvements through public education and citizen involvement. Guided also by recommendations resulting from the well-attended September 20th Water Budget Conference, this new process produced a preliminary budget request that was highly responsive to the priorities identified by the community and frontline staff.

The budget priorities identified from the September 20th Budget Conference were:

- ◆ Replace aging infrastructure.
- ◆ Maintain existing infrastructure.
- ◆ Upgrade facilities, technology, or systems.
- ◆ Provide training, succession planning, staffing, and other workforce development.
- ◆ Increase resources for other support activities.
- ◆ Improve data management to support operations and maintenance.
- ◆ Improve performance of system to better serve customers.
- ◆ Improve equipment/tools.
- ◆ Reduce costs/create efficiencies.
- ◆ Improve public image/relationship with citizens.

The initial budget request developed by the Water Bureau work groups would have resulted in a 15% rate increase for FY 2006-07 and a 5% increase each year for the balance of the five-year forecast period. Considering that rate affordability should be in balance with other Water Bureau objectives, the bureau looked for creative ways to significantly lower this preliminary rate impact. Hence, the bureau developed four strategies to help achieve balance among financial health, operational effectiveness, infrastructure condition, effective management, a high-quality workforce, and rate affordability:

1. Reduce contracts with outside consultants and increase development of internal staff and institutional expertise.

2. Set the Capital Improvement Plan budget at an achievable level.
3. Enhance service, and increase overhead cost recovery to 100%.
4. Maximize existing resources by modifying the debt coverage ratio.

By utilizing the first three strategies and modifying the fourth by planning to increase junior lien debt, the retail rate impact has been reduced to a modest 2.5% rate increase for FY 2006-07. The funded work programs will provide for improvement of water system assets, including valves, meters, hydrants, distribution mains, conduits, buildings and grounds, and the terminal reservoirs at Mt. Tabor and Washington Park. The budget also includes completion of the Distribution System Master Plan, which will guide the bureau's decision making in future budgets regarding replacement of the Willamette River crossings, repair and replacement needs of Conduits 2 and 3, and repair and replacement of pump stations and tanks.

Budget and Water Programs

An important element in the budget development process was establishment of the budget program framework, which provides the basic structure for the budget. It consists of six budget programs that are the primary organizing elements in the City budget documents, and 22 activities (Water programs) that encompass all of the bureau's work into descriptive areas. A description of each budget program and a list of associated activities follows.

The Supply program is for work associated with providing water to the Portland service area, including retail and wholesale customers. This program includes the activities related to the City's primary Bull Run water supply, as well as the secondary well field system located in the Columbia South Shore area.

- ◆ Bull Run Watershed
- ◆ Groundwater

The Transmission and Terminal Storage program moves water from the supply facilities in the Bull Run Watershed to the retail distribution system and the service delivery points for wholesale customers.

- ◆ Terminal Reservoirs
- ◆ Conduits/Transmission

The Distribution program is responsible for providing water to the customers through distribution mains and related facilities, including pump stations, tanks, services, and meters.

- ◆ Pump Stations/Tanks
- ◆ Distribution Mains
- ◆ Services
- ◆ Meters
- ◆ Hydrants
- ◆ Valves/Gates/Regulators
- ◆ Field Support

The Regulatory Compliance program is responsible for meeting or exceeding the federal regulatory requirements for water quality, as well as any other regulations related to the ownership or operation of the water system.

- ◆ Regulatory Compliance

The Customer Service program is for work related to the provision of general customer service, including billing and collection (through an interagency agreement with the Revenue Bureau), conservation, security, maintenance of decorative fountains, and grounds work for Water Bureau facilities.

- ◆ Customer Services
- ◆ Conservation/Sustainability
- ◆ Security/Emergency Management
- ◆ Fountains
- ◆ Grounds/Parks

The Support program includes the bureau-wide work that supports the other programs, including planning, financial support, data management, human resource functions, and facilities.

- ◆ Bureau Support
- ◆ Employee Investment
- ◆ Data Management
- ◆ Planning
- ◆ Facilities

Hydroelectric Power Division

The Portland Hydroelectric Project has a combined power generation capacity of 36 megawatts.

The Hydroelectric Power Division manages the ongoing operation of the City's Portland Hydroelectric Project. This project is located about 25 miles east of Portland in the Bull Run Watershed. Most of the revenues supporting this division come from sales of power generated at the Portland Hydroelectric Project. Most of the division's expenses also relate directly to the administration and monitoring of that project. In addition to the Portland Hydroelectric Project work, this division also provides regulatory support for the Water Bureau's two other small hydroelectric power projects.

SUMMARY OF BUDGET DECISIONS

Water Division

The Water Division's budget of \$101.6 million is composed of the operating budget of \$59.1 million and the Capital Improvement Plan (CIP) budget of \$42.4 million.

Water Operating Budget

The operating budget of \$59.1 million is an increase of about \$6.1 million from the FY 2005-06 Revised Budget of \$53.0 million. Major changes in the operating budget include:

- ◆ Increase of 56 full-time and one part-time positions from the FY 2005-06 Revised Budget to the FY 2006-07 Adopted Budget.
- ◆ Shifted contract services to fund 30 permanent full-time engineering employees as part of the bureau's goal to reduce reliance on contracted services and retain expertise in-house. The bureau will continue to contract for expert services to meet the workload peak required to complete projects, or to obtain specialized services that are not required on an ongoing basis.
- ◆ Established an interagency agreement with the Revenue Bureau for additional functionality in the new Cayenta billing system, at a cost of \$375,000.

- ◆ Increased interagency agreement with the Revenue Bureau for Customer Service by \$1,153,899 to reflect Water's share of the approved decision packages.
- ◆ Reduced health benefits \$404,892 to reflect Water's share of Citywide savings.
- ◆ Increased interagency with the Bureau of Environmental Services for the Benson Bubbler discharge in the amount of \$212,256.
- ◆ Increased interagency with CityFleet for \$135,783 to reflect the correct fleet inventory for Water.

Water CIP Budget

The CIP budget of \$42.4 million reflects a decrease of about \$10.0 million from the FY 2005-06 Revised Budget of \$52.4 million. The reduction is the result of shifts in project timing to better reflect when the projects will actually be completed as well as a shift in emphasis on system maintenance, which is the major theme of the Water Bureau's FY 2006-07 budget.

- ◆ Funding for the Bull Run cabins was approved only for the first year of the five-year CIP.

Staffing

The budget funds 530 full-time positions, 6 limited term positions and 10 part-time positions. This is an increase of 56 full-time positions and one part-time position from the FY 2005-06 Revised Budget, which was part of the Infrastructure Maintenance decision package.

Rate Increase

The FY 2006-07 average effective in-city retail water rate increase is 2.5%, which is lower than the inflation rate.

Hydroelectric Power Division

Hydroelectric Power Operating Budget

The Hydroelectric Power Division's FY 2006-07 Budget is \$625,653. The Adopted Budget includes a reduction in FTE, from 3.0 to 2.6. One vacant position was reclassified, and one existing full-time position was reduced to part-time. In FY 2006-07, the division will transfer \$200,000 from the Hydropower Operating Fund to the General Fund to be used for other City needs.

BUDGET NOTES

Water Meters Maintenance and Replacement

Water, Environmental Services, and the Revenue Bureau will prepare a plan for maintenance and replacement of water meters. This plan will address the level of meter maintenance, frequency of meter replacement, evaluation of the costs and benefits of automatic meter reading, cost of the meter replacement program, method of payment, and share of the costs, for both large and small meters. This joint plan is to be incorporated into each bureau's five-year financial plan that is submitted in the fall of 2006.

Strategic Direction

SIGNIFICANT ISSUES

Water Division

The Water Division will address the following major issues during FY 2006-07:

Forecast Retail Water Demand

Water demand projections remain a key factor in setting water rates. As customers purchase less water, there is a corresponding rate increase due to proportionally fewer units sold to fund the fixed costs of the utility (especially for retail customers who pay for all components of the Portland water system).

The bureau continues to monitor the retail demand as it is influenced by weather and change in customer water usage pattern due to continued conservation efforts.

Aging Infrastructure

In response to aging infrastructure, the Water Bureau intends to increase the overall level of system maintenance and begin to address the needs of the aging infrastructure. The Budget Committee supported the emphasis on increased infrastructure maintenance.

Wholesale Contracts

The bureau currently sells water on a wholesale basis to 19 cities and public water districts. With the exception of Rockwood Water PUD, all other major wholesale customer contracts end in 2007.

The bureau has signed new long-term wholesale contracts with all but one of these regional partners. The other small wholesale customer's current contract has been renewed for 25 years.

Customer Service and Billing

The Revenue Bureau in the Office of Management and Finance performs the Customer Services functions for the Water Bureau, through an Interagency Agreement. The Revenue Bureau's financial plan projects staff reductions in coming years, as the new billing system will provide for efficiencies. Water's financial plan also includes these future savings; it does not include expansion of a pilot low-income program. If this program is expanded, the Water Bureau will have to adjust future rates to accommodate it.

The bureau continues to assist in the transition to the new billing system that was implemented on April 2006, and to monitor costs and performance of the Customer Services operation.

Long Term 2 Enhanced Surface Water Treatment Rule

The Long Term 2 Enhanced Surface Water Treatment Rule (LT2) was promulgated as final and published to the federal register during the first week of 2006. Implementation of this rule could result in significant added costs to provide additional water treatment. The EPA has modified the rule related to open reservoirs by removing the risk mitigation compliance option that had been included in the draft version. This option was selected by the City

Council as the City's method for compliance with the proposed rule. At the direction of the Commissioner-in-Charge and City Council, the bureau has been working with a citizens' stakeholder group and a legal firm to assist the City in challenging the rule. The bureau continues to support the efforts of the City Council to achieve compliance with the LT2 rule without requiring extensive additional treatment of the City's Bull Run water.

Meter Maintenance Program

The bureau's meter maintenance program is the infrastructure component of the utility customer-billing program. The purpose of the meter is to accurately measure customers' water use for equity and billing purposes.

The Bureau of Environmental Services also uses these meters for its customer billings, and the two bureaus continue to work to identify the total program cost attributable to each. Water, BES, and the Revenue Bureau will comply with the budget note directing resolution of this issue in FY 2006-07.

New City Financial System

The City is working to implement a new financial system. The annual cost to the bureau for the new system is about \$300,000 over an eight-year period. The bureau continues to work with OMF to keep abreast of the project's current estimated cost and update its financial plans as necessary, and to participate in project implementation.

Katrina Reimbursement

On October 12, 2005, City Council authorized an intergovernmental agreement with the Oregon Office of Emergency Management (OEM) to provide personnel and equipment to the City of New Orleans for hurricane assistance. The Water Bureau provided two teams of about 35 staff along with equipment and supplies for 30 days each. The bureau will continue to work with OEM to submit the necessary documentation to receive the planned \$1.9 million reimbursement.

Hydroelectric Power Division

As one of the provisions in the Portland Hydroelectric Project's power sales agreement with Portland General Electric Company, \$128,000 in direct payments will be provided to the Oregon Department of Fish and Wildlife for the project's offsite environmental mitigation requirement. This money will be used to raise approximately 320,000 salmon and steelhead smolts for release into the Sandy and Clackamas River systems.

MANAGEMENT GOALS & OBJECTIVES

Water Division Goals

Each of the Water Bureau's six major programs ties to one or more City goals, with a primary linkage as listed below:

Supply Program: Protect and enhance the natural and built environment.

Transmission & Terminal Storage Program: Protect and enhance the natural and built environment.

Distribution Program: Promote economic vitality and opportunity.

Regulatory Compliance Program: Protect and enhance the natural and built environment.

Customer Service Program: Deliver efficient, effective, and accountable municipal services.

Support Program: Deliver efficient, effective, and accountable municipal services.

**Water Division
Objectives for FY
2006-07**

The Water Division will pursue the following objectives in FY 2006-07:

- ◆ Provide reliable water service to customers in the quantities they desire and at a quality level that meets or exceeds both customer and regulatory standards.
- ◆ Provide the highest value to customers through excellent business, management, and operational practices and appropriate application of innovation and technology.
- ◆ Be responsible stewards of the public's water infrastructure, fiscal, and natural resources.
- ◆ Provide the citizens and the City Council with a water system that supports their community objectives and overall vision for the City of Portland.

**Hydroelectric Power
Division Goal**

The Hydroelectric Power Division's goal is to provide cost-effective, responsive, and accountable hydroelectric project administration, which supports the following City goal:

- ◆ Deliver efficient, effective, and accountable municipal services.

**Hydroelectric Power
Division Objectives for
FY 2006-07**

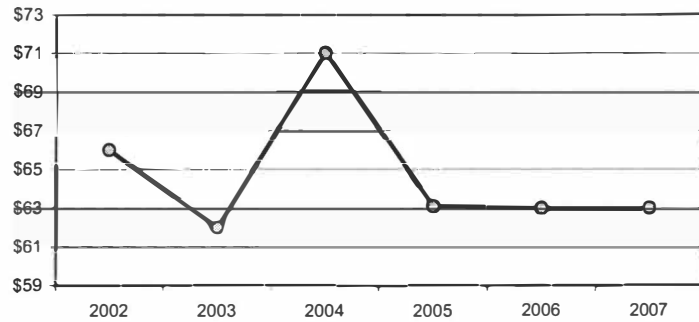
The Hydroelectric Power Division will pursue the following objectives in FY 2006-07 to provide ongoing operation of the City's Portland Hydroelectric Project:

- ◆ Safeguard the City's investment in the \$50 million Portland Hydroelectric Project, and comply with the terms of that project's power sales agreement and revenue bond trust indentures.
- ◆ Meet all license/permit requirements within the timelines established by federal and state regulatory agencies.
- ◆ Coordinate closely with Portland General Electric Company in an effort to maximize the Portland Hydroelectric Project's power generation, while ensuring all license, permit, and water quality requirements are observed.
- ◆ Provide maximum revenue to the City's General Fund while accomplishing the first three objectives.

Performance Measures

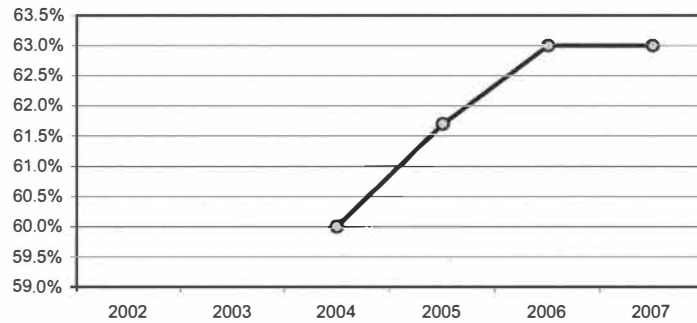
Operating Costs per Capita

- ◆ These figures are determined by the City Auditor and reported in the Auditor's annual Service Efforts and Accomplishments report, using constant FY 2004-05 dollars.



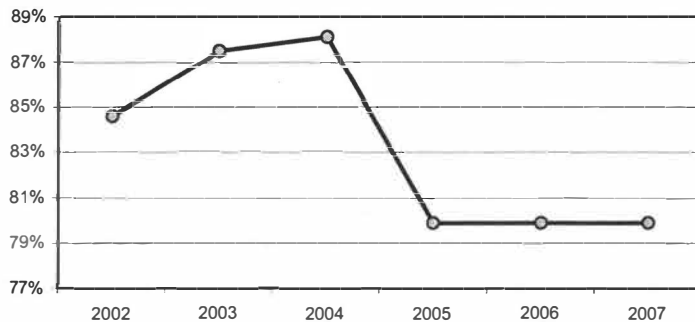
Water Service Rating

- ◆ Ratepayers rating overall water service as "Good" or "Very Good" rose from 60% to 61.7% in 2005.



Water Bill Comparison

- ◆ Typical single family water bill as a percent of six-city average (Auditor's Office SEA Report).



Bureau of Water Works

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	27,646,554	26,622,269	24,742,606	30,233,770	30,233,770
External Materials and Services	10,156,191	15,401,433	11,828,922	11,305,102	11,226,702
Internal Materials and Services	10,782,949	10,513,098	17,728,224	18,084,294	18,310,061
Minor Capital Outlay	5,480	500	0	0	0
Total Operating Budget	48,591,174	52,537,300	54,299,752	59,623,166	59,770,533
Capital Improvements	29,720,794	33,854,678	52,374,384	39,830,000	42,411,500
TOTAL BUREAU EXPENDITURES	\$ 78,311,968	\$ 86,391,978	\$ 106,674,136	\$ 99,453,166	\$ 102,182,033
Allocated Overhead	1,939,822	2,507,894	2,266,704	2,261,181	2,261,181
Total Cost with Allocated Overhead	80,251,790	88,899,872	108,940,840	108,940,841	104,443,214
RESOURCES					
Discretionary Revenues					
Water Operating Fund	66,677,630	79,623,655	98,933,231	93,407,361	94,586,228
Total Discretionary Revenues	66,677,630	79,623,655	98,933,231	93,407,361	94,586,228
Non-Discretionary Revenues					
Grants & Donations - Water	2,849,568	533,776	4,024,114	3,555,000	5,055,000
Contract Revenues - Water	380,700	392,744	313,263	330,806	330,806
Contract Revenues - Hydro	485,845	362,647	1,281,204	535,453	585,453
Interagency Revenues - Water	7,884,209	5,440,935	2,082,324	1,584,346	1,584,346
Interagency Revenues - Hydro	34,016	38,221	40,000	40,200	40,200
Total Non-Discretionary Revenues	11,634,338	6,768,323	7,740,905	6,045,805	7,595,805
TOTAL RESOURCES	\$ 78,311,968	\$ 86,391,978	\$ 106,674,136	\$ 99,453,166	\$ 102,182,033
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
DIVISIONS					
Water Division	77,792,106	85,991,110	105,352,932	98,877,513	101,556,380
<i>Positions</i>	<i>557.00</i>	<i>433.75</i>	<i>485.85</i>	<i>542.35</i>	<i>542.35</i>
Hydroelectric Power Division	519,862	400,868	1,321,204	575,653	625,653
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>2.60</i>
TOTAL DIVISIONS	\$ 78,311,968	\$ 86,391,978	\$ 106,674,136	\$ 99,453,166	\$ 102,182,033
<i>Positions</i>	<i>560.00</i>	<i>436.75</i>	<i>488.85</i>	<i>545.35</i>	<i>544.95</i>

Bureau of Water Works

BUREAU PROGRAMS BY DIVISION

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
PROGRAMS					
WATER DIVISION					
Supply	0	0	7,945,596	5,608,196	5,604,075
<i>Positions</i>	0.00	0.00	26.00	25.88	25.88
Transmission & Terminal Storage	0	0	10,091,451	9,232,588	9,232,588
<i>Positions</i>	0.00	0.00	16.20	17.46	17.46
Distribution	0	0	45,996,805	40,077,826	41,843,741
<i>Positions</i>	0.00	0.00	259.05	283.35	283.35
Regulatory Compliance	0	0	5,151,984	6,536,712	6,535,246
<i>Positions</i>	0.00	0.00	34.90	36.78	36.78
Customer Service	0	0	14,511,442	14,983,064	15,108,800
<i>Positions</i>	0.00	0.00	43.60	54.20	54.20
Support	0	0	21,655,654	22,439,127	23,231,930
<i>Positions</i>	0.00	0.00	106.10	124.68	124.68
Water Quality Program	8,914,720	5,631,503	0	0	0
<i>Positions</i>	39.00	39.00	0.00	0.00	0.00
Administration Program	5,283,079	11,470,615	0	0	0
<i>Positions</i>	15.00	15.00	0.00	0.00	0.00
Customer Service Program	11,675,222	8,344,986	0	0	0
<i>Positions</i>	162.00	9.00	0.00	0.00	0.00
Water Distribution Program	27,152,641	35,954,140	0	0	0
<i>Positions</i>	255.00	283.75	0.00	0.00	0.00
Finance Program	5,362,744	4,367,701	0	0	0
<i>Positions</i>	34.00	34.00	0.00	0.00	0.00
Water Supply Program	19,403,700	20,222,165	0	0	0
<i>Positions</i>	52.00	53.00	0.00	0.00	0.00
TOTAL PROGRAMS	\$ 77,792,106	\$ 85,991,110	\$ 105,352,932	\$ 98,877,513	\$ 101,556,380
<i>Positions</i>	557.00	433.75	485.85	542.35	542.35
HYDROELECTRIC POWER DIVISION					
Hydroelectric Power Administration	519,862	400,868	1,321,204	575,653	625,653
<i>Positions</i>	3.00	3.00	3.00	3.00	2.60
TOTAL PROGRAMS	\$ 519,862	\$ 400,868	\$ 1,321,204	\$ 575,653	\$ 625,653
<i>Positions</i>	3.00	3.00	3.00	3.00	2.60

Water Division

OVERVIEW

FY 2006-07 Adopted Budget

The Water Division's FY 2006-07 Adopted Budget is \$101.5 million, composed of the operating budget of \$59.1 million and the CIP budget of \$42.4 million. The Water Division comprises over 99% of the Water Bureau operating and capital budget. Discussion of the division's activities are included in the preceding Bureau Overview of the Bureau of Water Works.

Operating Budget

The operating budget of \$59.1 million represents an increase of about \$6.1 million from the FY 2005-06 Revised Budget of \$53.0 million. The major elements of the change are discussed in the Water Bureau overview.

CIP Budget

The Capital Improvement Plan budget of \$42.4 million reflects a decrease of about \$10.0 million from the FY 2005-06 Revised Budget of \$52.4 million. The decrease in the capital budget did not include significant delays or discontinued projects from the prior year's plan. The reduction is the result of shifts in project timing to better reflect when the projects will actually be completed as well as a shift in emphasis on system maintenance, which is a major theme of the Water Bureau's FY 2006-07 budget.

Staffing

The budget funds 530 full-time positions, six limited term positions, and 10 part-time positions. This is an increase of 56 full-time positions and one part-time position over the FY 2005-06 Revised Budget.

There is one approved decision add package. The Infrastructure Maintenance package includes 56 full-time positions and a part-time position.

Overview of Programs

SUPPLY

- Description** The provision of water in the quantities desired by customers is a key portion of the mission of the Water Bureau. The Supply program is responsible for providing the water that all customers use in the Portland service area, including both retail and wholesale customers. The program includes both water from the Bull Run watershed and water from the Columbia South Shore wellfield. In total, these systems supply water to a population of nearly 800,000 people and to businesses in the Portland area.
- Relationship to Goals** This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity, with respect to providing high quality, reasonably priced public utility services.
- Performance** The Bull Run watershed is planned to provide 95% or more of the City's annual water supply under normal operating conditions. The groundwater system is planned to supply average winter demand of 100 million gallons per day (mgd) for 14 days in the event of a turbidity event or interruption of the Bull Run supply, and back-up supply of 80 mgd for 90 days during periods of high demand.
- Changes to Services** There are no significant changes in FY 2006-07.

TRANSMISSION & TERMINAL STORAGE

- Description** The Transmission & Terminal Storage program is for the conveyance of water from the supply sources to the city, including the terminal storage reservoirs at Powell Butte, Mt. Tabor, and Washington Park.
- Relationship to Goals** This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity with respect to providing high quality, reasonably priced public utility services.
- Performance** Water flow through the conduits and transmission lines will not be below the average or peak customer demands more than two days per year. The volume of water in the terminal storage reservoirs will not drop below 70% of capacity more than two days per year.
- Changes to Services** The CIP includes \$2.5 million for Open Reservoir Interim Security, and a reduction of \$1.9 million for Open Reservoir Deferred Maintenance.

DISTRIBUTION

Description	The Distribution program manages the conveyance of water from the terminal storage reservoirs through the customer meters. This work includes work on distribution mains, tanks, meters, services, hydrants, valves, gates, and other related facilities. These various segments of the program cover a wide variety of purposes, such as tanks to store water and maintain system pressures, meters to accurately record usage for billing purposes, hydrants for fire protection and for line flushing purposes, and valves to alter or stop water flows under various circumstances such as line breaks or fire needs. The principal function of this program is maintenance of the water system.
Relationship to Goals	This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity with respect to providing high quality, reasonably priced public utility services.
Performance	Less than 5% of the customers shall experience a cumulative water outage for more than eight hours a year, and emergency outages shall be limited to 24 hours for all mains up to 16 inches in diameter. Meters shall read within 3% of actual value at all times, and 90% of all valves shall be working. For each hydrant out of service there shall be a working hydrant within 500 feet, and 99% of hydrants will be working.
Changes to Services	The Adopted Budget adds \$2.5 million for 34 staff toward the goal of improving ongoing system maintenance. The CIP is reduced \$4.0 million, with the largest reduction (\$2.0 million) in the Distribution Mains program, to more accurately reflect work that is actually completed.

REGULATORY COMPLIANCE

Description	The Regulatory Compliance program has the responsibility for ensuring that all federal and state water quality requirements are met or exceeded. It is also responsible for meeting other regulatory standards, including compliance with the Endangered Species Act, proper disposal of dechlorinated water, and various monitoring requirements.
Relationship to Goals	This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water.
Performance	All federal and state regulatory requirements for water quality will be met.
Changes to Services	There are no significant changes in FY 2006-07.

CUSTOMER SERVICE

Description	The Customer Service program encompasses services provided to customers, other than the direct supply of water. It includes the Water Bureau's share of customer billing, collection, and call center costs incurred by the Revenue Bureau, which is the largest expense of this program. It also includes work on conservation, security, decorative and drinking fountain maintenance, and maintenance of grounds for Water Bureau properties.
Relationship to Goals	This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity with respect to providing high quality, reasonably priced public utility services.
Performance	Federal and state water conservation and planning requirements will be met. At least 95% of drinking and decorative fountains shall be working properly. The Water Bureau's Emergency Response Plan will be updated every three years. Customer bills will be processed accurately and on schedule by the Revenue Bureau 100% of the time.
Changes to Services	Security staffing is moving in-house in FY 2006-07, and six security positions are added.

SUPPORT

Description	The Support program facilitates the work of the other programs in the Water Bureau. Examples of this support include financial planning and accounting, staff training, data management, and facilities services. This program is also responsible for meeting many Citywide requirements, such as those related to budgeting, accounting, human resources, and others.
Relationship to Goals	This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity with respect to providing high quality, reasonably priced public utility services.
Performance	Staff requiring certification will be 100% certified. Eighty-five percent of GIS maps will be accurate and complete. All major facilities will meet building code standards.
Changes to Services	There are no significant changes in FY 2006-07.

Water Division

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
BUREAU OF WATER WORKS						
Water Division						
Regulatory Compliance						
Effectiveness						
Percent of time that State and U.S. EPA water quality standards are attained	100%	100%	100%	100%	100%	100%
Customer Service						
Effectiveness						
Percent of ratepayers rating overall water service as "Good" or "Very Good"	NA	NA	60.0%	61.7%	63.0%	63.0%
Workload						
Number of decorative and drinking fountains operated and maintained	NA	NA	146	147	147	147
Support						
Effectiveness						
Typical single family water bill as a percent of six-city average (Auditor's Office SEA Report)	85%	88%	88%	80%	80%	80%
Efficiency						
Operating cost per capita	\$66	\$62	\$71	\$63	\$63	\$63

Water Division

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	27,446,131	26,414,132	24,476,384	29,949,750	29,949,750
External Materials and Services	9,992,679	15,365,283	10,944,900	11,200,102	11,071,702
Internal Materials and Services	10,627,022	10,356,517	17,557,264	17,897,661	18,123,428
Minor Capital Outlay	5,480	500	0	0	0
Total Operating Budget	48,071,312	52,136,432	52,978,548	59,047,513	59,144,880
Capital Improvements	29,720,794	33,854,678	52,374,384	39,830,000	42,411,500
TOTAL BUREAU EXPENDITURES	\$ 77,792,106	\$ 85,991,110	\$ 105,352,932	\$ 98,877,513	\$ 101,556,380
Allocated Overhead	1,885,396	2,457,471	2,208,678	2,201,831	2,201,831
Total Cost with Allocated Overhead	79,677,502	88,448,581	107,561,610	101,079,344	103,758,211
RESOURCES					
Water Fund	77,792,106	85,991,110	105,352,932	98,877,513	101,556,380
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Supply	0	0	7,945,596	5,608,196	5,604,075
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>26.00</i>	<i>25.88</i>	<i>25.88</i>
Transmission & Terminal Storage	0	0	10,091,451	9,232,588	9,232,588
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>16.20</i>	<i>17.46</i>	<i>17.46</i>
Distribution	0	0	45,996,805	40,077,826	41,843,741
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>259.05</i>	<i>283.35</i>	<i>283.35</i>
Regulatory Compliance	0	0	5,151,984	6,536,712	6,535,246
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>34.90</i>	<i>36.78</i>	<i>36.78</i>
Customer Service	0	0	14,511,442	14,983,064	15,108,800
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>43.60</i>	<i>54.20</i>	<i>54.20</i>
Support	0	0	21,655,654	22,439,127	23,231,930
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>106.10</i>	<i>124.68</i>	<i>124.68</i>
Water Quality	8,914,720	5,631,503	0	0	0
<i>Positions</i>	<i>39.00</i>	<i>39.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Administration	5,283,079	11,470,615	0	0	0
<i>Positions</i>	<i>15.00</i>	<i>15.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Customer Service	11,675,222	8,344,986	0	0	0
<i>Positions</i>	<i>162.00</i>	<i>9.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Water Distribution	27,152,641	35,954,140	0	0	0
<i>Positions</i>	<i>255.00</i>	<i>283.75</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Finance	5,362,744	4,367,701	0	0	0
<i>Positions</i>	<i>34.00</i>	<i>34.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Water Supply	19,403,700	20,222,165	0	0	0
<i>Positions</i>	<i>52.000</i>	<i>53.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 77,792,106	\$ 85,991,110	\$ 105,352,932	\$ 98,877,513	\$ 101,556,380
<i>Positions</i>	557.00	433.75	485.85	542.35	542.35

Water Division

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06		FY 2006-07		FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	3.00	3.00	3.00	129,916	3.00	135,948	3.00	135,948
0515	Accountant II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0516	Accountant III	2.00	2.00	2.00	114,720	2.00	117,360	2.00	117,360
0131	Customer Accts Spec I	71.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0132	Customer Accts Spec II	11.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0100	Office Supp Spec I	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0102	Office Supp Spec II	7.00	4.50	6.00	213,341	10.00	355,484	10.00	355,484
0104	Office Supp Spec III	4.00	5.00	4.00	167,283	4.00	182,064	4.00	182,064
7196	Sec & Emerg Mgmt Program Mgr	0.00	1.00	1.00	64,080	1.00	65,832	1.00	65,832
0310	Service Dispatcher	2.00	2.00	2.00	74,652	2.00	79,173	2.00	79,173
0406	Storekeeper/Acq Specialist II	2.00	2.00	1.00	45,228	2.00	92,520	2.00	92,520
0408	Storekeeper/Acq Specialist III	1.00	1.00	1.00	41,760	1.00	50,292	1.00	50,292
7352	Accountant, Systems	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7362	Accounting Supervisor I, Senior	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	7.00	6.00	7.00	399,480	7.00	408,240	7.00	408,240
7102	Administrative Specialist, Sr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7106	Administrative Supervisor I	3.00	3.00	2.00	124,116	2.00	126,576	2.00	126,576
2532	Applications Analyst II	4.00	2.00	2.00	126,378	2.00	131,149	2.00	131,149
2533	Applications Analyst III	9.00	1.00	1.00	73,800	1.00	74,088	1.00	74,088
2534	Applications Analyst IV	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
1311	Automotive Equipment Operator I	11.00	10.00	11.00	453,412	12.00	519,872	12.00	519,872
1314	Automotive Equipment Operator II	1.00	1.00	1.00	44,748	1.00	45,780	1.00	45,780
7140	Bureau Director, Assistant to	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7112	Business Operations Manager	1.00	1.00	1.00	92,148	1.00	92,148	1.00	92,148
7113	Business Operations Mgr, Sr	1.00	1.00	1.00	105,732	1.00	106,832	1.00	106,832
7110	Business Operations Supervisor	1.00	2.00	3.00	199,023	3.00	206,053	3.00	206,053
7121	Business Systems Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7120	Business Systems Analyst, Asst	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7122	Business Systems Analyst, Senior	1.00	1.00	2.00	147,828	2.00	148,464	2.00	148,464
6034	CAD Analyst	0.00	1.00	1.00	51,744	1.00	56,270	1.00	56,270
6031	CAD Technician I	1.00	1.00	1.00	42,600	1.00	44,448	1.00	44,448
6032	CAD Technician II	4.00	3.00	6.00	273,264	6.00	289,302	6.00	289,302
7656	Capital Project Manager II	1.00	0.00	2.00	129,752	2.00	143,931	2.00	143,931
7657	Capital Projects Manager III	0.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
1420	Carpenter	3.00	2.00	2.00	95,832	2.00	98,064	2.00	98,064
3285	Chemist	1.00	0.00	0.00	0.00	1.00	50,460	1.00	50,460
7134	CIP Planning Supervisor	0.00	0.00	1.00	79,044	1.00	82,014	1.00	82,014
7202	Community Outreach/Info Asst	0.00	0.00	1.00	50,232	1.00	52,124	1.00	52,124
7203	Community Outreach/Info Rep	0.00	2.00	1.00	51,984	1.00	53,577	1.00	53,577
7204	Community Outreach/Info Rep, Sr	1.00	1.00	3.00	192,936	3.00	194,124	3.00	194,124
1410	Concrete Finisher	2.00	2.00	2.00	95,832	3.00	147,096	3.00	147,096
1315	Construction Equipment Operator	13.00	15.00	16.00	740,176	17.00	813,900	17.00	813,900
7163	Contracts Compliance Specialist	0.00	1.00	1.00	58,320	1.00	59,920	1.00	59,920
7135	Contracts Devel & Review Admin	0.00	1.00	1.00	61,296	1.00	62,346	1.00	62,346
7116	Customer Service Supervisor	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6043	Dev Services Tech III	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7767	Development Supervisor	0.00	0.00	1.00	68,976	1.00	71,808	1.00	71,808
7562	Electrical Supervisor	0.00	1.00	1.00	66,823	1.00	69,452	1.00	69,452
7564	Electrical/Instrumentation Super	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1453	Electrician	5.00	5.00	5.00	297,840	6.00	365,688	6.00	365,688
7195	Emergency Mgmt Program Mgr	1.00	1.00	1.00	73,884	1.00	74,145	1.00	74,145
6112	Engineer	6.00	6.80	9.90	667,991	13.00	955,192	13.00	955,192
7653	Engineer, Chief	2.00	1.00	1.00	95,436	1.00	98,044	1.00	98,044
7655	Engineer, Chief - Water Bureau	0.00	1.00	1.00	119,916	1.00	119,916	1.00	119,916
7650	Engineer, Senior	8.00	11.00	12.00	921,972	14.00	1,091,131	14.00	1,091,131
7651	Engineer, Supervising	4.00	5.00	5.00	400,008	6.00	482,708	6.00	482,708
6110	Engineering Associate	4.00	3.00	5.00	229,353	7.00	369,209	7.00	369,209
7673	Engineering Survey Manager	1.00	1.00	0.50	41,148	1.00	83,004	1.00	83,004
6021	Engineering Technician I	0.00	5.00	6.00	203,976	8.00	297,024	8.00	297,024
6022	Engineering Technician II	6.00	7.00	10.00	477,825	10.00	543,769	10.00	543,769
6023	Engineering Technician III	2.00	2.00	2.00	126,000	4.00	262,992	4.00	262,992
7607	Environmental Program Specialist	0.00	0.00	1.00	46,896	2.00	103,980	2.00	103,980
6053	Environmental Specialist	3.00	3.00	4.00	246,960	4.00	260,928	4.00	260,928
6051	Environmental Technician I	0.00	0.00	1.00	31,800	1.00	36,996	1.00	36,996
6052	Environmental Technician II	0.00	0.00	1.00	42,600	1.00	45,904	1.00	45,904
7127	Executive Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7375	Financial Analyst, Assistant	2.00	2.00	2.00	91,464	2.00	94,512	2.00	94,512
7377	Financial Analyst, Senior	2.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
1524	General Mechanic	2.00	2.00	2.00	96,792	2.00	99,048	2.00	99,048

FTE SUMMARY

Water Division

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06		FY 2006-07		FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
6061	GIS Technician I	5.00	6.00	1.00	36,387	1.00	39,813	1.00	39,813
6062	GIS Technician II	2.00	2.00	6.00	268,740	6.00	290,012	6.00	290,012
6063	GIS Technician III	2.00	2.00	2.00	122,693	2.00	134,433	2.00	134,433
6123	Graphics Designer III	0.00	0.00	1.00	51,744	1.00	54,000	1.00	54,000
7590	Ground Water Program Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
4114	Horticulturist	1.00	2.00	2.00	91,032	2.00	93,144	2.00	93,144
1445	Industrial Painter	3.00	3.00	3.00	143,748	3.00	147,096	3.00	147,096
1446	Industrial Painter, Lead	1.00	1.00	1.00	50,316	1.00	51,480	1.00	51,480
2541	Information Systems Analyst I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2543	Information Systems Analyst III	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2544	Information Systems Analyst IV	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7506	Information Systems Analyst IV	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7509	Information Systems Manager	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
7508	Information Systems Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3260	Instrument Technician	5.00	6.00	7.00	412,620	7.00	422,160	7.00	422,160
7560	Instrumentation Supervisor	1.00	1.00	1.00	66,972	1.00	67,084	1.00	67,084
3280	Laboratory Analyst	4.00	4.00	4.00	184,512	4.00	188,784	4.00	188,784
3287	Laboratory Analyst, Senior	0.00	1.00	1.00	53,568	1.00	57,738	1.00	57,738
7624	Laboratory Manager	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
1200	Maintenance Worker	0.00	0.00	3.00	60,876	3.00	62,280	3.00	62,280
7131	Management Analyst	0.00	2.00	3.00	166,824	3.00	177,972	3.00	177,972
7132	Management Analyst, Senior	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7666	Mapping & GIS Supervisor	1.00	1.00	2.00	142,188	2.00	143,568	2.00	143,568
6026	Mapping Data Technician	0.00	1.00	1.00	43,122	1.00	47,226	1.00	47,226
7665	Maps & Records Supervisor	1.00	1.00	1.00	52,932	1.00	54,561	1.00	54,561
7596	Mech Systems Suprvsr, Sr/Water	1.00	1.00	1.00	71,784	1.00	73,254	1.00	73,254
1768	Operating Engineer I	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1770	Operating Engineer II	3.00	4.00	7.00	313,544	7.00	343,934	7.00	343,934
1771	Operating Engineer III	13.00	13.00	12.00	628,506	12.00	657,379	12.00	657,379
1215	Park Technician	3.00	2.00	2.00	82,896	2.00	84,816	2.00	84,816
7387	Principal Economist	1.00	1.00	1.00	85,284	1.00	87,780	1.00	87,780
7652	Principal Engineer	6.00	6.00	6.00	596,100	6.00	602,115	6.00	602,115
7378	Principal Financial Analyst	4.00	4.00	4.00	338,892	4.00	346,644	4.00	346,644
2545	Principal Info Systems Analyst	1.00	1.00	1.00	80,612	1.00	87,780	1.00	87,780
7133	Principal Management Analyst	0.00	0.00	1.00	87,780	1.00	87,780	1.00	87,780
7154	Program Coordinator	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7156	Program Manager	1.00	0.00	0.00	0.00	1.00	64,920	1.00	64,920
7158	Program Manager, Senior	4.00	1.00	2.00	164,004	2.00	166,450	2.00	166,450
7153	Program Specialist	1.00	0.00	2.00	94,884	4.00	209,764	4.00	209,764
7152	Program Specialist, Assistant	6.00	0.00	1.00	59,556	1.00	75,444	1.00	75,444
7678	Property Acquisition & Services	0.00	0.00	1.00	64,920	1.00	67,130	1.00	67,130
7208	Public Information Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7662	Public Works Inspection Sprvsr	0.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
3150	Public Works Inspector	5.00	3.00	6.00	312,816	6.00	339,476	6.00	339,476
3151	Public Works Inspector, Senior	3.00	3.00	2.00	115,998	4.00	253,416	4.00	253,416
7552	Public Works Supervisor I	0.00	2.00	1.00	57,996	1.00	60,372	1.00	60,372
7553	Public Works Supervisor II	9.00	10.00	12.00	725,505	12.00	736,390	12.00	736,390
7584	Reg Water Prov Cons Prgm Coord	1.00	1.00	1.00	67,368	1.00	69,438	1.00	69,438
7125	Remittance Technician	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6082	Right of Way Agent II	0.00	0.00	1.00	42,600	1.00	44,448	1.00	44,448
7185	Risk Specialist	0.00	1.00	1.00	56,724	1.00	57,500	1.00	57,500
7192	Safety & Risk Officer I	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7582	Security Supervisor	1.00	1.00	1.00	49,236	1.00	51,258	1.00	51,258
6134	Senior City Planner	1.00	0.90	0.90	59,496	1.00	62,304	1.00	62,304
6111	Senior Engineering Associate	18.00	17.00	19.00	1,192,597	21.00	1,409,896	21.00	1,409,896
1212	Senior Water Utility Worker	1.00	1.00	1.00	38,172	1.00	39,048	1.00	39,048
7161	Stores System Supervisor II	1.00	1.00	1.00	58,776	1.00	60,183	1.00	60,183
7671	Survey Supr/Water Right Exam	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
3121	Surveying Aide II	0.00	0.00	1.00	35,976	2.00	81,612	2.00	81,612
3122	Surveyor I	2.00	2.00	2.00	102,192	2.00	104,544	2.00	104,544
3123	Surveyor II	2.00	1.00	1.00	54,684	1.00	55,956	1.00	55,956
7271	Training and Development Officer	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
1210	Utility Worker I	6.00	6.00	6.00	225,360	6.00	230,616	6.00	230,616
1211	Utility Worker II	42.00	37.00	42.00	1,648,303	52.00	2,032,486	52.00	2,032,486
1209	Utility Worker II, Apprentice	10.00	23.00	20.00	505,790	20.00	682,614	20.00	682,614
7236	Water Conserv Prog Coord	4.00	4.00	3.00	186,948	3.00	190,638	3.00	190,638

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7238	Water Conservation Prog Mgr	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7598	Water Group Manager	3.00	2.00	2.00	190,872	2.00	197,718	2.00	197,718
7595	Water Maint Supervisor, Sr	3.00	4.00	3.00	227,328	3.00	231,528	3.00	231,528
1700	Water Meter Reader I	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1701	Water Meter Reader II	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1718	Water Meter Technician I	2.00	3.00	4.00	154,266	5.00	214,096	5.00	214,096
1719	Water Meter Technician II	4.00	5.00	5.00	245,514	7.00	360,360	7.00	360,360
1730	Water Operations Mechanic	15.00	30.00	30.00	1,451,712	35.00	1,745,544	35.00	1,745,544
1731	Water Operations Mechanic, Lead	24.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7597	Water Ops & Support Manager	0.00	1.00	1.00	74,436	1.00	76,152	1.00	76,152
1725	Water Ops Mechanic Apprentice	0.00	8.00	10.00	375,337	10.00	432,347	10.00	432,347
7594	Water Quality Inspection Supr	1.00	0.00	1.00	70,548	1.00	70,596	1.00	70,596
1712	Water Quality Inspector I	0.00	0.00	0.00	0.00	1.00	47,544	1.00	47,544
1713	Water Quality Inspector II	5.00	5.00	5.00	265,048	5.00	275,150	5.00	275,150
1714	Water Quality Inspector III	1.00	1.00	1.00	57,624	1.00	58,968	1.00	58,968
7588	Water Resources Planning Manager	1.00	1.00	1.00	101,400	1.00	101,400	1.00	101,400
7600	Water Resources Program Manager	3.00	3.00	3.00	228,156	3.00	231,108	3.00	231,108
7586	Water Resrcs & Urban Aff Coord	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
1709	Water Security Specialist	10.00	11.00	14.00	554,278	20.00	817,000	20.00	817,000
1705	Water Service Inspector	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1752	Water Treatment Operator II	9.00	9.00	9.00	470,840	9.00	494,020	9.00	494,020
7592	Water Treatment Ops Supr	1.00	1.00	1.00	63,708	1.00	65,670	1.00	65,670
7060	Water Utility Director	1.00	1.00	1.00	111,312	1.00	113,880	1.00	113,880
1761	Watershed Pipeline Specialist	0.00	1.00	1.00	42,432	1.00	43,416	1.00	43,416
1760	Watershed Specialist	5.00	4.00	6.00	223,973	6.00	246,144	6.00	246,144
1762	Watershed Specialist, Senior	1.00	1.00	1.00	42,432	1.00	43,416	1.00	43,416
7237	Wtr Conservation Prgm Suprvsr	0.00	0.00	1.00	74,136	1.00	74,232	1.00	74,232
TOTAL FULL-TIME POSITIONS		543.00	423.20	473.30	\$ 24,933,402	530.00	\$ 28,966,086	530.00	\$ 28,966,086
0515	Accountant II	1.00	0.89	0.68	35,436	0.76	28,116	0.76	28,116
0510	Accounting Technician	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0131	Customer Accts Spec I	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0100	Office Supp Spec I	1.00	0.50	0.50	15,264	0.50	15,084	0.50	15,084
0102	Office Supp Spec II	3.00	2.05	2.05	61,911	2.11	49,104	2.11	49,104
2532	Applications Analyst II	1.00	0.00	0.50	32,004	0.50	32,767	0.50	32,767
6112	Engineer	1.00	0.50	0.69	50,256	0.50	38,004	0.50	38,004
6021	Engineering Technician I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7607	Environmental Program Specialist	1.00	0.80	0.80	51,180	0.80	41,634	0.80	41,634
6051	Environmental Technician I	0.00	0.88	0.00	0.00	0.50	19,224	0.50	19,224
7152	Program Specialist, Assistant	2.00	1.68	0.80	32,928	0.68	20,536	0.68	20,536
TOTAL PART-TIME POSITIONS		14.00	8.30	6.02	\$ 278,979	6.35	\$ 244,469	6.35	\$ 244,469
2532	Applications Analyst II	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
7607	Environmental Program Specialist	0.00	0.75	0.00	0.00	0.00	0.00	0.00	0.00
6061	GIS Technician I	0.00	0.00	6.00	192,384	6.00	209,940	6.00	209,940
7133	Principal Management Analyst	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	2.25	6.00	\$ 192,384	6.00	\$ 209,940	6.00	\$ 209,940

Water Division

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	93,074,429	20,000	93,094,429	485.85	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(404,892)	0	(404,892)	0.00	Healthcare savings
	(447,227)	0	(447,227)	0.00	Human Resources shift to GF overhead
	212,256	0	212,256	0.00	Increase to BES for Benson Bubbler discharge
	135,786	0	135,786	0.00	Increase to Fleet to reflect actual inventory
	403,899	750,000	1,153,899	0.00	Increase IA with Revenue Bureau
	76,062	70,000	146,062	0.00	BIP #19 - Citywide Permitting
	0	321,992	321,992	0.00	Increase IA with Facilities Services
Mayor's Proposed Budget Decisions					
	4,430,208	58,000	4,488,208	56.50	Increased Maintenance Decision Package
	0	177,000	177,000	0.00	Bull Run Cabins replacement - one year only
Approved Budget Additions and Reductions					
	0	999,040	999,040	0.00	Prep work for paving - IA with Maintenance
	0	807,220	807,220	0.00	Hazelwood and other CIP changes
	0	767,000	767,000	0.00	Fleet equipment increase
	0	105,607	105,607	0.00	Revenue Bureau move costs
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	4,406,092	4,055,859	8,461,951	56.50	Total FY 2006-07 Decision Packages
			\$ 101,556,380	542.35	Total Adopted Budget

Hydroelectric Power Division

OVERVIEW

Organizational Description

Generated power is sold to PGE under a long-term power sales contract.

The Hydroelectric Power Division manages the ongoing operation of the City's Portland Hydroelectric Project (PHP). This project is located 25 miles east of Portland in the Bull Run Watershed and has a combined generation capacity of 36 megawatts. The power generated at this project is sold locally to Portland General Electric (PGE) via a long-term power sales contract. The project is also subject to federal and state regulatory control via long-term licenses and permits.

Staff Functions

Three full-time staff manage the Hydroelectric Power Division.

The Hydroelectric Power Division's staff is responsible for:

Project Administration

Administration of all aspects of the PHP's long-term power sales agreement with PGE, including coordination with PGE on financial, operations, maintenance, and repair issues.

Regulatory Compliance

Ensuring compliance with all project-related regulatory requirements including surveillance, oversight, and reporting. Staff must monitor compliance for the Water Bureau's two Bull Run water supply dams and the Mt. Tabor Hydro Project, which has three large, open water supply reservoirs in the city.

Project Finances

Coordination of all PHP project-related financial matters, including the administration of the project's revenue bonds and related trust indentures, as well as the City's associated budget requirements for the division and the three related Hydroelectric Power Funds.

Project Operations

The Portland Hydroelectric Project continues to operate in compliance with its various regulatory requirements and with a minimum of down-time interruptions.

FY 2006-07 Budget

The FY 2006-07 budget for the Hydroelectric Power Division is \$625,653. This budget supports the PHP's administrative and operational costs with funds that are specifically dedicated to that purpose. The FY 2006-07 budget maintains the current service level with a staff of two full-time and one part-time positions.

Overview of Programs

HYDROELECTRIC POWER ADMINISTRATION

Mandated Administrative and Operational Activities

Four contractual or regulatory documents mandate activities.

The Hydroelectric Power Division has only one program, Hydroelectric Power Administration. This program provides for the administrative and operational activities that are mandated for the Portland Hydroelectric Project through the following contractual or regulatory documents:

- ◆ Power Sales Agreement between the City and PGE
- ◆ Hydroelectric Power Revenue Bond Trust Indentures
- ◆ Project license from the Federal Energy Regulatory Commission
- ◆ Permits from both the U.S. Forest Service and the Oregon Water Resources Department

Activity Coordination

The Hydroelectric Power Division must coordinate activities with:

- ◆ The project's power purchaser and operator, PGE
- ◆ Four different state and federal regulatory and/or resource agencies
- ◆ The Independent Trustee for the Hydroelectric Power Revenue Bonds
- ◆ The project's insurance underwriters
- ◆ The Water Bureau's Water Operations group
- ◆ Various other City bureaus

Other Hydropower Projects

This program also provides administrative support for the regulatory aspects of the Water Division's two small hydropower projects.

Relationship to Goals

The Hydropower Division supports the City goal of delivering efficient, effective, and accountable municipal services, and the bureau goal of providing cost-effective, responsible, and accountable drinking water service.

Performance

The division projects power sales of 84,200 megawatt hours in FY 2006-07, up from 65,612 in FY 2004-05, and equal to the generation that is currently projected for FY 2005-06. Power sales are very dependent on stream flows, which in turn are dependent on the weather, so it is difficult to predict future power sales from year to year. The division also plans to transfer \$200,000 to the General Fund for general City purposes in the coming year.

Changes in Services

No significant changes are anticipated in FY 2006-07.

Hydroelectric Power Division

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
BUREAU OF WATER WORKS						
Hydroelectric Power Division						
Hydroelectric Power Administration						
Effectiveness						
Power Sold to PGE (mwh)	97,814	72,510	79,488	65,612	84,200	84,200
Efficiency						
Transfer of Hydropower Profits to General Fund	\$150,000	\$200,000	\$200,000	\$300,000	\$815,000	\$200,000
Workload						
Hydropower Project Monitoring Reports	2	2	2	2	2	2

Hydroelectric Power Division

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	200,423	208,137	266,222	284,020	284,020
External Materials and Services	163,512	36,150	884,022	105,000	155,000
Internal Materials and Services	155,927	156,581	170,960	186,633	186,633
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	519,862	400,868	1,321,204	575,653	625,653
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 519,862	\$ 400,868	\$ 1,321,204	\$ 575,653	\$ 625,653
Allocated Overhead	54,426	50,423	58,026	59,350	59,350
Total Cost with Allocated Overhead	574,288	451,291	1,379,230	635,003	685,003
RESOURCES					
Hydroelectric Power Operating Fund	519,862	400,868	1,321,204	575,653	625,653
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Hydroelectric Power Administration	519,862	400,868	1,321,204	575,653	625,653
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>2.60</i>
TOTAL PROGRAMS	\$ 519,862	\$ 400,868	\$ 1,321,204	\$ 575,653	\$ 625,653
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>2.60</i>

Hydroelectric Power Division

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	1.00	1.00	1.00	27,024	1.00	38,568	0.00	0
2534	Applications Analyst IV	1.00	1.00	1.00	78,168	1.00	78,168	0.00	0
7651	Engineer, Supervising	1.00	0.00	0.00	0	0.00	0	0.00	0
7601	Hydro Power Project Manager	0.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7602	Assistant Hydro Power Project Mgr.	0.00	0.00	0.00	0	0.00	0	1.00	68,292
TOTAL FULL-TIME POSITIONS		3.00	3.00	3.00	\$ 192,972	3.00	\$ 204,516	2.00	\$ 156,072
2534	Applications Analyst IV	0.00	0.00	0.00	0	0.00	0	0.60	46,896
TOTAL PART-TIME POSITIONS		0.00	0.00	0.00	\$ 0	0.00	\$ 0	0.60	\$ 46,896

Hydroelectric Power Division

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	583,480	0	583,480	3.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(5,463)	0	(5,463)	0.00	Interagency adjustments
	(2,364)	0	(2,364)	0.00	Health care cost savings
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	None
Approved Budget Additions and Reductions					
	50,000	0	50,000	0.00	Additional anticipated maintenance project
	0	0	0	(0.40)	Reduce one full-time position to part-time
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	42,173	0	42,173	(0.40)	Total FY 2006-07 Decision Packages
			\$ 625,653	2.60	Total Adopted Budget



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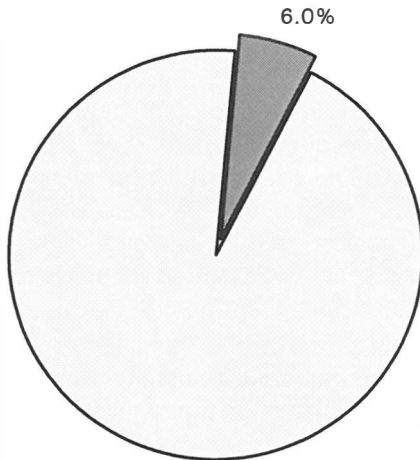
Community Development

Bureau of Housing and Community Development
 Bureau of Development Services
 Children's Investment Fund
 Cable Communications and Franchise Management

Office of Sustainable Development
 Office of Neighborhood Involvement
 Bureau of Planning

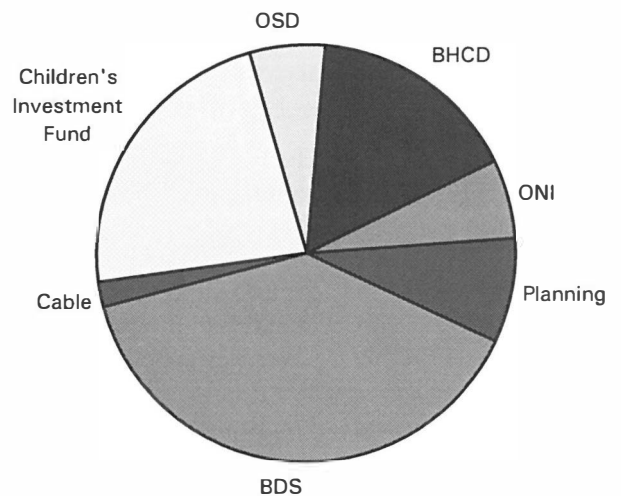
Percent of City Budget

Com Dev = \$94.7 Million



City Budget = \$1.58 Billion

Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	86,163,476	94,701,768	8,538,292	9.9%
Capital	0	0	0	0.0%
Total Expenditures	\$ 86,163,476	\$ 94,701,768	\$ 8,538,292	\$ 9.9%
Authorized Positions	474.41	482.12	7.71	1.6%

Service Area Highlights

DESCRIPTION

The Community Development service area includes programs in the Bureau of Development Services, Bureau of Housing and Community Development, Bureau of Planning, Office of Cable Communications and Franchise Management, Office of Neighborhood Involvement, Office of Sustainable Development, and the Children's Investment Fund. There are several new initiatives for FY 2006-07 in this service area.

MAJOR THEMES

Bureau of Development Services

The Bureau of Development Services (BDS) implements the City's policies, plans, and codes related to land use, building, and plumbing. The bureau ensures compliance with site-related regulations, such as erosion control, grading, and onsite stormwater treatment and disposal. BDS also enforces the zoning code, as well as structural, mechanical, plumbing, and electrical codes.

The FY 2006-07 Adopted Budget for BDS is over \$36.8 million. This represents a 9.9% increase over the FY 2005-06 Revised Budget and a net addition of 28.92 FTE. The Neighborhood Inspection Team and its 18.80 filled positions will be transferred from the Office of Neighborhood Involvement to BDS. In addition, four positions will be added to expand services for permit customers, and one position will be created to improve the integrity of the permit data base system. BDS will add two positions to support the Clean River Rewards program and one limited-term position to continue the A-Board program.

Bureau of Housing and Community Development

The Bureau of Housing and Community Development (BHCD) manages federal funds channeled to the City by the U.S. Department of Housing and Urban Development. Entitlement grants include the Community Development Block Grant (CDBG), HOME, Housing for People with AIDS, and the Emergency Shelter grant. The bureau is meeting the challenge of declining federal entitlement funds (CDBG and HOME) by analyzing each program in light of its strategic goals to make the most effective use of these diminishing resources.

The FY 2006-07 Adopted Budget responds to decreasing and limited resources, the use of one-time only funding, the bureau's new strategic direction, and changing needs in programs and grant regulations.

The Adopted Budget addresses the reduction in federal funding and the expiration of one-time funds with approximately \$3.5 million in one-time General Fund discretionary directed to BHCD:

- ◆ The bureau is receiving approximately \$1.7 million in one-time General Fund discretionary funds to offset the loss of CDBG and HOME entitlement funds for housing and homeless services programs.
- ◆ An additional \$600,000 in one-time General Fund discretionary funding to offset (the \$600,000 also replaces \$309,000 of FY 2005-06 one-time General Fund discretionary from the HIF) and supplement the loss of the HOME American Dream Downpayment Initiative (ADDI) money.

- ◆ Economic Opportunity Initiative (funded in the current year from one-time grant and ongoing General Fund resources) funding is restored with \$500,000 in one-time General Fund discretionary.
- ◆ Approximately \$500,000 in one-time General Fund discretionary is used to restore a number of homeless services programs funded in a similar manner in the current year.
- ◆ The Healthy Homes initiative receives \$200,000 in one-time General Fund discretionary for methamphetamine house clean up.
- ◆ A portion (\$380,000) of the special appropriation for the Jail Bed Initiative is being moved to BHCD. The one-time General Fund discretionary money will provide wrap around services for people receiving housing through BHCD programs.

The Adopted Budget also adds General Fund discretionary resources (\$2.4 million one-time and \$432,500 ongoing) to the HIF for transfer to BHCD:

- ◆ The Transitions to Housing program is switched from one-time to ongoing funding in the amount of \$422,500.
- ◆ The Northwest Pilot Project program for homeless receives an additional \$10,000 in ongoing resources.
- ◆ Key Not a Card receives \$1.1 million in one-time resources.
- ◆ Affordable rental housing development and preservation programs receive \$1.3 million in one-time resources.

Bureau of Planning

The Bureau of Planning helps to set goals and to create long-range plans and strategies to guide Portland's future. The bureau's efforts are focused on managing growth, promoting livability and economic health, and preserving the city's heritage and environment.

The FY 2006-07 Adopted Budget includes funding from the Portland Development Commission in support of the Central City Planning program; one-time funding for a family housing prototype, technology upgrades, moving costs, and the Lower East Broadway Plan; and ongoing funding for the River Renaissance Initiative staff. The Adopted Budget also funds a code development position through an interagency agreement with the Bureau of Development Services, two positions assigned to the Community Visioning Project, and a housing demographer position.

Cable Communications and Franchise Management

The Office of Cable Communications and Franchise Management administers utility and telecommunications franchises, protects the public's interest in cable communications, and regulates private use of telecommunications public rights-of-way. To avoid further loss of public access to cable services provided by Portland Community Media and to prevent any loss of General Fund revenues, the bureau's Cable Communication and Utility Franchises programs were held harmless from General Fund reductions.

Office of Neighborhood Involvement

The Office of Neighborhood Involvement (ONI) continues to coordinate efforts to make the city's neighborhoods more livable and to promote meaningful and diverse civic participation. ONI's FY 2006-07 Adopted Budget decreased primarily due to the move of the Neighborhood Inspections Team program back to the Bureau of Development Services (BDS). Notable changes for FY 2006-07 include:

- ◆ Moving the Neighborhood Inspections Team program back to BDS - the move includes 19 positions and over \$2.0 million of expenditures and their offsetting revenues.
- ◆ A redirection of funds from the Elders in Action contract to support senior services through the Bureau of Housing and Community Development.

- ◆ Conversion of the Neighborhood Resource Center program manager position to a neighborhood programs coordinator position to provide more direct services to the community.
- ◆ Restoration of a \$500,000 Community Visioning and Empowerment Account - these funds will be used for a variety of purposes, including neighborhood grants and a Civic Leadership Academy for communities of color.
- ◆ Small Business funding to put resources directly into small business districts and associations.
- ◆ An additional \$80,000 for graffiti abatement to help hire more abatement work crews, coordinate targeted neighborhood cleanups, and invest in a graffiti intelligence tracking system.

Office of Sustainable Development

The Office of Sustainable Development (OSD) continues to pursue options to protect the City's economic, environmental, and public interest goals. OSD also oversees and regulates solid waste and recycling programs that operate within the city limits. Funding for OSD originates primarily from residential and commercial solid waste fees, grants, and charges to other bureaus. General Fund discretionary support, about \$936,000 in FY 2006-07, represents 17% of OSD's total budget of \$5.6 million. More than \$500,000 of OSD's budget is from grants, contracts, and agreements, as OSD continues to leverage City funding with non-City sources.

The FY 2006-07 Adopted Budget includes one-time funds to focus on economic development activities related to renewable energy. In addition, one-time funds are provided to continue the Sustainable Food Initiative as well as an enhanced effort to focus on improving the sustainability of City operations through the Mayor's Bureau Innovation Project #18.

\$83,000 of ongoing general fund resources are provided to continue the Block by Block Fix-it Fairs.

Children's Investment Fund

The Children's Investment Fund provides services to Portland's children with funds approved by the voters in a 2002 property tax levy. Under the terms of the ballot measure, these services are provided in three areas: early childhood, child abuse prevention and intervention, and after-school and mentoring. The ballot measure also limited the costs of administering the program to no more than 5% of expenditures.

The Children's Investment Fund contracts with other local governments and non-profit agencies to provide these services. Over 9,000 children receive assistance, through programs including Head Start, health education and outreach, parent education, child care, and after-school programs that combine academic support with recreation and parent involvement. There is also a leverage fund that encourages private donations and provides matching funds to supplement these donations.

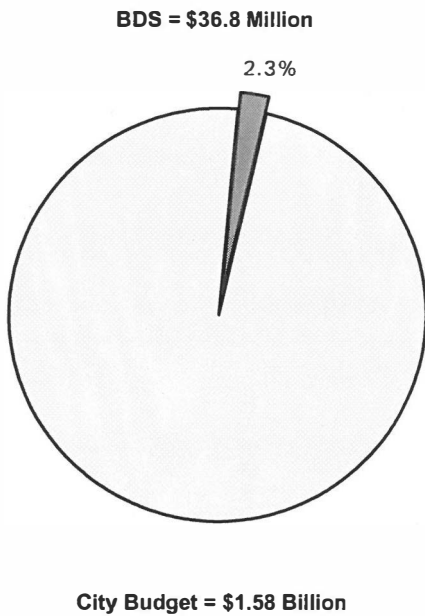
Bureau of Development Services

Community Development Service Area

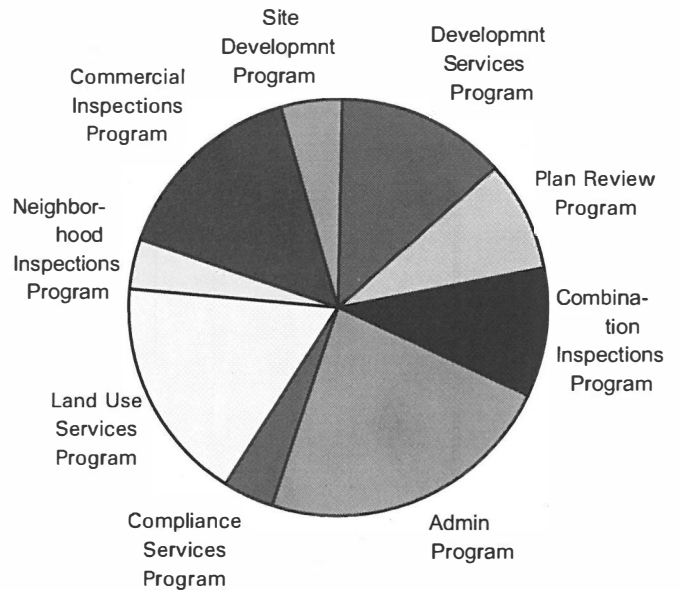
Randy Leonard, Commissioner-in-Charge

Paul Scarlett, Director

Percent of City Budget



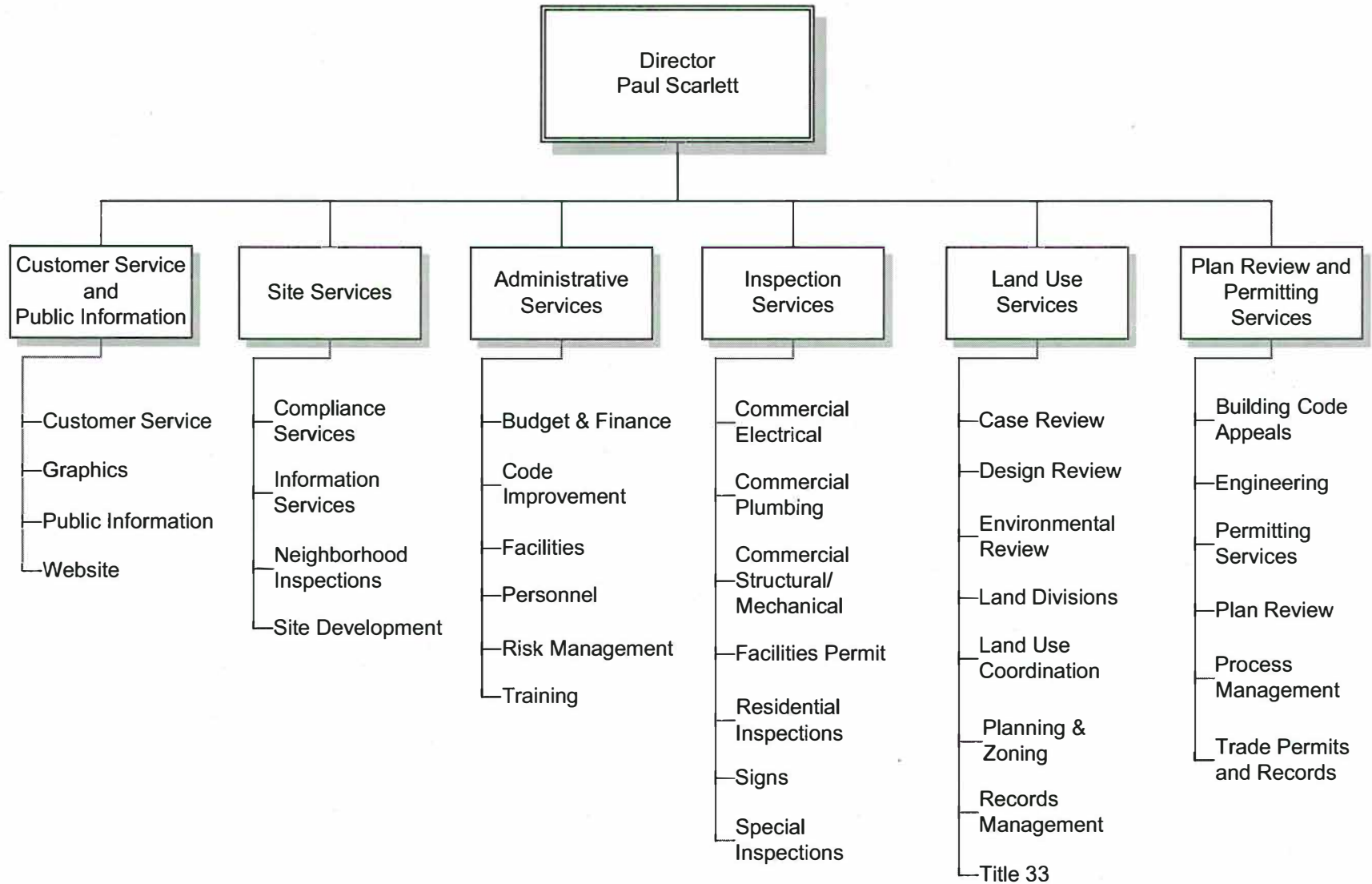
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	31,704,513	36,807,155	5,102,642	16.1%
Capital	0	0	0	0.0%
Total Expenditures	\$ 31,704,513	\$ 36,807,155	\$ 5,102,642	\$ 16.1%
Authorized Positions	291.13	320.05	28.92	9.9%

Bureau of Development Services



Bureau Summary

BUREAU MISSION

The Bureau of Development Services (BDS) promotes safety, livability, and economic vitality through efficient and collaborative application of building and development codes.

VISION AND VALUES

To meet the needs of the community, we pursue the following goals:

- ◆ Promote community vitality, and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations.
- ◆ Provide cooperative and responsive internal and external customer service.
- ◆ Process all bureau functions efficiently.
- ◆ Support continual professional growth of the workforce and organization through education, technology, and diversity.
- ◆ Create a collaborative workplace that promotes mutual respect through trust, fairness, and open communication.

Our values include:

- ◆ Dedication to public service
- ◆ Pride in our work
- ◆ Care for the long-term viability of our community
- ◆ Recognition of the worth, quality, and importance of each employee and member of the community
- ◆ Support of continual learning, education, and innovation

BUREAU OVERVIEW

General Description

The Bureau of Development Services is an integral part of development in the City of Portland. Bureau staff works with developers, builders, and homeowners to guide them through the development process. The Adopted Budget for BDS is \$36.8 million which supports a staff of 320 employees and is funded primarily through fees. The bureau manages programs that ensure construction and land use codes are followed, and is instrumental in enhancing the safety of buildings and the livability of Portland's neighborhoods. To this end, staff reviews construction plans, issues permits, and inspects industrial, commercial, and residential construction to ensure compliance. The bureau also provides permit records, answers customer inquiries about the development review process, tracks plans, and provides early assistance for customers all the way through permit issuance. BDS is responsible for implementing the City's land use policies, plans, and codes through the review of proposed development, and ensures compliance with site-related regulations such as erosion control, grading, and onsite stormwater treatment and disposal. The bureau also enforces the zoning code, as well as structural, mechanical, plumbing, and electrical code violation cases.

Customer Service Culture

Over the last two years BDS has undertaken significant organizational, cultural, and program changes in an effort to become the best development services agency in the country. These changes include an updated mission statement, an ongoing cultural change process focused on collaboration and problem solving with customers and employees, the fostering of a customer service ethic, and a strategic effort to create nontraditional programs and services targeted at specific, ever-changing customer needs.

The success of these change efforts can be seen in the results of the bureau's customer telephone survey, conducted annually since 2002. In 2005, customer satisfaction ratings continued to improve in virtually all areas: plan review, land use review, permitting, and inspection services.

State Statutes and Administrative Rules

BDS enforces a variety of state and local statutes.

The City is required to enforce the state-adopted codes with state-certified personnel. In addition to the programs assumed from the state, BDS is assigned responsibility by the City Council for administering a variety of regulations adopted within the City Code. The largest of these is the application and administration of the Planning and Zoning Code under Title 33 of the City Code. BDS is also responsible for Floating Structures (Title 28), Erosion Control (Title 10), Signs (Title 32), Noise Control (Title 18), and Property Maintenance Regulations (Title 29).

SUMMARY OF BUDGET DECISIONS

Neighborhood Inspections Team Returning to BDS

The Neighborhood Inspections Team (NIT) is returning from the Office of Neighborhood Involvement to BDS effective July 1, 2006. NIT responds to complaints regarding substandard housing and other property maintenance issues and administers Title 29, the Property Maintenance Code.

Support for Planning Position

BDS has agreed to provide \$83,688 to support a Code Development position in the Bureau of Planning (BOP) which BOP had cut in its budget. BDS's support for this position is in addition to interagency agreements between Planning and BDS.

Three Percent General Fund Reduction

General Fund monies provide partial support to the bureau's Land Use Services (LUS) program and Noise Control, with the bulk of the funds going to LUS. In order to fund a 3% General Fund reduction, the LUS budget was reduced by transferring one assistant business systems analyst position to the Administration program. This is consistent with the bureau's practices regarding technical support. As a result of the transfer, the position will provide technical support to all areas of the bureau.

Direct Customer Service Improvements

The LMC identified several changes that will support and improve the bureau's frontline services to customers:

- ◆ The Major Projects Group, an inter-bureau program designed to facilitate City review and permitting processes for larger development projects, will meet customers' needs by expanding the program beyond South Waterfront for a total of five new projects per year.
- ◆ The bureau will improve its ability to consistently meet customer service goals and increased workloads in the Development Services Center.

- ◆ The bureau will increase customer outreach and education efforts and begin new outreach programs.

Technological and Other Enhancements

The following technological and other enhancements will make permit-related data more accessible to customers and improve staff efficiency.

- ◆ Staff in Compliance Services will test the effectiveness of downloading data from TRACS (BDS's permit tracking database) to handheld or laptop devices, using the devices in the field, and then uploading the data to TRACS at the end of the day.
- ◆ The bureau will provide additional data management to help ensure the accuracy of permit and property data in TRACS.
- ◆ The bureau will acquire additional space within the 1900 Building for existing staff and future growth. The bureau will also create a multi-purpose space for its Information Services staff and process improvement projects and training.
- ◆ BDS will initiate the first phase of a multi-year wireless project with the eventual goal of allowing inspectors to update and retrieve information from TRACS in real-time from the field.
- ◆ BDS will execute the first phase of a five-year plan to make hard-copy building and property records and histories available to customers online.

BUDGET NOTES

The Bureau of Development Services will prepare a report on the financial and programmatic status of the Signs Program in general and on the A-Board program in particular. The report should demonstrate the degree to which the program's processes are consistent with the program's objectives as set forth by Council.

Strategic Direction

SIGNIFICANT ISSUES

City Council Focus Areas

The bureau's work contributes to three of the Council's focus areas:

Sustainable Economic Development

As a key partner in development in the city, BDS plays a major role in promoting sustainable economic development through its primary functions of land use review, plan review, permitting, and inspections. Maintaining adequate staffing enables BDS to perform its functions in a timely and efficient manner for its customers by allowing more rapid construction approvals and occupancy of structures. In addition, the bureau establishes relationships with small business owners and organizations and provides resources and staff expertise to help these businesses navigate the development process. The Major Projects Group facilitates the planning review and permitting processes for the South Waterfront development, which creates jobs, economic development, and a vibrant new waterfront community.

Public Safety and Emergency Preparedness

BDS is updating Annex 17 (Damage Assessment) of the City's Basic Emergency Services Plan. This document provides a comprehensive plan for the bureau's role in assessing and recording damage to structures resulting from a disaster or other major emergency in the City. The bureau will begin training and implementation of the new annex in 2006.

Energy Alternatives

BDS partners with the Office of Sustainable Development on "Project Green Build: Optimizing the Building Development Review and Inspection Process to Encourage High Performance Building Practices." BDS staff also participates on the Green Building Advisory Team (GBAT), made up of members from several City bureaus. GBAT works with City project teams to implement relevant Green Building Policy directives in City-owned projects.

Functional Labor/Management System

In 2002, the BDS Labor Management Committee was created. The LMC is a body of represented employees and managers who work collaboratively to address issues facing the bureau. Successes of this model include alternative methods of dispute resolution, improved communication, and the development of the FY 2005-06 and FY 2006-07 budget submittals.

Maintaining Stability

Over the last two years BDS has undertaken significant organizational, cultural, and program changes in an effort to become the best development services agency in the country. Given the success of those changes, the bureau's focus in the near term is on firmly establishing and maintaining the changes while continuing to provide traditional services and programs that have proven to be efficient and effective. Maintaining adequate staffing levels and consistency in service delivery are crucial to providing reliable, timely services that meet customers' needs.

Expanding on Innovations

BDS will also seek to expand on innovative programs and services that have been launched in the last few years and that have proven popular with customers. As part of this effort, the bureau will continue to dialogue with customers about their needs and to build collaborative partnerships with other bureaus and agencies involved in the development process in order to foster creative ideas and solutions to customers' issues. BDS must continue to innovate and evolve to meet customers' ever-changing needs.

Maximizing Resources

Another major focus area for the bureau is maximizing resources by streamlining the permit and development processes. The bureau is exploring and implementing cross-training staff in various programs aimed at improving customer service and saving time and money. Some examples include the Concept-to-Construction and Complaint-to-Compliance.

Neighborhood Inspections Returning to BDS

The Neighborhood Inspections Program will return to BDS from the Office of Neighborhood Involvement on July 1, 2006. Neighborhood Inspections responds to citizen complaints regarding substandard housing and other property maintenance issues.

The successful reintegration of these services into the bureau's Compliance Services Program will focus on providing services that help property owners achieve compliance with City codes at the lowest enforcement level.

MANAGEMENT GOALS & OBJECTIVES**Promote community vitality, and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations.**

BDS assists customers in complying with applicable codes and regulations by promoting reasonable and appropriate codes, engaging in proactive outreach to customers and the community, and offering innovative programs and services in response to customer needs. The bureau approaches code enforcement as a collaborative partner in the development process.

Provide cooperative and responsive internal and external customer service.

Over the last two years, one of the bureau's highest priorities has been establishing a customer service culture. BDS's work involves all of the stakeholders in the development and compliance processes - neighbors, business owners, code violators, developers, and other bureaus and government agencies. Central to this approach is treating customers with respect, dignity, and understanding. Each employee is empowered and responsible to be a collaborative problem solver in assisting customers through the development process. Efforts include an ongoing cultural change process focused on collaboration and problem solving with customers and employees, and a strategic effort to create non traditional programs and services targeted at specific, ever-changing customer needs.

Process all bureau functions efficiently.

All BDS employees are given the responsibility to seek efficiencies in their own work and in other bureau programs and processes. The bureau also uses a process-improvement model, cross-functional work groups, and other strategies to target specific bureau divisions or programs for efficiency improvements. Recent efficiency improvements include providing more permit and property information to customers online; expanding the Facilities Permit, Field Issuance Remodel, and Major Projects Group, which facilitate faster plan review, permit issuance, and inspections; and applying new technologies that will allow inspectors to spend more time in the field.

Support continual professional growth of the workforce and organization through education, technology, and diversity.

The bureau supports its employees by providing a variety of training and other professional growth programs geared toward meeting the employees' educational and development needs. The bureau ensures that certified staff obtains the continuing education necessary to maintain their certifications, and all BDS employees are given the opportunity to create individualized professional development plans based on their short- and long-term career goals. Staff are also provided with the technological tools and training required for their work. Finally, the bureau's Diversity Committee has begun the implementation of a Diversity Development Program. The bureau's Administrative program supports this goal.

Create a collaborative workplace that promotes mutual respect through trust, fairness, and open communication.

The bureau has a wide variety of employee/management teams that focus on bureau-wide issues, including the Labor Management Committee, Diversity Committee, Safety Committee, and the Green Team. In addition, the bureau promotes a culture of supporting not only external customer services but also internal customer service, and strives to keep lines of communication open by creating opportunities for teams to meet and work across divisional boundaries.

Overview of Programs

ADMINISTRATION PROGRAM

Description The Administration Program provides overall direction to the bureau so all program objectives are met. Included within this program's budget are the Office of the Director, budget, emergency management, finance, human resources, training, code development, communications, customer service, information technology, loss control/risk management, general reception, and office management.

Relationship to Goals The Administration program supports the Citywide goal to protect and enhance the natural and built environment and all of the bureau-level goals mentioned previously.

Changes to Services and Activities **Living Smart: Providing Creative Solutions for Infill Development in Residential Neighborhoods**

The Living Smart Project, which included a worldwide design competition in 2004, encourages the use of good design, maintaining the unique character of Portland neighborhoods and creating new single-family homes on narrow infill building lots. BDS has contracted with two of the contest-winning designers to provide permit-ready plans, thereby giving customers the ability to purchase building plans specifically designed for narrow infill lots. Use of these plans will result in faster plan reviews and will encourage positive development on small infill lots.

Diversity Development

The bureau's Diversity Committee has begun the implementation of its Diversity Development Plan. Elements of the plan include recruitment outreach, employee training, and a trainee (apprenticeship) program.

Recruitment Outreach

BDS has stepped up its recruitment outreach efforts by developing a customized outreach plan for each open competitive recruitment. The bureau uses a combination of personal contacts, e-mail, web sites, flyers and newspaper advertising to promote openings, with a focus on reaching more diverse populations. These efforts have resulted in a general increase in the number of qualified applicants and greater representation from historically underserved groups.

Outreach to Limited-English Speaking Customers

The bureau is making a concerted effort to conduct outreach to limited-English speaking customers regarding the bureau's services through meetings in community centers, churches, and other arenas serving these communities. The bureau has also contracted with a local organization to increase the number of informational handouts available in multiple languages, add signage in multiple languages in the Development Services Center, and provide language interpretation for customers as needed.

Participation at Neighborhood Fairs

In January 2005, BDS staff began participating with the City's Office of Sustainable Development and Portland General Electric in quarterly Neighborhood Fix-It Fairs. These events are geared toward homeowners and provide opportunities for outreach regarding permits, inspections, and other bureau services. BDS has recently begun offering plumbing workshops for attendees in addition to staffing an information booth.

COMMERCIAL INSPECTIONS PROGRAM

Description

The Commercial Inspections Program performs state-mandated construction inspections on industrial, commercial, and multi-family construction projects in Portland and the urban services area of Multnomah County. The inspections provided under this program ensure compliance with the state's structural, mechanical, plumbing, and electrical codes, as well as the City's sign, planning, zoning, and site development codes. The Commercial Inspections Program is composed of several sections: Structural/Mechanical, Electrical, Signs, Plumbing, Special Inspections, and the Facility Permit Program.

Relationship to Goals

The Commercial Inspections program supports the Citywide goal to protect and enhance the natural and built environment and all of the bureau-level goals mentioned previously.

Performance

The number of commercial inspections has decreased from just under 77,000 in FY 2003-04 to just over 65,000 in FY 2004-05 due to a recent correction made in the way inspections of multifamily dwellings were counted. Counting practices in the field had been altered over time, leading to higher numbers that did not necessarily reflect a greater volume of work. The revised method of calculating inspections more accurately represents the number of inspections and is more in line with the way the bureau has counted these inspections historically. The bureau estimates that the number of inspections will remain at 65,000 for FY 2005-06.

The number of inspections per day, per inspector decreased from 14.81 in FY 2003-04 to 12.81 in FY 2004-05, which is a more reasonable level. Since FY 2002-03, the percentage of inspections made within 24 hours of request has remained constant at 98-99%.

Changes to Services and Activities

Expansion of the Facility Permit Program (FPP)

FPP was created in FY 1998-99 to offer streamlined plan review, process management, permitting, and inspection services for interior tenant improvement projects. The program has just completed a multi-year expansion, growing to more than 90 clients and 500 buildings.

Wireless Office Project

The bureau is beginning work on a multi-year, phased project with the eventual goal of allowing inspectors to work primarily from their cars, with limited time spent in the office. The first phase will involve establishing the viability of wireless technology (handheld or laptop devices) in the field, which will build on the success of the City's "Unwire Portland" project underway in 2006. If successful, the program could result in improved service for customers and substantial savings for the bureau in terms of office space and infrastructure.

COMPLIANCE SERVICES PROGRAM

Description The Compliance Services Program processes construction code violation cases and enforces the City's Zoning Code. Program staff inspects and approves zoning permits and ensures compliance with Title 33 zoning requirements. This program also administers home occupation permit issuance, responds to inquiries and complaints concerning construction and site-related issues, and resolves structural, mechanical, plumbing, and electrical code violation cases. Compliance Services also includes the Dangerous Building and MultiFamily Inspections programs. In FY 2005-06, Noise Control returned to the Compliance Services Program from the Office of Neighborhood Involvement.

Relationship to Goals The Compliance Services Program supports the Citywide goal to protect and enhance the natural and built environment and all of the bureau-level goals mentioned previously.

Performance The number of cases presented to the code hearings officer decreased significantly from 38 cases in FY 2001-02 to 19 cases in FY 2004-05, because the program has focused on working more with property owners to resolve violations without formal enforcement. From FY 2003-04 to FY 2004-05 the workload remained fairly constant; the number of planning and zoning violation cases decreased slightly (from 6,182 to 6,020), while the number of home occupation permits issued remained at about 150. In addition, the number of properties assessed code enforcement penalties decreased significantly from 124 in FY 2003-04 to 82 in FY 2004-05.

Changes to Services and Activities

Remote Access Pilot

In FY 2006-07, selected Compliance Services staff will be provided with information devices (handhelds or laptops) that will allow them to download data from TRACS (BDS's permit tracking database) in the office, enter data throughout the day in the field, and then upload the data to TRACS at day's end. This field testing will help determine whether the use of these tools will increase the inspector's efficiency and availability in the field.

North Portland Environmental Noise Project

The BDS Noise Control office is preparing to issue a contract to conduct an impact study of noise-related activities at Portland International Raceway on the surrounding neighborhoods. The bureau anticipates that the study will be completed by December 2006.

COMBINATION INSPECTIONS PROGRAM

Description The Combination Inspections Program administers the Oregon One- and Two-Family Dwelling Specialty Code. In this program, the goal is for all inspectors to obtain state certification in all four specialties: structural, mechanical, plumbing, and electrical. Currently 15 of 23 inspectors have all four certifications. This approach saves contractors time and money in scheduling inspections and allows the City to perform more inspections with fewer staff.

The section's training program requires many hours of both classroom and field instruction, necessitating a considerable investment in staffing to cover requested inspections. However, studies indicate that cost savings have been realized, and other jurisdictions have recognized the quality of Portland's training program and are using it as a model.

Relationship to Goals	The Combination Inspections Program supports the Citywide goal to protect and enhance the natural and built environment and all of the bureau-level goals mentioned previously.
Performance	The percentage of inspections made within 24 hours of request has remained constant at 98%. The average number of inspections per day that each inspector makes is expected to return to the goal of 20 per day. It has been higher since FY 2002-03 due to the high number of permits and inadequate staffing levels. The number of residential inspections is expected to peak at 105,000 in FY 2005-06, and then return to a more manageable level of 98,000 in FY 2006-07 based on a projected reduction in residential development.
Changes to Services and Activities	Implementation of Field Issuance Remodel (FIR) Program The successful FIR Pilot program has grown from 10 to 21 participating contractors in the last year, with plans to expand to 40 contractors in the spring 2006. FIR offers streamlined plan review, permit issuance, and inspection services to participating contractors for residential remodels and additions. FIR will be fully implemented in FY 2006-07.

LAND USE SERVICES PROGRAM

Description	<p>The Land Use Services Program is responsible for implementing the goals and policies of the City's Comprehensive Plan, including neighborhood and community plans. This is done specifically through administering the Portland Zoning Code (Title 33 of the City Code) which now includes the City's Land Division Code, Metro's Functional Plan, the Oregon State Transportation Planning Rule, and Oregon State Land Use Goals. LUS is divided into three areas.</p> <ul style="list-style-type: none">◆ Planning and Zoning reviews building permits to ensure conformance with Title 33 and provide information to the public.◆ Case Review is responsible for review and recommendation on quasi-judicial land use reviews as specified by Title 33.◆ Records Management provides support for the legally mandated record keeping and public notice functions related to land use reviews.
Relationship to Goals	LUS supports the Citywide goal to protect and enhance the natural and built environment and all of the bureau-level goals mentioned previously.
Performance	As the strong local economy has spurred development, the number of land use reviews processed has continued to rise, from 659 in FY 2002-03 to 897 in FY 2004-05. The number of zoning plan checks also increased from 4,938 in FY 2003-04 to 5,297 in FY 2004-05.
Changes to Services and Activities	Development Services Fee/Staffing The Development Services fee, enacted by City Council in May 2005, is helping to ameliorate chronic funding and staffing issues for LUS. Once positions are filled and the staff trained, turnaround times on permit reviews and land use reviews should be reduced.

Early Assistance for Customers

In an effort to help customers avoid costly delays, LUS has implemented three new services aimed at identifying potential problems earlier in the land use process. The Early Assistance Appointment provides customers with information to assist them in preparing their subdivision or environmental review applications. The Design Advice Request allows customers to put together an early conceptual design, prior to submittal of a Design Review application, and take it to the Design Commission for a preliminary feedback. Finally, LUS offers customers the Early Plan Review. Prior to submittal of a building permit application, while a project is only partially designed, a customer can get a preliminary plan check for zoning related issues, with a written list of any issues or problems. All of these services have been well received, as they save customers time and money by alerting them to potential problems earlier in the process.

Expanding the Use of TRACS

LUS continues to assist other bureaus involved in development services to obtain and expand their use of TRACS for the coordination of various land use reviews. Other bureau staff are starting to electronically scan plans and store them and other documents in TRACS for easy access and retrieval by all affected bureaus.

DEVELOPMENT SERVICES PROGRAM

Description

The Development Services Program manages the flow of the public permitting process from early assistance for customers planning their projects to maintaining the records for completed projects.

Resource/Records and Trade Permit staffs review and issue well over 30,000 plumbing, electrical, mechanical, and sign permits each year; maintain historical building permit records; and assist customers with inquiries regarding permit history, land use decisions, and utility location. Permitting Services staff performs intakes and initial checks for completeness of building permit applications, assigns projects to technical reviewers, tracks the reviews, and issues permits once reviews are completed. Process managers guide customers with large and complex projects through the standard permitting process and provide higher-level assistance through the Major Projects Group. Small Business staff provides resources and expertise to small business owners seeking to develop or expand their businesses.

Relationship to Goals

The Development Services program supports the Citywide goal to protect and enhance the natural and built environment and all of the bureau-level goals mentioned previously.

Performance

The percentage of building permits issued over-the-counter the same day as permit intake remains stable at approximately 60%. The percentage of pre-issuance checks completed within two working days of last review has fallen due to an increased workload and staffing issues within the workgroup. The percentage of permits eligible for the Money Back Guarantee program remains constant at 99%.

The number of building permits (commercial and residential combined) has increased from 8,828 in FY 2000-01 to 10,238 in FY 2004-05. The number of other (electrical, plumbing, mechanical, and signs) permit types issued has increased over the same period from a combined total of 33,506 in FY 2000-01 to 41,156 in FY 2004-05.

Changes to Services and Activities

SMART Program Expansion

The SMART Program (Specific Measurable Attainable Results-oriented and Time-based) is a continuous quality improvement program that was launched three years ago with the goal of improving bureau processes and programs. In FY 2005-06, SMART planned to expand its scope beyond the Development Services Program and broaden its reach into other areas of the bureau. Due to staffing issues the planned expansion did not take place in FY 2005-06, but SMART will start in FY 2006-07.

Major Projects Group (MPG)

MPG is an inter-bureau effort designed to facilitate City review and permitting processes for larger development projects. Currently MPG's work is limited to the South Waterfront project. MPG continues to grow with South Waterfront, which has expanded in the last year from two to four blocks under active construction. Two additional blocks are enrolled in MPG and are under design. Two positions will be added in FY 2006-07 and will allow MPG to expand and take up to five new projects including South Waterfront each year.

Permits Online

In fall 2005, BDS began testing a program to issue trade permits (electrical, plumbing, and mechanical) over the Internet. This program became available to all trade permit customers in spring 2006. The program will be closely monitored to determine customers' use and acceptance.

SITE DEVELOPMENT PROGRAM

Description

The Site Development Program includes plan review for geo-technical, flood plain, grading, private street, and site preparation issues, as well as onsite stormwater treatment/disposal and erosion control requirements on private property. Staff reviews all land use cases, identifying any land suitability issues and conditions. Field staff performs all related inspections, including those required by the Stormwater Manual, Trees and Landscaping requirements for Titles 20 and 33, and all required erosion control measures.

Environmental Soils staff works with property owners who have subsurface sanitary systems in need of repair, replacement, or disposal as the City provides public sanitary systems for their use. The City Sanitarian is located in this program.

Relationship to Goals

The Site Development Program supports the Citywide goal to protect and enhance the natural and built environment and all of the bureau-level goals mentioned previously.

Performance

The percentage of inspections made within 24 hours of request remains constant at 99%. The average time to first checksheet, which dipped to 8.27 days in FY 2004-05, is projected to return to 11 days in FY 2005-06.

The number of site development inspections remains at approximately 9,800 per year, while the number of plan reviews remains at approximately 5,300 per year.

Changes to Services and Activities

Streamline Onsite Stormwater Requirement

In FY 2006-07, BDS will streamline the tools available to customers to meet onsite stormwater requirements by enhancing web tools and maps. The bureau will also review internal procedures and make adjustments to provide timely, efficient review and inspection services for these facilities. BDS is cooperating with the Bureau of Environmental Services' Clean River Rewards initiative by assisting property owners with the necessary permits.

PLAN REVIEW PROGRAM

Description

The Plan Review Program reviews and approves building and mechanical permits for residential and commercial structures. Plans Examiners review building projects and provide general information on life safety, energy conservation, accessibility, and related building issues. They assist permit applicants to understand building codes and the review process in order to successfully obtain permits for their projects.

Relationship to Goals

The Plan Review Program supports the Citywide goal to protect and enhance the natural and built environment and all of the bureau-level goals mentioned previously.

Performance

The program's performance in meeting review timeframes has been improving in the last few years as a result of a continued focus on improvement. The percentage of residential plans reviewed within scheduled end dates has increased from 63% in FY 2002-03 to a projected 83% in FY 2005-06, while the percentage for commercial plans has increased from 57% in FY 2002-03 to a projected 68% in FY 2005-06. These improvements occurred even as the program's workload has increased.

Changes to Services and Activities

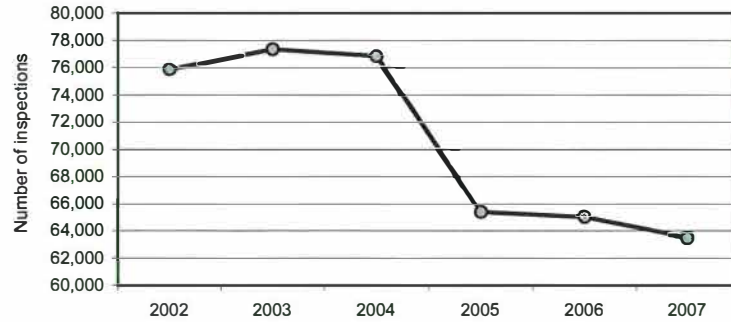
New Single-Family Residence (NSFR) Plans

Since April 1, 2004, the bureau has provided two methods for customers to submit NSFR plans. The Fast Track was created for highly experienced builders who submit all but the most complex plans, and assures applicants approval of their plans within 10 working days. The Customer Assistance Track is designed for customers who need more assistance with the permitting process or who would benefit from the information provided through a complete review. A third track, the Batch Track, has now been added to expedite permitting for customers who are building multiple houses within the same subdivision. This program allows both intake and plan review in batches, resulting in greater efficiency for both customers and City staff.

Performance Measures

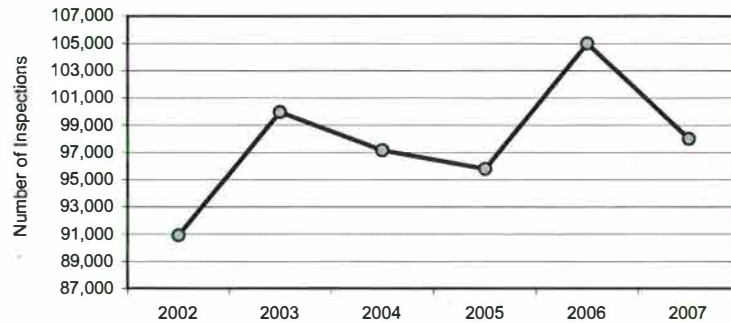
Commercial Inspections

- ◆ Commercial inspections decreased in FY 2004-05 due to a correction in the way inspections are counted.



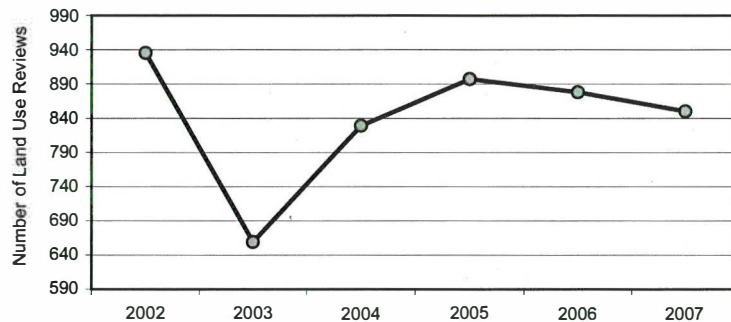
Residential Inspections

- ◆ Residential inspections are expected to peak in FY 2005-06 due to an increased number of residential permits prompted by lower interest rates. The number of inspections is projected to decrease in FY 2006-07 due to an expected decrease in the number of residential permits.



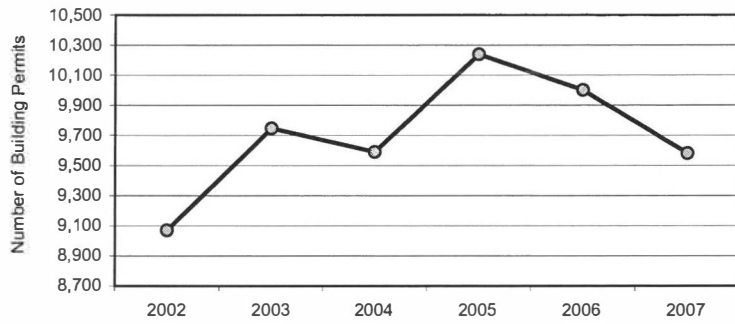
Land Use Review Applications

- ◆ The number of land use applications is projected to remain stable.



Total Commerical & Residential Building Permits

- ◆ The number of building permits is expected to decrease in FY 2006-07 due to anticipated higher interest rates.



Bureau of Development Services

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
BUREAU OF DEVELOPMENT SERVICES						
Commercial Inspections Program						
Effectiveness						
Number of inspections per day, per inspector	13.65	13.84	14.81	12.81	15.50	15.00
Percent of inspections made within 24 hours of request	95%	99%	98%	98%	98%	98%
Workload						
Commercial inspections	75,858	77,328	76,820	65,381	65,000	63,500
Compliance Services Program						
Workload						
Enforcement cases prepared and presented to code hearings officer	38	13	15	19	19	20
Zoning code violation statistics (cases, inspections, and letters)	4,859	5,423	6,182	6,020	6,020	6,020
Home occupation permits	135	142	151	149	150	150
Number of properties assessed code enforcement fees	334	130	124	82	80	80
Noise violation inspections	673	505	680	525	550	550
Noise variances processed	339	292	334	387	352	350
Noise code violation cases	NA	535	565	643	630	675
Combination Inspections Program						
Effectiveness						
Number of inspections per day, per inspector	18.68	21.50	22.84	21.71	24.00	20.00
Percent of inspections made within 24 hours of request	99%	99%	98%	98%	98%	98%
Efficiency						
Number of inspection trips reduced due to multi-certified inspectors	17,515	19,745	19,758	19,309	19,900	19,000
Workload						
Residential inspections	90,917	99,948	97,143	95,793	105,000	98,000
Land Use Services Program						
Effectiveness						
Percent of customers rating the overall quality of the land use review process as Very Good or Good	72%	79%	75%	84%	82%	83%
Efficiency						
Percent of customers very satisfied or satisfied with land use review timeliness	NA	80%	74%	79%	78%	80%
Workload						
Land use review applications	935	659	829	897	878	850
Zoning plan check applications	4,996	5,058	4,938	5,297	6,000	5,500
Development Services Program						
Efficiency						
Percentage of building permits issued over the counter the same day as intake	62%	66%	63%	60%	60%	60%
Pre-issuance checks completed within two working days of last review approval	NA	97%	87%	75%	60%	75%
Percent of permits eligible for Money Back Guarantee program	NA	99%	99%	99%	99%	99%
Workload						
Building permits - commercial	3,394	3,738	3,485	4,022	4,000	3,880
Building permits - residential	5,676	6,008	6,105	6,216	6,000	5,700

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
Total building permits (commercial and residential)	9,070	9,746	9,590	10,238	10,000	9,580
Electrical permits	14,533	15,457	16,212	17,452	17,800	17,300
Mechanical permits	9,008	9,965	10,056	11,057	12,000	11,600
Plumbing permits	9,707	10,671	10,815	11,734	11,200	10,800
Sign permits	968	836	882	913	890	863
Site Development Program						
Effectiveness						
Average number of working days to first checksheet	15.60	18.80	11.00	8.27	10.00	10.00
Percent of inspections made within 24 hours of request	97%	99%	99%	99%	99%	99%
Workload						
Site development inspections	6,966	7,993	9,776	9,843	9,800	9,900
Site development plan reviews	5,824	5,728	5,270	5,313	5,300	5,300
Plan Review Program						
Effectiveness						
Percent of residential plans reviewed by all bureaus within scheduled end dates	67%	72%	70%	79%	83%	85%
Percentage of commercial plans reviewed by all bureaus within scheduled end dates	60%	64%	57%	69%	68%	75%

Bureau of Development Services

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	19,612,684	21,262,072	23,904,250	27,422,241	27,630,633
External Materials and Services	1,330,556	1,266,499	1,596,042	2,257,594	2,055,922
Internal Materials and Services	5,385,358	5,669,234	6,204,221	7,122,421	7,120,600
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	26,328,598	28,197,805	31,704,513	36,802,256	36,807,155
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 26,328,598	\$ 28,197,805	\$ 31,704,513	\$ 36,802,256	\$ 36,807,155
Allocated Overhead	1,198,440	856,318	771,634	1,095,056	1,095,056
Total Cost with Allocated Overhead	27,527,038	29,054,123	32,476,147	37,897,312	37,902,211
RESOURCES					
Discretionary Revenues					
General Fund	1,143,072	1,153,361	1,349,837	1,762,083	1,762,083
General Reserve Fund	0	0	0	92,750	92,750
Total Discretionary Revenues	1,143,072	1,153,361	1,349,837	1,854,833	1,854,833
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
General Reserve Fund	0	0	0	0	0
Interagency Agreements	138,458	208,701	127,596	473,926	473,926
Cash Transfers	100,000	0	0	0	0
Bureau Program Revenue	24,947,068	26,835,743	30,227,080	34,473,497	34,478,396
Overhead Revenue	0	0	0	0	0
Total Non-Discretionary Revenues	25,185,526	27,044,444	30,354,676	34,947,423	34,952,322
TOTAL RESOURCES	\$ 26,328,598	\$ 28,197,805	\$ 31,704,513	\$ 36,802,256	\$ 36,807,155
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Administration Program	5,599,241	6,321,995	6,908,726	8,690,875	8,496,096
<i>Positions</i>	<i>29.28</i>	<i>35.80</i>	<i>31.70</i>	<i>33.24</i>	<i>29.24</i>
Commercial Inspections Program	4,577,438	4,992,653	5,223,124	5,570,018	5,570,018
<i>Positions</i>	<i>56.20</i>	<i>57.40</i>	<i>56.50</i>	<i>56.25</i>	<i>56.25</i>
Compliance Services Program	1,016,407	952,151	1,370,558	1,399,975	1,399,975
<i>Positions</i>	<i>12.85</i>	<i>12.65</i>	<i>15.65</i>	<i>15.89</i>	<i>15.89</i>
Combination Inspections Program	2,938,934	3,145,953	3,425,558	3,630,031	3,719,791
<i>Positions</i>	<i>35.50</i>	<i>33.90</i>	<i>34.88</i>	<i>36.45</i>	<i>38.45</i>
Land Use Services Program	4,888,213	4,974,291	6,109,270	6,445,462	6,452,842
<i>Positions</i>	<i>59.05</i>	<i>58.19</i>	<i>67.60</i>	<i>68.95</i>	<i>69.05</i>
Neighborhood Inspections Program	0	0	0	1,474,540	1,487,978
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>18.80</i>	<i>18.80</i>
Development Services Program	3,527,355	3,962,115	4,234,294	4,681,199	4,726,079
<i>Positions</i>	<i>32.50</i>	<i>34.10</i>	<i>37.90</i>	<i>42.00</i>	<i>43.00</i>
Site Development Program	1,196,442	1,344,258	1,488,248	1,829,557	1,784,077
<i>Positions</i>	<i>15.37</i>	<i>16.00</i>	<i>17.00</i>	<i>16.37</i>	<i>18.37</i>
Plan Review Program	2,584,568	2,504,389	2,944,735	3,080,599	3,170,299
<i>Positions</i>	<i>29.50</i>	<i>28.90</i>	<i>29.90</i>	<i>29.50</i>	<i>31.00</i>
TOTAL PROGRAMS	\$ 26,328,598	\$ 28,197,805	\$ 31,704,513	\$ 36,802,256	\$ 36,807,155
<i>Positions</i>	<i>270.25</i>	<i>276.94</i>	<i>291.13</i>	<i>317.45</i>	<i>320.05</i>

Bureau of Development Services

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06		FY 2006-07		FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0131	Customer Accts Spec I	2.00	2.00	2.00	81,192	2.00	83,040	2.00	83,040
0100	Office Supp Spec I	5.00	6.00	6.00	182,816	7.00	231,648	7.00	231,648
0102	Office Supp Spec II	12.00	11.90	12.80	467,461	16.00	600,878	16.00	600,878
0104	Office Supp Spec III	8.00	7.50	7.00	304,698	8.00	375,012	8.00	375,012
0106	Office Supp Spec Lead	2.00	1.00	1.00	44,472	1.00	45,516	1.00	45,516
2159	Senior Site Development Insp.	0.00	1.00	1.00	69,672	1.00	71,280	1.00	71,280
7103	Administrative Assistant	2.00	1.00	2.00	101,196	2.00	106,729	2.00	106,729
7102	Administrative Specialist, Sr	3.00	3.95	3.00	150,502	5.00	251,236	5.00	251,236
7106	Administrative Supervisor I	0.00	1.00	0.00	0.00	1.00	63,984	1.00	63,984
7107	Administrative Supervisor II	2.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
2532	Applications Analyst II	3.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00
2534	Applications Analyst IV	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2140	Building Inspector II	10.00	11.00	13.00	759,429	13.00	806,601	13.00	806,601
2141	Building Inspector, Senior	9.00	11.00	12.00	810,234	12.00	846,982	12.00	846,982
7113	Business Operations Mgr, Sr	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
7110	Business Operations Supervisor	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
7121	Business Systems Analyst	1.00	1.00	2.00	134,328	2.00	134,328	2.00	134,328
7120	Business Systems Analyst, Asst	3.00	3.00	2.00	87,444	3.00	140,096	3.00	140,096
6132	City Planner I	10.00	4.80	6.00	281,732	6.00	301,382	6.00	301,382
6133	City Planner II	21.00	24.10	26.60	1,415,742	26.90	1,560,603	27.00	1,566,603
2201	Code Specialist I	0.00	0.00	4.00	110,496	4.00	113,088	4.00	113,088
2202	Code Specialist II	5.00	4.90	5.90	258,005	7.00	326,114	7.00	326,114
2204	Code Specialist III	0.00	0.00	0.00	0.00	1.00	50,940	1.00	50,940
2127	Combination Inspector	20.00	17.90	17.90	1,183,807	18.00	1,219,752	18.00	1,219,752
2128	Combination Inspector, Senior	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6044	Dev Services Project Coord	5.00	5.60	6.40	378,751	7.00	466,992	7.00	466,992
6041	Dev Services Tech I	15.00	14.84	14.00	537,108	14.00	588,066	14.00	588,066
6042	Dev Services Tech II	10.00	10.80	13.90	669,961	15.00	791,670	15.00	791,670
6043	Dev Services Tech III	1.00	1.00	1.00	54,348	1.00	59,592	1.00	59,592
7074	Development Services Director	1.00	1.00	1.00	134,928	1.00	134,928	1.00	134,928
7767	Development Supervisor	2.00	2.00	2.00	145,248	2.00	148,152	2.00	148,152
2122	Electrical Inspector	9.00	10.00	9.00	537,973	9.00	565,965	9.00	565,965
2124	Electrical Inspector, Senior	6.00	7.00	7.00	485,238	7.00	498,960	7.00	498,960
6112	Engineer	11.00	11.50	11.00	778,793	12.00	902,560	12.00	902,560
7650	Engineer, Senior	1.00	1.00	1.00	79,812	1.00	81,892	1.00	81,892
7651	Engineer, Supervising	1.00	1.00	2.00	166,212	2.00	168,528	2.00	168,528
6110	Engineering Associate	1.00	1.00	1.00	59,928	1.00	62,520	1.00	62,520
6022	Engineering Technician II	0.00	0.00	1.00	42,600	1.00	49,008	2.00	99,876
6023	Engineering Technician III	0.00	0.00	0.00	0.00	0.00	0.00	1.00	60,024
7795	Environ Planner, Suprvsng	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2105	Environmental Soils Inspector	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2106	Environmental Soils Inspector Sr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7775	Facilities Prog Supervisor	1.00	1.00	1.00	78,588	1.00	81,536	1.00	81,536
7376	Financial Analyst	0.00	1.00	2.00	113,244	2.00	115,692	2.00	115,692
7375	Financial Analyst, Assistant	2.00	1.90	0.90	54,828	1.00	60,924	1.00	60,924
6121	Graphics Designer I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6122	Graphics Designer II	0.00	1.00	1.00	44,877	1.00	49,211	1.00	49,211
7769	Housing Inspection Supervisor	0.00	0.00	0.00	0.00	1.00	73,848	1.00	73,848
2135	Housing Inspector	0.00	0.00	0.00	0.00	7.00	341,892	7.00	341,892
2136	Housing Inspector, Senior	0.00	0.00	0.00	0.00	1.80	107,640	1.80	107,640
7771	Inspection Manager	3.00	3.00	3.00	291,576	3.00	294,909	3.00	294,909
7770	Inspection Supervisor	8.00	6.90	6.98	595,887	7.00	606,946	7.00	606,946
6003	Landscape Architect	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7131	Management Analyst	3.00	4.00	3.00	161,940	2.00	125,940	2.00	125,940
7132	Management Analyst, Senior	0.00	2.00	2.00	142,500	2.00	145,604	2.00	145,604
7130	Management Assistant	0.00	1.00	1.00	49,728	1.00	50,408	1.00	50,408
7773	Noise Control Officer	0.00	0.00	1.00	70,596	1.00	70,596	1.00	70,596
7760	Plan Review Code Specialist	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7761	Plan Review Supervisor	1.00	1.00	1.00	77,646	1.00	80,826	1.00	80,826
7752	Planner, Supervising	4.00	5.00	6.00	477,243	6.00	486,809	6.00	486,809
3221	Plans Examiner, Commercial	15.00	12.90	12.90	815,722	14.00	921,788	14.00	921,788
3225	Plans Examiner, Senior	2.00	4.00	3.40	230,516	3.50	250,552	4.00	286,672
2110	Plumbing Inspector	8.00	7.00	7.00	422,702	7.00	439,557	7.00	439,557
2111	Plumbing Inspector, Senior	4.00	5.00	5.00	338,880	5.00	356,400	5.00	356,400
7753	Principal Planner	2.00	2.00	1.00	92,412	1.00	96,204	1.00	96,204
7154	Program Coordinator	0.00	0.90	0.90	55,080	1.00	65,019	1.00	65,019
7153	Program Specialist	1.00	0.00	0.00	0.00	1.00	62,148	1.00	62,148
7152	Program Specialist, Assistant	0.00	2.00	2.95	142,158	3.00	151,582	3.00	151,582
7208	Public Information Manager	1.00	1.00	1.00	78,017	1.00	81,087	1.00	81,087

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
6134	Senior City Planner	13.00	12.90	15.70	938,552	16.00	1,043,652	16.00	1,043,652
6111	Senior Engineering Associate	1.00	1.00	1.00	60,184	1.00	65,995	1.00	65,995
2158	Site Development Inspector I	2.00	0.00	1.00	50,876	1.00	54,648	1.00	54,648
2160	Site Development Inspector II	2.00	5.00	4.00	245,232	4.00	253,920	4.00	253,920
7271	Training and Development Officer	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
TOTAL FULL-TIME POSITIONS		266.00	272.29	284.23	\$ 16,545,938	310.20	\$ 18,786,203	312.80	\$ 18,939,215
0100	Office Supp Spec I	0.50	0.50	0.50	17,064	0.50	17,460	0.50	17,460
0102	Office Supp Spec II	0.70	0.70	0.70	22,440	0.70	24,453	0.70	24,453
6132	City Planner I	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6133	City Planner II	1.55	2.05	2.30	117,938	2.05	117,714	2.05	117,714
2202	Code Specialist II	0.50	0.90	0.90	38,589	0.50	23,868	0.50	23,868
6130	Planning Assistant	0.00	0.00	2.00	54,708	2.00	57,186	2.00	57,186
3220	Plans Examiner, Residential	0.50	0.50	0.50	26,700	0.50	27,324	0.50	27,324
TOTAL PART-TIME POSITIONS		4.25	4.65	6.90	\$ 277,439	6.25	\$ 268,005	6.25	\$ 268,005
2201	Code Specialist I	0.00	0.00	0.00	0.00	1.00	34,608	1.00	34,608
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.00	\$ 0	1.00	\$ 34,608	1.00	\$ 34,608

Bureau of Development Services

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	33,639,955	0	33,639,955	292.65	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(297,503)	0	(297,503)	0.00	Move BHR IA to General Fund Overhead at fund
	(182,010)	0	(182,010)	0.00	Reduce health care costs
	(66,277)	0	(66,277)	0.00	Technical adjustment
Mayor's Proposed Budget Decisions					
	192,865	361,000	553,865	0.00	Additional Office Space
	284,727	0	284,727	3.00	Expanded Services for Permit Customers
	214,569	140,000	354,569	1.00	Technological Improvements
	0	60,609	60,609	1.00	Continue A-Board
	75,333	0	75,333	1.00	Customer Service Expansion
	0	0	0	0.00	3% General Fund Reduction
	2,053,104	15,000	2,068,104	18.80	BDS_07 NIT Transfers to BDS
	83,688	0	83,688	0.00	Increase IA with Planning for code development
	227,196	0	227,196	0.00	Increase IA with BES for Clean River Rewards
Approved Budget Additions and Reductions					
	0	0	0	2.00	2 new FTE for BES IA - reallocate existing budget
Adopted Budget Additions and Reductions					
	52,200	0	52,200	0.60	Add FTE and budget to correct error in FTE count
	(47,301)	0	(47,301)	0.00	Correction to budget for NIT and BES Clean River
	2,590,591	576,609	3,167,200	27.40	Total FY 2006-07 Decision Packages
			\$ 36,807,155	320.05	Total Adopted Budget



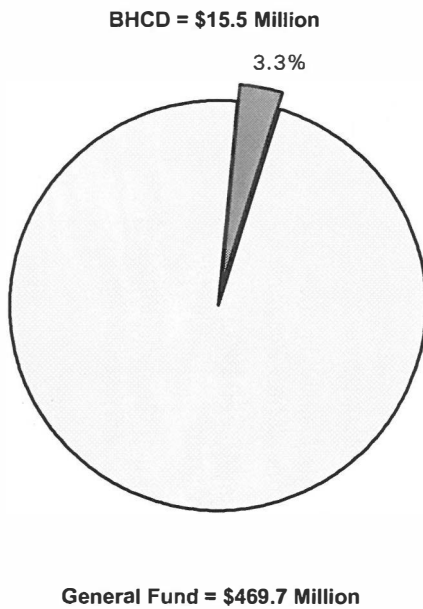
Bureau of Housing and Community Development

Community Development Service Area

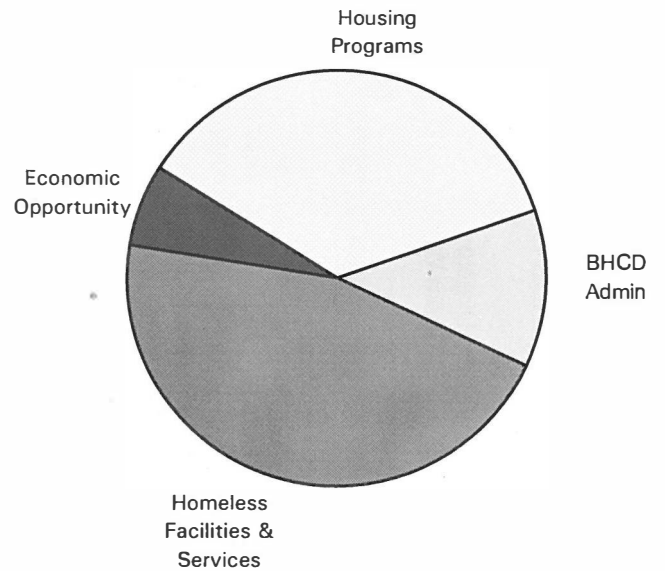
Erik Sten, Commissioner-in-Charge

William White, Director

Percent of General Fund



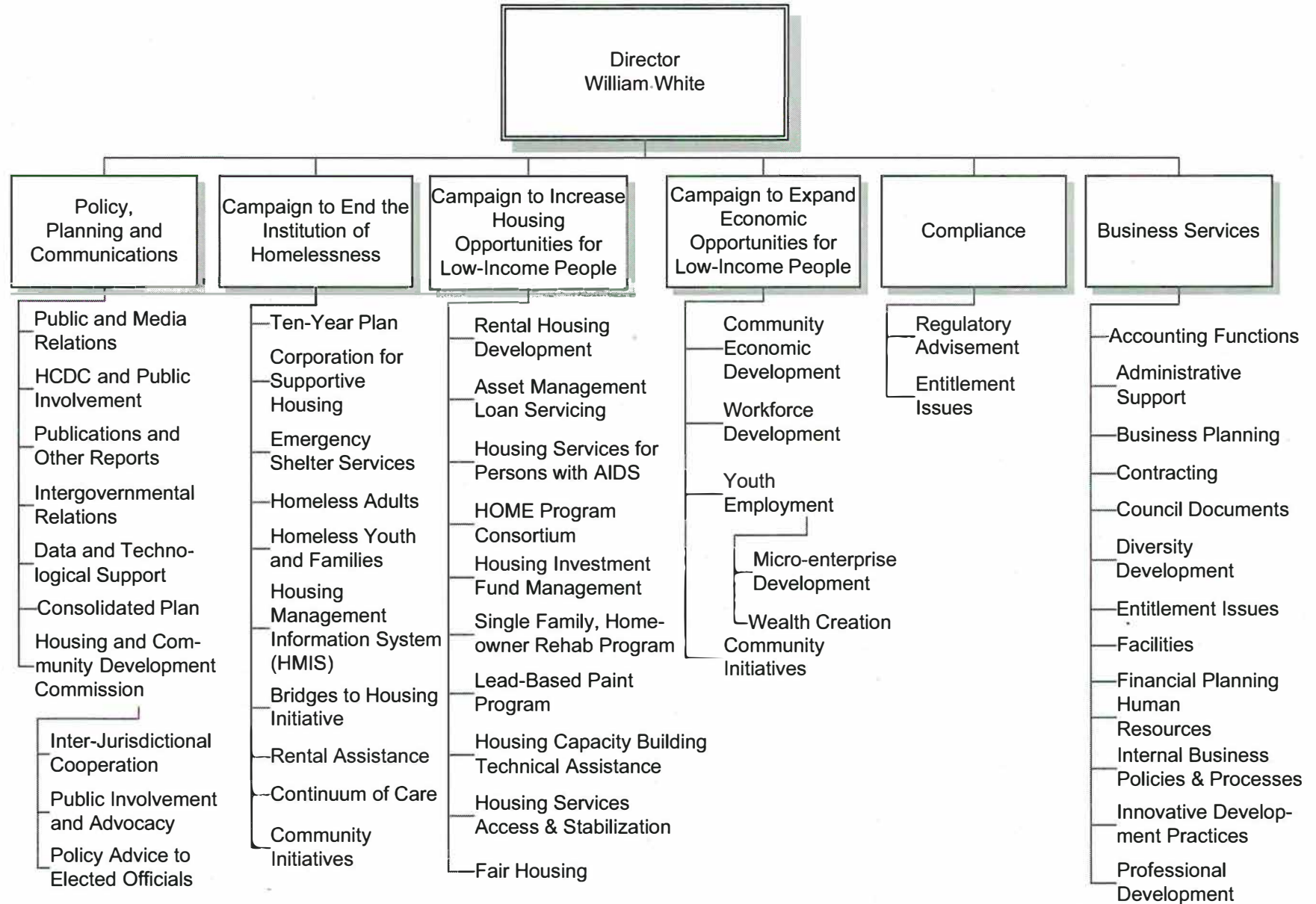
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	48,171,638	37,449,228	-9,772,410	-20.6%
Capital	0	0	0	0.0%
Total Expenditures	\$ 48,171,638	\$ 37,449,228	\$ -9,772,410	\$ -20.6%
Authorized Positions	27.36	26.46	-0.90	-3.3%

Bureau of Housing and Community Development



Bureau Summary

BUREAU MISSION

The mission of the Bureau of Housing and Community Development is to make Portland a more livable city for all by bringing low-income people and community resources together.

VISION AND VALUES

Vision

The vision of the Bureau of Housing and Community Development is a city with strong communities built on a foundation of affordable housing and economic opportunity for all.

Values

The bureau's operations are guided by the following values:

- ◆ Involvement of low-income citizens and communities who most closely experience the problems of poverty in identifying and prioritizing their needs and solutions.
- ◆ Collaboration with citizens, City Council, community-based organizations, service providers, and other public agencies to develop and implement community development programs.
- ◆ Continual assessment of needs and evaluation of programs to ensure the effectiveness and efficiency of all programs.
- ◆ Creative exploration of new ways of meeting community needs and leveraging scarce public resources.
- ◆ Accountability and compliance with regulations governing bureau funding.
- ◆ High standards of accountability to the community.
- ◆ Recognition of the contributions of citizens, staff, and other partners in the bureau's accomplishments.

BUREAU OVERVIEW

The Bureau of Housing and Community Development (BHCD) is responsible for developing and managing policy and programs to address the housing and economic needs of Portland's lower-income families. BHCD stewards federal entitlement and competitive grant funds granted to the City by the U.S. Department of Housing and Urban Development (HUD), and other federal agencies.

Federal and Local Resources

BHCD receives the vast majority of its federal resources from the HUD, through four entitlement grant programs: the Community Development Block Grant (CDBG), HOME, Housing for People with AIDS (HOPWA), and the Emergency Shelter Grant (ESG). The amount BHCD receives from these grants is set by formula. BHCD also receives a number of other competitive categorical grants for homeless services and other community development programs. All federal funds are subject to restrictions on use, and cap the amount that may be spent on administration.

In FY 2006-07, BHCD will receive a total of \$16.2 million for the four entitlement grants. This represents a decrease of 8% from FY 2005-06 and a 13% cut from FY 2004-05 funding levels. All indications are that BHCD's federal funding will continue to decrease, given current federal budget priorities.

Bureau staff provides centralized support for the planning, tracking, reporting, and evaluation of all federal grant funds and local resources. The total budget from these sources exceeds \$30 million.

BHCD also manages General Fund and Housing Investment Fund (HIF) resources appropriated by Council. These flexible resources are used at Council's direction to fund a variety of programs that advance City housing and economic opportunity goals.

Community-driven Strategic Plan

In FY 2003-04, the bureau completed a community-based strategic planning process, which involved extensive outreach and discussions with existing community contractors, other community organizations, and representatives of specific communities of color. BHCD staff worked with these groups and individuals in focus groups, workshops, and open discussions to identify community needs and establish goals.

The result of this outreach was a consensus that BHCD should focus its efforts on three campaigns with measurable outcomes:

- 1) Campaign I: End the institution of homelessness in ten years
- 2) Campaign II: Increase the range of housing opportunities for low-income people
- 3) Campaign III: Expand opportunities for low-income residents to improve their economic situation

The BHCD strategic plan reflects community consensus that BHCD should concentrate its staff and fiscal resources on the very lowest-income residents, the quarter of Portland households living with incomes at or below 50% of median family income (\$33,950 per year for a family of four).

BHCD has developed implementation strategies for each of its three campaigns based on evidence-based best practices.

In August 2004, BHCD launched its Economic Opportunity Initiative (EOI), based on national and local research demonstrating that small, comprehensive programs were most effective at helping low-income people increase their income and assets. The goal of the EOI is to increase the incomes of its participants by 25% over three years. In its first year and a half, the initiative's portfolio of more than 30 microenterprise and workforce programs has already touched over 1,200 adult and youth participants. Preliminary reports from the EOI's outside evaluators indicate that program participants are already showing income and asset increases on track to exceed the initiative's ambitious targets.

In January 2005, capping a long planning process characterized by extensive public involvement, the Citizens' Commission on Homelessness launched Home Again: A Ten-Year Plan to End Homelessness in Multnomah County. This groundbreaking plan set an aggressive agenda for the community and local government to partner to end homelessness. Staff are preparing a report that will demonstrate every target set by the Citizens' Commission was exceeded in the first year.

BHCD's housing team has long been recognized as a national leader in community development. Housing program staff are working actively to increase the supply of permanent supportive housing, in support of the Ten-Year Plan to End Homelessness; to preserve existing affordable housing in an accelerating housing market; to close the minority homeowner gap; and to identify new resources for affordable housing.

Operations

Contracting: BHCD does not provide direct service. BHCD contracts with numerous public and private nonprofit organizations to provide services to lower-income residents and neighborhoods, and manages those contracts for both effectiveness and compliance with HUD regulations.

Policy and planning: BHCD has Citywide policy and planning responsibilities for homelessness, affordable housing, and community services issues, as well as local economic opportunity policy. BHCD is the designated lead agency for the Multnomah County Consolidated Plan Consortium. In that role, BHCD provides staffing support to the Housing and Community Development Commission, a citizen advisory body.

The HOME and HOPWA grant consortiums: BHCD is the lead agency for two regional grant consortiums: HOME and HOPWA. The HOME consortium includes Portland, Gresham, and Multnomah County, and funds affordable housing development. The HOPWA consortium includes Portland and Multnomah, Washington, Clackamas, Yamhill, and Columbia counties in Oregon, as well as Clark and Skamania counties in Washington. HOPWA funds housing and facility development, as well as services, for persons with HIV/AIDS.

On the program side, BHCD is organized into three campaign teams (the housing, homelessness, and economic opportunity teams) under the leadership of a senior program manager. The fiscal and administrative teams operate under the leadership of a business operations manager. The bureau also has a compliance officer and a policy, planning, and communications team. The senior program manager, business operations manager, communications manager, and compliance officer report to the director.

SUMMARY OF BUDGET DECISIONS

The FY 2006-07 Adopted Budget responds to decreasing and limited resources, the use of one-time only funding, the bureau's new strategic direction, and changing needs in programs and grant regulations. Specific limitations that influenced Council decisions included:

- ◆ The CDBG entitlement for FY 2006-07 is \$10,433,400, a decrease of \$1,055,300 (9.2%) from FY 2005-06. This reduction is on top of a 5.1% reduction in the current year.
- ◆ The HOME entitlement for the consortium for FY 2006-07 is \$4,426,600, a decrease of \$351,900,154 (5.1%) from FY 2005-06. The American Dream Downpayment Initiative (ADDI) portion of this entitlement has been reduced to \$87,916, a 50.1% drop from FY 2005-06 funding levels.
- ◆ Two major portions of the homeless campaign (Transitions to Housing, Key Not a Card) were funded with one-time General Fund discretionary resources (\$1.8 million) in the HIF for FY 2005-06. Other significant homeless support efforts (Hooper Detox Center, JOIN Camper Outreach, Homeless Women Off the Streets) were also funded with one-time General Fund discretionary resources.
- ◆ Affordable rental housing development and preservation programs were funded with one-time General Fund discretionary resources of \$1 million in FY 2005-06.

Reductions were made in all three campaigns in order to achieve the initial 3% reduction of the ongoing general fund allocation. Specifically, the following activities will be reduced:

- ◆ Homeless Campaign - Reduce funding to four programs operated by Transitions Projects, Inc. by \$65,826. The allocation will decrease from \$484,076 to \$418,250.

- ◆ Housing Campaign - Reduce the funding level to the Oregon Bureau of Labor and Industries (BOLI) for civil rights enforcement by \$5,184. The allocation will decrease from \$20,184 to \$15,000, which better reflects utilization trend over the past few years. Reduced funding to the Housing Authority of Portland (HAP) for the administration of the Ready to Rent Program by \$4,151. The allocation will decrease from \$14,001 to \$9,850.
- ◆ Economic Opportunity Campaign - Reduce funding for technical assistance to nonprofit projects of the campaign initiative by \$9,538. The allocation will decrease from \$50,000 to \$29,292.

The Adopted Budget addresses the bureau's funding limitations with approximately \$3.5 million in one-time General Fund discretionary resources allocated directly to BHCD:

- ◆ The bureau is receiving approximately \$1.7 million in one-time General Fund discretionary funds to offset the loss of CDBG and HOME entitlement funds for housing and homeless services programs.
- ◆ An additional \$600,000 in one-time General Fund discretionary funding to offset and supplement the loss of the HOME ADDI money as well as one-time FY 2005-06 General Fund discretionary resources.
- ◆ EOI funding is restored with \$500,000 in one-time General Fund discretionary.
- ◆ Approximately \$500,000 in one-time General Fund discretionary is used to continue a number of homeless services programs funded in a similar manner in the current year.
- ◆ The Healthy Homes initiative receives \$200,000 in one-time General Fund discretionary for methamphetamine house clean-up.
- ◆ A portion (\$380,000) of the special appropriation for the Jail Bed Initiative is being moved to BHCD. The one-time General Fund discretionary money will provide wrap-around services for people receiving housing through BHCD programs.

The Adopted Budget also adds General Fund discretionary resources (\$2.4 million one-time and \$432,500 ongoing) to the HIF for transfer to BHCD:

- ◆ The Transitions to Housing program is switched from one-time to ongoing funding in the amount of \$422,500.
- ◆ The Northwest Pilot Project program for homeless seniors receives an additional \$10,000 in ongoing resources.
- ◆ Key Not a Card receives \$1.1 million in one-time resources.
- ◆ Affordable rental housing development and preservation programs receive \$1.3 million in one-time resources.

Program Changes

Internal Operations: The Adopted Budget staffing plan eliminates one administrative position (80% CDBG and 20% HOME funded) and adds one limited duration program position funded with additional resources from HUD's Homeless Management Information System grant and foundation funding from the Corporation for Supportive Housing.

Workforce Development: The appropriation for Workforce Development has been moved to BHCD from Special Appropriations. The bureau has been managing this appropriation for a number of years. The funding will continue to be used for workforce development activities with the current contractor.

Funding: The Adopted Budget reflects the inclusion of all BHCD program expenditures in the bureau budget. Previously, some program expenditures occurred in the HIF.

Presentation: The bureau budget reflects all funding sources (CDBG, HOME, and General Fund). This is a change from previous years' presentations.

BUDGET NOTES

The Bureau of Housing and Community Development will develop a financial plan by October 1 for sustainable funding of programs currently funded with one-time resources. The goal of this plan should be to minimize and eventually eliminate (within three years) the reliance on one-time funding for ongoing programs in order to minimize the risk to those served by these programs. In addition to addressing the loss of federal grant funding and local one-time resources, this financial plan should include a work plan to better coordinate housing and homeless services with the other service provider organizations in Multnomah County. One-time funds provided in FY 2006-07 should be considered a bridge to such a coordinated plan. The bureau should anticipate that the one-time bridge funding provided in FY 2006-07 will not necessarily be available in whole or in part in future years.

Strategic Direction

SIGNIFICANT ISSUES

The Changing Economy

Oregon's High Unemployment Rate

Oregon continues to have a higher rate of unemployment than the nation as a whole. In March 2005 Oregon's unemployment rate was still at 6.4%, while the national rate had fallen to 5.2%. The recession requires some special short-term efforts to address human needs and stimulate the hoped-for economic recovery. Although the bureau has fewer resources, it must think creatively and partner with others to prioritize activities and leverage funding that addresses the current crisis. The bureau's focus is on low- and moderate-income populations, often the most vulnerable during recessions.

Increasing Economic Opportunities: A People-Based Approach

During FY 2004-05 BHCD phased out the Target Area Designation program. In its place, a new model of community-directed economic opportunity is being developed. The new Economic Opportunity request for proposal for community-based initiatives is based on best practices in the field. This people-based approach responds to the economic disenfranchisement of Portland's lowest-income residents.

The Community Initiatives program will continue and will focus its efforts on low- to moderate-income populations, regardless of where they live geographically. It will identify populations and/or areas underserved by community resources and facilitate community efforts to identify and address community development concerns and issues.

Housing

The housing focus continues to be on production and preservation of affordable rental housing to meet community need.

Affordable Housing Preservation

During the past decade, the City has made a substantial investment in affordable rental housing. At the same time, what were affordable housing units are moving out of range of lower-income households. Over the past several years the bureau has worked with the Portland Development Commission (PDC) and the Housing Authority of Portland (HAP) in both preserving existing affordable housing and constructing new units. Preservation involves three related strategies:

- ◆ Preservation through sound management of the properties the City has made investments in during the past decade;
- ◆ Preservation of project-based Section 8 properties at risk of conversion;
- ◆ Acquisition of currently affordable rental housing to protect it from market rent increases.

The cooperative efforts of BHCD, PDC, and HAP have been seen in the consolidated funding RFPs that the agencies have offered over the past two years. This effort will continue, and with the Campaign to End Homelessness, there will be a stronger emphasis on "supported housing" - housing linked with social services to insure that individuals and families are able to stay in permanent housing.

Connecting People to Stable Housing

The Housing Connections program is a web-based housing information system developed by BHCD in partnership with the Bureau of Technology Services. It has created a single system to link people to the thousands of diverse, affordable units available.

Other efforts by the bureau and its community partners have been focused on linking social service funding to capital funding to develop special-needs housing, developing and tracking housing placement outcomes in the homeless service system, and developing innovative strategies for short-term rent assistance through the Transitions to Housing pilot projects.

Homelessness

Adoption of the Ten-Year Plan to End Homelessness will require long-term investment to meet the challenge.

At the direction of the Council, the bureau has undertaken become the City's lead agency in implementation of the Ten-Year Plan to End Homelessness. The plan calls for a shift in focus from temporary relief and sheltering to systemic changes that will provide rapid and lasting access to housing for all homeless residents.

The Ten-Year Plan to End Homelessness has three primary strategies:

- ◆ End chronic homelessness by increasing the supply of permanent, affordable, supportive housing;
- ◆ Relieve situational homelessness by increasing the supply of permanent, affordable housing and rapidly re-housing those who become homeless;
- ◆ Preventing homelessness by providing flexible assistance to deter evictions and respond to other housing crises.

Federal Acts and Regulations

Addressing lead-based paint hazards, relocating displaced residents, and complying with key federal regulations raises program costs.

Increased Enforcement of Federal Regulations

There are a number of federal regulations promulgated to protect the health, safety, and welfare of citizens with which the City must comply. Included are new regulations that address lead-based paint in affordable rental units, the Uniform Relocation Act, the Davis-Bacon prevailing wage rules, and a host of other federal regulatory conditions. Meeting these rules does not come without a cost. Many of the bureau's programs are affected, and as a result, these programs are completing fewer units of service with the same historic level of funding.

Restrictions on the Use of Community Development Block Grant

CDBG funding restricts the percentage of resources that can be spent on public services, such as services for the homeless, and on administration and planning. These two spending caps continue to be an issue, because lower total resources mean reduced spending on specific activities that are usually ongoing and address high priorities of the City Council. Most BHCD programs are affected by these caps, including homeless and housing services, youth employment, workforce development, and community and targeted initiatives. In addition, some of the emerging needs caused by state and county budget reductions are not eligible for CDBG funding. To reduce the pressure on the caps, the bureau continues to explore and pursue other options within the regulations.

MANAGEMENT GOALS & OBJECTIVES

The Three Campaigns The BHCD strategic plan recognizes the changing needs of low-income persons in our community. It also emphasizes the Bureau's role as a systems change agent and as a leader in accountability for effective and efficient use of community development funds.

The BHCD strategic plan is organized around three campaigns, each with a set of strategies.

Campaign I: End the Institution of Homelessness in 10 Years

- ◆ End chronic homelessness by increasing the supply of permanent affordable supportive housing.
- ◆ Leverage the City's housing development pipeline with services provided by mainstream systems of care such as health and mental health care providers.
- ◆ Use a Housing First approach focused on the hardest to house (i.e., get them in housing first, then address other needs).
- ◆ Relieve situational homelessness by increasing the supply of permanent affordable housing for very low-income persons and those who are financially at risk to become homeless, linked to housing services.
- ◆ Rapidly re-house and stabilize those who become homeless. Increase earning power through education, training, and jobs.
- ◆ Prevent homelessness by providing flexible assistance to deter evictions, and respond to other housing crises.
- ◆ Engage in comprehensive discharge planning from treatment facilities, jails, hospitals, and other institutions.
- ◆ Employ economic opportunity strategies.

Campaign II: Expand Opportunities for Low-Income Residents to Improve their Economic Condition

- ◆ Workforce Development: Short-term intensive training, placement, and retention of low income residents in career track jobs.
- ◆ Entrepreneurship through such approaches as Microenterprise Loan and Technical Assistance Programs, CD Venture Capital and Equity Infusion Models, and Sectoral Initiatives.
- ◆ Development of policies, resources, and alliances to ensure local economic programs benefit residents at 0-50% MFI.
- ◆ Income/Asset Improvements such as Individual Development Accounts (IDA's), Cooperative Ownership Initiatives, Resident Ownership Mechanisms (ROM's), and Property-Based Equity Development.

Campaign III: Increase the Range of Housing Opportunities for Low-Income People

Rental Housing:

1. Produce more 0-30% MFI units for households with special needs and/or defined as "hard to house."
2. Produce more family-sized units (FSUs) with three or more bedrooms.
3. Stabilize the existing subsidized portfolios, including expiring federally subsidized properties.
4. Support a community based infrastructure to own and manage affordable rental housing, emphasizing asset management capacities and organizing asset and property management systems across the broader portfolio.

5. Ensure that low-income families occupy "Healthy Homes," free from dangerous contaminants like lead, methamphetamine, mold, and mildew; and meeting basic code standards for safe occupancy.

Homeownership:

1. Continue current methods and explore new methods aimed to close the minority homeownership gap.
2. Assist in stabilizing existing low-income and frail elderly homeowners by responding to low-level maintenance issues before they deteriorate further.

Housing Services:

1. Streamline access to information about housing opportunities, rental assistance, and service linkages.
2. Target funding to services that have a proven ability to promote housing stability, particularly for households at 0-30% MFI.
3. Support services that promote fair housing and reduce disparities in access to housing opportunities.

Management Objectives

The bureau will be working toward the following administrative and management objectives during FY 2006-07:

- ◆ Maintain fiscal integrity and sound management of the City's housing and community development grant programs by providing the highest quality administrative services to achieve program goals in accordance with the City's Managing for Results initiative.
- ◆ Test, refine and implement a new program database using the BDS-licensed AMANDA environment that will improve the Bureau's ability to track contracts for programmatic results and fiscal integrity. These new tracking tools will improve the bureau's data systems in order to track outcomes and evaluate existing programs.
- ◆ Fully implement and evaluate the new compliance program under the appointed bureau compliance officer. Develop new tracking methods within the new database and train staff and contractors in new compliance methods.
- ◆ Complete implementation of the Homeless Management Information System (HMIS) to comprehensively evaluate and manage Homeless programs at over 100 agencies pursuant to the established goals in the Ten-Year Plan to End Homelessness.
- ◆ Develop creative and effective outreach efforts to economically, socially, and ethnically diverse populations in our community.
- ◆ Advance the internal action plan that calls for enhanced staff training on content focus areas, professional development and cultural competency.

Overview of Programs

HOUSING PROGRAMS

Description

Pursuant to the bureau's strategic plan, BHCD's Housing programs provide a range of affordable housing opportunities for lower income households, those households with incomes below 50% median family income (MFI). Housing activities focus on developing and preserving housing for people with the greatest need, including those who have historically had limited access to housing or who are particularly ill-equipped to compete in the housing market.

The vision of the Housing programs is that in five years:

- a) The city's stock of affordable rental housing targeting households between 0-50% median family income (MFI) will be increased. Among the new units will be larger family-sized units, and units specifically developed to be available and accessible to people who are homeless.
- b) Home ownership programs will have made significant progress towards closing the minority homeownership gap.
- c) Barriers to housing will have been removed and access to all housing will be streamlined.
- d) The health hazards of lead-based paint and mold will be reduced by focusing housing services on households with children.
- e) The financial stability of the City's portfolio of subsidized affordable rental housing and the nonprofit organizations that own and operate it will be assured.
- f) Low-income households, including special needs households, will have access to an array of housing services that will assist them to become stable tenants and to retain their housing arrangement of choice.
- g) People with HIV/AIDS will have better access to permanent supportive housing, either in new HOPWA-designated units or through housing placement services.

Programs focusing on the stock of affordable housing include capital funding for rental housing development (new construction, rehabilitation, and/or preservation); support for the nonprofit organizations that develop, own, and operate affordable housing; home repair for senior and/or disabled homeowners; financial assistance for low-income homebuyers; lead-based paint and mold hazard reduction; and support of the land trust model of homeownership to ensure permanent affordability of some housing stock in gentrifying neighborhoods.

Programs focusing on housing services include information and referral; homebuyer outreach and education; fair housing activities; relocation assistance; and housing placement and case management for people with HIV/AIDS.

Programs focusing on the stock of affordable housing include capital funding for rental housing development (new construction, rehabilitation, and/or preservation), support for the nonprofit organizations that develop, own, and operate affordable housing; senior homeowner repair, financial assistance for homebuyers, lead-based paint and mold hazard reduction; and support of the land trust model to ensure permanent affordability in gentrifying neighborhoods.

Programs focusing on housing services include information and referral, homebuyer outreach and education, fair housing activities, relocation assistance, and housing placement and case management for people with HIV/AIDS.

Relationship to Goals The BHCD Housing programs support the following City goals and Council Focus Areas:

City Goals

- ◆ Improve the quality of life in neighborhoods: This is the bureau's primary link, as BHCD focuses its resources on households with incomes at or beneath 50% of the median family income, to ensure they will enjoy housing choice across Portland's neighborhoods.
- ◆ Protect and enhance the natural and built environment: BHCD-funded housing development requires the use of PDC and City-adopted "green building" standards.
- ◆ Deliver efficient, effective, and accountable municipal services: All housing activity is undertaken in coordination and partnership with PDC, HAP, Multnomah County, other City bureaus, the Oregon Department of Housing and Community Services, and many community-based organizations. All activities are delivered based on contract agreements for product and/or service delivery. The Housing and Community Development Commission provides oversight.

Council Focus Areas

- ◆ Family-Friendly city: Housing RFP criteria favors proposals to develop affordable family-sized units. Services to reduce the hazards of lead-based paint and mold are focused on families with children.
- ◆ Energy alternatives: BHCD-funded housing development requires the use of PDC and City-adopted "green building" standards.
- ◆ Infrastructure: Under the City's "affordable housing preservation agenda," investments are made to retain affordability, improve the financial stability of the publicly funded affordable housing portfolio, and maintain the community's infrastructure of affordable housing.

Performance

The measures of success will be an increase in all of the following:

- ◆ The number of housing units programmed at 0-50% of MFI
- ◆ The number of "permanent supportive housing" units
- ◆ The number of new housing units with three or more bedrooms
- ◆ The percent of housing units in the portfolio that are financially stable
- ◆ The participation rate of minority residents in homebuyer programs
- ◆ The number of households with young children receiving lead-hazard reduction services
- ◆ The number of households receiving Fair Housing services
- ◆ The number of people with HIV/AIDS placed in permanent housing
- ◆ The number of senior or disabled homeowners receiving rehab services

Changes to Services and Activities

Current services levels were essentially maintained by the use of one-time resources. In addition, \$200,000 in one-time resources were added for the Healthy Homes initiative.

ECONOMIC OPPORTUNITY

Description	BHCD's Economic Opportunity program works to increase the income and assets of Portland's lowest-income households. Because no two people take the same route to income or asset creation, BHCD funds a wide array of projects for a variety of populations and career tracks. Projects follow core elements of best practice for microenterprise and workforce development. Support services and coaching to help participants overcome barriers to work are provided for up to three years. Employers are involved from the beginning in designing the training, sponsoring internships and committing to hire project graduates. Independent outcome evaluation has been a component of the program from the outset.
Relationship to Goals	The Economic Opportunity program supports the citywide goal to Improve the quality of life in neighborhoods. It supports livability by working with some of our most vulnerable residents, including some who were homeless at the time of enrollment, and others who have multiple barriers to work (e.g., physical disability, mental illness, substance abuse, lack of education). We estimate that there are 40,000 people between the ages of 18-65 in Portland with household incomes at or below 50% MFI (\$33,950 for a family of 4). BHCD had sufficient resources in FY 2005-06 to assist about 5% of these people. Within the next five years, BHCD hopes to identify resources that will allow us to reach a minimum of 10% of this low-income working age population.
Performance	<p>To measure success, BHCD will look at changes in income and assets, as well as job placement rates, small business growth, and job retention. For youth, educational achievement (i.e., G.E.D., community college degree) will also be considered an asset.</p> <p>Preliminary results show significant income or business revenue increases even in the first year of the program. Microentrepreneurs with existing businesses at the time of enrollment showed a 50% increase in revenue, from an average of \$37,193 to an average of \$55,931. The average annualized income gain for workforce participants at six months after placement was \$12,862.</p>
Changes to Services and Activities	<p>The EOI is primarily funded through CDBG, the most flexible of the federal entitlement grants. These CDBG funds have been augmented with resources from the Northwest Area Foundation, and United Way of the Columbia-Willamette. Current services levels were essentially maintained by the addition of one-time funds.</p> <p>The special appropriation for workforce development has been moved to BHCD from Special Appropriations.</p>

HOMELESS FACILITIES & SERVICES

Description	The Homeless Facilities and Services program supports the community's continuum of care for homeless individuals and families. Program activities include outreach services to homeless people living on the streets; winter emergency shelter; homeless shelter services, including special services to individuals with mental illness and alcohol and drug issues; transitional housing and rent assistance; housing placement into permanent housing; and the development and operation of homeless facilities for all homeless populations.
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BHCD anticipates that the 10-Year Plan to End Homelessness will result in significant program changes. Many of these changes will be implemented gradually over the 10-year period. The Plan does not require BHCD to cut any program in FY 2006-07 that has a direct impact on homeless people, and BHCD has no intention of doing so. BHCD will, however, continue to shift the direction of programs it funds to ensure that all existing programs are working to end people's homelessness. BHCD hopes to modify the existing system of homeless service to adults to better address the vast need, while keeping safety net options available for people who experience homelessness. In all programs, internally and externally, BHCD will continue efforts to streamline bureaucracy so that money flows directly to the people who need the assistance.

BHCD tracked nine action steps and related Plan outcomes for calendar year 2005. BHCD reported on these in periodic "Report Cards" on implementation of the Plan. In its first year of implementation BHCD and its community partners have shown significant success. Most impressive is that more than 600 chronically homeless people have been housed, 342% above our stated goal of housing 175.

The Homeless Facilities and Services program will:

- ◆ Gradually shift support toward rental assistance and housing services and away from shelters and facilities. We are already beginning to accomplish this with the transition of the Women's Emergency Night Shelter to the Women's Emergency Services Collaborative.
- ◆ Continue to direct affordable housing development funds to the development of additional units of permanent supportive housing affordable to households at 0-30% MFI.
- ◆ Lead BHCD to seek ongoing and expanded General Fund resources, foundation funding, and other support for Transitions to Housing and other efforts that successfully implement the Housing First approach. The "Key Not A Card" program, implemented this fiscal year, in an excellent example of a new program that moves homeless people swiftly into permanent housing.

Relationship to Goals The Homeless Facilities and Services program supports the Citywide goal to improve the quality of life in neighborhoods. It implements the 10-Year Plan to End Homelessness, adopted by Council in December 2004. Performance

In FY 2005-06, BHCD placed 1,535 homeless or at-risk individuals in more stable or permanent housing, including 600 chronically homeless adults. BHCD expects to serve almost as many people in FY 2006-07.

Changes to Services and Activities Current services levels were essentially maintained by the addition of one-time funds. In addition, \$380,000 for providing drug treatment services was moved from the special appropriation for the Jail Bed Initiative to BHCD.

OTHER COMMUNITY DEVELOPMENT

Description The Other Community Development program supports low- to moderate-income communities and neighborhood residents through projects that do not fit within the three primary campaigns.

Relationship to Goals The Other Community Development program supports the Citywide goal to promote economic vitality and opportunity and the BHCD campaign to expand economic opportunity for low-income persons. These projects have the additional goals of improving the quality of life in neighborhoods and promoting community responsibility and commitment.

Performance BHCD successfully completed 89% of its Community Initiative projects in FY 2004-05 and expects to continue this completion rate in FY 2005-06.

Changes to Services and Activities

Target Area Designation

The Latino Network project has completed its planning activities and is currently carrying out projects to implement the plan. FY 2005-06 is the last year of funding for this project.

Community Initiatives Small Grant Program

The Community Initiatives Small Grant Program will continue to operate one round of funding for community organizations in FY 2006-07.

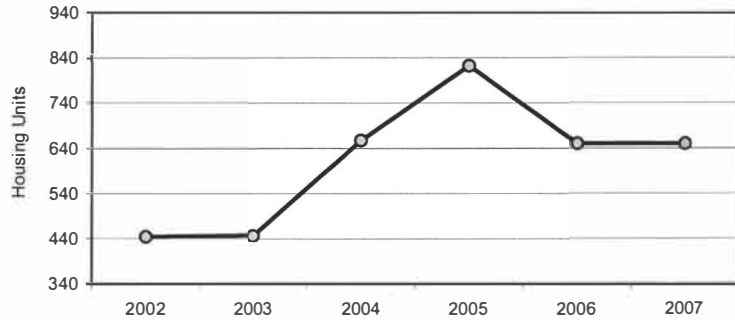
Other Services and Initiatives

The Citizen Participation program includes two projects: Northeast Coalition of Neighborhoods' Livability Project, funded at \$30,125 and Southeast Uplift Neighborhood Program's Citizen Participation Project, funded at \$45,269. Both of these projects are included in the bureau's public service cap and provide a variety of outreach and technical assistance to low- to moderate-income and underserved populations in inner north/northeast and inner southeast neighborhoods.

Performance Measures

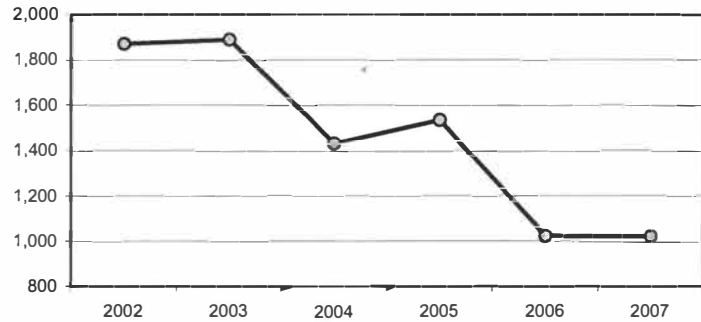
Housing Units

- ◆ Housing development will continue to decrease due to changes in local resource allocations.



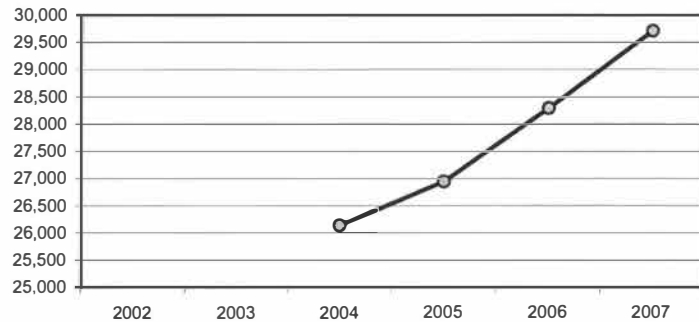
Homeless People Placed in More Stable Housing

- ◆ The figures are stabilizing at a lower level.



City Renter Households with Severe Housing Cost

- ◆ The number of renters facing financial hardship in meeting housing needs continues to increase.



Bureau of Housing and Community Development

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
BUREAU OF HOUSING AND COMMUNITY DEVELOPMENT						
Housing Programs						
Effectiveness						
City residents rating housing affordability good or very good	44%	44%	40%	37%	40%	40%
City Renter Households with Severe Housing Cost Burden	NA	NA	26,138	26,942	28,289	29,704
Efficiency						
Average BHCD funds invested per unit of new housing	\$35,528	\$31,185	\$32,000	\$14,964	\$40,000	\$40,000
Average amount of outside capital leveraged per unit of new housing	\$127,944	\$92,032	\$100,052	\$107,786	\$84,000	\$84,000
Average BHCD funds invested per unit of rehab housing	\$14,170	\$11,251	\$11,500	\$8,637	\$8,833	\$8,833
Workload						
New housing units built	443	446	657	822	650	650
Housing units rehabilitated	89	90	149	101	100	100
Economic Opportunity						
Effectiveness						
Workforce Number of Youth & Adults Placed	NA	NA	NA	NA	550	300
Microenterprise Annual Business Revenue Increase	NA	NA	NA	NA	2,000%	2,000%
Efficiency						
Workforce Percent of Wage Increase from Previous Employment	NA	NA	NA	NA	25%	25%
Workforce Number of Youth & Adults Retained	NA	NA	NA	NA	550	300
Microenterprise Estimated Revenue Increase over 3 Years	NA	NA	NA	NA	3,000%	3,000%
Workload						
Workforce Number of Youth and Adults Served	NA	NA	NA	NA	800	800
Microenterprise Number of Participants Served	NA	NA	NA	NA	350	300
Homeless Facilities & Services						
Effectiveness						
Homeless or at-risk individuals placed in more stable or permanent housing	1,871	1,889	1,433	1,535	1,024	1,024
Workload						
Number of unduplicated single adults provided emergency shelter and transitional housing	8,592	9,146	9,200	10,016	3,430	3,430
Other Community Development						
Effectiveness						
Community Initiative projects successfully completed	85%	80%	88%	88%	87%	87%
Efficiency						
Percent of resources leveraged by Community Initiative projects	190%	190%	190%	187%	187%	187%
Workload						
Number of Community Initiative projects started	22	21	17	9	9	9

Bureau of Housing and Community Development

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	1,779,543	1,972,242	2,201,551	2,303,942	2,303,942
External Materials and Services	31,470,036	33,996,554	43,029,056	30,979,766	32,463,938
Internal Materials and Services	3,316,419	3,162,861	2,941,031	2,669,348	2,681,348
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	36,565,998	39,131,657	48,171,638	35,953,056	37,449,228
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 36,565,998	\$ 39,131,657	\$ 48,171,638	\$ 35,953,056	\$ 37,449,228
Allocated Overhead	0	0	0	28,688	28,688
Total Cost with Allocated Overhead	36,565,998	39,131,657	48,171,638	35,981,744	37,477,916
RESOURCES					
Discretionary Revenue	2,981,576	2,637,345	3,757,970	6,096,103	6,676,103
Non-Discretionary Revenues					
Internal Revenues	11,666,121	6,518,216	11,096,601	7,710,635	8,573,520
Federal Sources	18,214,896	20,936,565	30,422,352	19,661,718	19,715,005
Local Sources	394,819	377,787	60,000	60,000	60,000
Loan Repayments & Bond Proceeds	3,308,586	8,661,744	2,834,715	2,424,600	2,424,600
Total Non-Discretionary Revenues	33,584,422	36,494,312	44,413,668	29,856,953	30,773,125
TOTAL RESOURCES	\$ 36,565,998	\$ 39,131,657	\$ 48,171,638	\$ 35,953,056	\$ 37,449,228
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Housing Programs	19,179,755	20,569,451	29,987,392	21,698,108	22,598,944
<i>Positions</i>	<i>14.67</i>	<i>17.31</i>	<i>17.31</i>	<i>16.97</i>	<i>16.97</i>
Economic Opportunity	5,176,078	4,902,477	6,816,910	4,293,386	4,293,386
<i>Positions</i>	<i>1.53</i>	<i>2.58</i>	<i>2.58</i>	<i>2.37</i>	<i>2.37</i>
Neighborhood Improvements	4,584,598	5,603,650	1,881,355	0	0
<i>Positions</i>	<i>0.55</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Homeless Facilities & Services	6,460,461	7,225,557	9,002,430	9,596,916	10,192,252
<i>Positions</i>	<i>4.73</i>	<i>6.20</i>	<i>6.20</i>	<i>5.90</i>	<i>5.90</i>
Youth Employment & Involvement	50,620	0	0	0	0
<i>Positions</i>	<i>0.45</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Public Safety	23,099	0	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Other Community Development	1,091,387	830,522	483,552	364,645	364,645
<i>Positions</i>	<i>1.06</i>	<i>1.26</i>	<i>1.26</i>	<i>1.22</i>	<i>1.22</i>
TOTAL PROGRAMS	\$ 36,565,998	\$ 39,131,657	\$ 48,171,638	\$ 35,953,056	\$ 37,449,228
<i>Positions</i>	<i>23.00</i>	<i>27.36</i>	<i>27.36</i>	<i>26.46</i>	<i>26.46</i>

Bureau of Housing and Community Development

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	1.00	1.00	1.00	32,640	1.00	37,192	1.00	37,192
0100	Office Supp Spec I	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0102	Office Supp Spec II	0.00	0.00	1.00	27,674	1.00	32,664	1.00	32,664
0104	Office Supp Spec III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Sr	0.00	1.90	1.90	104,784	2.00	113,040	2.00	113,040
7107	Administrative Supervisor II	1.00	1.00	1.00	49,260	0.00	0	0.00	0
7112	Business Operations Manager	0.00	1.00	1.00	51,528	1.00	53,464	1.00	53,464
7110	Business Operations Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7202	Community Outreach/Info Asst	4.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7376	Financial Analyst	1.00	1.00	1.00	55,116	1.00	57,006	1.00	57,006
7375	Financial Analyst, Assistant	1.00	1.00	1.00	38,652	1.00	39,540	1.00	39,540
7222	Housing Program Manager, Senior	0.00	1.00	1.00	82,140	1.00	85,512	1.00	85,512
7026	Housing/Community Development Di	1.00	1.00	1.00	100,404	1.00	103,148	1.00	103,148
7131	Management Analyst	1.00	1.00	1.00	63,772	1.00	66,194	1.00	66,194
7130	Management Assistant	0.00	1.00	1.00	39,900	1.00	41,124	1.00	41,124
7133	Principal Management Analyst	0.00	0.80	0.80	61,464	0.80	63,354	0.80	63,354
7154	Program Coordinator	4.00	3.40	3.96	249,399	3.96	254,493	3.96	254,493
7156	Program Manager	4.00	5.00	5.00	363,720	5.00	366,521	5.00	366,521
7153	Program Specialist	1.00	2.36	4.20	225,021	4.20	230,335	4.20	230,335
7152	Program Specialist, Assistant	1.00	2.90	1.00	38,652	0.50	19,776	0.50	19,776
TOTAL FULL-TIME POSITIONS		23.00	27.36	26.86	\$ 1,584,126	25.46	\$ 1,563,363	25.46	\$ 1,563,363
7120	Business Systems Analyst, Asst	0.00	0.00	0.50	19,326	1.00	39,540	1.00	39,540
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.50	\$ 19,326	1.00	\$ 39,540	1.00	\$ 39,540

Bureau of Housing and Community Development

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	31,009,759	0	31,009,759	27.46	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(4,000)	0	(4,000)	0.00	Revised Health Benefit rates
	(28,688)	0	(28,688)	0.00	Human Resources moved to overhead
	1,090	0	1,090	0.00	Transit passes increase
	928,122	2,400,000	3,328,122	0.00	Budget HIF funding in AU 540
	97,242	0	97,242	0.00	Move Workforce Dev. from Spec. App.
Mayor's Proposed Budget Decisions					
	0	3,287,900	3,287,900	0.00	Restore programs with one-time funding
	(84,699)	0	(84,699)	0.00	3% percent reduction
	(1,166,565)	0	(1,166,565)	0.00	CDBG allocation reduction
	(350,839)	0	(350,839)	0.00	HOME allocation reduction
	(42,940)	0	(42,940)	0.00	Categorical grant allocation reduction
	(93,326)	0	(93,326)	(1.00)	Cut Administrative Supervisor
Approved Budget Additions and Reductions					
	10,000	0	10,000	0.00	I/A with Water Bureau for landlord training
Adopted Budget Additions and Reductions					
	12,000	0	12,000	0.00	I/A with PDOT for Dignity Village
	0	350,000	350,000	0.00	Carryover of Housing Mitigation Pool
	0	150,000	150,000	0.00	Carryover of HAP Fresh Start
	0	41,336	41,336	0.00	Carryover of HMIS grant match
	287,549	0	287,549	0.00	Carryover of HOPWA grant projects
	12,000	0	12,000	0.00	Renewal of COPC grant
	20,000	0	20,000	0.00	Carryover CDBG Healthy Homes
	33,287	0	33,287	0.00	Carryover HOME Human Solutions
	0	200,000	200,000	0.00	Methamphetamine house clean-up
	0	380,000	380,000	0.00	Move from Jail Beds Initiative to CCC
	(369,767)	6,809,236	6,439,469	(1.00)	Total FY 2006-07 Decision Packages
			\$ 37,449,228	26.46	Total Adopted Budget

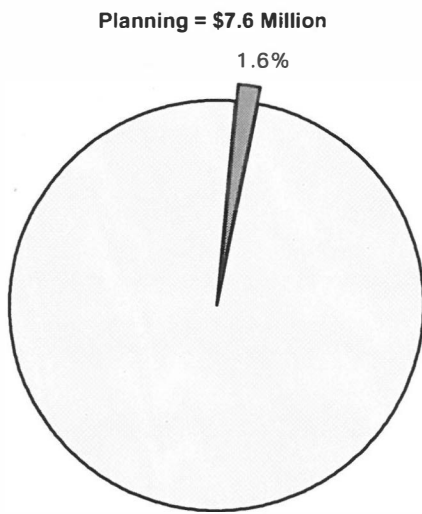
Bureau of Planning

Community Development Service Area

Mayor Tom Potter, Commissioner-in-Charge

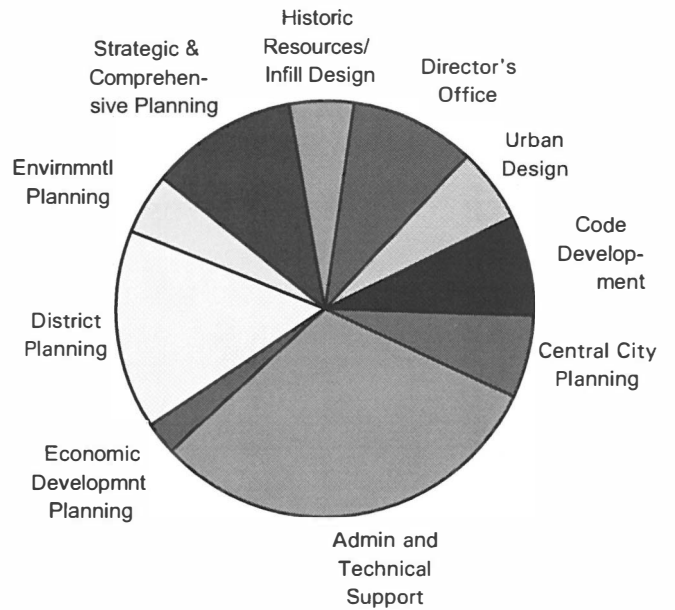
Gil Kelley, Director

Percent of General Fund



General Fund = \$469.7 Million

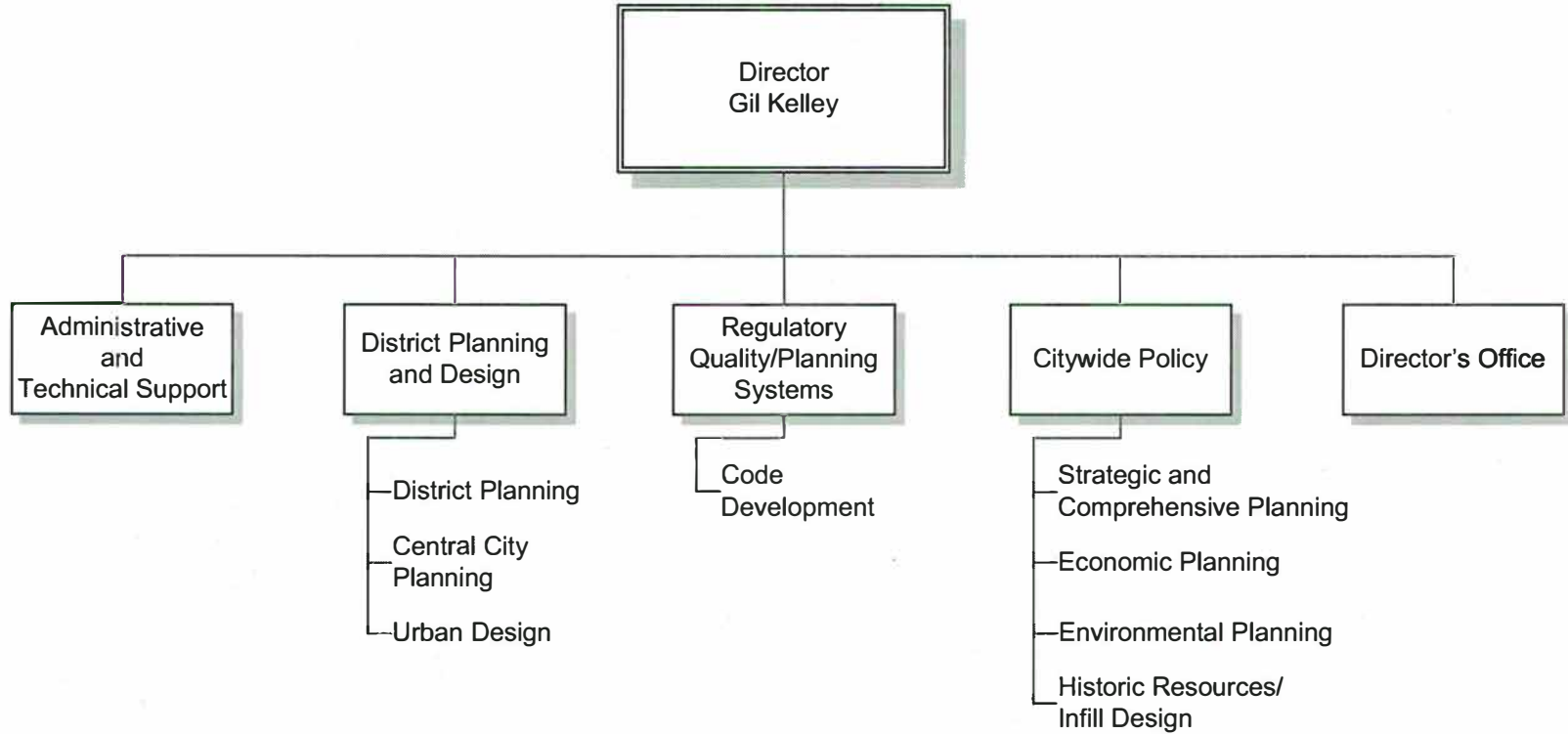
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	6,503,678	7,577,053	1,073,375	16.5%
Capital	0	0	0	0.0%
Total Expenditures	\$ 6,503,678	\$ 7,577,053	\$ 1,073,375	\$ 16.5%
Authorized Positions	57.46	58.13	0.67	1.2%

Bureau of Planning



Bureau Summary

BUREAU MISSION

Planning advances the community's vision of Portland as a great place. Our work weaves together community livability, economic and cultural vitality, the natural environment, and quality urban design. We coordinate and collaborate across City bureaus and with a wide range of stakeholders to move the community's vision into action.

BUREAU OVERVIEW

Working with the City Council, Planning Commission, City bureaus, citizens, businesses, and public agencies, the Bureau of Planning develops plans, policies, and strategies to guide the City's future. The bureau is the City's lead agency for urban planning and strategic planning. The bureau is responsible for coordinating planning and development activities among City bureaus and has been charged with taking the lead on specific Citywide programs.

Principal Activities

The bureau accomplishes the long-range planning objectives of the City and the bureau through a range of activities:

- ◆ Research and policy analysis in urban design, economic development, land use, transportation, housing, natural resources, historic, and cultural resources;
- ◆ Community engagement in defining issues and opportunities, and formulating plans and policies;
- ◆ Coordination of planning and development activities across bureaus, and liaison to regional and state governments for community development activities;
- ◆ Leadership of Council-directed Citywide initiatives including the upcoming City strategic plan effort.

Bureau Organization

The bureau's long-range planning efforts are organized into three divisions and eight programs. The other two organizational components of the bureau are the Director's Office and the Administrative and Technical Support function.

Citywide Policy division

- ◆ Strategic and Comprehensive Planning
- ◆ Economic Planning
- ◆ Environmental Planning
- ◆ Historic Resources and Infill Design

District Planning and Design division

- ◆ District Planning
- ◆ Central City Planning
- ◆ Urban Design

Regulatory Quality/Planning Systems division:

- ◆ Code Development/Regulatory Improvement

Director's Office

- ◆ Measure 37
- ◆ River Renaissance program
- ◆ Citywide strategic planning and coordination

Administrative and Technical Support

- ◆ GIS and graphics support
- ◆ Administrative support
- ◆ Financial and human resources management
- ◆ Bureau-wide operations

SUMMARY OF BUDGET DECISIONS

Projects in Response to Council Direction and Priorities

The Adopted Budget provides \$521,840 in General Fund one-time resources for specific projects which Council directed Planning to manage or participate in:

- ◆ Mayor's Community Visioning project - Planning staff for a second and final year of this community-wide effort.
- ◆ Lower East Broadway Plan - The planning work in this area around lower East Broadway and the Portland Public Schools' Blanchard facility began in mid FY 2005-06, and is expected to continue through the next two fiscal years.
- ◆ Building a Family-Friendly Housing Prototype - This will be a multi-bureau effort to create and implement a new design model for affordable and environmentally-friendly family housing.

Ongoing Funding for Ongoing Programs

The Bureau of Planning, with Council support, has made progress over the past few years in securing ongoing funding for its ongoing programs. The FY 2006-07 Adopted Budget includes ongoing funding for the following programs:

- ◆ River Renaissance (\$217,164) - Lead staff coordinating a multi-bureau effort of river-focused activities, projects, and programs. The Adopted Budget restores ongoing General Fund discretionary resources for the program.
- ◆ Measure 37 (\$30,000) - This program was transferred to the Bureau of Planning in FY 2004-05, but the funding only covered staff costs. The FY 2006-07 Adopted Budget commits ongoing General Fund discretionary for contractual expenses related to real estate appraisals and assessments needed to consider Measure 37 claims.

The bureau's ongoing Central City Planning program provides planning, analysis, and implementation activities in support of Portland's central city. In FY 2006-07 the program is supported through a mix of funding mechanisms:

- ◆ \$71,739 - Ongoing General Fund resources for a portion of the cost of core staff
- ◆ \$67,000 - One-time General Fund resources for project-specific contracts and related costs
- ◆ \$119,565 - Ongoing funding from the Portland Development Commission (PDC) for Central City staff costs

It is the Mayor's intent to commit ongoing General Fund resources in FY 2007-08 to fully fund the bureau's Central City Planning program. A budget note to that effect is included in the Mayor's Office section of this budget document.

Reductions to General Fund Support

The Adopted Budget also reflects \$131,016 in reduced ongoing General Fund discretionary resources.

- ◆ \$83,688 of General Fund discretionary was replaced with interagency revenue from the Bureau of Development Services for support of a code development position.
- ◆ \$47,328 was temporarily reduced from the bureau's budget, reflecting a six-month delay in start-up of work on the Citywide Strategic Plan. The Office of Management and Finance will reinstate the ongoing General Fund discretionary resources for the position in the FY 2007-08 budget.

The Bureau of Planning budget for FY 2006-07 shows a net gain of \$187,887 in ongoing General Fund support for its core, ongoing programs.

One-Time Funding for Second Year of Housing Demographer

The Adopted Budget supports the bureau's urban demographer/housing monitor position with one-time General Fund resources. The position will be reevaluated in FY 2007-08 to determine if it should be funded on an ongoing basis.

Improvements in Business Operations

The Adopted Budget includes \$253,684 in one-time General Fund resources for upgrades and changes to improve business operations:

- ◆ Work with the Bureau of Technology Services to convert outdated database systems and train staff.
- ◆ Replace outdated computers and start a replacement cycle that has been on hold for three years.
- ◆ Remodel and relocate to the seventh floor of the 1900 Building (from two separate floors), resulting in administrative and operational efficiencies.

PDC Resources for Planning Efforts

The Bureau of Planning has provided planning-related services to PDC for many years. The Adopted Budget reflects a continuation of this vital partnership through the development of a joint work plan between the two entities. \$229,948 is budgeted for new PDC projects, and as noted above, \$119,565 in PDC resources will help fund the core staff of the bureau's Central City program. As with every year, the planning work performed and the actual amount of PDC revenues transferred to Planning during the next fiscal year will depend on the timing and scope of the specific projects Planning undertakes on PDC's behalf.

The Adopted Budget also reflects PDC-supported planning efforts initiated in FY 2005-06 which will continue into the next fiscal year. \$99,000 in PDC resources are budgeted in FY 2006-07 for these carryover projects.

Strategic Direction

SIGNIFICANT ISSUES

The Bureau of Planning is facing a number of significant issues in the next fiscal year. Some of these issues are new and emerging, while many are those the bureau has grappled with for years. As an organization, the biggest continuing challenge for the Bureau of Planning is to develop and deliver on a work program that provides sound planning policy guidance and responds to the interests of diverse constituencies including City Council, citizens, businesses, City bureaus, and other regional governmental agencies. Some of the factors that affect the bureau's ability to deliver quality long-range planning are described below.

Many communities, many interests: Everyone in Portland has a stake in the City's long-range planning efforts because the outcomes affect all residents and businesses, both those who are already here and those who may (or may not) come to Portland. Finding a balance among protecting the region's natural resources, supporting a healthy business environment in the central city and neighborhood districts, ensuring affordable and family-friendly housing and neighborhoods, and setting the groundwork for an ecologically and economically sustainable future means the Bureau of Planning is continually working with many different community interests.

Three-year work plan: The Bureau of Planning has taken a new approach in developing its work plan to address the challenges of multiple interests, a burgeoning work load, and limited financial resources. It is creating a three-year work plan that allows for strategic prioritizing and sequencing of planning projects to accomplish specific objectives, balance staff work load, and ensure quality and on-time delivery of planning products and services. This work plan will serve as both a management tool and a means of discussing long-range planning priorities and outcomes with City Council, bureaus, residents, and businesses.

Integrated multi-bureau work plan: As the bureau charged with chairing the Planning and Development directors group, Planning will continue its efforts to coordinate the diverse work plans of the planning and development bureaus to achieve an integrated multi-bureau work plan.

The need for a community-owned vision and City strategic plan: visionPDX is a top priority for the Mayor's administration. The Planning Bureau provides planning staff in support of visionPDX. The visionPDX project will be completed in the final quarter of FY 2006-07 and will be followed by a City Strategic Plan, which the Planning Bureau will lead, coordinating the work of all City agencies. The transition, work plan, and staffing will begin in FY 2006-07 so that the City Strategic Plan effort can be up and running as soon as visionPDX is completed.

Integrating city and nature: A key to Portland's long-term livability and economic health is a successful balance between the built and natural systems. The bureau's work in environmental and economic planning and the Director's stewardship of the City's River Renaissance Initiative are key to this work.

Economic vitality: Portland's economy is in transition. Keeping and growing job opportunities for Portlanders and for the next generation of Portlanders, including those who will be moving here, is an important goal of the Mayor's administration. The Bureau of Planning has been building this economic planning capacity and has successfully shown how this specific planning perspective has paid off in recent efforts. The bureau also continues its successful partnerships with PDC, the Port, and Metro in economic planning activities.

MANAGEMENT GOALS & OBJECTIVES

Bureau Strategic Plan Objectives

The Bureau of Planning is developing a strategic plan to clarify the role of long-range planning in the City and the mission of the bureau. The plan is organized around the following strategic objectives.

Strategic Planning

The bureau's strategic planning efforts are designed to coordinate the many planning and development efforts of the City and to serve as the City's lead in regional planning initiatives.

Specific outcomes for the coming years include:

- ◆ Integrated work plan for planning and development bureaus
- ◆ Support for the Mayor's visionPDX project and preparation for a Citywide strategic plan
- ◆ Strengthened role and improved outcomes of the Planning and Development directors
- ◆ Participation in Metro's "New Look" and the State of Oregon's "Big Look"

Central City

The bureau's work in the central city combines urban design, long-range planning, economic analyses, environmental planning, and regulatory and non-regulatory planning tools to envision and set in place policy and planning guidelines that shape and support the vitality of the city's central core.

Specific outcomes and results for the coming years include:

- ◆ Update of the Central City Plan, an assessment of the central city and a scope of work for this multi-year project
- ◆ Central City Urban Design Framework, an assessment to serve as the foundation for a new urban design element for the Central City Plan
- ◆ Westside Central City Study, an assessment of the future of Downtown Waterfront and South Park Blocks Urban Renewal Areas
- ◆ North of Lovejoy Plan, an area plan addressing capacity and urban design issues raised by the build-out of the northernmost part of the Pearl District
- ◆ Ongoing plan implementation activities in South Waterfront including development of zoning code provisions implementing the greenway plan

Objective: A community-developed and -owned vision for Portland that the bureau can work to implement

Objective: Livable neighborhoods, thriving centers and corridors, and a vibrant and exciting central city

Neighborhoods

The bureau's work on neighborhood-based projects and initiatives are designed to address the specific planning and development needs of the different communities and geographic areas of Portland. Planning tools brought into play include infill design, economic analyses, and regulatory improvement, to name a few.

Specific outcomes for the coming years include:

- ◆ Infill Design projects: station area planning for the Banfield/Gresham MAX line station areas and implementation of the station area plans for the Interstate MAX line
- ◆ Commercial corridor strategies: pilot project of economic analyses for a sample of neighborhood commercial districts
- ◆ District Liaison efforts: ongoing planning, implementation, and liaison activities for the City's five community districts
- ◆ Building a Family-Friendly Housing Prototype: a multi-bureau project to create and implement a new design model for infill family housing

River Initiatives

The Bureau of Planning's river initiatives bring environmental, economic, and long-range planning issues into focus for the Willamette and Columbia rivers. River Renaissance is a Citywide initiative that coordinates the work of many City bureaus, governmental agencies, and community and business partners.

Specific outcomes for the coming years include:

- ◆ Willamette River Plan: North Reach including the Harbor Industry Reinvestment Strategy
- ◆ Willamette River Plan: South Reach
- ◆ Columbia Corridor Plan
- ◆ River Renaissance partnership expansion

Objective: A river renaissance linking together neighborhoods, business districts, natural resources, and industry

Citywide and Bureau Goals

Each of the bureau's ten programs link directly to bureau goals which in turn support one or more of the Citywide goals.

City goal: Promote economic vitality and opportunity.

Bureau goal: Promote a vibrant and prosperous central city and support Portland's success as a location for businesses, jobs, and the next economy through support for industries and small businesses, arts and culture, and neighborhood commercial districts.

City goal: Improve the quality of life in neighborhoods.

Bureau goal: Improve community livability and vitality through plans and actions that integrate design, economy, environment, culture, growth management, and citizen participation.

City goal: Protect and enhance the natural and built environments.

Bureau goal: Protect the city's land, water, air, fish and wildlife habitat, and open spaces.

Bureau goal: Enhance and preserve the built environment and important historic and cultural assets.

City goal: Deliver efficient, effective, and accountable municipal services.

Bureau goal: Deliver responsive, competitive governmental services through comprehensive planning, intergovernmental coordination, housing policy development, and quality management and support services.

Bureau goal: Coordinate evaluation and improvement of the City's development codes including regular updates to the zoning code to reflect City and community goals, priorities, challenges, and opportunities.

Overview of Programs

DIRECTOR'S OFFICE

Program Description The Director's Office guides and supports the work of the Bureau of Planning as well as providing direction and some limited staffing for Citywide initiatives.

The Planning director has two primary responsibilities: direction, management, and guidance of the Bureau of Planning and its work; and a Citywide coordination role. The director chairs the Planning and Development Directors' group, and leads and co-leads interbureau coordination efforts including: River Renaissance, Managing for Results, and the forthcoming Citywide Strategic Plan. Other cross-bureau efforts include the Regulatory Improvement Work Plan, Urban Design, and Measure 37 program.

The River Renaissance Initiative staff (housed in the Director's Office) leads the collaborative efforts of the City, other agencies, and private partners to achieve the River Renaissance Vision and move forward the River Renaissance Strategy finalized by City Council in December 2004. The initiative focuses on building community partnerships, fundraising, and multi-bureau/multi-agency work program development, coordination, and implementation.

Relationship to Goals *Citywide Goal:* Deliver efficient, effective, and accountable municipal services.

Bureau Goal: Deliver responsive, competitive governmental services through comprehensive planning, intergovernmental coordination, housing policy development, and quality management and support services.

In addition, the Director's Office provides direction to the bureau's efforts to promote economic vitality and prosperity, protect and enhance the natural and built environments, and improve the quality of life in neighborhoods.

Performance Because of the relatively small size of the bureau and its programs as well as the multi-disciplinary, cross-program, team-based approach for bureau projects, the bureau has consolidated a number of performance measures in the Director's Office, including a number of measures included for the first time in this year's budget. These include:

Citywide Livability Rating: The goal is to increase the number of respondents rating Citywide Livability good or very good.

Land Use Planning: The goal is to increase the number of respondents rating Land Use Planning good or very good.

Public Knowledge of Planning Activities: The goal is to decrease the number of respondents with little or no knowledge of planning activities (based on rating of "neither good nor bad").

Attractiveness of New Residential Development: The goal is to increase the number of respondents rating the attractiveness of new residential development as good or very good.

Number of Visits to the Willamette River: The goal is to increase the number of respondents reporting at least one visit to the Willamette River to recreate, shop, walk, work, etc.

River Renaissance staff also produce the annual State of the River Report, measuring the success of the City's collective efforts to revitalize the Willamette River.

Changes to Services and Activities

The FY 2006-07 Adopted Budget for Planning reflects the commitment of ongoing General Fund resources for River Renaissance, managed by the Director's Office. There is also increased funding for Measure 37 to ensure adequate ongoing resources to pay for needed contractual services for real estate and market appraisals.

Over the next fiscal year, the Director's Office will work with bureau staff and internal and external stakeholders to examine and improve the bureau's communication to its diverse constituencies, to better communicate the bureau's programs, work plan priorities, and planning efforts.

STRATEGIC & COMPREHENSIVE PLANNING**Program Description**

The Bureau of Planning's Strategic and Comprehensive Planning program includes five activities:

Strategic Planning: Strategic Planning provides planning expertise in support of the Mayor's Community Visioning Project and for the Citywide Strategic Plan that will follow the completion of the community vision. The plan will translate Portlanders' vision into priorities for the next five to ten years that will shape City budgeting, policy making, capital improvements, and program development.

Planning and Development Coordination: Planning provides ongoing coordination of the Planning and Development Directors work plans, meetings, and capital planning. The major work effort for the next two years will be the preparation of a Citywide Capital Plan, which will both fulfill State planning requirements and provide a coordinated long range capital plan for the City.

Intergovernmental Coordination: The primary responsibility for staff in this area is to represent the City's interests with Metro, other local governments, and State of Oregon. Activities include considerable staff involvement in the state's evaluation of the Oregon land use planning program. Ongoing activity includes participating in Metro's technical committees and providing staff support to Portland's elected officials serving on Metro advisory committees.

Comprehensive Plan: The bureau projects that within three to five years, the Comprehensive Plan (20 years old) will need to undergo major changes. The community vision and the Citywide strategic plan documents will identify a direction for the City, some parts of which will need to be included in the Comprehensive Plan. In the coming year, the Planning Commission will be conducting four discussion sessions with community groups and stakeholders on the Comprehensive Plan's effectiveness and areas for improvement. Staff will use the results of these discussions and the outcome of the community vision to prepare a work plan for the major updates expected as outcomes of the visioning and Citywide strategic plan.

Housing: Housing staff in the Bureau of Planning provides policy review of major planning initiatives, housing tax abatements, staff support to the Home Ownership Advisory Committee, Planning Commission, and Housing and Community Development Commission.

Relationship to Goals

Citywide Goal: Deliver efficient, effective, and accountable municipal services.

Bureau Goal: Deliver responsive, competitive governmental services through comprehensive planning, intergovernmental coordination, housing policy development, and quality management and support services.

Performance	The program's performance measure tracks the percent of housing units built in the four-county region within the City of Portland limits.
Changes to Services and Activities	<p>The Adopted Budget provides funds for planning staff to support the completion of the Community Visioning project. City Council also approved the creation of a housing demographer position to conduct integrated tracking of demographic trends and research and analysis of planning, housing, and development-related data to support bureau and City decision making.</p> <p>The Adopted Budget temporarily reduces General Fund support of a senior planner position assigned to work on the Citywide strategic plan. The Office of Management and Finance will restore full General Fund support to this position in the FY 2007-08 budget cycle.</p>

ECONOMIC DEVELOPMENT PLANNING

Program Description	<p>Over the past several years, the Bureau of Planning has worked to strengthen its economic planning capacity, recognizing the critical role of incorporating immediate and long-term economic considerations into all aspects of the planning work the bureau does for its own programs, and on behalf of other City bureaus and the Portland Development Commission.</p> <p>In the current year, the Economic Development Planning program has been involved in:</p> <ul style="list-style-type: none">◆ Economic profiles of the city's neighborhood commercial areas and Portland's central city◆ Economic research and analysis for the Citywide Visioning Project◆ Regional freight planning, including Portland's Freight Master Plan, proposed rail and airport plans, and distribution and logistics sector strategies◆ River Renaissance projects, including the River Plan - North Reach◆ Small Business Advisory Committee, regional brownfields work group, Portland Freight Advisory Committee, and the Land Conservation and Development Commission's Economic Planning Advisory Committee◆ River and Industrial Economic Advisory Group that facilitates public-private coordination on industrial and harbor research and planning
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Relationship to Goals	<p><i>Citywide Goal:</i> Promote economic vitality and prosperity.</p> <p><i>Bureau Goal:</i> Promote a vibrant and prosperous central city and support Portland's success as a location for businesses, jobs, and the next economy through support for industries and small businesses, arts and culture, and neighborhood commercial districts.</p>
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Performance	The bureau has added a new performance measure for Economic Development Planning: Percent of businesses rating overall quality of "Land Use Planning" good or very good. The Auditor's Office has included this question in its business survey since 2003. The rating has improved from 34% in 2003 to 38% in 2005.
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Changes to Services and Activities	The FY 2006-07 Adopted Budget reflects a continuation of the Economic Development Planning program with focused work on the Harbor Reinvestment Strategy and Commercial Corridors analysis. Both of these projects have been successful at leveraging grant dollars from the state to augment City funding.
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ENVIRONMENTAL PLANNING

Program Description	The Environmental Planning program develops strategies and tools to conserve natural resources, improve watershed conditions, and promote environmentally sustainable development and business activities. Major efforts include improving the clarity and workability of environmental regulations, and completing an update of the city's natural resource inventories to inform City efforts including Portland Watershed Management Plan implementation; the River Plan; compliance with federal, state, and regional requirements; restoration and willing-seller land acquisition priorities; and wildland fire management.
Relationship to Goals	<i>Citywide Goal:</i> Protect and enhance the natural and built environments. <i>Bureau Goal:</i> Protect the City's land, water, air, fish and wildlife habitat, and open spaces.
Performance	<i>Natural Resources Protected:</i> The goal is to increase the percentage of significant natural resources protected through non-regulatory and/or regulatory measures. Data from FY 2005-06 will provide the baseline for monitoring progress in future years.
Changes to Services and Activities	No significant changes for FY 2006-07.

HISTORIC RESOURCES/INFILL DESIGN

Program Description	<p>The bureau's Historic Resources and Infill Design program incorporates two activities that use both regulatory and non-regulatory strategies to help preserve and enhance the built environment and important historic and cultural assets.</p> <p>Historic Resources staff serves as the City's lead on historic resources providing expertise, support, and consultation to other Planning Bureau projects and to other City bureaus that are working on development strategies and projects. Program staff provide historic resources and urban design consultation to developers, citizens, and planners working on developing new zoning tools to address localized or citywide issues and they fulfill state-mandated requirements for Portland as a certified local government for historic preservation activities. One of the major projects of the staff is an inventory of City-owned historic resources.</p> <p>The bureau's Infill Design activity develops regulatory and non-regulatory strategies to enhance neighborhood development. The current focus is multi-family development outside the central city.</p>
Relationship to Goals	<i>Citywide Goal:</i> Protect and enhance the natural and built environments. <i>Bureau Goal:</i> Enhance and preserve the built environment and important historic and cultural assets.
Performance	Performance measures have not been assigned to this program at this time.

Changes to Services and Activities

The FY 2006-07 Adopted Budget supports a major initiative in the area of infill design and implementation. Following the success of Phase I of the infill design project by the Bureau of Planning in FY 2005-06, the bureau will be a participant in the Schools and Families initiative. The bureau's role is to conduct a design competition for higher-density family housing with sustainably designed open spaces. This project will be done in coordination with the Bureau of Housing and Community Development for the Schools and Families project, and with existing sustainability programs in the Office of Sustainable Development and the Bureau of Environmental Services.

DISTRICT PLANNING

Program Description

The District Planning program addresses the long- and short-term planning needs of the City's various districts including centers and corridors, river planning, transit station areas, and neighborhoods.

The district liaison planners serve as on-the-ground experts on the planning and development issues of the district. They provide district neighborhoods and businesses with a clear point of contact with City government on planning and development functions. They work with communities and other City bureaus to develop and refine plans, strategies, and policies, and work on finding ways to implement the recommendations of the district's plans.

The program's River Planning staff undertakes planning, policy, and design projects to implement the River Renaissance strategy. In FY 2006-07, the program intends to complete the plan for the north reach of the Willamette River, an area that includes most of the city's industrial port, Linnton, and St. Johns. These action plans will update the Willamette Greenway plan and code.

Relationship to Goals

Citywide Goal: Improve the quality of life in neighborhoods.

Bureau Goal: Improve community livability by effectively managing growth and development; integrating economic, urban, and natural aspirations; and encouraging citizen participation.

Performance

Neighborhood Livability Ratings: The goal is to increase the number of residents rating neighborhood livability good or very good.

Access to Shopping and Other Services: The goal is to increase the number of residents rating access to shopping and other services good or very good

Changes to Services and Activities

In FY 2006-07, the District Planning program will start a multi-year effort in coordination with the Port of Portland to develop an airport master plan.

CENTRAL CITY PLANNING

Program Description

The Central City Planning program provides planning coordination, design, and implementation services essential to maintaining the Portland central city as the economic and cultural center of the region. Planned projects include:

Central City Assessment, Westside Central City Study, and Central City Plan Update: Through these projects, the bureau will review conditions in the central city in terms of development, the central city economy, status of existing Central City Plan policies, and design issues. Project results will serve as the foundation for the review of central city urban renewal areas to be undertaken this year by PDC and Planning. It will also serve as the basis for scoping and initiating an update of the Central City Plan.

Downtown Waterfront: The Bureau of Planning will complete a redevelopment strategy for the Ankeny Plaza/Skidmore Old Town area. The project includes an urban design study of the area to guide and facilitate future development. It considers reuse of the Fire Station 1 site, the potential site for the Public Market, as well as a permanent home for the Saturday Market.

South Waterfront: The bureau will continue to staff and actively participate in the planning, design, and decision-making processes involved with implementation of the South Waterfront development plan. In FY 2006-07 staff will complete the update of the South Waterfront framework which completes last year’s discussions with stakeholders regarding tower height and placement. Staff will initiate and complete the South Waterfront Greenway Code project which will codify provisions to help implement the South Waterfront Greenway Plan.

North of Lovejoy Study: The bureau will initiate a study of the build-out of the northern portion of the Pearl District including the last phases of the Hoyt Street Properties development. The study will address impacts of the build-out on central city transportation capacity and may address the issue of building height north of NW Lovejoy Street.

Centennial Mill Redevelopment Study: In a study partially funded by PDC, the bureau will review past policies, plans, and studies of the Centennial Mill site to define the parameters for redevelopment of the site. The study will be overseen by a public committee and include ample public involvement. The results of the study will feed into an implementation project to be led by PDC.

Relationship to Goals

Citywide Goal: Promote economic vitality and prosperity.

Bureau Goal: Promote a vibrant and prosperous central city and support Portland's success as a location for businesses, jobs, and the next economy through support for industries and small businesses, arts and culture, and neighborhood commercial districts.

Performance

Performance measures have not been assigned to this program at this time.

Changes to Services and Activities

The Adopted Budget includes ongoing funding from the City’s General Fund and from PDC for planning efforts in Portland’s central city area. One of the major initiatives in the next fiscal year is the startup of an assessment of the need for a revised Central City Plan.

The budget also continues Council support for the bureau’s planning efforts in the Lower East Broadway area of Portland. This will be a multi-year effort that includes an examination of the area around the Portland Public Schools’ Blanchard facility, and broader planning issues that will be incorporated into the bureau’s central city planning assessment.

URBAN DESIGN

- Program Description** The Urban Design program provides analysis and direction focused on achieving excellence in the city's design, development, and urban form. The team develops design and development frameworks to guide and facilitate future development in the central city and districts including centers and corridors. The group promotes high design standards in both public and private projects and provides urban design services and consultation to a variety of Planning Bureau projects, to other City bureaus working on development strategies and projects, and to the larger design and development communities in the city.
- Relationship to Goals** *Citywide Goal:* Protect and enhance the natural and built environments.
Bureau Goal: Enhance and preserve the built environment and important historic and cultural assets.
- Performance** Performance measures have not been assigned to this program at this time.
- Changes to Services and Activities** In FY 2006-07, the Urban Design program will lead development of an urban design assessment diagram of the central city. The timing of this project is sequenced so as to lay the groundwork for the central city assessment and urban renewal area review efforts. The program will continue to support efforts to strengthen and improve main streets, corridors, centers, and station areas, conducting design studies and providing advice to other bureau and City programs and projects.

CODE DEVELOPMENT

- Program Description** The Code Development program consists of two main functions: regulatory improvement, and monitoring and evaluation. Both are focused on improving regulations to ensure desired outcomes with an emphasis on removing outmoded, contradictory, and overly complex regulations.
- Regulatory Improvement provides coordination and oversight for the City's Regulatory Improvement work plan. Specific areas of focus include Regulatory Rethink, and Regulatory Improvement Code Amendments Packages (RICAPs). The program also provides staffing for the Regulatory Improvement Stakeholder Advisory Team, internal and external stakeholders who advise on the content and proposed language of the RICAPs.
- As the Planning Bureau moves towards improving the use of non-regulatory tools to achieve City goals and policies, the Code Development program retains the responsibility to ensure that where regulatory approaches are used they are as simple as possible, as easy to implement as possible, and coordinated with other regulations and programs.
- Relationship to Goals** *Citywide Goal:* Deliver efficient, effective, and accountable municipal services.
Bureau Goal: Coordinate evaluation and improvement of the City's development codes including regularly updating the Zoning Code to reflect City and community goals, priorities, challenges, and opportunities.
- Performance** Performance measures have not been assigned to this program at this time.

Changes to Services and Activities The Adopted Budget includes an increase in interagency funding from the Bureau of Development Services (BDS) in support of one code development position. These additional funds were used to offset General Fund discretionary resources that supported the position in the past.

ADMIN AND TECHNICAL SUPPORT

Program Description The Administrative and Technical Support program of the bureau provides key support to all the bureau's programs. Areas of support include the following:

Budget and finance, including budget development and monitoring, accounting, payroll, and oversight and monitoring of contracts, grants, and interagency and intergovernmental agreements.

Human resources, including employee evaluations and professional development, position descriptions, and analysis.

City of Portland's Planning Commission staffing and support.

Graphics work including coordinating and working in collaboration with planning staff to develop and format all publications. This includes illustration and design, development of electronic and printed visual materials, support for the bureau's web page, coordination and maintenance of the bureau's images for the visual library database, and assistance in developing templates and standards for bureau documents and presentations.

Geographic Information Systems work involves staff throughout the Bureau of Planning and with Corporate GIS and BDS on GIS applications. The activity includes database design, development, and maintenance project mapping.

Relationship to Goals *Citywide Goal:* Deliver efficient, effective, and accountable municipal services.
Bureau Goal: Deliver responsive, competitive governmental services through comprehensive planning, intergovernmental coordination, housing policy development, and quality management and support services.

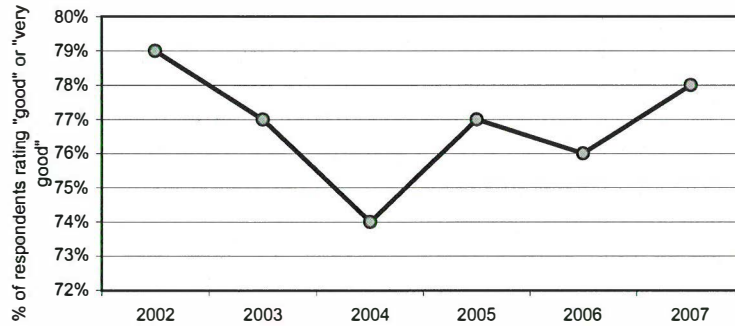
Performance Performance measures have not been assigned to this program at this time.

Changes to Services and Activities The FY 2006-07 Adopted Budget includes one-time funding for the transition of an outdated database system to a more stable software system, computer replacement, and moving costs to relocate the bureau from two separate floors onto a single floor of the 1900 Building.

Performance Measures

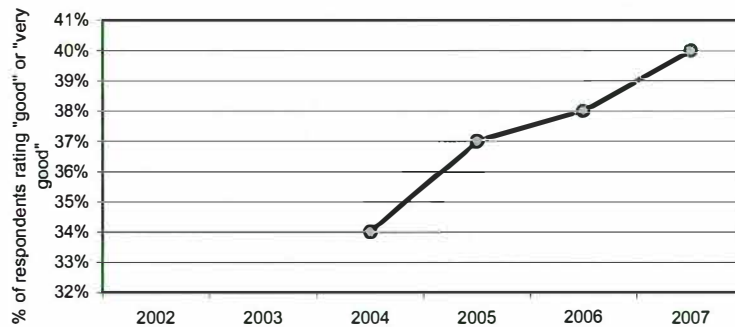
Citywide Livability Rating

- Overall city livability ratings have remained fairly high, but some neighborhoods (particularly in East Portland) are significantly less satisfied with city livability than other neighborhoods.



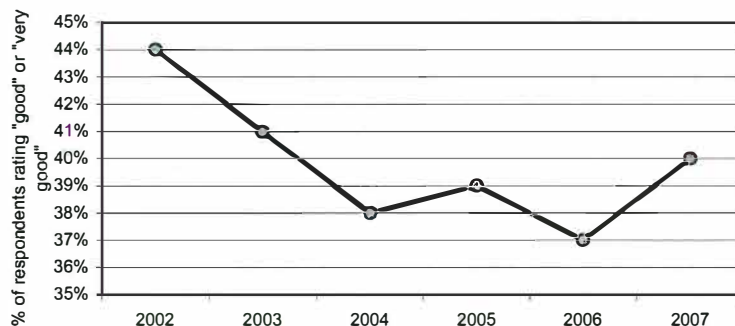
Overall Land Use Planning Rating: Businesses

- Business ratings of land use planning have increased over the three years the business survey has been conducted, but a roughly equal number of respondents are neutral ("neither good nor bad").



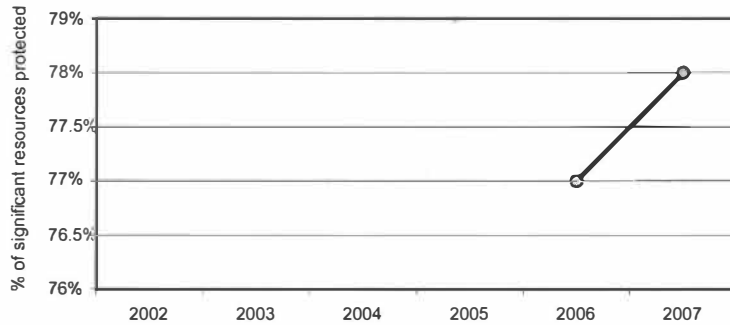
Overall Land Use Planning Rating: Citizens

- Citizens continue to be neutral or only moderately satisfied with City land use planning services.



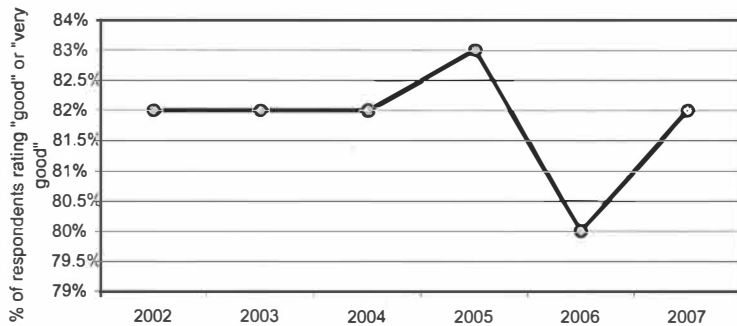
Natural Resource Protection

- ◆ The Bureau of Planning aims to protect resources through both regulatory and non-regulatory means. Natural resources are protected through overlay zoning, public ownership, easement, and mitigation options.



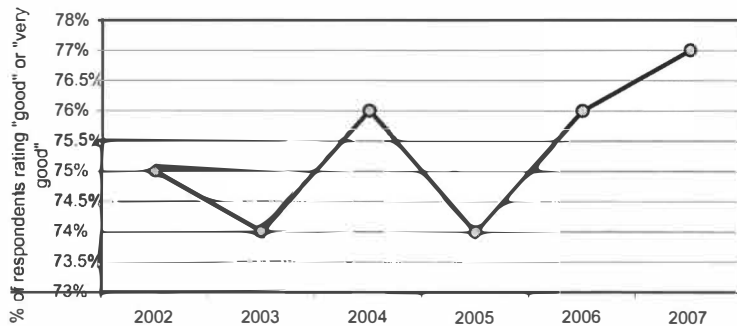
Neighborhood Livability Rating

- ◆ In most areas of the city, citizens are more satisfied with neighborhood livability than city livability. However, neighborhood livability ratings are lower in East and Central Northeast Portland.



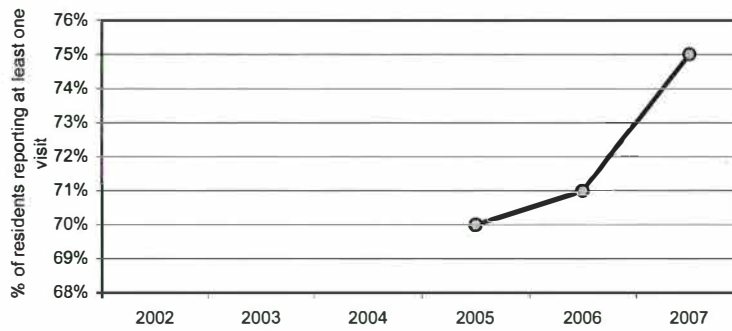
Access to Shopping and Other Services

- ◆ Satisfaction with access to shopping and other services remains relatively high.



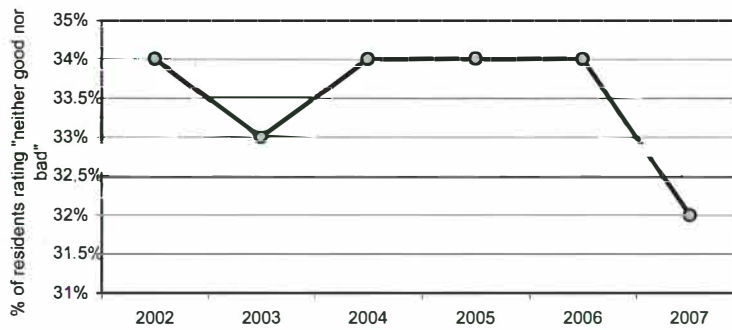
Visits to the Willamette River

- ◆ Over 70% of residents reported visiting the Willamette River to recreate, shop, walk, or work.



Knowledge of Land Use Planning

- ◆ Over one-third of residents rated Overall Land Use Planning "neither good nor bad" in the November 2005 SEA report, indicating a need to increase citizen awareness of bureau activities.



	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
BUREAU OF PLANNING						
Director's Office						
Effectiveness						
Citywide livability rating	79%	77%	74%	77%	76%	78%
Percent of residents rating overall quality of "Land Use Planning" good or very good	44%	41%	38%	39%	37%	40%
Percent of residents reporting at least one visit to the Willamette River to recreate, shop, walk, work, etc.	NA	NA	NA	70%	71%	75%
Percent of residents with little or no knowledge of planning activities (rated "Land Use Planning" neither good nor bad)	34%	33%	34%	34%	34%	32%
Percent of residents rating the attractiveness of new residential development good or very good	54%	55%	51%	55%	54%	55%
District Planning						
Effectiveness						
Percent of residents rating neighborhood livability good or very good	82%	82%	82%	83%	80%	82%
Percent of residents rating access to shopping and other services good or very good	75%	74%	76%	74%	76%	77%
Strategic & Comprehensive Planning						
Effectiveness						
Percent of housing built in four-county region within City of Portland limits	20%	17%	19%	24%	20%	20%
Environmental Planning						
Effectiveness						
Percent of significant natural resources protected through non-regulatory and/or regulatory measures	NA	NA	NA	NA	77%	78%
Economic Development Planning						
Effectiveness						
Percent of businesses rating overall quality of "Land Use Planning" good or very good	NA	NA	34%	37%	38%	40%

Bureau of Planning

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	4,884,251	4,521,823	5,095,183	5,452,770	5,555,590
External Materials and Services	827,676	499,668	328,430	532,232	558,232
Internal Materials and Services	1,432,938	1,247,837	1,080,065	1,463,231	1,463,231
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	7,144,865	6,269,328	6,503,678	7,448,233	7,577,053
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 7,144,865	\$ 6,269,328	\$ 6,503,678	\$ 7,448,233	\$ 7,577,053
Allocated Overhead	772,191	637,183	637,183	331,546	392,109
Total Cost with Allocated Overhead	7,917,056	6,906,511	7,140,861	7,779,779	7,969,162
RESOURCES					
Discretionary Revenue	5,792,562	5,497,791	5,960,302	6,475,139	6,546,878
Non-Discretionary Revenues					
Grants & Donations	6,721	212,945	11,500	0	29,820
Contract Revenues	352,530	338,685	231,044	516,796	544,057
Interagency Revenues	856,089	78,765	159,971	315,335	315,335
Program Revenue	10,802	11,016	0	0	0
Overhead Recovery	126,161	130,126	140,861	140,963	140,963
Total Non-Discretionary Revenues	1,352,303	771,537	543,376	973,094	1,030,175
TOTAL GENERAL FUND RESOURCES	\$ 7,144,865	\$ 6,269,328	\$ 6,503,678	\$ 7,448,233	\$ 7,577,053
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Current Planning	0	270	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Director's Office	610,191	710,765	875,556	722,001	722,001
<i>Positions</i>	<i>5.50</i>	<i>5.00</i>	<i>6.00</i>	<i>6.00</i>	<i>6.00</i>
Admin and Technical Support	1,201,444	1,380,952	1,924,887	2,355,171	2,355,171
<i>Positions</i>	<i>12.15</i>	<i>12.00</i>	<i>11.00</i>	<i>11.00</i>	<i>11.00</i>
Urban Design	611,185	622,734	281,650	443,237	443,237
<i>Positions</i>	<i>7.00</i>	<i>6.90</i>	<i>3.00</i>	<i>4.00</i>	<i>4.00</i>
District Planning	997,160	1,247,985	912,602	1,069,918	1,168,918
<i>Positions</i>	<i>14.00</i>	<i>13.30</i>	<i>10.30</i>	<i>10.30</i>	<i>10.30</i>
Code Development	546,562	755,646	567,799	599,381	599,381
<i>Positions</i>	<i>5.50</i>	<i>6.80</i>	<i>5.88</i>	<i>5.88</i>	<i>5.88</i>
Strategic & Comprehensive Planning	716,358	764,509	968,956	877,105	877,105
<i>Positions</i>	<i>6.00</i>	<i>6.67</i>	<i>9.58</i>	<i>9.50</i>	<i>9.50</i>
Environmental Planning	2,461,965	786,467	352,376	353,748	353,748
<i>Positions</i>	<i>17.85</i>	<i>7.80</i>	<i>3.80</i>	<i>3.80</i>	<i>3.80</i>
Central City Planning	0	0	212,036	479,260	479,260
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>3.00</i>	<i>2.75</i>	<i>2.75</i>
Economic Development Planning	0	0	173,072	176,392	200,212
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Historic Resources/Infill Design	0	0	234,744	372,020	378,020
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>2.90</i>	<i>2.90</i>	<i>2.90</i>
TOTAL PROGRAMS	\$ 7,144,865	\$ 6,269,328	\$ 6,503,678	\$ 7,448,233	\$ 7,577,053
<i>Positions</i>	<i>68.00</i>	<i>58.47</i>	<i>57.46</i>	<i>58.13</i>	<i>58.13</i>

Bureau of Planning

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06	FY 2005-06	FY 2006-07	FY 2006-07	FY 2006-07	FY 2006-07
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0100	Office Supp Spec I	2.00	1.00	1.00	30,012	1.00	32,976	1.00	32,976
0102	Office Supp Spec II	2.00	3.00	3.00	89,673	3.00	103,638	3.00	103,638
0104	Office Supp Spec III	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7755	River Renaissance Init Mgr	0.00	0.00	0.00	0.00	1.00	90,288	1.00	90,288
7103	Administrative Assistant	0.00	1.00	1.00	63,984	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Sr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7107	Administrative Supervisor II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6131	Associate Planner	2.00	0.90	0.00	0.00	0.00	0.00	0.00	0.00
7112	Business Operations Manager	0.00	0.00	1.00	87,780	1.00	87,780	1.00	87,780
7110	Business Operations Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6132	City Planner I	3.00	2.90	1.90	86,728	1.90	93,614	1.90	93,614
6133	City Planner II	13.00	13.20	15.08	823,155	15.08	878,631	15.08	878,631
7204	Community Outreach/Info Rep, Sr	1.00	0.00	0.00	0.00	1.00	70,596	1.00	70,596
7105	Director's Executive Assistant	0.00	0.00	0.00	0.00	1.00	63,984	1.00	63,984
7795	Environ Planner, Suprvsng	1.00	1.00	2.00	167,340	2.00	170,604	2.00	170,604
7608	Environ Prgm Coordinator	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6053	Environmental Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6051	Environmental Technician I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6062	GIS Technician II	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6063	GIS Technician III	0.00	0.00	1.00	55,038	1.00	60,324	1.00	60,324
6122	Graphics Designer II	1.00	1.00	1.00	54,348	1.00	56,724	1.00	56,724
6123	Graphics Designer III	1.00	1.00	1.00	63,000	1.00	68,976	1.00	68,976
2542	Information Systems Analyst II	1.00	1.00	1.00	64,356	1.00	67,164	1.00	67,164
7508	Information Systems Supervisor	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7130	Management Assistant	2.00	1.00	1.00	53,775	1.00	55,974	1.00	55,974
7752	Planner, Supervising	2.00	2.00	1.00	87,780	1.00	87,780	1.00	87,780
6130	Planning Assistant	0.00	0.00	0.00	0.00	1.00	27,348	1.00	27,348
7076	Planning Director	1.00	1.00	1.00	132,852	1.00	135,576	1.00	135,576
7754	Planning Director, Assistant to	1.00	1.00	1.00	82,740	1.00	86,136	1.00	86,136
7753	Principal Planner	4.00	4.00	3.00	304,200	3.00	304,200	3.00	304,200
7156	Program Manager	0.00	0.00	1.00	69,996	1.00	72,625	1.00	72,625
7158	Program Manager, Senior	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6134	Senior City Planner	12.00	7.90	8.90	574,467	10.40	716,021	10.40	716,021
7756	Urban Design Program Manager	1.00	1.00	1.00	92,436	1.00	94,648	1.00	94,648
TOTAL FULL-TIME POSITIONS		64.00	47.90	47.88	\$ 3,071,440	52.38	\$ 3,513,387	52.38	\$ 3,513,387
6133	City Planner II	4.00	0.00	0.00	0.00	0.50	25,992	0.50	25,992
6134	Senior City Planner	0.00	0.00	0.00	0.00	0.25	13,500	0.25	13,500
TOTAL PART-TIME POSITIONS		4.00	0.00	0.00	\$ 0	0.75	\$ 39,492	0.75	\$ 39,492
7755	River Renaissance Init Mgr	0.00	1.00	1.00	90,288	0.00	0.00	0.00	0.00
6131	Associate Planner	0.00	2.00	2.00	86,280	0.00	0.00	0.00	0.00
6132	City Planner I	0.00	0.00	2.00	90,576	2.00	96,888	2.00	96,888
6133	City Planner II	0.00	1.00	0.58	29,050	1.50	77,976	1.50	77,976
7204	Community Outreach/Info Rep, Sr	0.00	1.00	1.00	70,596	0.00	0.00	0.00	0.00
7154	Program Coordinator	0.00	0.67	1.00	51,744	0.00	0.00	0.00	0.00
7158	Program Manager, Senior	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6134	Senior City Planner	0.00	3.90	2.00	107,932	1.50	95,976	1.50	95,976
TOTAL LIMITED TERM POSITIONS		0.00	10.57	9.58	\$ 526,466	5.00	\$ 270,840	5.00	\$ 270,840

Bureau of Planning

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

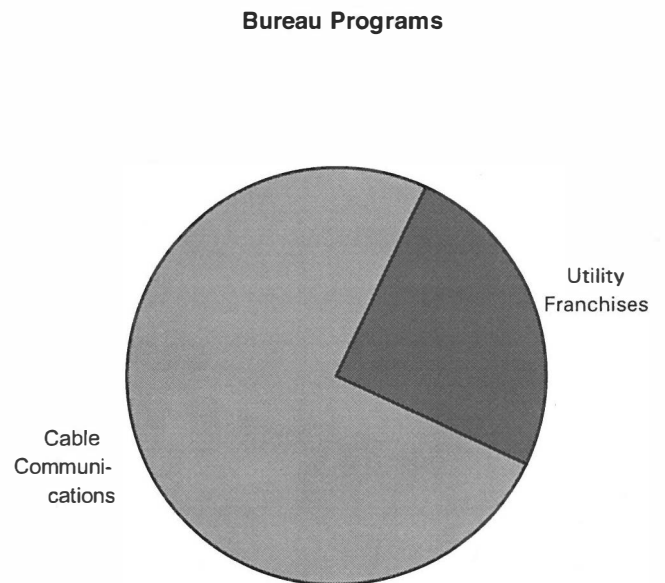
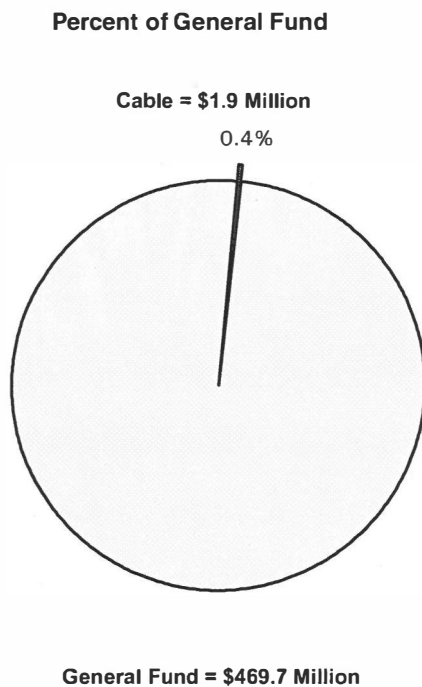
ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	5,942,597	0	5,942,597	48.88	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	(32,383)	0	(32,383)	0.00	Revised health benefit rates
	(60,563)	0	(60,563)	0.00	Switch Human Resources to overhead
	1,490	0	1,490	0.00	Employee transit increase
	19,620	0	19,620	0.00	Port of Portland revenue increase to fund position
Mayor's Proposed Budget Decisions					
	(47,328)	0	(47,328)	(0.50)	Temporarily cut strategic planner position
	0	0	0	0.00	Increase IA with BDS for code develop position
	191,304	67,000	258,304	2.00	Ongoing PDC funding for Central City program
	217,164	0	217,164	2.00	Ongoing funding for River Renaissance program
	0	151,840	151,840	2.00	Community Visioning Project
	0	73,860	73,860	1.00	Housing demographer
	169,948	60,000	229,948	1.75	PDC-funded Planning efforts
	0	154,000	154,000	0.00	Move bureau to 7th floor of 1900 Bldg
	0	250,000	250,000	1.00	Lower East Broadway Plan
	0	89,684	89,684	0.00	Database upgrade & training
	0	10,000	10,000	0.00	Computer replacement
	30,000	0	30,000	0.00	Measure 37 contract funding
	0	120,000	120,000	0.00	New family housing prototype
	0	40,000	40,000	0.00	IA with PDOT for rail system & station area plans
Approved Budget Additions and Reductions					
	128,820	0	128,820	0.00	Appropriate grant revenues from FY 2005-06
Adopted Budget Additions and Reductions					
	0	0	0	0.00	Replace \$71,739 of PDC funds with GF ongoing
	618,072	1,016,384	1,634,456	9.25	Total FY 2006-07 Decision Packages
			\$ 7,577,053	58.13	Total Adopted Budget

Cable Communications and Franchise Management

Community Development Service Area

Dan Saltzman, Commissioner-in-Charge

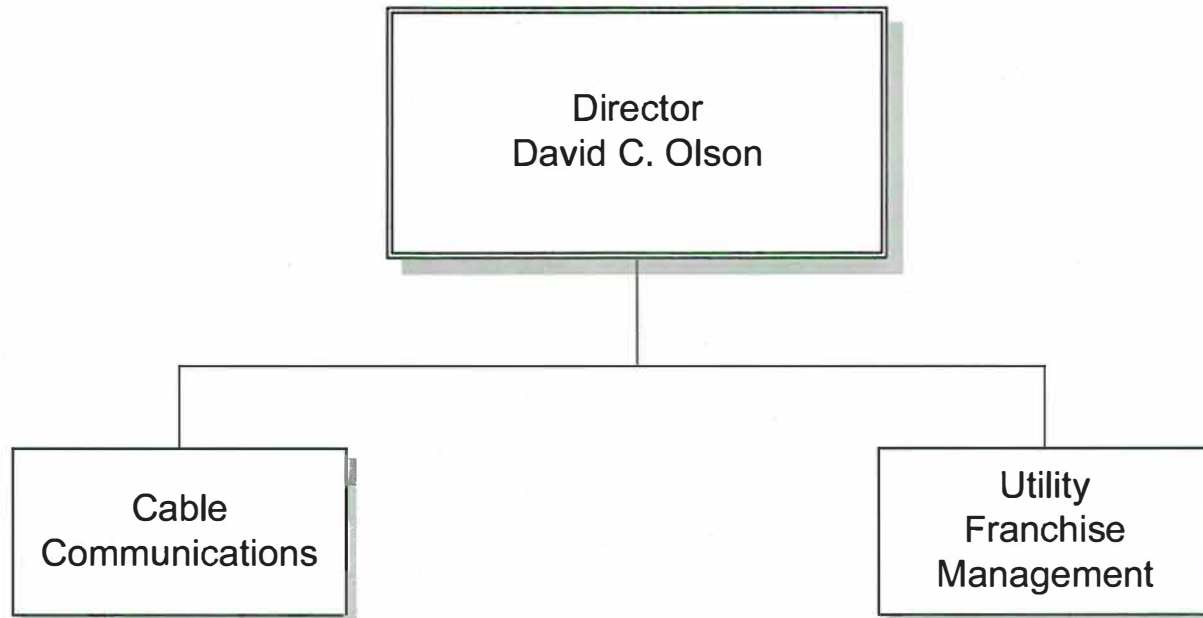
David Olson, Director



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	1,865,436	1,880,366	14,930	0.8%
Capital	0	0	0	0.0%
Total Expenditures	\$ 1,865,436	\$ 1,880,366	\$ 14,930	\$ 0.8%
Authorized Positions	6.80	6.70	-0.10	-1.5%

Office of Cable Communications and Franchise Management



Bureau Summary

BUREAU MISSION

The mission of the Office of Cable Communications and Franchise Management is to ensure the City of Portland and its citizens are fairly compensated for private use of the public rights-of-way; to defend local government's role and the public interest in rapidly changing telecommunications and utility markets, including the power to levy taxes and fees; and to carry out cable franchise responsibilities while advocating for the public interest in cable communications by providing staff support for the Mt. Hood Cable Regulatory Commission (MHCRC).

BUREAU OVERVIEW

The Office of Cable Communications and Franchise Management has two major programs: Cable Communications and Utility Franchise Management.

Cable Communications

The Cable Communications program provides staff support to the Mt. Hood Cable Regulatory Commission. Through the MHCRC, the City has been instrumental in forging and maintaining an effective and successful multi-jurisdictional partnership with Multnomah County and the cities of Gresham, Fairview, Troutdale, and Wood Village. The commission contracts for staff and services through a service agreement with the City of Portland. The MHCRC funds an equivalent of 3.25 FTE and related materials and services.

The MHCRC advocates for and protects the public interest in the regulation and development of cable communications systems, resolves cable subscribers' concerns, and facilitates the planning and implementation of community uses of cable communications technologies that make use of the public rights-of-way. The MHCRC also provides oversight and funding for Portland Community Media and Multnomah Community Television.

Utility Franchise Management

The Utility Franchise Management program administers a significant revenue source to the General Fund and continues its leadership role in developing the City's policy and legal interests regarding the development of advanced telecommunications infrastructure. This program pursues revenue opportunities arising from both the City's management of the rights-of-way and its ability to levy taxes and fees. The program also plays a significant role in monitoring and protecting City and consumer interests in the new era of competition and deregulation of the telecommunications and energy industries. The Utility Franchise Management program is supported by the General Fund and consists of 3.45 FTE.

The bureau also advocates on the local, state, and national levels for local franchise and taxing authority, consumer issues, and accessible media resources in communities.

SUMMARY OF BUDGET DECISIONS

The FY 2006-07 Adopted Budget is \$1,880,366. Of the \$1,510,729 in General Fund appropriations, \$735,966 supports the Cable Communications and Utility Franchise Management programs, and \$774,763 supports Portland Community Media.

Strategic Direction

SIGNIFICANT ISSUES

Defend City Authority from Legal Challenges

The bureau, in conjunction with the City Attorney's Office, will fight ongoing challenges by multiple companies in the telecommunications industry to preempt local government from any regulation of rights-of-way, including but not limited to the ability to charge fair market value for private use of rights-of-way. Currently the City is in litigation as both plaintiff and defendant in several federal court cases. The bureau oversees the receipt of about \$7 million per year in telecommunications franchise fee payments. These franchise fees and other public interest obligations may be affected by the final results of these cases. Current lawsuits include Qwest v. Portland, Portland v. ELI, and Time Warner v. Portland.

Advocate for City Authority at the State and National Levels

The bureau works strategically with other City bureaus, local governments, and organizations to advocate at the Oregon State Legislature, Public Utility Commission, Federal Communications Commission, and U.S. Congress for the City's authority to levy taxes and fees, obtain fair compensation for private use of the public rights-of-way, and preserve various public interest obligations. Examples of public interest issues include compensation for use of the rights-of-way and taxing authority, public safety (9-1-1), consumer protection and customer service, universal service, and number portability.

Open-Platform Fiber Systems

The bureau works with Council on City broadband planning, including development of accessible, open-platform fiber to the premises systems. In cooperation with the Portland Development Commission and the Bureau of Technology Services, the bureau will take the necessary steps to implement Council's goal of providing open-platform fiber systems accessible to all city homes and businesses on an economically sound basis that encourages job growth and retention, and attracts new businesses and resources to the city as well as addressing City revenue issues.

Implement Utility License Fee Reform

The bureau will continue to work to update and implement the Utility License Fee Code to establish uniform utility license fee rates, provide equity among all companies, and accommodate technological advances. The last overhaul of this section of the code was in the 1940s.

Conclude Franchise Negotiations

The bureau will bring to conclusion a settlement of the current NW Natural gas audit, and intends to include with the settlement the condition that NW Natural gas negotiate a current, valid franchise with the City.

Staff will address and resolve issues surrounding the PGE franchise in cooperation with the Office of Sustainable Development, City Attorney's Office, Portland Office of Transportation, Bureau of Parks and Recreation, Bureau of Environmental Services, and Water Bureau.

MANAGEMENT GOALS & OBJECTIVES

City Goal: Improve the quality of life in neighborhoods.

Bureau Goal: Maximize resources available through the franchises to create accessible communication networks.

- ◆ Manage the Community Access Capital Grant program to maximize benefits to the community.
- ◆ Ensure community access resources are provided by the cable companies and managed by the providers in a way which benefits our communities.
- ◆ Guide the development and use of the Institutional Network (I-Net) to leverage I-Net franchise benefits to provide community stakeholders with the highest level of connectivity, capacity, and capabilities.
- ◆ Maximize the use of City and public communication networks through City-specific franchise benefits and proactive support of related regional governmental and public partnerships.
- ◆ Effectively support and encourage the Mt. Hood Cable Regulatory Commission in pursuit of its mission.
- ◆ Actively assist citizens in complaint resolution regarding cable communications.

City Goal: Promote economic vitality and opportunity.

Bureau Goal: Provide responsible and effective utility, cable, and telecommunication franchise regulation.

- ◆ Advocate for local authority over rights-of-way and taxation on behalf of the public interest.
- ◆ Manage utility franchise management so that it fosters competition, creates the least negative impact on public streets and infrastructure, serves the public interest, and generates revenue for the City.
- ◆ Work with Council on City broadband planning, including development of accessible, open-platform fiber to the premises systems.
- ◆ Inform, educate, and assist our constituents regarding cable, telecommunications, and utility issues and regulations.
- ◆ Provide information and networking opportunities for community groups and the interested public to increase knowledge about local community communications resources and impacts on those resources.

Overview of Programs

CABLE COMMUNICATIONS

- Description** The Cable Communications program provides staff support for the Mt. Hood Cable Regulatory Commission, an intergovernmental partnership created by Multnomah County and the cities of Portland, Gresham, Troutdale, Fairview, and Wood Village, to oversee and regulate the cable services franchises and related public benefits. The MHCRC (comprised of eight citizen representatives) provides local regulation and consumer protection and directs disbursement of over \$6 million annually in cable franchise-related revenues.
- Relationship to Goals** The Cable Communications program maximizes resources available through the franchises to create accessible communication networks to improve the quality of life in the neighborhoods.
- Performance** The Cable Commission continues to enforce reliable customer service standards. As a result, complaints from Comcast cable subscribers are declining. The bureau manages the Community Access Capital Grant program which provides funds for technology projects (Public, Education, and Government grants) to community organizations, libraries, educational institutions, local government agencies, and ethnically diverse communities throughout Multnomah County. Seventy-six percent of all grant awards have resulted in educational benefits.

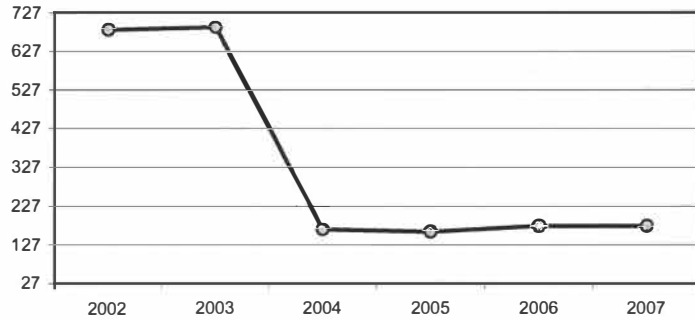
UTILITY FRANCHISES

- Description** The Utility Franchise Management program administers receipt of a significant revenue source to the General Fund and continues its leadership role in developing the City's policy and legal interests regarding the development of advanced telecommunications infrastructure. This program pursues revenue opportunities arising from both the City's management of the rights-of-way and its ability to levy taxes and fees.
- Relationship to Goals** The Utility Franchise Management program provides responsible and effective utility, cable, and telecommunication franchise regulation to promote economic vitality and opportunity.
- Performance** The bureau estimates it will collect nearly \$60 million in General Fund revenues from its effective administration of over 50 franchises in FY 2006-07. Over the last six years, 14 companies have been in bankruptcy, and the compliance program has been able to collect more than \$4.3 million of fees owed (a collection rate of almost 60%). In addition, the bureau won a \$3.7 million judgment in 2002 for unpaid franchise fees, which the company paid, and another \$5.3 million judgment in 2005, which is on appeal.

Performance Measures

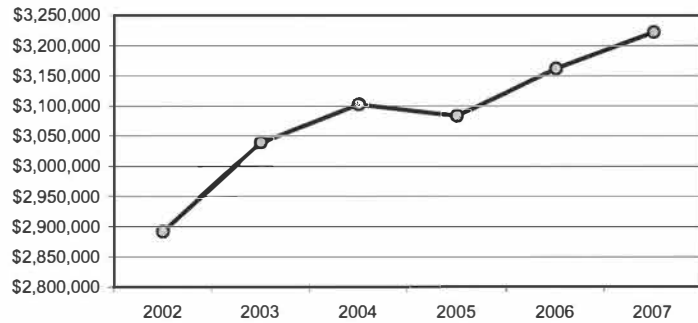
Cable Subscriber Complaints Handled

- ◆ The Cable Commission continues to enforce reliable customer service standards. As a result, complaints from Comcast cable subscribers are declining.



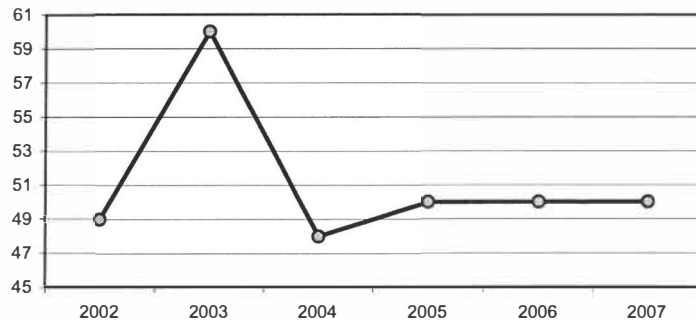
Public, Educational, and Government Grants

- ◆ The PEG grants provide capital funding to nonprofit, educational, community groups and local governments.



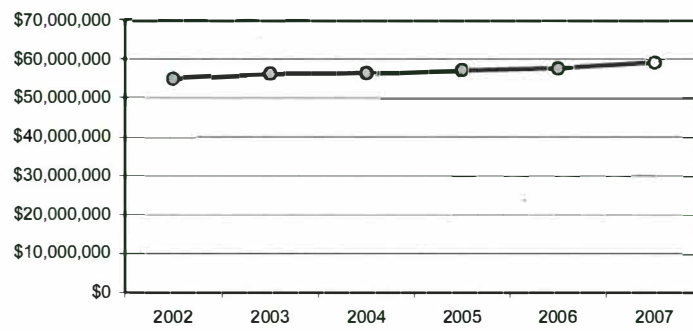
Number of Franchises Administered

- ◆ Mergers and bankruptcies continue to challenge the telecommunication franchise administration.



General Fund Revenues

- ◆ The bureau oversees receipt of nearly \$60 million in General Fund revenues from cable and utility franchises.



Cable Communications and Franchise Management

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
CABLE COMMUNICATIONS AND FRANCHISE MANAGEMENT						
Cable Communications						
Effectiveness						
PEG Funding and Grants	\$2,892,174	\$3,039,156	\$3,102,507	\$3,082,941	\$3,161,751	\$3,222,022
Workload						
Cable TV Complaints Handled	683	690	167	160	175	175
Utility Franchises						
Effectiveness						
General Fund Revenues Collected	\$54,768,754	\$55,989,107	\$56,247,023	\$57,039,622	\$57,642,597	\$59,143,137
Workload						
Franchises Administered	49	60	48	50	50	50

Cable Communications and Franchise Management

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	624,289	636,322	664,720	708,929	708,929
External Materials and Services	785,090	828,191	893,620	846,256	846,256
Internal Materials and Services	271,303	290,816	307,096	325,181	325,181
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	1,680,682	1,755,329	1,865,436	1,880,366	1,880,366
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 1,680,682	\$ 1,755,329	\$ 1,865,436	\$ 1,880,366	\$ 1,880,366
Allocated Overhead	309,877	217,894	331,778	226,301	226,301
Total Cost with Allocated Overhead	1,990,559	1,973,223	2,197,214	2,106,667	2,106,667
RESOURCES					
Discretionary Revenue	1,361,089	1,415,837	1,522,224	1,510,729	1,510,729
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	12,500	0	0	0
Interagency Revenues	319,593	327,242	343,212	369,637	369,637
Program Revenue	0	(250)	0	0	0
Total Non-Discretionary Revenues	319,593	339,492	343,212	369,637	369,637
TOTAL GENERAL FUND RESOURCES	\$ 1,680,682	\$ 1,755,329	\$ 1,865,436	\$ 1,880,366	\$ 1,880,366
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Cable Communications	1,287,386	1,307,360	1,347,667	1,411,432	1,411,432
<i>Positions</i>	<i>3.25</i>	<i>1.80</i>	<i>2.80</i>	<i>3.25</i>	<i>3.25</i>
Utility Franchises	393,296	447,969	517,769	468,934	468,934
<i>Positions</i>	<i>3.45</i>	<i>5.00</i>	<i>4.00</i>	<i>3.45</i>	<i>3.45</i>
TOTAL PROGRAMS	\$ 1,680,682	\$ 1,755,329	\$ 1,865,436	\$ 1,880,366	\$ 1,880,366
<i>Positions</i>	<i>6.70</i>	<i>6.80</i>	<i>6.80</i>	<i>6.70</i>	<i>6.70</i>

Cable Communications and Franchise Management

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7070	Cable/Franchise Director	1.00	1.00	1.00	100,218	1.00	104,335	1.00	104,335
7696	Cable/Franchise Prog Mgr. Senior	0.90	1.00	1.00	87,780	0.90	78,996	0.90	78,996
7695	Cable/Franchise Program Manager	1.00	1.80	1.80	133,718	1.80	136,632	1.80	136,632
7377	Financial Analyst, Senior	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7153	Program Specialist	2.00	2.00	2.00	122,532	2.00	124,532	2.00	124,532
TOTAL FULL-TIME POSITIONS		5.90	6.80	6.80	\$ 518,480	6.70	\$ 518,727	6.70	\$ 518,727
7695	Cable/Franchise Program Manager	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PART-TIME POSITIONS		0.80	0.00	0.00	\$ 0	0.00	\$ 0	0.00	\$ 0

Cable Communications and Franchise Management

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	1,894,428	0	1,894,428	6.70	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	(6,864)	0	(6,864)	0.00	Revised health benefit rates
	(7,438)	0	(7,438)	0.00	Switch Human Resources to overhead
	240	0	240	0.00	Employee transit increase
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	None
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(14,062)	0	(14,062)	0.00	Total FY 2006-07 Decision Packages
			\$ 1,880,366	6.70	Total Adopted Budget

Children's Investment Fund

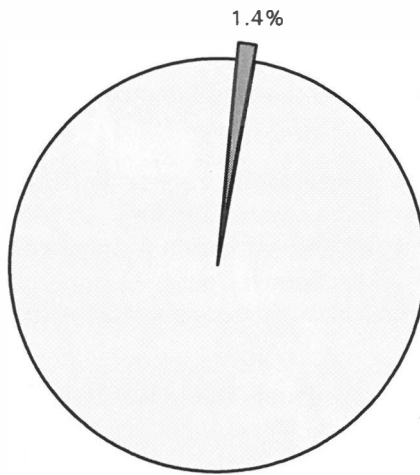
Community Development Service Area

Dan Saltzman, Commissioner-in-Charge

Lisa Pellegrino, Director

Percent of City Budget

Children's Investment Fund = \$21.5 Million



City Budget = \$1.58 Billion

Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	17,580,728	21,513,364	3,932,636	22.4%
Capital	0	0	0	0.0%
Total Expenditures	\$ 17,580,728	\$ 21,513,364	\$ 3,932,636	\$ 22.4%
Authorized Positions	3.55	3.55	0.00	0.0%

Bureau Summary

BUREAU MISSION

To help children arrive at school ready to learn, to provide safe and constructive after-school alternatives for kids, and to prevent child abuse and neglect.

BUREAU OVERVIEW

The Children's Investment Fund contracts with nonprofit providers and other governments to provide services to children throughout Portland. Funding comes from the proceeds of a five-year property tax levy approved by the voters in 2002, estimated to provide \$11.2 million in FY 2006-07. Programs are in three categories, as provided in the ballot measure language:

- ◆ Early Childhood
- ◆ Child Abuse Prevention and Intervention
- ◆ After-School and Mentoring

Programs must demonstrate they are cost-effective and have a proven record of success to be eligible for consideration for funding. An Allocation Committee awards grants through a competitive process. The Allocation Committee consists of a City of Portland Commissioner, a Multnomah County Commissioner, a member of the Portland Business Alliance, and two private citizens selected by the two elected officials.

During December 2004, the Allocation Committee voted to set aside \$3 million toward the creation of a Leverage Fund. The Leverage Fund seeks to attract private funders, both local and national, to align their resources with the Children's Investment Fund for a concentrated investment to help serve Portland's children.

SUMMARY OF BUDGET DECISIONS

The FY 2006-07 Adopted Budget is \$23 million, including the year's tax levy proceeds of \$11.2 million and funds carried over from prior years totalling \$11.6 million. The carryover funding includes obligations from the prior year for contracts that extend into FY 2006-07. Under provisions of the levy, the fund's administrative expenses, including staff cost, cannot exceed 5% of expenditures. The fund is audited to ensure this requirement is met.

The only change from the original budget request was to recognize additional carryover funding, which was added to external materials & services.

Strategic Direction

MANAGEMENT GOALS & OBJECTIVES

Citywide Goal: Improve the quality of life in neighborhoods

Bureau Goal: Promote and fund programs that support the wellbeing of our city's children.

The Children's Investment Fund receives voter-approved property tax revenue annually to support its three major programs and the Leverage Fund. Additional funds are available in FY 2006-07 from prior years' tax proceeds, which will be targeted to these programs. Efforts in support of this goal also support the FY 2006-07 Council focus area of building a family-friendly city.

Citywide Goal: Deliver efficient, effective, and accountable municipal services

Bureau Goal: Keep administrative costs under 5% of tax revenues over the life of the fund.

The Children's Investment Fund has a small staff of 3.5 FTE, whose costs represent only 2.3% of total budgeted expenditures. Overhead costs are kept small, and the fund's spending is independently audited each year to make sure administrative costs stay within the 5% limit.

Overview of Programs

INVESTING IN CHILDREN

The Children's Investment Fund has one program, Investing in Children. There are three focus areas, consistent with the direction provided in the 2002 ballot measure. The Fund's Allocation Committee has also established a Leverage Fund to increase program activity in the three focus areas.

Early Childhood

The Early Childhood program serves approximately 2,900 children per year, with emphasis on:

- ◆ Access to Early Head Start, Head Start, and other quality pre-school programs
- ◆ Parent education and support services including home visits, case management, child development services, and health screenings
- ◆ Child and maternal health education and outreach and mental health services
- ◆ Access to quality child care

Child Abuse Prevention and Intervention

Child Abuse Prevention and Intervention serves about 1,200 children per year, to expand:

- ◆ Prevention and intervention services during times of crisis and trauma due to child abuse, neglect, and family violence
- ◆ Counseling and mental health/substance abuse treatment for victims of abuse and neglect
- ◆ Parent education and case management services focusing on strengthening families and preventing abuse

After-School and Mentoring

The After-School and Mentoring program serves some 5,200 children per year with services and programs including:

- ◆ A variety of after-school programs for students in 4th through 8th grades that emphasize academic improvement along with recreation and parent involvement
- ◆ Culturally specific after-school and mentoring programs
- ◆ Mentoring programs targeted at low-income and low-achieving children

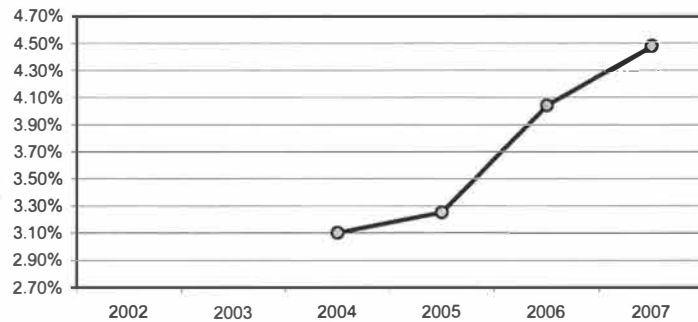
Leverage Fund

The Allocation Committee has made commitments for about \$2.5 million of the \$3 million in the Leverage Fund, for expenditure in FY 2006-07 through FY 2008-09. The Children's Investment Fund continues to seek investment opportunities with private funders for the remaining balance of \$500,000 in the Leverage Fund.

Performance Measures

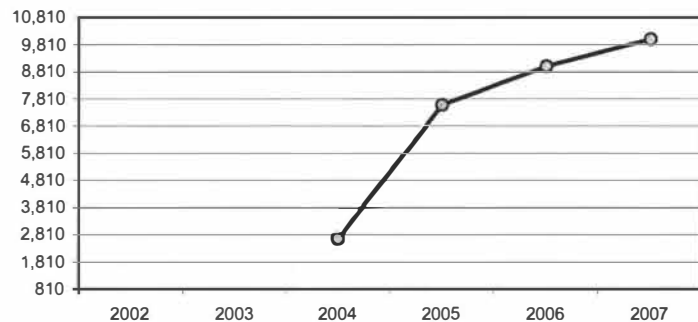
Administrative Cost as Percentage of Tax Revenue

- ◆ The CHIF levy requires administrative costs not to exceed 5% of total tax revenues over the life of the levy. An independent audit is performed each year to monitor compliance with this requirement.



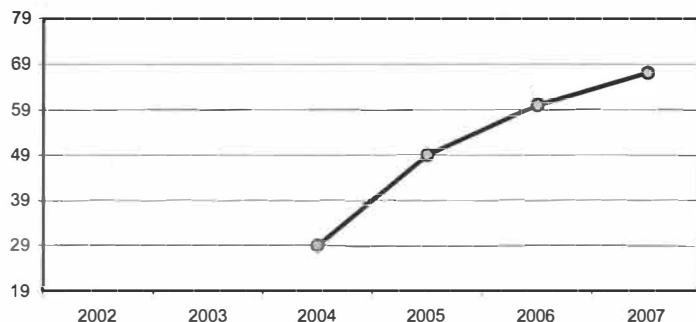
Number of Children Served

- ◆ The number of children served through CHIF-funded programs continues to increase. First-year numbers reflect only a partial year of operation.



Number of Grant Contracts Managed

- ◆ CHIF funds are disbursed to nonprofit and government agencies. The number of contracts shows annual increases since the fund's inception.



Children's Investment Fund

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
CHILDREN'S INVESTMENT FUND						
Investing in Children						
Effectiveness						
Number of children served	NA	NA	2,655	7,573	9,000	10,000
Efficiency						
Administrative cost as percent of cumulative tax revenue	NA	NA	3.10%	3.25%	4.04%	4.48%
Workload						
Number of administrative cost audits	NA	NA	NA	1	1	1
Number of grant contracts managed	NA	NA	29	49	60	67

Children's Investment Fund

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	0	234,490	290,046	369,024	369,024
External Materials and Services	2,248,089	8,192,197	17,273,995	15,831,797	21,126,169
Internal Materials and Services	262,768	43,128	16,687	18,171	18,171
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	2,510,857	8,469,815	17,580,728	16,218,992	21,513,364
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 2,510,857	\$ 8,469,815	\$ 17,580,728	\$ 16,218,992	\$ 21,513,364
Allocated Overhead	0	25,000	25,000	25,000	24,937
Total Cost with Allocated Overhead	2,510,857	8,494,815	17,605,728	16,243,992	21,538,301
RESOURCES					
Children's Investment Fund	2,510,857	8,469,815	17,580,728	16,218,992	21,513,364
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Investing in Children	2,510,857	8,469,815	17,580,728	16,218,992	21,513,364
<i>Positions</i>	<i>0.00</i>	<i>3.41</i>	<i>3.55</i>	<i>3.55</i>	<i>3.55</i>
TOTAL PROGRAMS	\$ 2,510,857	\$ 8,469,815	\$ 17,580,728	\$ 16,218,992	\$ 21,513,364
<i>Positions</i>	<i>0.00</i>	<i>3.41</i>	<i>3.55</i>	<i>3.55</i>	<i>3.55</i>

Children's Investment Fund

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0040	CHIF Comm's Admin Supp Spec	0.00	0.73	1.00	53,412	1.00	53,412	1.00	53,412
0042	CHIF Commissioner's Staff Rep	0.00	2.68	2.55	193,812	2.55	193,824	2.55	193,824
TOTAL LIMITED TERM POSITIONS		0.00	3.41	3.55	\$ 247,224	3.55	\$ 247,236	3.55	\$ 247,236

Children's Investment Fund

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	9,925,921	6,293,071	16,218,992	3.55	FY 2006-07 Current Appropriation Level
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	0	0	0	0.00	None
Approved Budget Additions and Reductions	0	5,294,372	5,294,372	0.00	Increase Beginning Balance projection
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	0	5,294,372	5,294,372	0.00	Total FY 2006-07 Decision Packages
			\$ 21,513,364	3.55	Total Adopted Budget

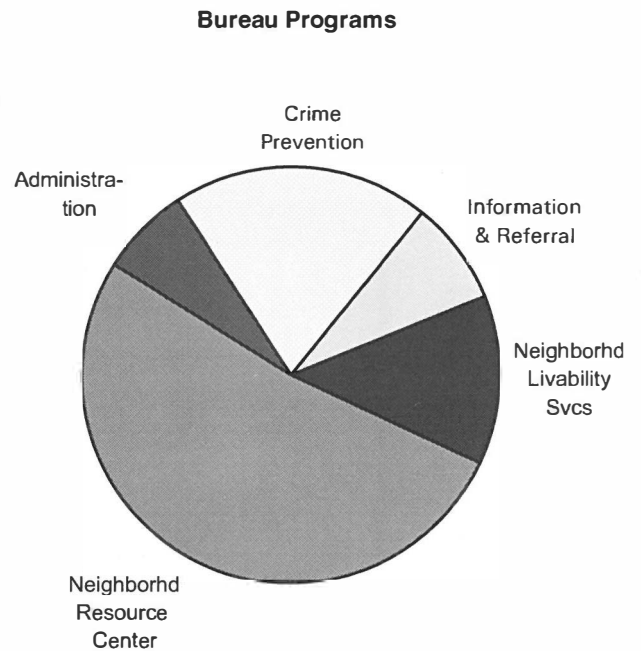
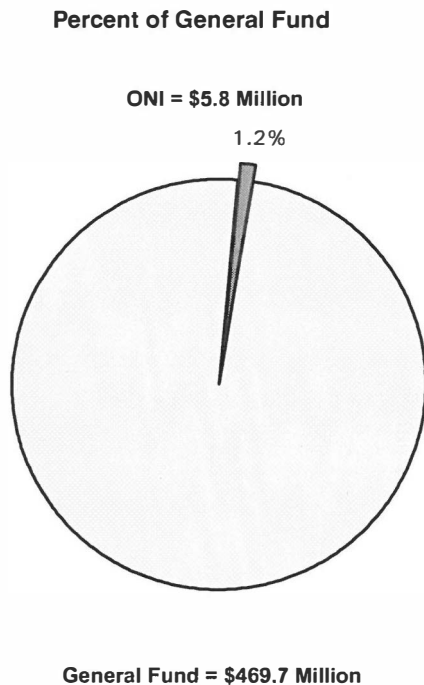


Office of Neighborhood Involvement

Community Development Service Area

Mayor Tom Potter, Commissioner-in-Charge

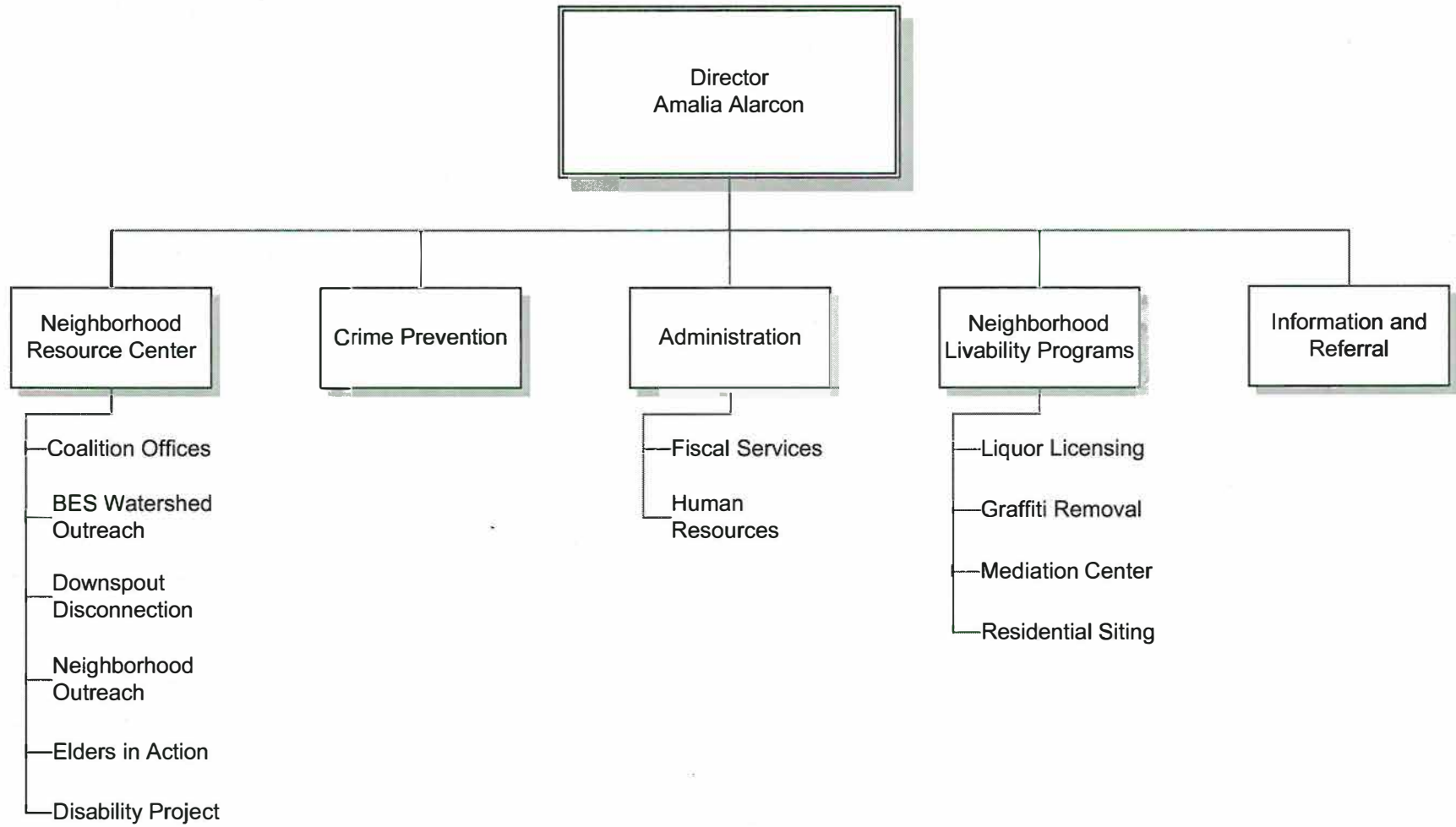
Amalia Alarcon, Director



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	7,188,466	5,752,218	-1,436,248	-20.0%
Capital	0	0	0	0.0%
Total Expenditures	\$ 7,188,466	\$ 5,752,218	\$ -1,436,248	\$ -20.0%
Authorized Positions	55.03	34.73	-20.30	-36.9%

Office of Neighborhood Involvement



Bureau Summary

BUREAU MISSION

The Office of Neighborhood Involvement's mission is to enhance the quality of Portland's neighborhoods through community participation. The Office of Neighborhood Involvement (ONI) provides opportunities for Portland neighbors to interact with their city government and help build safe and livable neighborhoods. The bureau's overall purpose is to facilitate open, inclusive community processes for discussion of important civic decisions among neighbors, neighborhood associations, businesses, and government.

VISION AND VALUES

ONI staff are committed to and guided by the following values:

- ◆ Advocating for collaborative, fair, and accessible community processes
- ◆ Fostering community-centered activism
- ◆ Embracing diversity, understanding, and mutual learning
- ◆ Communicating in a respectful and timely manner
- ◆ Providing service with integrity
- ◆ Establishing a climate of equality, respect, and community empowerment
- ◆ Promoting a safe and healthy environment for everyone

BUREAU OVERVIEW

ONI is a key resource for community members and City employees seeking to improve neighborhood and citizen involvement. ONI's purpose is to enhance the quality of Portland's neighborhoods through community participation. ONI programs also give Portland residents a voice in City Hall. The bureau is organized into five distinct program areas:

- ◆ Crime Prevention
- ◆ Information and Referral
- ◆ Administration
- ◆ Neighborhood Resource Center
- ◆ Neighborhood Livability

The Neighborhood Inspections program, previously housed in ONI, is moved to the Bureau of Development Services in the FY 2006-07 budget.

SUMMARY OF BUDGET DECISIONS

The Adopted Budget decisions reflect the work of ONI's Budget Advisory Committee (BAC) by realizing several efficiencies and demonstrating a strong commitment to civic governance. Included are:

- ◆ The move of the Neighborhood Inspections Team back to the Bureau of Development Services
- ◆ The downgrading of a management position

- ◆ A redirection of funds from the Elders in Action contract to support senior services through the Bureau of Housing and Community Development (BHCD)

The Adopted Budget also includes restoration of \$250,000 that had been transferred to support the community visioning project (visionPDX) in FY 2005-06. ONI will also receive:

- ◆ \$100,000 for small business funding
- ◆ \$50,000 for 9-1-1 disabled resident tracking
- ◆ \$80,000 for graffiti abatement services, including funds for neighborhood cleanups

Each of these Adopted Budget decisions are discussed in more detail below.

Move Neighborhood Inspections to the Bureau of Development Services

The Adopted Budget includes moving the Neighborhood Inspections Team (NIT) back to the Bureau of Development Services (BDS). Although this move does not directly save ONI budget dollars, the resulting restructuring of ONI creates some opportunities for savings and efficiencies. The move of NIT to BDS includes 19 positions and over \$2 million of expenditures and offsetting revenues. It also eliminates the need for a program manager position, which is converted to a neighborhood programs coordinator to provide more direct services to the community. This will result in a savings of \$22,320.

Change to Elders in Action

The Adopted Budget includes a reduction to the Elders in Action (EIA) contract by \$33,720 related to anticipated costs savings due to staffing changes at EIA. These General Fund dollars have been redirected to senior programs at BHCD.

Restoration of Funds to Support visionPDX

The FY 2005-06 Adopted Budget established a \$500,000 Community Visioning and Empowerment Account at ONI, half of which was transferred to the Mayor's Office for visionPDX. The FY 2006-07 Adopted Budget again includes \$500,000 to support a community governance model. These funds will be used for the following:

- ◆ \$200,000 for neighborhood grants
- ◆ \$95,000 to bolster each coalition's ability to communicate with its constituency
- ◆ \$70,000 for Civic Leadership Academy for communities of color
- ◆ \$45,000 Community Engagement Initiative for Coalitions & Neighborhoods
- ◆ \$42,500 for ONI infrastructure needs, such as improving connectivity to remote locations, safety upgrades for ONI offices, and continued support for Bureau Innovation Project #8, the Restructuring of the Neighborhood System and ONI.
- ◆ \$35,000 to mitigate rising insurance costs for coalitions
- ◆ \$5,000 for ONI Neighborhood Legal Defense

Small Business Funding

The \$100,000 for small business support is intended to:

- ◆ Improve recruitment efforts and organizational capacity of Business District Associations
- ◆ Improve the relationship among ONI, coalitions, neighborhood associations, business associations, and other communities
- ◆ Put resources directly into small business districts

Graffiti Abatement

An additional \$80,000 will be dedicated to graffiti abatement efforts to hire additional abatement work crews, coordinate targeted neighborhood cleanups, and develop a graffiti intelligence tracking system.

**9-1-1 Disabled
Resident Tracking**

This program began as a pilot project in FY 2005-06, to create a list of Multnomah County residents who have disabilities that may hinder them from safely evacuating a building in the event of an emergency. This list is then shared with emergency first responders. ONI has begun working with Multnomah County to identify how to coordinate this effort, which will also involve (or include) Portland's Office of Emergency Management and the Bureau of Emergency Communications.

Strategic Direction

SIGNIFICANT ISSUES

Neighborhood coalition contracts have been on a five-year cycle. The current contracts expire at the end of FY 2006-07. ONI will be negotiating with coalitions to develop new contracts for FY 2007-08. Additionally, recommendations from Bureau Innovation Project (BIP) #8 may result in changes in the way neighborhoods are organized and how they interact with the City. Corresponding changes at ONI could impact how it conducts business and serves its contractors. Both of these efforts could result in a significant fiscal impact in FY 2007-08.

MANAGEMENT GOALS & OBJECTIVES

City Goal: Improve the quality of life in neighborhoods.

Neighborhood Resource Center

- ◆ Strengthen existing partnerships and develop new partnerships between ONI, district coalitions and community-based organizations in Portland.
- ◆ Provide consistent and effective communication links and coordination of activities among ONI programs, district coalitions, neighborhood associations, City bureaus, and the broader community to assist with the visioning project and to implement recommendations from BIP #8.
- ◆ Promote outreach and leadership development efforts at the district coalition and neighborhood association level that recruit, train, and retain neighborhood leadership, engage underrepresented constituencies, and promote cultural competency within the neighborhood system.

City Goal: Ensure a safe and peaceful community.

Crime Prevention

- ◆ Facilitate community problem-solving efforts by coordinating public safety teams and resources.
- ◆ Assist in establishing sustainable communication links between the community and the public safety system.
- ◆ Offer training and educational resources to address crime trends and community needs.

Neighborhood Livability Services

- ◆ Decrease graffiti in Portland through improved education, prevention, and coordination of removal efforts in collaboration with the Police Bureau and other community partners.
- ◆ Provide notification to and opportunity for input from neighbors, businesses, and community groups on liquor license applications, renewals, and nuisance activities arising from liquor-licensed establishments.
- ◆ Provide professional and confidential neighbor-to-neighbor mediation services to resolve conflicts within neighborhoods.

City Goal: Deliver efficient, effective, and accountable municipal services.

Administration

- ◆ Coordinate the development of a strategic planning process that will better align the mission, vision, goals, and objectives of ONI with those of the City of Portland and the recommendations from BIP #8.

Information & Referral

- ◆ Increase information and referral functionality through staff development and establishment of new technology designed to improve residents' access to the City's web-based environment.

Overview of Programs

CRIME PREVENTION

The Crime Prevention program is designed to get neighbors involved in community policing efforts. Crime Prevention coordinators work closely with public safety activists, police precincts, community members, neighborhood associations, state agencies, City bureaus, businesses, and local service providers to address crime and livability issues. This program is linked with the City goals of providing a safe and peaceful community and improving the quality of life in neighborhoods. The Crime Prevention program organizes and supports community partnerships to prevent crime and the fear of crime by:

- ◆ Increasing community participation in and stewardship of neighborhood public safety efforts
- ◆ Offering training and educational resources to address crime trends and community needs
- ◆ Facilitating community problem-solving efforts by coordinating public safety teams and resources
- ◆ Providing sustainable communication links between the community and the law enforcement system

Goals and Performance

In FY 2006-07, the Crime Prevention program will:

- ◆ Increase by 10% the number of community members involved in Neighborhood Watch, Business Watch, Community Foot Patrol, and other crime prevention programming.
- ◆ Institutionalize Crime Prevention through Environmental Design (CPTED) practices as part of the predevelopment process on City-funded projects.
- ◆ Continue organizing Public Safety Action Committees (PSACs) in each of the neighborhood coalition areas, helping connect community members to community policing efforts.
- ◆ Implement the newly formed Inter-Bureau Task Force, and coordinate the problem-solving process for chronic problem locations among various public safety and code enforcement bureaus.
- ◆ Implement a pilot Enhanced Safety Properties project, which provides an incentive to landlords and property managers to keep their property crime free.
- ◆ Organize the first annual Public Safety Volunteer Training and Recognition Conference in cooperation with the Office of Emergency Management, Police Bureau, and the Citizen Corps Council.
- ◆ Provide a “best practices” template to guide communities in creating and maintaining good neighbor agreements.

ACCESS

In late 2004, ONI Crime Prevention partnered with the Police Bureau to provide street intervention services for the Downtown-Old Town-Chinatown Livability Pilot Project. The goal of this project, known as ACCESS, is to reduce the incidence of crimes in downtown Portland neighborhoods. This project creates partnerships among government, social service, and criminal justice agencies to identify and analyze neighborhood livability issues and develop programs and strategies to deal effectively with those issues.

INFORMATION & REFERRAL

The City of Portland/Multnomah County Information and Referral (I&R) program is a central resource for basic information and referral to all City and County programs as well as other local community and social services. The staff of the program provides assistance to walk-in patrons of both the Portland Building and City Hall. I&R program costs are shared equally between Multnomah County and the City of Portland.

Goals and Performance

ONI's primary goals for I&R are to continue providing excellent customer service and to improve community access to the services database through web, phone, and walk-in assistance. These goals link to the City goal of improving the quality of life in neighborhoods, because they focus on providing neighborhoods and residents with simplified access to thousands of government and nonprofit services. Specific program objectives for FY 2006-07 are to:

- ◆ Maintain high-quality customer service.
- ◆ Expand the availability of information and referral services to the community while streamlining service delivery.
- ◆ Increase awareness and utilization of the program.
- ◆ Meet or exceed the performance benchmarks in the City/County intergovernmental agreement.
- ◆ Continue the work begun through the Bureau Innovation Project #7 Customer Services process to improve customer service Citywide.

ADMINISTRATION

ONI administration is charged with sound and responsive management of the bureau's fiscal, personnel, and policy issues. One of ONI's major goals for administrative staff in FY 2006-07 is to coordinate the development of a strategic planning process that will better align the mission, vision, goals, and objectives of ONI with those of the City of Portland and to be responsive to the visioning process, BIP #8, and BIP #9 Public Involvement recommendations that develop during FY 2006-07. ONI administration will also be working to implement and monitor the effectiveness of the revised ONI guidelines, which define the roles and responsibilities of the neighborhood offices and associations.

Goals and Performance

Specific program objectives for FY 2006-07 are to:

- ◆ Support ONI staff and programs with policy, fiscal, and human resources services that are both high quality and cost effective.
- ◆ Participate in a collaborative community visioning process that develops a vision and set of goals to guide bureau operations.

NEIGHBORHOOD RESOURCE CENTER

Portland's neighborhood network is made up of 95 neighborhood associations, seven district coalitions, and 40 business district associations. Through the coalition offices, Portland neighbors are able to:

- ◆ Advocate for neighborhood interests to local government.
- ◆ Develop neighborhood plans and priorities.
- ◆ Review and offer advice on community concerns.

- ◆ Discuss issues through meetings, newsletters, and online forums.
- ◆ Organize community-building activities such as block parties, cleanups, and tree plantings.

The Neighborhood Resource Center (NRC) works to enhance the quality of Portland's neighborhoods through community participation in the City's public involvement processes. NRC provides communication, leadership development, and technical assistance support to neighborhood associations through the district coalitions.

Neighborhood Outreach and Support

Neighborhood Outreach and Support is the core of ONI's mission and history of administering, promoting, and advocating for Portland's neighborhood system. ONI works with the coalitions, neighborhood and business associations, City bureaus, and community organizations to:

Build Partnerships

- ◆ Assist with the Mayor's visioning project. ONI administers a grant program to promote the project, and coordinates with the visioning staff.
- ◆ Assist with the Mayor's Bureau Innovation Project on the future of Portland's neighborhood system and public involvement standards.
- ◆ Promote dialogue and relationship building among neighborhood leaders, school advocates, and administrators.
- ◆ Work with neighborhood coalitions to build relationships between neighborhood leaders and other community-based leaders, especially from underrepresented communities.

Provide Communication Links

- ◆ Maintain contact information, bylaws, maps, and census data for neighborhood groups and other community organizations.
- ◆ Work with the coalitions to support and develop neighborhood communication efforts such as newsletters, web sites, email lists, and online forums.
- ◆ Provide technical assistance and information on best public involvement practices to other City bureaus for their outreach efforts.
- ◆ Maintain regular dialogue between ONI management and neighborhood leadership on policy and administration issues.
- ◆ Assist the Commissioner-in-Charge with project support such as facilitation and leading task forces.
- ◆ Coordinate processing of applications for City boards and commissions.

Promote Outreach and Leadership Development

- ◆ Conduct workshops on organizational and leadership development topics.
- ◆ Provide technical assistance to district coalitions and neighborhood associations on ONI standards and state nonprofit law.
- ◆ Work with coalitions to develop outreach and leadership development efforts to engage underrepresented constituencies in civic issues.
- ◆ Promote civic involvement through recognition of volunteerism efforts with Spirit of Portland awards.
- ◆ Address legal concerns, grievances, and contract compliance issues within the neighborhood system.

- ◆ Engage residents in reviewing and updating ONI standards and City Code Title 3.96, related to the neighborhood system.

Increase Capacity for Resource Development

- ◆ Advocate for new funding initiatives for Portland's neighborhood system, including Neighborhood Small Grants and public/private partnerships with district coalitions.
- ◆ Advocate for City bureaus to contract with district coalitions for appropriate public involvement projects.
- ◆ Complete implementation of Neighborhood Legal Defense for neighborhood associations to supplement general liability insurance.

Disability Program

The Disability Program promotes collaborative civic engagement among people with disabilities, neighborhoods, and City government. The program achieves its purpose through:

- ◆ Community organizing and public education on disability issues
- ◆ Assisting City policy development related to general disability and ADA issues
- ◆ Acting as a resource for disabled persons by providing information on disability services, organizations, providers, and legal rights

BES/ONI Partnership Programs

ONI has had an active partnership with the Bureau of Environmental Services (BES) since the mid-1990s. The partnership began with the Downspout Disconnection program and has been expanded to include the Combined Sewer Overflow/Clean River Rewards program. The ONI/BES partnership is a cost-effective way to integrate major City environmental initiatives and programs with the City's neighborhood system and public outreach programs.

Elders in Action

ONI contracts with Elders in Action, a private nonprofit organization, to provide advocacy for the needs of seniors and help seniors advocate for themselves.

Goals and Performance

For FY 2006-07, the Neighborhood Resource Center plans to:

- ◆ Strengthen existing partnerships and develop new partnerships among ONI, district coalitions and community-based organizations in the City of Portland.
- ◆ Provide consistent and effective communication links and coordination of activities between ONI programs, district coalitions, neighborhood associations, City bureaus, and the broader community.
- ◆ Promote outreach and leadership development efforts at the district coalition and neighborhood association level that engage underrepresented constituencies; recruit, train, and retain neighborhood leadership; and promote cultural competency within the neighborhood system.
- ◆ Increase capacity for resource development, utilizing the skills, knowledge and experience of district coalitions to secure contract opportunities with City bureaus with particular focus on public involvement in public decision making and community empowerment at the neighborhood level.

All of these goals link to the City goal of improving the quality of life in neighborhoods and the family-friendly city focus area. The NRC has performance measurements for the district coalition contracts centering on the number of staff and volunteer hours devoted to neighborhood-building and civic-engagement activities, number of engagement activities targeted to underrepresented constituencies, the number of residents reached through these activities, and the number of residents actually engaging in neighbor-to-neighbor, public policy, and other citizen involvement events. ONI's budget process and involvement of community members for the FY 2006-07 budget modeled our commitment to transparency in our program and budget development.

NEIGHBORHOOD LIVABILITY SVCS

Neighborhood Livability Services provides a range of problem-solving tools and resources to address neighborhood livability and nuisance problems. Each subprogram is described below.

- ◆ Directly impacts neighborhood livability.
- ◆ Uses similar tools to solve problems, from conflict resolution to regulatory enforcement.
- ◆ Addresses issues that are primarily referred or initiated by individual neighbors or businesses.
- ◆ Has a case management component, whereby a specific property address is used to track the services provided, and there is an intake, case development, and administrative tracking process.

Graffiti Abatement

The ONI graffiti abatement subprogram focuses on the enforcement of the City's Graffiti Abatement Code and the eradication of graffiti throughout the city. The graffiti abatement coordinator works with private contractors and volunteers to deliver services that:

- ◆ Encourage private citizens to report graffiti to the Portland Police Bureau via the graffiti hotline and PortlandOnline.
- ◆ Disseminate information about graffiti through business and property owner graffiti removal permission forms.
- ◆ Enhance community education with respect to best practices in graffiti removal.
- ◆ Partner with district attorneys and police in the arrest and prosecution of graffiti vandals.
- ◆ Enforce the City's Graffiti Abatement Code, which requires property owners to abate graffiti within ten days of its report.

The graffiti abatement coordinator manages private graffiti removal contracts, coordinates all paid and volunteer graffiti removal efforts, and delivers presentations to community groups, schools, and other organizations regarding graffiti trends, community impacts, and opportunities for public involvement in graffiti prevention.

Liquor License Notification

The ONI Liquor License Notification subprogram:

- ◆ Coordinates the process for liquor license applications within the City of Portland for recommendation to the Oregon Liquor Control Commission (OLCC)
- ◆ Notifies affected community residents and businesses of pending liquor license applications and forwards community responses to the Police Bureau and OLCC
- ◆ Assists with problem resolution between neighbors and liquor license applicants

- ◆ Convenes and facilitates problem-solving and enforcement activities related to the City's Time, Place, and Manner ordinance
- ◆ Provides public education regarding the liquor license application process and testimony preparation for OLCC hearings

Neighborhood Mediation

The City of Portland has funded neighborhood mediation services in some form for over 20 years. Beginning in FY 2002-03, ONI began contracting with Resolutions Northwest, a private organization, for neighborhood mediation services.

Neighborhood mediation services include:

- ◆ Neighborhood-wide mediation (noise, pets, property maintenance, nuisances, boundary disputes)
- ◆ Interpersonal mediation (harassment, threats, minor assaults)
- ◆ Landlord-tenant mediation (repairs, damages, public safety, eviction)
- ◆ Organizational mediation (consultation and facilitation of problem solving within neighborhood groups, churches, schools, and other community organizations)

Community Residential Siting Program

The Community Residential Siting Program (CRSP) provides neighbors, service providers, and developers with a range of tools and strategies to resolve disputes related to the siting of social service facilities. CRSP is jointly funded by Multnomah County, BHCD, and ONI, and:

- ◆ Provides a centralized and coordinated information and referral source before, during, and after the siting of a community residential facility
- ◆ Builds relationships among all siting stakeholders through a balanced and representative advisory committee, which helps guide the content of information
- ◆ Ensures that all resources and siting practices comply with the Fair Housing Act, confidentiality laws, and other legal parameters
- ◆ Gathers technical information concerning land use, facility licensing requirements, contracting/funding relationships, and other siting-related issues
- ◆ Encourages government agencies, community groups, and other organizations to consider the siting of community residential facilities in their community planning or visioning processes to anticipate future siting opportunities
- ◆ Provides collaborative problem-solving services, including mediation, facilitation, and consensus building for groups in conflict around the siting or ongoing operations of a community residential facility
- ◆ Develops and trains volunteer mediators/facilitators to build capacity for conflict resolution services

Goals and Performance

The Neighborhood Livability Center will enhance the quality of Portland's neighborhoods by coordinating the delivery of services and programs that provide a range of problem solving tools and resources to address and provide relief of neighborhood livability and nuisance issues. In addition, these Neighborhood Livability Services will:

- ◆ Provide professional and confidential neighbor-to-neighbor mediation services to resolve neighborhood conflicts.
- ◆ Provide a centralized and coordinated information and referral source before, during, and after the siting of a community residential facility.
- ◆ Decrease graffiti in partnership with the Police Bureau, neighborhood and business associations, and other community partners.

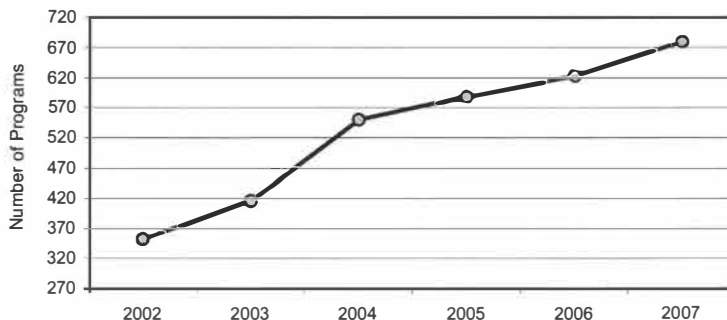
- ◆ Ensure that all liquor outlets meet the high expectations of the community, operate in a lawful manner, and do not unreasonably disturb the peace and tranquility of our neighborhoods.

The Neighborhood Livability Services program aligns with the City goal of ensuring a safe and peaceful city.

Performance Measures

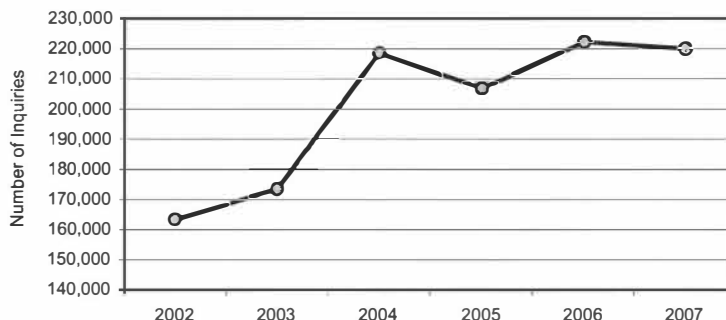
Crime Watch Programs Developed & Maintained

- ◆ The increase in crime watch programs is largely due to the success of the FY 2001-02 & FY 2002-03 block captain initiative.



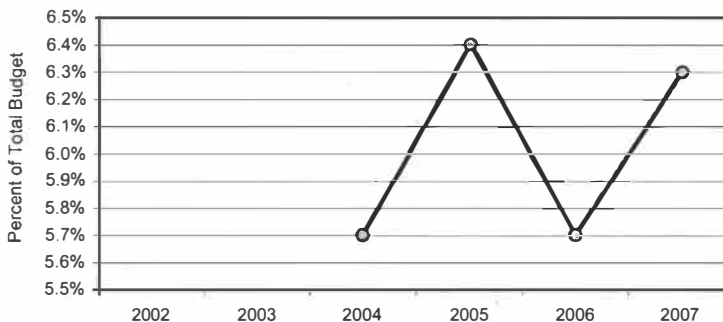
I&R: Number of Calls and Emails Received

- ◆ The number of inquiries made to the Information & Referral program has grown steadily since the program's consolidation with Multnomah County starting in FY 2000-01.



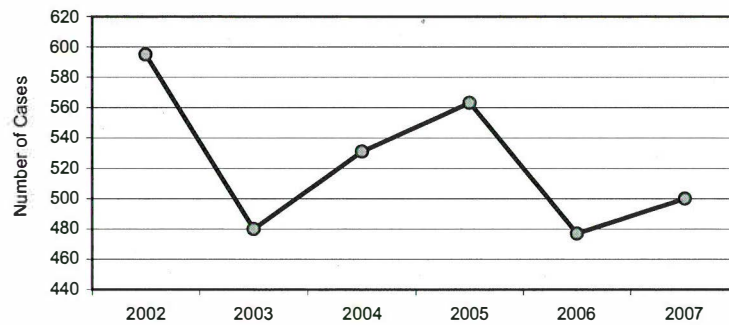
Administration Budget as Percent of Total Budget

- ◆ ONI strives to maintain a lean administrative budget.



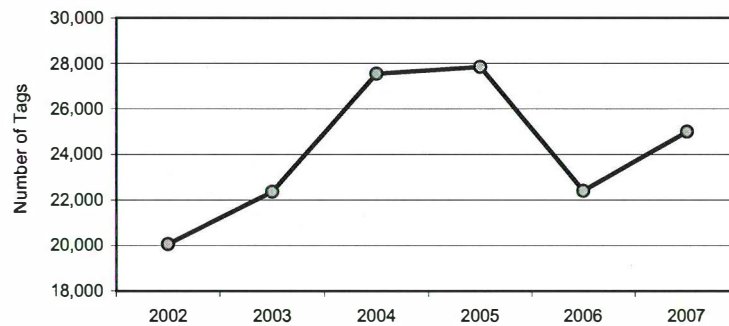
Mediation Case Intakes

- ◆ The mediation caseload is returning to previous levels following increases in cases in 2002, 2004, and 2005.



Number of Graffiti Tags Removed

- ◆ The number of graffiti tags removed declined in FY 2005-06 as a result of a decision to cease providing free abatement to large businesses. This is expected to recover in FY 2006-07 with increased funding.



Office of Neighborhood Involvement

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF NEIGHBORHOOD INVOLVEMENT						
Crime Prevention						
Workload						
Number of Crime Watch Programs Developed and Maintained	352	415	550	589	623	680
Information & Referral						
Effectiveness						
Number of Calls and Email Inquiries Responded to	147,890	169,369	191,658	191,444	166,728	167,000
Workload						
Number of Calls and E-mail Inquiries Received	163,451	173,270	218,538	206,773	222,208	220,000
Administration						
Efficiency						
Administration Staff as Percent of Total Bureau Staff	NA	NA	6.6%	7.0%	6.2%	6.8%
Administration Budget as Percent of Total Bureau Budget	NA	NA	5.7%	6.4%	5.7%	6.3%
Neighborhood Resource Center						
Effectiveness						
Number of People Reached through Community Newsletters and Communications Efforts	NA	NA	NA	NA	829,192	825,000
Number of Attendees at Leadership Development Events and Activities	NA	NA	NA	NA	2,944	2,900
Workload						
Number of Community Involvement Projects or Events Initiated, Maintained, or Completed	NA	NA	NA	NA	514	512
Number of Technical Assistance Contracts with Neighborhood Associations and the Public	NA	NA	NA	NA	46,456	47,000
Number of efforts to involve traditionally under-represented groups such as communities of color, renters, and elders in Neighborhood Association and Coalition meetings attended by contractor staff	NA	NA	NA	NA	213	212
Number of Neighborhood Association and Coalition Meetings Attended by Contractor Staff	NA	NA	NA	NA	2,448	2,400
Neighborhood Livability Svcs						
Workload						
Mediation Case Intakes	595	480	531	563	477	500
Number of Liquor License Applications Processed	66	348	332	355	362	350
Number of Graffiti Tags Removed	20,051	22,359	27,552	27,845	22,400	25,000
Number of Residential Siting Cases Needing Conflict Resolution	30	29	29	26	18	20

Office of Neighborhood Involvement

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	3,998,128	4,036,706	4,024,933	2,747,312	2,747,312
External Materials and Services	2,476,586	2,264,036	2,422,078	2,539,085	2,549,124
Internal Materials and Services	910,118	778,366	741,455	452,383	455,782
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	7,384,832	7,079,108	7,188,466	5,738,780	5,752,218
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 7,384,832	\$ 7,079,108	\$ 7,188,466	\$ 5,738,780	\$ 5,752,218
Allocated Overhead	258,419	288,078	361,066	523,177	523,177
Total Cost with Allocated Overhead	7,643,251	7,367,186	7,549,532	6,261,957	6,275,395
RESOURCES					
Discretionary Revenue	4,473,231	4,229,914	4,482,439	4,646,981	4,646,981
Non-Discretionary Revenues					
Grants & Donations	131,211	145,670	57,072	0	0
Contract Revenues	298,413	244,408	245,328	267,484	267,484
Interagency Revenues	754,179	620,030	703,021	608,253	621,691
Inter-Fund Cash Transfers	127,000	50,000	67,000	0	0
Program Revenue	1,481,357	1,657,927	1,506,621	78,000	78,000
Overhead Recovery	119,441	131,159	126,985	138,062	138,062
Total Non-Discretionary Revenues	2,911,601	2,849,194	2,706,027	1,091,799	1,105,237
TOTAL GENERAL FUND RESOURCES	\$ 7,384,832	\$ 7,079,108	\$ 7,188,466	\$ 5,738,780	\$ 5,752,218
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Crime Prevention	889,545	1,062,116	1,114,955	1,144,875	1,144,875
<i>Positions</i>	<i>11.25</i>	<i>11.80</i>	<i>12.50</i>	<i>13.30</i>	<i>13.30</i>
Information & Referral	393,282	429,525	428,463	459,294	459,294
<i>Positions</i>	<i>6.00</i>	<i>6.75</i>	<i>6.75</i>	<i>5.75</i>	<i>5.75</i>
Administration	420,819	454,055	408,055	401,955	401,955
<i>Positions</i>	<i>4.00</i>	<i>6.00</i>	<i>4.00</i>	<i>3.30</i>	<i>3.30</i>
Neighborhood Inspections	2,242,623	1,855,475	1,953,795	0	0
<i>Positions</i>	<i>20.00</i>	<i>18.70</i>	<i>18.80</i>	<i>0.00</i>	<i>0.00</i>
Noise Control	275,832	290,482	0	0	0
<i>Positions</i>	<i>3.00</i>	<i>4.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Neighborhood Resource Center	2,398,552	2,251,124	2,628,974	2,975,805	2,989,243
<i>Positions</i>	<i>14.03</i>	<i>12.53</i>	<i>10.98</i>	<i>10.18</i>	<i>10.18</i>
Neighborhood Livability Svcs	764,179	736,331	654,224	756,851	756,851
<i>Positions</i>	<i>3.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.20</i>	<i>2.20</i>
TOTAL PROGRAMS	\$ 7,384,832	\$ 7,079,108	\$ 7,188,466	\$ 5,738,780	\$ 5,752,218
<i>Positions</i>	<i>61.28</i>	<i>61.78</i>	<i>55.03</i>	<i>34.73</i>	<i>34.73</i>

Office of Neighborhood Involvement

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06	FY 2005-06	FY 2006-07	FY 2006-07	FY 2006-07	FY 2006-07
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0100	Office Supp Spec I	1.00	1.00	1.00	34,140	0.00	0	0.00	0
0102	Office Supp Spec II	9.00	9.00	4.00	138,036	1.00	38,561	1.00	38,561
7102	Administrative Specialist, Sr	1.00	1.00	1.00	48,780	0.00	(4)	0.00	(4)
7106	Administrative Supervisor I	1.00	1.00	1.00	63,984	0.00	0	0.00	0
7107	Administrative Supervisor II	2.00	1.00	1.00	58,548	1.00	60,948	1.00	60,948
7140	Bureau Director, Assistant to	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7110	Business Operations Supervisor	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
2202	Code Specialist II	1.00	2.00	1.00	36,264	0.00	0.00	0.00	0.00
2204	Code Specialist III	1.00	1.00	1.00	49,800	0.00	0	0.00	0
7202	Community Outreach/Info Asst	1.00	1.00	2.00	90,960	2.00	94,466	2.00	94,466
7204	Community Outreach/Info Rep, Sr	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
5185	Crime Prevent Prog Administrator	10.00	11.00	11.00	495,086	11.00	533,743	11.00	533,743
7220	Disability Program Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7376	Financial Analyst	0.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
7375	Financial Analyst, Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7769	Housing Inspection Supervisor	0.00	0.00	1.00	69,204	0.34	25,014	0.34	25,014
2135	Housing Inspector	7.00	7.00	7.00	323,960	0.00	4	0.00	4
2136	Housing Inspector, Senior	2.00	1.70	1.80	111,696	0.00	192	0.00	192
0110	I&R Specialist	0.00	0.00	4.00	108,096	4.00	147,188	4.00	147,188
7771	Inspection Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7770	Inspection Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7131	Management Analyst	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7022	Neigh Involve & Pgm Director	1.00	1.00	1.00	94,644	1.00	95,124	1.00	95,124
7218	Neighborhood Office Supervisor	2.00	2.00	2.00	134,616	2.00	137,244	2.00	137,244
7214	Neighborhood Programs Coord	1.00	1.00	1.00	46,896	2.00	103,980	2.00	103,980
7773	Noise Control Officer	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7154	Program Coordinator	2.00	2.00	1.00	51,744	1.00	56,736	1.00	56,736
7156	Program Manager	3.00	3.00	3.00	193,500	1.00	74,232	1.00	74,232
7153	Program Specialist	3.00	2.00	3.00	175,164	2.00	119,221	2.00	119,221
7152	Program Specialist, Assistant	1.00	1.00	1.00	57,804	1.00	59,577	1.00	59,577
0900	Staff Assistant	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		59.00	55.70	50.80	\$ 2,528,254	31.34	\$ 1,691,558	31.34	\$ 1,691,558
0102	Office Supp Spec II	1.48	1.48	0.73	25,344	0.73	28,152	0.73	28,152
7220	Disability Program Specialist	0.00	1.00	0.50	23,988	0.50	24,996	0.50	24,996
7769	Housing Inspection Supervisor	0.00	0.00	0.00	0.00	(0.34)	(25,104)	(0.34)	(25,104)
0110	I&R Specialist	0.00	0.00	0.75	20,268	0.75	28,932	0.75	28,932
7218	Neighborhood Office Supervisor	0.80	0.80	0.75	52,944	0.75	52,944	0.75	52,944
TOTAL PART-TIME POSITIONS		2.28	3.28	2.73	\$ 122,544	2.39	\$ 109,920	2.39	\$ 109,920
7202	Community Outreach/Info Asst	0.00	1.80	1.50	57,978	0.00	0.00	0.00	0.00
7153	Program Specialist	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	0.00	0.00	0.00	1.00	60,924	1.00	60,924
TOTAL LIMITED TERM POSITIONS		0.00	2.80	1.50	\$ 57,978	1.00	\$ 60,924	1.00	\$ 60,924

Office of Neighborhood Involvement

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	7,603,305		7,603,305	53.63	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	0	(250,000)	(250,000)	0.00	Transfer One-Time To Mayor
	(70,126)	0	(70,126)	0.00	Move HR to Overhead
	(21,320)	0	(21,320)	0.00	Health Benefits Adjustment
	1,415	0	1,415	0.00	Employee Transit Program Adjustment
	825	0	825	0.00	OMF IA Adjustments
Mayor's Proposed Budget Decisions					
	(33,720)	0	(33,720)	(1.00)	Cut Elders in Action - Use for a Senior Program
	(21,059)	0	(21,059)	0.00	Columbia Sq. Bldg Rent Savings
	(22,320)	0	(22,320)	0.00	Downgrade NRC Prog Manager Position
	(2,068,104)	15,000	(2,053,104)	(18.80)	NIT Moves to BDS
	124,884	0	124,884	1.00	Access Program
	0	250,000	250,000	0.00	Restore One-Time Transfer
	0	100,000	100,000	0.00	Small Business Funding
	80,000	0	80,000	0.00	Graffiti Abatement
	50,000	0	50,000	0.00	9-1-1 Disabled Resident Tracking
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	13,438	0	13,438	0.00	True-up BTS I/A for NIT Move to BDS
	(1,966,087)	115,000	(1,851,087)	(18.80)	Total FY 2006-07 Decision Packages
			\$ 5,752,218	34.83	Total Adopted Budget

Office of Sustainable Development

Community Development Service Area

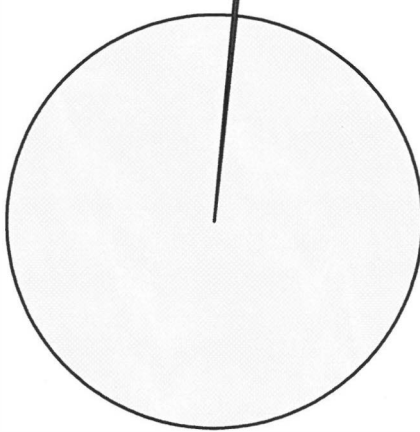
Dan Saltzman, Commissioner-in-Charge

Susan Anderson, Director

Percent of City Budget

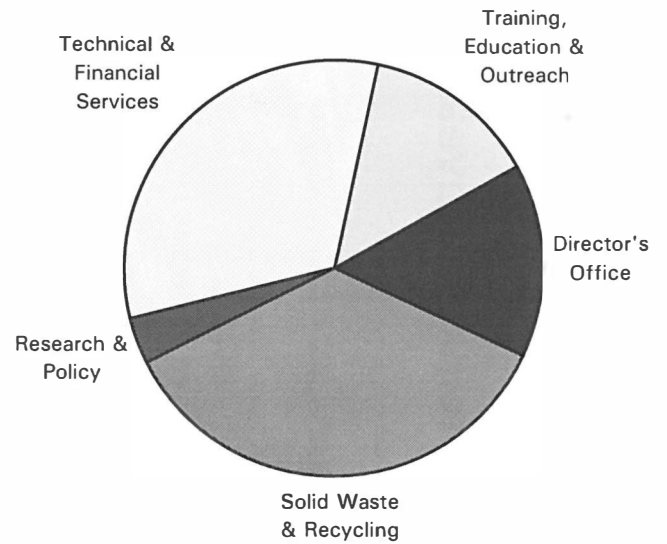
OSD = \$5.7 Million

0.4%



City Budget = \$1.58 Billion

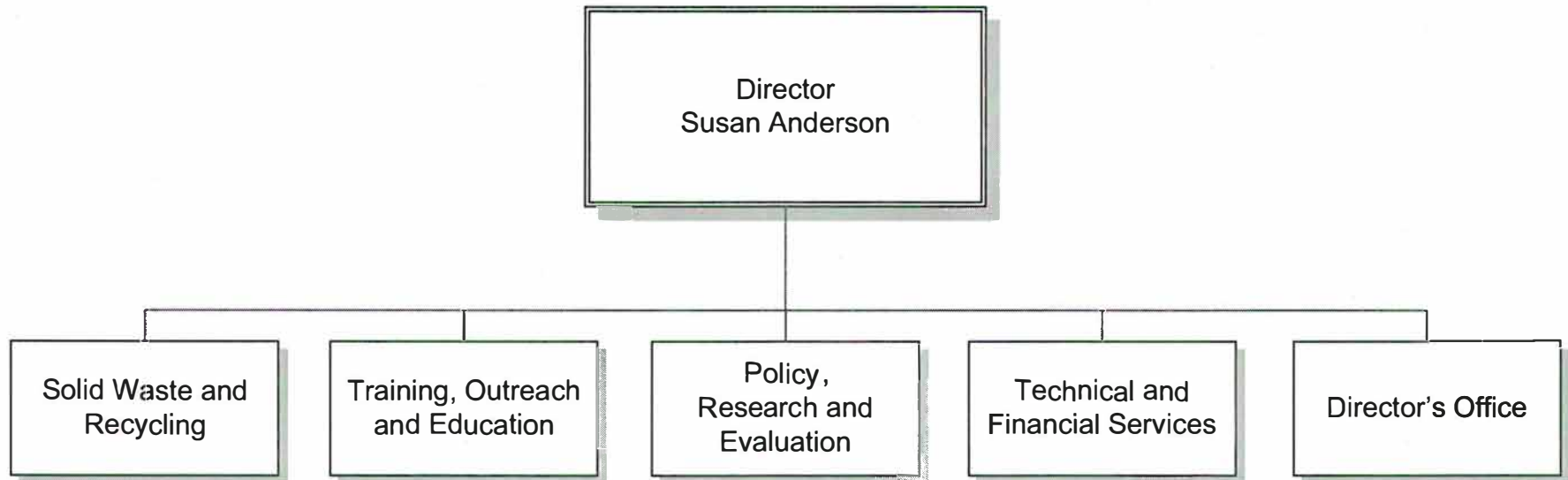
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	5,983,287	5,661,989	-321,298	-5.4%
Capital	0	0	0	0.0%
Total Expenditures	\$ 5,983,287	\$ 5,661,989	\$ -321,298	\$ -5.4%
Authorized Positions	33.08	32.50	-0.58	-1.8%

Office of Sustainable Development



Bureau Summary

BUREAU MISSION

The mission of the Office of Sustainable Development is to provide leadership and contribute practical solutions to ensure a prosperous community where people and nature thrive, now and in the future. Through outreach, technical assistance, policy, and research, the bureau promotes informed choices to increase the use of renewable energy and resources, reduce solid waste, conserve energy and natural resources, prevent pollution, and improve personal and community health.

BUREAU OVERVIEW

The Office of Sustainable Development (OSD) was established in 2000 to bring together innovative partnerships, services, and technologies to promote a healthy environment and efficient, vibrant community. OSD provides technical and financial services to businesses, residents, nonprofit organizations, and public agencies; and serves as a meeting ground for community efforts to advance sustainability.

Efforts are client-oriented and focus on the needs of homeowners, renters, low-income families, government, small business, and specific business sectors. OSD integrates technical and financial services around energy efficiency, waste reduction, and resource conservation. OSD also regulates garbage and recycling collection. In addition, OSD provides staff support to the Portland/Multnomah Sustainable Development Commission and Food Policy Council.

Revenues

The Office of Sustainable Development is funded by the Solid Waste Management Fund, the General Fund, interagency revenues, federal and state grants, and contracts with nonprofit agencies. Revenue sources for the Solid Waste Management Fund include residential franchise fees, commercial tonnage and permit fees, and grants. General Fund support in the Adopted Budget is \$936,236.

The office continues to leverage General Fund support to obtain grants, performance contracts, and state and local intergovernmental revenue.

SUMMARY OF BUDGET DECISIONS

The FY 2006-07 Adopted Budget for the Office of Sustainable Development includes \$83,934 to fund the Block by Block Fix-It-Fair from ongoing General Fund resources. One-time General Fund resources provide \$45,786 to fund one-half of the Bureau Innovation Project #18 Sustainable Government position, \$87,316 to continue the Sustainable Food Initiative, and \$265,000 to focus on sustainable economic development strategies. The Adopted Budget also directs OSD to work with the Portland Development Commission to prepare a detailed work plan for spending \$735,000 on economic development related to renewable energy.

The Adopted Budget reduces General Fund support by \$14,685 in Green Building activities and outreach materials.

BUDGET NOTES

Economic Development

The Office of Sustainable Development (OSD) is charged with developing an economic development program designed to attract and develop local and regional economic activity related to renewable energy and renewable energy technologies. OSD is directed to develop a proposal for utilizing up to \$735,000 that has been reserved for this effort, and will present their workplan to the City Council by September 1, 2006. If the proposal is accepted by Council all funds for this effort will be under the control and direction of the Office of Sustainable Development. The Portland Development Commission will utilize a portion of their existing resources to collaborate with OSD in the development of workplans and strategies.

Bureau Innovation Project (BIP) #18— Sustainable City Government

This budget funds one-half of the sustainable government position in OSD using General Fund one-time resources. OSD will fund the remainder of the cost of the position with internal re-allocations. OSD will report back during future BuMP reviews as to progress made in implementing the work plan identified by BIP #18.

Strategic Direction

SIGNIFICANT ISSUES

Sustainable Economic Development

Investment in economic development is a top priority as government and industry look for new strategies to increase workforce competitiveness, invest in local communities and ensure the future economic health and prosperity of the region. A history of environmental stewardship and innovative community development positions Portland to grow and attract companies that provide sustainable technologies, products, and services. Portland is poised to claim a significant share of the growing global demand for sustainable industry expertise in architecture and engineering; building materials; clean energy; healthy, locally-grown food products and systems; recycled products; lighting; and water and energy efficiency.

Global Climate Change

Global climate change impacts housing, industry, agriculture, water resources, transportation, energy use and development, and municipal revenues. Many nations and more than 400 local governments worldwide are taking active measures to reduce global warming pollution. Impacts of climate change are increasingly apparent, and there is an urgent need to identify local vulnerabilities to climate change while also strengthening efforts to reduce emissions. Many of the policies and programs that reduce pollution also improve local quality of life, and Portland's efforts to date have provided a widely recognized example of beneficial approaches to climate protection.

Waste Reduction and Recycling

Portland is consistently recognized as having one of the most successful recycling and solid waste programs in the nation, recycling about 53% of its waste. However, the recycling rate has leveled off the past few years, and OSD is currently analyzing options to expand recycling. Efforts to increase recycling will target the commercial sector, which generates approximately 75% of Portland's garbage. Efforts will include expanding commercial food waste and business recycling programs. At the same time, waste reduction is receiving increased attention, since improving the efficiency of material use and preventing waste cuts production costs and improves the competitiveness of local businesses.

Sustainable Food System

How food is grown, distributed, processed, prepared, consumed, and discarded has major economic, health, and environmental consequences for Portland and the region. Along the chain from farm to table to landfill, several signs signal an urgent need for action on food-related issues:

- ◆ Farmers in the region are threatened by challenges to the land use system and global competition.
- ◆ Unhealthy diets are contributing to increases in obesity, diabetes, and associated health care costs. Most alarming is the increasing prevalence of obesity among children.
- ◆ A growing number of residents have to rely on emergency food sources.
- ◆ Food accounts for over one-fifth of the solid waste Portland sends to the landfill.

Although many factors shape our food system, local government does have tools to promote a healthy food system through its policies and actions related to economic development, education, recreation programs, solid waste management, purchasing, and urban planning.

MANAGEMENT GOALS & OBJECTIVES

OSD's work supports the City's goal of protecting and enhancing the natural and built environment.

OSD's current strategic plan identifies four vision-level ambitions that guide its goals and objectives. These are to:

- ◆ Recover or reuse all solid waste
- ◆ Meet all energy needs through renewable resources and energy efficiency
- ◆ Release zero net greenhouse gas emissions
- ◆ Make healthy, regionally produced food available to all residents

For three of these core areas, OSD tracks a high-level performance metric, including the overall levels of solid waste, percent of local energy from renewable resources, and local emissions of greenhouse gases. A metric for the food goal is under development. In many cases the bureau's programs are deliberately structured to address more than one of these ambitions simultaneously, but each program also measures progress on the basis of the following program-specific objectives.

Director's Office

- ◆ Implement the Local Action Plan on Global Warming and Sustainable City Principles.
- ◆ Develop partnerships and acquire at least \$400,000 in grants and contracts to provide sustainability services to residences, businesses and governments.
- ◆ Grow the City's support for sustainable economic development, including fostering local businesses that provide clean and resource-efficient products and services.
- ◆ Carry out OSD's Diversity Action Plan to improve cultural competency among staff, diversify the workforce, and strengthen efforts to provide services to residents and businesses historically underserved by sustainability-related initiatives.

Solid Waste & Recycling

- ◆ Ensure quality solid waste collection and recycling services in the city.
- ◆ Achieve City Council's goal of recycling 60% of solid waste.
- ◆ Establish equitable rates for residential garbage service.
- ◆ Increase recycling levels in areas that have relatively low participation rates.
- ◆ Provide timely and accurate information to 20,000 callers on residential and commercial recycling and garbage collection programs.
- ◆ Expand Portland's commercial food waste collection program.
- ◆ Increase recycling levels for Portland businesses.

Technical & Financial Services

- ◆ Promote healthy, resource-efficient building construction, site development, and operations throughout the community.
- ◆ Secure agreements to supply 100% of City electricity needs through wind power or other new renewable resources.
- ◆ Together with the Office Management and Finance, implement the Sustainable Government Partnership, one of the Bureau Innovation Projects to reduce the environmental impact of City operations and save the City \$500,000 annually within three years.

- ◆ Award \$500,000 in financial incentives to innovative commercial, residential, and government green building projects through the Green Investment Fund.
- ◆ Complete energy-efficiency projects on City-owned facilities that result in \$2.2 million in annual energy savings.
- ◆ Improve energy efficiency in at least 4,500 multifamily living units resulting in at least \$500,000 in annual savings. No City funds are used for this program, which is fully supported by external contracts..
- ◆ Provide technical assistance on sustainable practices to 325 commercial, residential, government, institutional, and affordable housing projects throughout Portland using targeted outreach and technical and financial assistance. Assistance focuses on energy efficiency, waste reduction, stormwater management, water conservation, and transportation efficiency

Research & Policy

- ◆ Assess opportunities to support sustainable food policy and practices in local schools, enhance economic development opportunities through institutional purchasing and promoting local options, and increasing capacity for a healthy food system by using appropriate City-owned land for urban agriculture.
- ◆ Raise the profile of the City/County Sustainable Development Commission through joint efforts to promote efficient and environmentally sound local government operations, a sustainable city report card and sustainable economic development opportunities.
- ◆ Provide staff to the Sustainable Development Commission and acquire funding to implement related initiatives.
- ◆ Together with Portland State University and other community partners. Produce and broadly distribute a sustainability report card for Portland based on a thorough indicators study
- ◆ Participate in public policy discussions involving Portland General Electric, PacifiCorp, and NW Natural to ensure that major utility decisions benefit Portland residents and businesses and help to meet City goals related to economic development, community health, and sustainability.
- ◆ Provide research, policy development, and technical assistance to City bureaus and community partners for wider application of emerging green technologies and practices.

Training, Education & Outreach

- ◆ Connect 1,800 Portland residents with resource-conservation assistance at three Fix-It Fairs. These neighborhood-based events save residents money while emphasizing healthy, environmentally friendly homes and yards.
- ◆ Produce the Build It Green! Tour of Homes, a tour of residential green building projects for 1,000 Portland residents, home builders, and construction industry professionals.
- ◆ Produce ReThink, a four-month green building design and construction workshop certificate program for 500 industry professionals.
- ◆ Train 85 recycling experts through the Master Recycler Program.
- ◆ Recognize local firms for their sustainability efforts through the BEST Awards event.
- ◆ Provide assistance, recognition, and resources related to recycling, waste prevention, and sustainable purchasing practices to 500 business.
- ◆ Provide recycling assistance and resources to 10,000 multifamily units.
- ◆ Coordinate food waste collection service and provide training for employees at 100 Portland businesses to help divert 10,000 tons of organics from the landfill.

Overview of Programs

TECHNICAL & FINANCIAL SERVICES

Description Technical & Financial Services provides integrated resource conservation services primarily related to the design, construction, and operations of buildings.

The Technical Services group promotes the benefits of sustainable, high-performance building practices in commercial and residential projects throughout Portland. Technical services includes project-by-project technical assistance, training, outreach, and resource development.

The Financial Services group promotes and markets the financial benefits of energy efficiency and sustainable building practices through incentives, grants, loans, and other financial tools. Staff currently administer the Green Investment Fund and run the Multifamily Assistance Program, which improves access to financial incentives and helps property owners understand the benefits of energy-efficiency investments.

The Sustainable City Government initiative implements a Citywide, bureau-by-bureau sustainable business plan that systematically addresses resource use, toxics reduction, green procurement, renewable energy production and purchasing, and related issues through innovative policies, programs, and implementation strategies.

Relationships to Goals The program supports OSD's goal of protecting the environment and conserving natural resources and promotes the Citywide goal of relating to the health of the environment and the economy.

Performance The performance of Technical & Financial Services is tracked through the number of development projects provided with green building assistance, the number apartment units weatherized, and resource savings through internal City resource-conservation efforts. Funding for the Sustainable City Government initiative will allow OSD to establish a baseline for reducing solid waste from City facilities, track utility savings from efficiency projects (estimated to be \$2.5 million annually), and assist at least 15 other bureaus with their sustainability plans.

Changes to Services and Activities New funding for the Sustainable City Government initiative allows OSD to move forward a Citywide sustainability plan, improve tracking of City resource use, identify opportunities for cost savings, and facilitate information sharing across bureaus.

DIRECTOR'S OFFICE

Description The Director's Office ensures efficient and responsible office management that is consistent with City policies and OSD values. The team leads financial planning and management, coordinates OSD human resources and diversity development, manages the office, provides administrative tools and services to other OSD teams, and coordinates development of funding proposals.

Relationships to Goals

All of OSD's programs link to the Citywide goal of protecting and enhancing the natural and built environment. OSD's programs are also designed to contribute to the City goal of promoting economy vitality and opportunity.

Performance

Key performance measures for the Director's Office relate to securing outside funding for bureau activities, providing exemplary resource conservation services to businesses, and reducing global warming pollution in Portland. In FY 2006-07, OSD expects to secure \$400,000 in external funding and has a goal of improving business satisfaction with City information on pollution reduction to 50%.

Changes to Services and Activities

With a number of major new OSD initiatives planned for FY 2006-07, the Director's Office will work with partners to identify opportunities, and guide program development to ensure the success of the new efforts. Business opportunities to accelerate sustainable practices are a particular focus.

SOLID WASTE & RECYCLING**Description**

The Solid Waste & Recycling group is responsible for policy development and regulation of the City's solid waste program. This group regulates private haulers that provide solid waste, recycling, and yard debris collection services for all Portland residents and businesses. Policy is developed to maintain high customer satisfaction and meet City Council's recycling goal of 60%. Related activities include establishing rates for collection services to residential customers, answering customer questions and resolving complaints, evaluating program performance, and developing new recycling and waste-reduction programs.

Relationships to Goals

The Solid Waste & Recycling program has primary responsibility for OSD's goal of reducing solid waste and also contributes to the related goal of conserving natural resources. Through overseeing collection of recycling and solid waste, the program advances the Citywide goals of protecting and enhancing the the environment and promoting economic viability.

Performance

The Solid Waste & Recycling program measures the percent of solid waste that is recycled, business and resident satisfaction with solid waste and recycling collection, and the cost of residential waste collection. In FY 2006-07, satisfaction with solid waste collection is targeted to reach 80%.

Changes to Services and Activities

In FY 2006-07, Solid Waste & Recycling is undertaking a major review of commercial solid waste collection to identify options for reducing waste, increasing recycling, maintaining high levels of service, and keeping costs affordable.

RESEARCH & POLICY**Description**

The Research & Policy program provides basic research and supports policy development in collaboration with other OSD teams, City agencies, and community partners. Efforts focus on projects that demonstrate or evaluate innovative practices and appropriate technologies. The team staffs the Sustainable Development Commission and Food Policy Council, monitors legislative issues related to sustainable development, and coordinates broad

sustainability initiatives such as the City's Local Action Plan on Global Warming and the City's work on food systems. Recent projects include an assessment of opportunities to increase urban agriculture in Portland, analyzing global warming pollution from City operations, and evaluating options for increasing use of biodiesel in solid waste and recycling collection.

Relationships to Goals The Research & Policy program supports OSD's goal of protecting the environment and conserving natural resources, specifically with the intent of identifying economically and socially beneficial opportunities. This work supports advances the Citywide goals of protecting and enhancing the the environment and promoting economic viability.

Performance The Research & Policy program tracks the number of projects completed. These range from assessing strategic opportunities to increase local biodiesel use, to identifying local vulnerabilities to oil supply disruptions. The impact of new funding for a position to work on sustainable food policy will be tracked through the number of Portland residents who participate in urban agricultural programs.

Changes to Services and Activities Sustainable economic development, biofuels, renewable energy, and sustainable food initiatives are key efforts for Research & Policy in FY 2006-07.

TRAINING, EDUCATION & OUTREACH

Description The Training, Education & Outreach program helps households and businesses make informed decisions about resource conservation and pollution prevention. The program's services include event production; educational material creation and distribution; workshops, training presentations, and on-site customized assistance and resources; and recognition to businesses.

Relationships to Goals The Training, Education & Outreach program supports OSD's goal of protecting the environment and conserving natural resources and promotes the Citywide goals of protecting and enhancing the the environment and promoting economic viability.

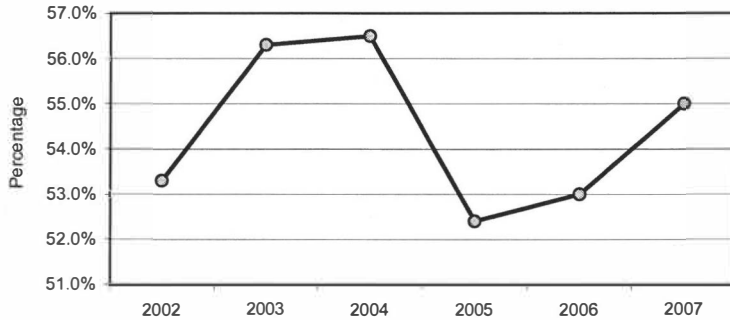
Performance The Training, Education & Outreach program tracks resource conservation assistance provided to Portland businesses and residents with FY 2006-07 goals of reaching 5,000 businesses, 10,000 multifamily units, and 17,000 residents. The impacts of the Fix-It Fairs will be tracked by tallying the number of participants and surveying the percentage who expect to reduce utility bills as a result of the events.

Changes to Services and Activities Training, Education, & Outreach will launch a new resource conservation service for businesses in FY 2006-07. The effort will consolidate and streamline access to financial incentives and technical assistance to make it convenient and profitable for businesses to conserve resources and improve efficiencies.

Performance Measures

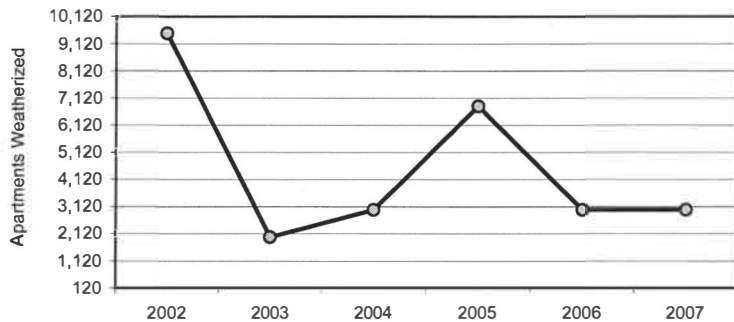
Percent of Commercial Waste Diverted

- ◆ Portland businesses have almost attained the City Council's 60% recycling goal



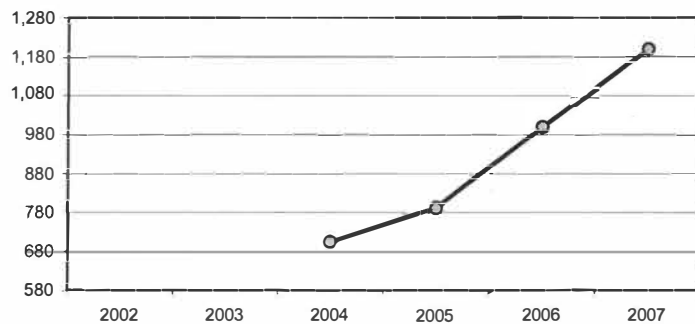
Apartments Weatherized

- ◆ The Multifamily Assistance Program has weatherized over 27,000 apartment units since 2001



Industry Professionals Trained in Green Building

- ◆ OSD has a goal of providing green-building training to 1,200 industry professionals in FY 2006-07.



	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF SUSTAINABLE DEVELOPMENT						
Solid Waste & Recycling						
Effectiveness						
Percent of residential material diverted from wastestream	52.5%	53.0%	53.0%	53.4%	53.0%	53.0%
Percent of commercial material diverted from wastestream	53.3%	56.3%	56.5%	52.4%	53.0%	55.0%
Business satisfaction with solid waste and recycling programs (percent rating "good" or "very good")	NA	68%	67%	67%	75%	78%
Citizens' satisfaction with solid waste and recycling programs (percent rating "good" or "very good")	81%	79%	82%	77%	81%	81%
Efficiency						
Median residential garbage and recycling monthly bill, adjusted for inflation (2000 dollars)	\$17.84	\$18.29	\$18.05	\$17.30	\$17.69	\$18.22
Workload						
Pounds of solid waste generated per household	1,445	1,435	1,413	1,449	1,450	1,450
Tons of solid waste generated by businesses	355,700	353,400	363,100	393,300	390,000	375,000
Training, Education & Outreach						
Workload						
Residents reached by sustainable training and outreach	NA	NA	4,000	9,048	16,000	17,000
Businesses reached by sustainability outreach and training	NA	NA	4,177	5,309	4,000	5,000
Number of multifamily units provided with recycling assistance	NA	NA	NA	7,473	8,000	10,000
Director's Office						
Effectiveness						
Business satisfaction with City information on pollution reduction (percent "good" or "very good")	NA	NA	37%	40%	40%	42%
Efficiency						
Percent reduction in local per capita CO2 emissions from 1990 levels	8.5%	9.7%	11.4%	12.5%	13.0%	14.0%
Workload						
Grants and contracts awarded	\$247,000	\$356,200	\$368,000	\$1,202,840	\$966,250	\$400,000
Research & Policy						
Workload						
Number of research projects completed	NA	NA	4	10	6	8
Resident participating in urban agricultural projects	NA	NA	NA	NA	NA	2,000
Technical & Financial Services						
Affirmative						
City employees provided with sustainability training	NA	NA	NA	NA	NA	75
Effectiveness						
Per capita residential energy use (million BTUs)	30.80	30.50	29.60	30.20	30.00	29.50
Number of certified green buildings in Portland	NA	NA	186	415	400	500

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
Utility savings to City from energy- and water-efficiency projects and waste and toxics reduction (million dollars)	\$1.20	\$1.80	\$2.10	\$2.38	\$2.40	\$2.50
Percent of City electricity use from renewable resources	1.3%	2.1%	11.5%	10.5%	11.0%	12.0%
Percent reduction in solid waste from City operations	NA	NA	NA	NA	NA	5%
Utility bill savings from energy-efficiency projects in City buildings	\$1	\$2	\$2	\$2	\$2	\$3
Efficiency						
Cost per Fix-It Fair participant	NA	NA	NA	NA	NA	\$50
Workload						
Apartment units weatherized	9,500	2,000	3,000	6,820	3,000	3,000
Number of development projects provided with green building assistance	NA	NA	281	214	250	200
Number of design and construction industry professionals trained in green building practices	NA	NA	705	793	1,000	1,200
Bureaus assisted with sustainability projects	8	8	10	31	10	15
Businesses assisted with sustainable practice	NA	NA	4,177	5,309	4,000	5,000
Citizens participating in workshops	NA	NA	NA	NA	NA	1,800

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	1,764,805	2,079,538	2,716,748	2,628,233	2,634,833
External Materials and Services	1,423,097	1,649,692	2,437,817	2,010,551	2,049,737
Internal Materials and Services	632,673	868,098	828,722	989,782	977,419
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	3,820,575	4,597,328	5,983,287	5,628,566	5,661,989
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 3,820,575	\$ 4,597,328	\$ 5,983,287	\$ 5,628,566	\$ 5,661,989
Allocated Overhead	347,765	295,306	374,991	423,008	423,008
Total Cost with Allocated Overhead	4,168,340	4,892,634	6,358,278	6,051,574	6,084,997
RESOURCES					
Discretionary Revenues					
General Fund	431,938	311,646	863,546	936,236	936,236
Total Discretionary Revenues	431,938	311,646	863,546	936,236	936,236
Non-Discretionary Revenues					
Cash Transfers	542,187	619,572	621,587	664,599	664,599
Grants & Donations	144,136	510,961	932,096	494,291	540,077
Interagency Revenues	322,976	603,644	769,834	677,715	677,715
Program Revenue	8,000	96,259	70,603	55,315	55,315
Solid Waste Management Fund	2,371,338	2,455,246	2,725,621	2,800,410	2,788,047
Total Non-Discretionary Revenues	3,388,637	4,285,682	5,119,741	4,692,330	4,725,753
TOTAL RESOURCES	\$ 3,820,575	\$ 4,597,328	\$ 5,983,287	\$ 5,628,566	\$ 5,661,989
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Solid Waste & Recycling	1,995,836	1,882,093	1,929,477	2,026,899	2,014,536
<i>Positions</i>	<i>9.40</i>	<i>9.30</i>	<i>9.50</i>	<i>9.50</i>	<i>9.50</i>
Training, Education & Outreach	375,502	573,153	796,144	773,511	773,511
<i>Positions</i>	<i>2.90</i>	<i>3.90</i>	<i>4.40</i>	<i>3.90</i>	<i>3.90</i>
Director's Office	295,847	451,085	527,113	852,124	844,479
<i>Positions</i>	<i>2.90</i>	<i>4.74</i>	<i>5.70</i>	<i>4.85</i>	<i>6.35</i>
Research & Policy	226,918	187,379	534,182	198,161	198,161
<i>Positions</i>	<i>2.00</i>	<i>1.00</i>	<i>2.23</i>	<i>1.75</i>	<i>1.75</i>
Technical & Financial Services	926,472	1,503,618	2,196,371	1,777,871	1,831,302
<i>Positions</i>	<i>8.90</i>	<i>11.09</i>	<i>11.25</i>	<i>11.00</i>	<i>11.00</i>
TOTAL PROGRAMS	\$ 3,820,575	\$ 4,597,328	\$ 5,983,287	\$ 5,628,566	\$ 5,661,989
<i>Positions</i>	<i>26.10</i>	<i>30.03</i>	<i>33.08</i>	<i>31.00</i>	<i>32.50</i>

Office of Sustainable Development

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06	FY 2005-06	FY 2006-07	FY 2006-07	FY 2006-07	FY 2006-07
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	4.00	3.84	1.90	71,616	1.90	73,272	1.90	73,272
7102	Administrative Specialist, Sr	2.00	0.00	2.00	77,316	2.00	78,912	2.00	78,912
2202	Code Specialist II	0.90	0.90	0.90	42,000	0.90	42,960	0.90	42,960
7205	Community Outreach & Involvement	0.00	0.90	0.90	54,600	0.90	56,844	0.90	56,844
7202	Community Outreach/Info Asst	0.00	0.00	0.00	0.00	1.00	45,000	1.00	45,000
7203	Community Outreach/Info Rep	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7226	Conservation Program Coordinator	2.00	2.00	2.00	127,044	1.00	63,504	1.00	63,504
7227	Conservation Program Coordinator	3.00	5.00	5.00	350,280	4.00	288,728	4.00	288,728
7225	Conservation Program Specialist	3.90	0.90	2.00	101,194	3.00	153,989	3.00	153,989
7232	Energy Conservation Program Mana	2.00	1.00	1.00	64,392	1.00	65,880	1.00	65,880
6052	Environmental Technician II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7376	Financial Analyst	0.90	0.90	0.90	59,832	0.90	60,036	0.90	60,036
7131	Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	2.00	4.00	4.00	171,324	3.00	133,994	3.00	133,994
7206	Public Information Officer	0.00	0.90	0.90	62,940	0.90	65,520	0.90	65,520
7230	Solid Waste & Recycling Program	1.00	1.00	1.00	84,468	1.00	86,676	1.00	86,676
7024	Sustainable Development Director	1.00	1.00	1.00	108,240	1.00	109,032	1.00	109,032
3108	Technician II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		25.60	23.34	23.50	\$ 1,375,246	22.50	\$ 1,324,347	22.50	\$ 1,324,347
7226	Conservation Program Coordinator	0.50	0.60	0.60	42,360	0.60	42,360	0.60	42,360
TOTAL PART-TIME POSITIONS		0.50	0.60	0.60	\$ 42,360	0.60	\$ 42,360	0.60	\$ 42,360
0102	Office Supp Spec II	0.00	1.17	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Sr	0.00	0.00	1.75	67,446	1.00	40,034	1.00	40,034
7202	Community Outreach/Info Asst	0.00	1.17	2.00	81,876	0.00	0.00	0.00	0.00
7203	Community Outreach/Info Rep	0.00	0.00	0.00	0.00	0.90	49,044	0.90	49,044
7227	Conservation Program Coordinator	0.00	0.00	0.00	0.00	1.00	74,328	2.00	130,632
7225	Conservation Program Specialist	0.00	1.75	1.67	92,948	3.00	161,114	3.50	189,110
7132	Management Analyst, Senior	0.00	0.58	1.00	60,458	1.00	65,527	1.00	65,527
7130	Management Assistant	0.00	0.92	1.00	42,852	1.00	45,849	1.00	45,849
7158	Program Manager, Senior	0.00	0.00	0.23	19,479	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	0.50	1.33	57,456	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	6.09	8.98	\$ 422,515	7.90	\$ 435,896	9.40	\$ 520,196

Office of Sustainable Development

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	5,181,802	0	5,181,802	28.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(19,125)	0	(19,125)	0.00	Move HR to Overhead
	105	0	105	0.00	Employee Transit
	(1,567)		(1,567)	0.00	Decreased Health Care Rates
Mayor's Proposed Budget Decisions					
	0	45,786	45,786	1.00	Sustainable City Government (BIP 18)
	0	87,316	87,316	1.00	Sustainable Food Initiative
	83,934	0	83,934	1.00	Block by Block Fix-it-Fair
	(14,685)	0	(14,685)	0.00	3% General Fund Reduction - Communications
	0	265,000	265,000	1.50	Sustainable Economic Development
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	45,786	0	0.00	Appropriate Grants to Fund 1/2 of BIP 18 Position
	0	(12,363)	0	0.00	Reduce IA to BES
	48,662	431,525	480,187	4.50	Total FY 2006-07 Decision Packages
			\$ 5,661,989	32.50	Total Adopted Budget

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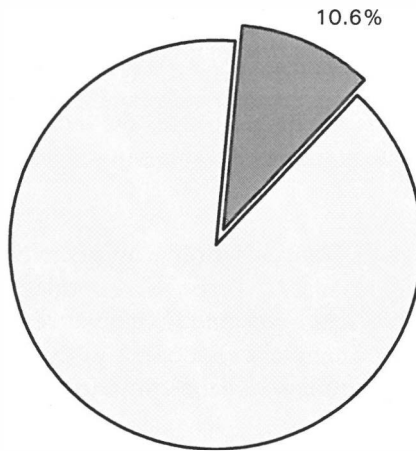


Transportation and Parking

Office of Transportation

Percent of City Budget

Trans & Parking = \$168.1 Million



City Budget = \$1.58 Billion

Service Area Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	95,885,020	96,992,159	1,107,139	1.2%
Capital	85,243,763	71,075,215	-14,168,548	-16.6%
Total Expenditures	\$ 181,128,783	\$ 168,067,374	\$ -13,061,409	\$ -7.2%
Authorized Positions	756.97	768.81	11.84	1.6%

Service Area Highlights

DESCRIPTION

This service area includes the Office of Transportation (PDOT) and its related funds: Transportation Operating Fund, Transportation Reserve Fund, and Gas Tax Bond Redemption Fund. The service area also includes the Parking Facilities Fund and the Parking Facilities Debt Redemption Fund, both managed by the Office of Management and Finance.

Transportation

The Transportation and Parking service area includes those funds and bureaus that plan, build, manage, maintain, and facilitate an effective and safe transportation system and provide access and mobility throughout the city.

The Office of Transportation includes the bureaus of Maintenance, Transportation Systems Management, Transportation Engineering and Development, and the Office of the Director.

Streetlight

Portland’s Office of Transportation provides streetlighting to all improved public streets according to City standards. Through a contract, Portland General Electric provides electricity for the street lights and maintenance for 81% of the City-owned streetlights. Transportation staff maintain about 16% of the system. The rest of the system is maintained by the Oregon Department of Transportation.

Parking

The Parking Facilities Fund accounts for the operation and maintenance of six City-owned parking garages in downtown Portland, comprising the Smart Park system. The six garages are the Third & Alder garage (Morrison Park East), the Tenth & Yamhill garage (Morrison Park West), the Fourth & Yamhill garage, the Naito & Davis (Old Town) garage, the O’Byrant Square garage, and the First & Jefferson garage.

The Parking Facilities Debt Redemption Fund serves to achieve a proper matching of revenues with debt service expenditures of the Parking System Revenue Refunding Bonds, 2001 Series A, and the Limited Tax Revenue Bonds (Central City Streetcar Project), 1999 Series A.

MAJOR THEMES

Portland Office of Transportation

Cut Discretionary Spending To Balance The Budget

Starting in FY 2006-07, PDOT will use a combination of cuts and targeted savings to reduce discretionary spending by \$8.3 million per year. This will bring PDOT in balance for the next four years. The funding gap is projected to re-emerge in FY 2010-11.

General Fund Support

In FY 2006-07, PDOT will receive additional General Fund one-time for the following projects: \$1,000,000 for the Signal Intersection Hardware and \$275,000 for the Cully Boulevard Green Street. The total General Fund transfer to PDOT is \$7,647,154.

Parking Facilities

The Parking Operations program supports the operations and maintenance of the City-owned Smart Park Garages, a parking system of currently 3,825 parking spaces established to provide convenient and economical short-term parking in the downtown area. In addition, the Parking Facilities Fund provides funding for:

- ◆ The Special Appropriation for Downtown Marketing
- ◆ The Office of Transportation for Downtown Streetcar debt



Office of Transportation

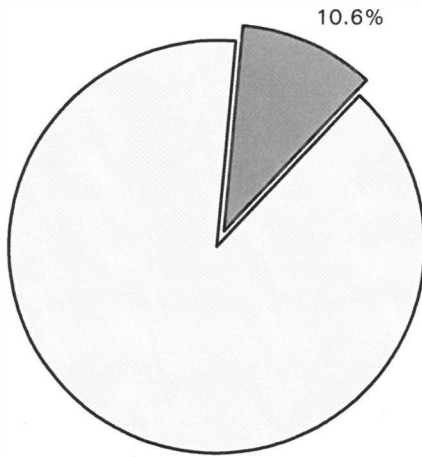
Transportation and Parking Service Area

Sam Adams, Commissioner-in-Charge

Sue Keil, Interim Director

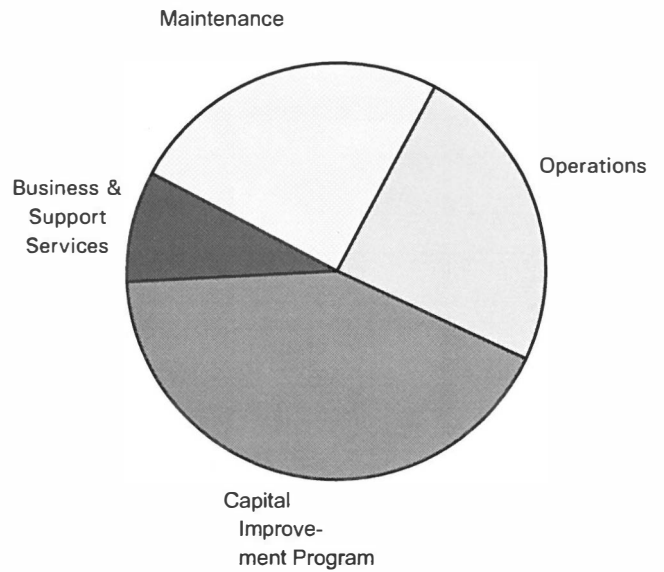
Percent of City Budget

Trans = \$168.1 Million



City Budget = \$1.58 Billion

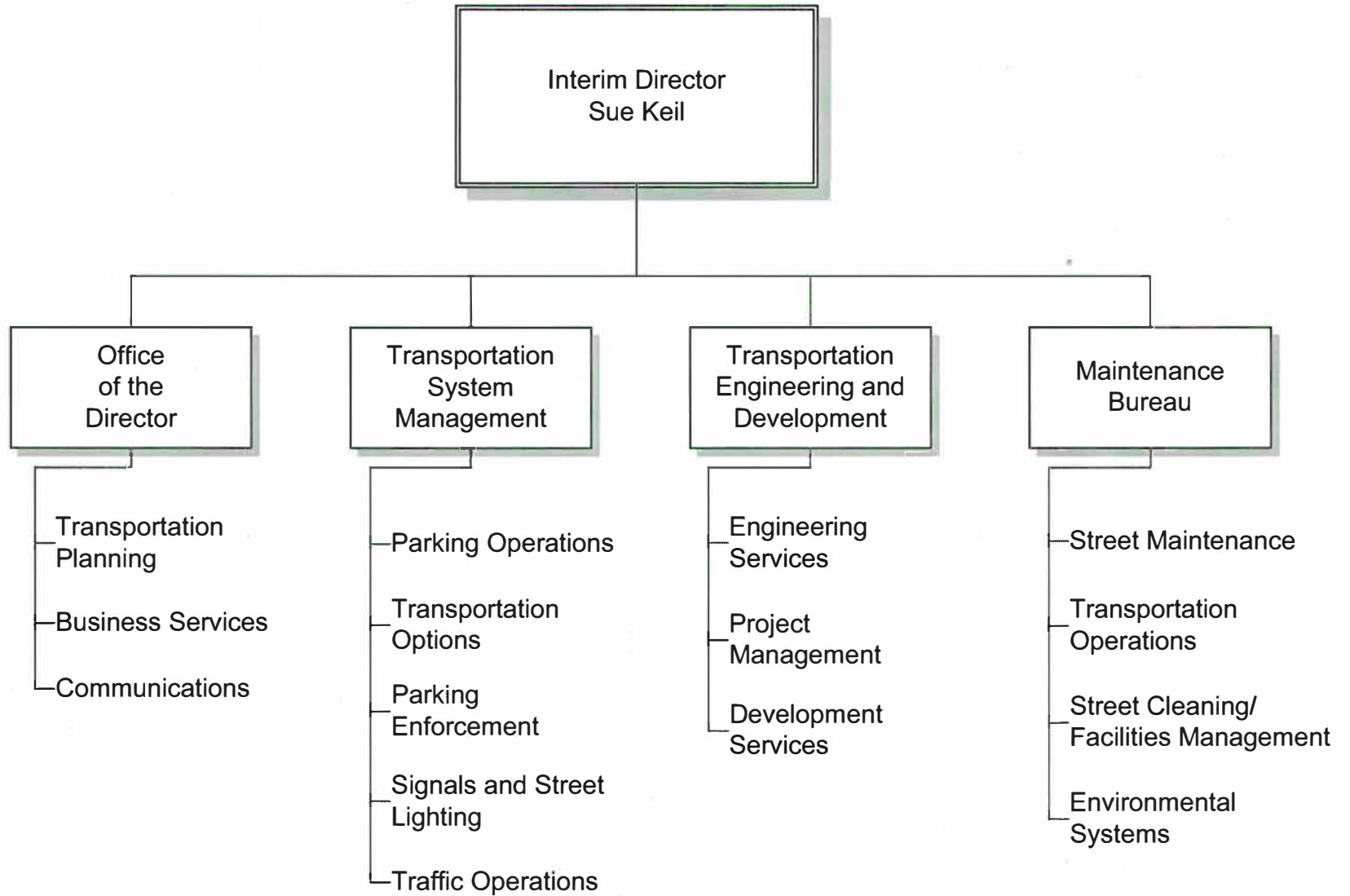
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005–06	Adopted FY 2006–07	Change from Prior Year	Percent Change
Operating	95,885,020	96,992,159	1,107,139	1.2%
Capital	85,243,763	71,075,215	-14,168,548	-16.6%
Total Expenditures	\$ 181,128,783	\$ 168,067,374	\$ -13,061,409	\$ -7.2%
Authorized Positions	756.97	768.81	11.84	1.6%

Office of Transportation



Bureau Summary

BUREAU MISSION

The Portland Office of Transportation is the steward of the City's transportation system, and a community partner in shaping a livable city. We plan, build, manage, maintain, and advocate for an effective and safe transportation system that provides access and mobility.

VISION AND VALUES

Vision for the Future The Portland Office of Transportation's (PDOT) vision for transportation in Portland is:

Portland will have a sustainable transportation system that balances social, economic, and environmental values. Our system will provide safe access and mobility for residents, workers, and visitors, and will provide for the efficient movement of goods. Individuals will have a broad range of safe and convenient transportation options by which to frequently walk, bicycle, carpool, or ride public transit. Streets are a resource that will also serve other public uses and gatherings. This transportation system will provide for a vibrant central city, thriving commercial and industrial districts, and safe and diverse neighborhoods where Portland residents will want to live and work. The system will be maintained and preserved to support these uses, and to protect the investment made by Portland citizens in the City's transportation infrastructure.

This community vision will be achieved with a solid commitment by residents, businesses, and elected officials, and strong leadership and dedicated staff within the Portland Office of Transportation. PDOT must commit to a high set of ideals and standards by which to operate, as described in the following vision for the organization:

PDOT will be one of the world's best-run transportation agencies. Our stewardship of the transportation system will include life cycle management and the use of the best technologies and practices. We will cultivate teamwork and effective communication, inside and outside of our organization. Our employee training and development programs will be consistently applied to ensure a highly trained workforce that represents the diversity of our community. A strong public confidence in our management and performance will support entrepreneurial efforts, and result in sustainable funding for the transportation system.

BUREAU OVERVIEW

Portland Office of Transportation

The Office of Transportation includes the Bureau of Maintenance (BOM), the Bureau of Transportation System Management, the Bureau of Transportation Engineering & Development, and the Office of the Director. PDOT is organized into four programs: Operations, Maintenance, Capital Improvement Program, and Business & Support Services. The services provided by these programs are described in the Overview of Programs.

Summary of Requirements

PDOT's FY 2006-07 Adopted Budget is \$168 million in four programs:

- ◆ \$40.6 million for Operations
- ◆ \$42.0 million for Maintenance
- ◆ \$71.1 million for the Capital Improvement Program
- ◆ \$14.3 million for Business & Support Services

Summary of Resources

PDOT's FY 2006-07 Adopted Budget includes the following projected revenues:

- ◆ \$65.5 million general transportation revenues (GTR)
- ◆ \$7.6 million General Fund support
- ◆ \$13.8 million grants and donations
- ◆ \$33.8 million contract revenues
- ◆ \$33.6 million interagency revenues
- ◆ \$13.7 million bureau program revenues

General transportation revenues provide about 39% of the total. GTR is a combination of state and local gas taxes, weight mile tax, vehicle registration fees, parking fees and fines, and other discretionary revenues.

General Fund ongoing support includes the \$4.9 million for streetlighting operations and maintenance, \$1.1 million for community and school traffic safety program, and \$85,000 for sustainability. General Fund one-time support includes \$350,000 for the streetlighting CIP, \$1 million for signal intersection hardware, and \$275,000 for the Cully Boulevard planning project.

SUMMARY OF BUDGET DECISIONS

PDOT's FY 2006-07 Adopted Budget includes decision initiatives in the following categories:

Efficiency Initiatives

With these 16 efficiency initiatives PDOT will be able to reduce its discretionary spending by \$1.5 million while maintaining the same service level and maintaining assets at current conditions. The major items include:

- ◆ Operations Support: This initiative reduces staff and training costs by \$146,000.
- ◆ Bank Transaction Fees - Parking: This initiative converts the batch to online (real time) processing of credit/debit Smartmeter payments resulting in estimated savings of \$500,000.
- ◆ Wireless Communication - Parking: This initiative reduces wireless communication costs for Smartmeters by \$200,000.
- ◆ Signal Maintenance Efficiency Improvements: This initiative reduces City Fleet interagency by \$100,000.

Reduction initiatives

PDOT has 19 reduction initiatives totaling \$2.5 million. The following are the highlights:

- ◆ Community & School Traffic Safety: This initiative reduces the planned increase in construction of subsidized speed bumps from 30 to 20 and reduces the planned increase in the level of bicycle/pedestrian enforcement by 50%. Net reduction: \$100,000.
- ◆ Curb: This initiative eliminates all curb repair and replacement throughout the City. Net reduction: \$364,000.

- ◆ Central Business District Scrubbing Contract: This initiative eliminates the contract for this service. Net reduction: \$225,000.
- ◆ Residential Slurry Seal Program: This initiative reduces the slurry seal program by 50% and reviews the program after one year. Net reduction: \$311,000.
- ◆ Arterial Sweeping Overpass Cleaning: This initiative reduces arterial sweeping by 12%, meaning that arterial streets will be cleaned on average 10.5 times per year instead of the current 12 times per year. Net reduction: \$341,000.

Revenue Initiatives

PDOT has the following four revenue initiatives to fund the redirect initiatives discussed below:

- ◆ Increase Cost Recovery - Parking Operations: This initiative appropriates the estimated additional revenue from increased cost recovery for special parking permits. Estimated revenue: \$500,000.
- ◆ Increase Parking Citation Bail Amount: This initiative appropriates the estimated additional revenues due to the District Court raising the bail amount for overtime parking citations. Estimated revenue: \$1 million.
- ◆ Modify Court 65% Share of Citations: This initiative appropriates the estimated additional revenues due to the District Court reducing its share of parking citation revenue. Estimated revenue: \$360,000.
- ◆ Create Streetlight Banner Sponsorship Program: This initiative appropriates the estimated revenues from the creation of a sponsorship program where businesses may pay to have their name on special banners on downtown and Lloyd District twin ornamental lights. Estimated revenue: \$100,000

Alternate Funding Initiatives

PDOT has the following two alternate funding initiatives to maintain services:

- ◆ Leaf Removal: This initiative appropriates the estimated revenues from the development of a user fee for leaf removal. Estimated revenue: \$478,000.
- ◆ Special Events Film & Video: This initiative appropriates the estimated revenues from Special Events Film & Video costs by charging event sponsors. Estimated revenue: \$73,000.

Redirect Initiatives

PDOT has ten redirect initiatives funded by new revenues totaling \$1.9 million. The following are the highlights:

- ◆ Americans with Disabilities Act (ADA) Ramps: This initiative funds increased costs for rebuilding corners and installing ADA corner ramps to provide access for all citizens. Estimated cost: \$240,000.
- ◆ Keep Portland Moving: This initiative institutes a centralized Central City management program to coordinate the activities necessary to insure the continuing vitality of the Central City with a goal of promoting alternative modes to single occupancy vehicles at a time of limited roadway capacity and road and bridge construction. Estimated cost: \$546,000.
- ◆ Asset Management Plan Stakeholder Outreach: This initiative funds Phase II of Transportation's budget prioritization process including Capital Improvement Plan (CIP) validation and ongoing stakeholder involvement. Estimated cost: \$250,000.

Interagency Initiatives PDOT has six interagency initiatives totaling \$2.6 million. The following are the highlights:

- ◆ Bureau Innovation Project #19 - Development Review & Permitting: This initiative provides for a concerted effort by the City's three infrastructure bureaus to look for efficiencies to consolidate the public works administrative functions. Estimated cost: \$403,080.
- ◆ Water Bureau Paving: This initiative provides funding for Maintenance's crews to prepare the Water's utility cuts. This initiative is a result of Bureau Innovation Project #12 - Review of Maintenance Functions and discussions with the Water Bureau. Estimated cost: \$770,000.
- ◆ Environmental Services: This initiative adds an additional liner crew to repair sewer mains and/or laterals. Estimated cost: \$1,250,000.

Other Revenue Initiatives

PDOT has eight other revenue initiatives totaling \$1.2 million. The following are the highlights:

- ◆ Transportation Options: This initiative provides funding for the transportation options services using the Business Energy Tax Credit revenue. Each year the Transportation Options Division targets a different geographic area with the goal of decreasing drive alone trips and increasing walking, biking, transit, and carpool trips. Estimated revenue: \$129,240.
- ◆ 117th & Hazelwood: This initiative funds the design and construction of the full street improvements on NE 152nd from Holladay to Multnomah. Estimated grant revenue: \$807,000.

General Fund Initiatives

PDOT has the following three General Fund add initiatives totaling \$1.6 million:

- ◆ Streetlight Capital General Fund Set-Aside: This initiative supports the streetlight capital needs. This project will continue replacing underground cables with new copper wire in conduits. Estimated revenue: \$350,000.
- ◆ Signalized Intersection Hardware: This initiative funds the increased replacement of traffic signal hardware, and addresses crucial needs at an estimated 15 to 20 intersections. Estimated revenue: \$1 million in General Fund one-time.
- ◆ Cully Boulevard Green Street: This initiative funds the planning of the Cully Boulevard Green Street project. Estimated revenue: \$275,000 in General Fund one-time.

Strategic Direction

SIGNIFICANT ISSUES

Flat Revenues

PDOT's primary source of discretionary operating revenue is the State Highway Trust Fund. The main components of the Highway Trust Fund revenue are gas tax revenue, vehicle registration fees, and titling fees. Since none of these sources are indexed to inflation, discretionary revenues are projected to be relatively flat in coming years.

Costs Increasing

Meanwhile, infrastructure maintenance costs are increasing due to the age, complexity, and growth of the assets in the City's transportation system.

Aging Infrastructure

The condition and trends in the City's transportation infrastructure have a direct bearing on the long-term financial health of the transportation fund. The City's transportation infrastructure is deteriorating due to age and heavy use. Much of the transportation infrastructure is past its original useful life. Moreover, inventories have increased dramatically in the last 20 years due to annexation and development. Budgets have not kept up with inflation, leading to cutbacks and an increasing backlog of replacement and repair.

Transportation manages 30 groups of assets worth a total of \$5.8 billion. The five most critical elements of the infrastructure are streets, streetlight system, traffic signals, bridges, and sidewalks. Each of these areas presents pressing needs requiring significantly greater resources to protect the public's investment. For example:

- ◆ The street paving backlog has reached 597 miles, more than twice the target of 250 miles needed for efficient paving program management.
- ◆ The condition of streetlights has declined significantly: 94% of streetlights were rated "good" in 1994 and only 2% "poor"; in 2005, only 22% were rated "good" and 10% "poor."
- ◆ Condition of signal hardware has declined from 69% "good" in 1986 to 28% in 2005.
- ◆ As of July 2005, 22% of bridges were in poor condition, with 31 bridges listed as weight-restricted.
- ◆ 26,324 sidewalk corners need ramps to comply with ADA standards.

PDOT estimates that additional investment of \$19 to \$26 million per year are required to halt the decline in system condition. An estimated investments of \$28 to \$36 million would be required annually to maintain the system at sustainable levels.

New and Ongoing Commitments

New and ongoing commitments increase PDOT's funding requirements, such as:

- ◆ ADA requirements
- ◆ Operations and maintenance impacts of new development
- ◆ Energy and health benefit cost inflation
- ◆ PDOT's share of the PERS Bond Redemption debt service is growing by 26.6% in FY 2006-07 and by 16.2% in FY 2007-08
- ◆ Over the years, PDOT's transfer from the General Fund has been reduced. PDOT now pays for \$3.55 million in program costs that once received General Fund support

- ◆ The Transit Mall project (\$3.2 million annually in bond payments and direct project management costs) beginning in FY 2007-08
- ◆ The City's annual portion of tram operations and maintenance is projected to be approximately \$240,000. This will begin in FY 2006-07 for the last half of the fiscal year

Funding Gap

The gap between requirements and resources is not new, and simply reallocating resources will not close it. After several years of funding shortages, the City is investing far below the sustainable level in infrastructure maintenance and has implemented cuts in services and deferral of much-needed work, such as:

- ◆ Road reconstruction
- ◆ Street preservation
- ◆ New street lights and street light maintenance
- ◆ Signal maintenance
- ◆ Street area landscaping

Fund Balance and Reserves

The Transportation Reserve Fund is currently at only 11% of target level. This is inadequate given PDOT's fiscal condition. Because of the low level of reserve, PDOT cannot rely on the reserve to fund its forecasted short-term budget gaps. Moreover, this amount of reserves provides no cash-flow shelter against a total budget of over \$190 million and \$5.8 billion in assets. Without sufficient reserves and contingency, PDOT may be required to incur short-term financing costs for cash-flow purposes.

MANAGEMENT GOALS & OBJECTIVES

City Goals

The primary City goal supported by the Office of Transportation (PDOT) is to *operate and maintain an effective and safe transportation system.*

PDOT Goals

PDOT's bureau goal is to *operate and maintain an effective and safe transportation system.* PDOT's organizational focus in FY 2006-07 will be to:

- ◆ Repair and replace the infrastructure in the most cost-effective schedule to maximize useful asset life.
- ◆ Accurately price transportation trips and services.
- ◆ Reduce the number of single-occupancy vehicle trips where realistic transportation alternatives exist.
- ◆ Reduce the number and duration of unexpected, non-repeating transportation delays.
- ◆ Prevent crashes, especially at intersections, focusing on the 20 most dangerous intersections in Portland.

Overview of Programs

OPERATIONS

Description

The Operations division manages and operates the transportation system of the City of Portland. The services are organized in the following areas:

Traffic Operations

Traffic Operations promotes safe and efficient traffic flow and livable neighborhoods through the Community and Schools Traffic Safety Partnership, and by providing traffic control via signs and pavement marking systems. This division provides leadership in coordinating multi-agency traffic safety services, integrating engineering, education, and enforcement services under the guidance of the Portland Traffic Safety Coordinating Council. Other services include neighborhood traffic engineering services, collection and analysis of traffic data, monitoring of traffic safety and capacity improvements, and traffic control plan review for special events/runs.

Transportation Options

Transportation Options works to create a balanced transportation system by developing and encouraging alternatives to single-occupancy vehicles. The divisions and activities are designed to remove barriers and provide incentives for people to choose to walk, bike, carpool, travel by transit, with an ultimate goal of reducing vehicle miles traveled by 10% per capita by 2020. The outreach and educational efforts are designed to educate the public regarding the benefits of these modal choices including but not limited to safety, health, air quality, and sustainability.

Transportation Planning

Transportation Planning provides overall planning direction for the Office of Transportation. This division recommends and ensures the implementation of transportation policies approved by City Council. Transportation Planning coordinates the City's participation in regional transportation policy issues, provides conceptual development for corridor and area-wide capital projects, and prepares transportation studies for development areas. This division is also responsible for ensuring that the needs of all modes of transportation are integrated into planning and engineering projects. These efforts provide a framework for transportation improvements and support the City's interest in housing and employment growth in the city and maintaining established neighborhoods.

Traffic Signals

Traffic Signals promotes pedestrian, bicyclist, and motorist safety and mobility through the efficient operation, monitoring, and improvements to the traffic signal system. The division provides for monitoring, reviewing, and ordering of modifications to each mode of transportation. The division also includes the planning, design, construction review, and monitoring of capital improvements.

Streetlight

Streetlight manages the City's streetlighting system. This division promotes pedestrian, bicyclist, and motorist safety and mobility through the efficient operation of streetlights.

Development Services

Development Services facilitates public and private development of job opportunities, which leads to jobs creation, housing construction, and enhanced neighborhood livability through oversight of private development activities. These outcomes in turn affect the transportation system, expansion and management of the pedestrian system, and regulation of private use of the street right-of-way. This division consists of four sections: Street Systems Management, Development Review, Right-of-Way Acquisition, and Permit Engineering.

Parking Operations

Parking Operations provides services that regulate parking on the street right-of-way throughout the city. These include the installation of parking signs, pavement markings, and parking meters to regulate parking turnover and demand in neighborhoods and in downtown business districts. In business districts that include parking meters, the division is responsible for operating parking meter technology and managing parking revenue including collection, security, control, and reporting functions. The division also administers important permit divisions that support residential livability and enhance the viability of Portland's business districts.

Parking Enforcement

Parking Enforcement enforces parking rules and regulations to maintain safe and continuous traffic flow, support retail and commercial businesses, and help ensure neighborhood livability. This division issues citations for parking violations: enforces neighborhood parking; clears obstructions from intersections, crosswalks, and sidewalks; and removes dangerous or abandoned vehicles from the right-of-way.

Emergency Services

Emergency Services provides around-the-clock response to emergencies that threaten public safety or inhibit safe transportation. These include snow/ice events, windstorms, floods, mudslides, hazardous materials incidents, cleanup following certain police or fire actions, and other incidents.

Relationship to Goals

The primary City goal supported by this division is to *operate and maintain an effective and safe transportation system*.

PDOT's bureau goal is to *operate and maintain an effective and safe transportation system*. The Operations program supports PDOT's FY 2006-07 organizational focus in the following areas:

- ◆ Accurately price transportation trips and services.
- ◆ Reduce the number of single-occupancy vehicle trips where realistic transportation alternatives exist.
- ◆ Reduce the number and duration of unexpected, non-repeating transportation delays.

- ◆ Prevent crashes, especially at intersections, focusing on the 20 most dangerous intersections in Portland.

Performance

Key performance measures for this program include:

- ◆ Safe Routes to School: number of schools being served by the SR@S national model increase in kids walking and biking at pilot schools, and cost per school served.
- ◆ Residential and Commercial Permits: number of permits issued, and percent issued within 15-day goal.
- ◆ Sunderland Yard Recycling: number of cubic yards of debris recycled, cost per cubic yard, and cost avoidance by not hauling, disposing of debris, and buying replacement materials.

The FY 2006-07 Adopted Budget includes many changes to services and activities. These changes are discussed in detail in the summary of budget decisions.

MAINTENANCE

Description

The Maintenance program preserves the public investment of \$5.8 billion in transportation facilities and \$4.5 billion in sewer and stormwater infrastructure. The services are organized in the following areas:

Street Preservation

Street Preservation maintains local and arterial streets. Pavement Maintenance includes patching, repair, and paving services. The Pavement Management System (PMS) identifies and prioritizes street maintenance projects based on visual inspection and structural testing. PMS helps identify the most cost-effective maintenance technique for each street based on its pavement condition. These techniques range from sealing cracks and patching holes to base repair and asphalt overlay. The Street Preservation division also investigates pavement problems and prepares and administers contracts for paving services.

Traffic Maintenance

Traffic Maintenance maintains pavement markings, painted lines, and legends on the street surface at intersections, crosswalks, and other locations. It also maintains traffic control signs, parking control signs, and street name signs, as well as parking meters and paystations. The Pavement Marking section designs, lays out, applies, repairs, and maintains pavement markings using various materials on the pavement surface to denote lane lines, edge lines, bike lanes, center lines, and word/symbol messages. The Sign Maintenance section inspects, repairs, and maintains existing traffic regulatory, warning, parking, street name, and informational sign inventories. The Meter Maintenance section provides installation, field repair, shop repair, testing, and reconditioning for parking meters and paystations.

Structural Maintenance

Structural Maintenance maintains vehicle and pedestrian structures in the City's right-of-way system. These structures include major and minor bridges, stairways, retaining walls, the Willamette River harbor wall, guardrails, tunnels, and fencing. The maintenance controls the deterioration of these structures to ensure public safety and keep them in working condition.

- ◆ Bridge and structural maintenance includes the restoration, cleaning, and maintenance of bridges and bridge parts to ensure public safety, minimize damage, extend service life, and restore structural integrity.
- ◆ Stairway maintenance involves installing, repairing, or replacing damaged or deteriorated stairways and components to protect structural integrity.
- ◆ Guardrail maintenance involves repairing damaged or deteriorated guardrails and components. New guardrails are installed in this activity, as needed, to assure roadway safety.
- ◆ Fence maintenance involves repairing or replacing deteriorated or damaged wood, chain link, or ornamental iron fences to provide security and pedestrian safety and to restore fences to serviceable condition.

Electrical Maintenance

Electrical Maintenance maintains the City's traffic signals and streetlights. The field maintenance activities include inspection and periodic maintenance, responding to streetlight outage calls and traffic signal trouble calls, and upgrading traffic signals in response to safety and congestion concern.

Sidewalk Preservation & Safety

Sidewalk Preservation and Safety oversees the maintenance of sidewalks, curbs, and corners. The City Charter assigns responsibility for the maintenance of sidewalks to the owner of the abutting property. Transportation inspects the sidewalks, notifies the property owner of needed repairs, and assists property owners with the repair process. This division also upgrades existing corners to meet ADA requirements. In addition, this division also maintains the street brick and granite on the South Bus Mall and along the MAX light rail route in the Central Business District.

Street Cleaning

Street Cleaning provides regularly scheduled mechanical cleaning of residential, and arterial streets and the Central Business District. This division also regularly cleans pedestrian ways and subways, stairways, bicycle lanes, and trash receptacles. This division provides the district leaf removal, leaf disposal depots, Northwest and Northeast clean sweeps, cleanup after the Rose Festival parades, and street area landscaping services throughout the city.

Environmental Maintenance

Environmental Maintenance inspects and cleans the sewer system. This division investigates customer problems and repairs and reconstructs damaged, broken, or deteriorated sewers. This division was established in cooperation with the Bureau of Environmental Services, which funds the division through an interagency agreement. The Sewer Repair section ensures the continued integrity of the sewer collection system while meeting or exceeding established standards at the optimum cost. The Sewer Cleaning section collects infrastructure data, investigates system problems, and cleans the collection system in the sewer facilities.

Stormwater Maintenance

Stormwater Maintenance maintains the surface stormwater conveyance systems within the city. A comprehensive stormwater conveyance system has been developed to comply with the regulations and guidelines set forth by a variety of federal, state, and local agencies. The Clean Water Act of 1972 established the City's responsibility for the quality of the outflow from the City's sewer and drainage systems. This division works in conjunction with the Bureau of Environmental Services, which partially funds this division through an interagency agreement. Other funding comes from GTR.

Field Support

Field Support provides specialized support services to other maintenance divisions to maximize the efficiency and effectiveness of field operations. These services include equipment management, materials handling, communication and radio dispatch, recycling, public information, facilities maintenance, training, loss control, and division management.

Relationship to Goals

The primary City goal supported by this program is to *operate and maintain an effective and safe transportation system*.

PDOT's bureau goal is to *operate and maintain an effective and safe transportation system*. The Maintenance program supports PDOT's FY 2006-07 organizational focus in the following area:

- ◆ Repair and replace the infrastructure on the most cost effective schedule to maximize useful asset life.

Performance

The key performance measures for this program include:

- ◆ Street resurfacing: the number of miles of street resurfaced, and the rating of street maintenance quality (percent good or very good). PDOT plans to resurface 50 miles of street in FY 2006-07, up from 39 miles in FY 2004-05.
- ◆ Bridge condition and inventory: the number of bridges owned and maintained by the City of Portland; and the percent of bridges in poor condition, defined as structurally deficient or weight-loaded. Of the 155 bridges, 22 are expected to remain in poor condition.

Changes to Services and Activities

The FY 2006-07 Adopted Budget includes many changes to services and activities. These changes are discussed in detail in the summary of budget decisions.

CAPITAL IMPROVEMENT PROGRAM

Description

The Capital Improvement Program is the capital investment and development service arm of the Office of Transportation. The capital projects are organized in the following areas:

Centers and Main Streets

This capital subgroup supports high-priority areas of the Regional 2040 growth concept, and requires urban design and integration with adjacent developments. One of the City's goals stemming from Region 2040 is to create higher-density centers of employment and housing. The projects in this program support centers that provide access to a variety of goods and services in a relatively small geographical area.

Another objective of this capital subgroup is to develop main streets. Main streets typically serve neighborhoods and may develop a regional specialization (such as art, antiques, shopping, fine dining, entertainment, etc.) that attracts people from other parts of the region. Main street projects support a high level of pedestrian and bike amenities and are further supported by transit links between centers.

Freight and Industrial Areas

This capital subgroup supports freight operation in and around the city. The efficient and safe transport of goods is essential to Portland's and the region's economy, and enhances the economic effectiveness as a distribution hub. This capital subgroup also focuses on maintaining Portland's livability and safety by helping minimize truck impact in neighborhoods. This subgroup also provides for economic growth and freight mobility along regional traffic ways.

Local Street Development

This capital subgroup includes projects that build out the local street network through the provision of new infrastructure and improve existing rights-of-way to current design standards or approved substandard. The projects may also include individual street elements to meet a specific deficiency such as frontage improvements, sidewalks, drainage facilities, etc. This capital subgroup responds to new development and redevelopment throughout the City by providing multi-modal access improvements to individual properties, land subdivisions, and sub-areas.

Neighborhood Livability

This capital subgroup includes projects that enhance neighborhood livability by creating safer local streets for the enjoyment of residents and improving accessibility to neighborhood destinations such as schools, parks, transit stops, and local commercial areas. This capital subgroup also promotes walking and bicycling as alternatives to the automobile for local destinations. The projects in this capital subgroup are typically neighborhood-scale improvements that are implemented through comparatively low-cost improvements.

Preservation and Rehabilitation

This capital subgroup provides for the maintenance and rehabilitation of existing transportation assets. It is divided into five subprograms that collectively support the City's goals for transportation, economic development, public safety, and neighborhood revitalization.

Safety and Congestion Management

This program includes projects that address safety deficiencies in the transportation system and spot congestion problems using improvement solutions not requiring major roadway reconstruction.

Special Projects

This capital subgroup provides for strategic system improvements that benefit a specific transportation objective, or have regional transportation significance. These need not be mode-specific, and may be developed cooperatively within the guidelines of Metro's Regional Transportation Plan and other regional or state plans or agreements.

Relationship to Goals

The primary City goal supported by this program is to *operate and maintain an effective and safe transportation system*.

PDOT's bureau goal is to *operate and maintain an effective and safe transportation system*. The Capital Improvement Program supports PDOT's FY 2006-07 organizational focus in the following areas;

- ◆ Repair and replace the infrastructure on the most cost-effective schedule to maximize useful asset life.
- ◆ Reduce the number of single-occupancy vehicle trips where realistic transportation alternatives exist.
- ◆ Reduce the number and duration of unexpected, non-repeating transportation delays.
- ◆ Prevent crashes, especially at intersections, focusing on the 20 most dangerous intersections in Portland.

Performance

Capital Improvement Program projects are discussed in detail in Volume Three - Capital Budget.

Changes to Services and Activities

The FY 2006-07 Adopted Budget includes many changes to services and activities. These changes are discussed in detail in the summary of budget decisions.

BUSINESS & SUPPORT SERVICES

Description

The Business and Support Services program provides support for the Operations, Maintenance, and Capital Improvement programs of the Office of Transportation. The services are organized in the following areas:

Business Services

Business Services provides the following technical support for the Office of Transportation:

- ◆ The Payroll/Timekeeping section provides centralized payroll, timekeeping, workers' compensation claims processing, and human resources support for PDOT.
- ◆ The Information Technology section provides information technology support. This section coordinates PDOT's Geographic Information System and the Infrastructure Management System, an office-wide project that automates and integrates transportation facility information. This program coordinates services with the Bureau of Technology Services to solve business problems.

- ◆ The Finance section provides budgeting, accounting, and financial analysis for PDOT. This program provides financial planning and revenue forecasting, budget development and monitoring, grant and cost accounting, accounts payable processing, and accounts receivable processing. This program also coordinates the City's involvement in the regional transportation financing process and analysis and response for local, state, and federal financing issues.

Support Services

Support Services provides overall support for the Office of Transportation:

- ◆ Central interagency costs include rent, phones, computers, mail delivery, photocopiers, printing and distribution, vehicles, insurance, human resources, and other services provided to the Office of Transportation from other City bureaus.
- ◆ The Reception/Support section provides general clerical support including responding to a high volume of in-person and telephone requests from the public relating to the wide variety of services provided by the Office of Transportation.
- ◆ The Office of the Director provides administrative guidance, direction, and support for the bureaus and programs in PDOT.

Communications

Communications provides public relations, media relations, and marketing activities for the Office of Transportation. The program also facilitates communication that builds effective relations with stakeholders and awareness of the bureau's programs and initiatives.

Relationship to Goals

The primary City goal supported by this program is to *operate and maintain an effective and safe transportation system*.

PDOT's bureau goal is to *operate and maintain an effective and safe transportation system*. The Business and Support Services program supports the FY 2006-07 organizational focus in the following areas:

- ◆ Repair and replace the infrastructure on the most cost-effective schedule to maximize useful asset life.
- ◆ Accurately price transportation trips and services.
- ◆ Reduce the number of single-occupancy vehicle trips where realistic transportation alternatives exist.
- ◆ Reduce the number and duration of unexpected, non-repeating transportation delays.
- ◆ Prevent crashes, especially at intersections, focusing on the 20 most dangerous intersections in Portland.

Changes to Services and Activities

The FY 2006-07 Adopted Budget includes many changes to services and activities. These changes are discussed in detail in the summary of budget decisions.

Office of Transportation

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF TRANSPORTATION						
Operations						
Effectiveness						
Safe Routes to Schools - increase in kids walking and biking at pilot schools	NA	NA	NA	NA	50%	60%
The cost avoidance of not dumping: components of cost avoidance are costs of hauling debris, disposal, and buying material instead of using recycled material	NA	\$12,792,802	\$14,210,991	\$10,900,084	\$12,745,724	\$13,272,724
Residential and Commercial Permits - percent issued within 15-day goal	NA	76%	87%	92%	97%	97%
Efficiency						
The number of designed and implemented projects, plans, and studies within a regional context that encourage the use of non-single-occupant Vehicles daily person trips within Portland metropolitan area	NA	NA	NA	NA	18	21
Safe Routes to Schools - cost per school served	NA	NA	NA	NA	\$40,000	\$35,000
Sunderland Yard Recycling - cost per cubic yard	NA	\$2.26	\$1.94	\$2.00	\$3.65	\$3.68
Workload						
Signalized intersections - number retimed	NA	NA	NA	NA	22	45
Safe Routes to Schools - schools served by SR2S national model	NA	NA	NA	NA	8	12
Sunderland Yard Recycling - cubic yards of debris recycled	NA	237,900	218,768	252,549	212,443	224,994
Residential and Commercial Permits - number issued	NA	1,381	2,574	2,515	2,500	2,500
Maintenance						
Effectiveness						
Street Resurfacing - rating of street maintenance quality (percent good or very good)	43%	42%	40%	44%	44%	44%
The percent of bridges in poor condition, defined as structurally deficient or weight-restricted	NA	NA	NA	22%	22%	22%
Workload						
Street Resurfacing - miles resurfaced	54	44	42	39	50	50
The number of bridges owned and maintained in the City of Portland	NA	159	157	155	155	155

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	44,202,138	46,404,704	48,841,086	50,727,326	52,866,872
External Materials and Services	19,322,469	21,922,617	27,045,714	23,716,343	25,117,823
Internal Materials and Services	16,908,846	17,895,400	19,720,663	18,831,787	19,007,464
Minor Capital Outlay	1,042,943	1,020,548	277,557	0	0
Total Operating Budget	81,476,396	87,243,269	95,885,020	93,275,456	96,992,159
Capital Improvements	25,541,532	44,486,800	85,243,763	71,118,670	71,075,215
TOTAL BUREAU EXPENDITURES	\$ 107,017,928	\$ 131,730,069	\$ 181,128,783	\$ 164,394,126	\$ 168,067,374

Note: The Total Bureau Expenditures in FY 2003-04 and FY 2004-05 have changed since the Proposed Budget due to the reclassification of the Minor Equipment Cash Transfer account from fund expenditure to bureau expenditures. The cost of this account is \$5,691 and \$26,908 in FY 2003-04 and FY 2004-05 respectively. This reclassification does not impact the total expenditures of the Transportation Operating Fund in these two years.

Allocated Overhead	2,588,334	2,670,467	3,038,669	4,148,689	4,148,689
Total Cost with Allocated Overhead	109,606,262	134,400,536	184,167,452	168,542,815	172,216,063

RESOURCES

Discretionary Revenues					
General Transportation Revenues	53,387,668	61,565,572	65,139,968	63,564,662	65,470,613
General Fund	3,955,201	6,542,610	5,989,552	7,647,154	7,647,154
Total Discretionary Revenues	57,342,869	68,108,182	71,129,520	71,211,816	73,117,767
Non-Discretionary Revenues					
Grants & Donations	6,289,347	3,142,744	10,608,741	13,991,315	13,841,315
Contract Revenues	16,768,903	22,530,021	41,349,910	33,811,497	33,818,497
Interagency Revenues	17,145,283	19,339,580	32,513,842	31,926,843	33,624,728
Bureau Program Revenues	9,471,526	18,609,542	25,526,770	13,452,655	13,665,067
Total Non-Discretionary Revenues	49,675,059	63,621,887	109,999,263	93,182,310	94,949,607
TOTAL RESOURCES	\$ 107,017,928	\$ 131,730,069	\$ 181,128,783	\$ 164,394,126	\$ 168,067,374

Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.

PROGRAMS

Operations	0	0	0	37,991,971	40,639,977
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>279.00</i>	<i>294.00</i>
Maintenance	0	0	0	41,143,824	42,006,077
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>317.71</i>	<i>332.21</i>
CIP	0	0	0	71,118,670	71,075,215
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>76.31</i>	<i>80.31</i>
Business and Support Services	0	0	0	14,139,661	14,346,105
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>61.29</i>	<i>62.29</i>
Bureau of Maintenance	42,644,177	48,561,010	51,726,207	0	0
<i>Positions</i>	<i>396.00</i>	<i>418.20</i>	<i>413.20</i>	<i>0.00</i>	<i>0.00</i>
Bureau of Trans System Mgmt	22,648,955	22,138,569	24,532,101	0	0
<i>Positions</i>	<i>126.00</i>	<i>143.51</i>	<i>142.59</i>	<i>0.00</i>	<i>0.00</i>
Bureau of Trans Eng Dev	28,078,160	47,665,854	91,067,277	0	0
<i>Positions</i>	<i>120.00</i>	<i>138.57</i>	<i>136.83</i>	<i>0.00</i>	<i>0.00</i>
Office of the Director	13,646,636	13,364,636	13,803,198	0	0
<i>Positions</i>	<i>66.00</i>	<i>68.50</i>	<i>64.35</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 107,017,928	\$ 131,730,069	\$ 181,128,783	\$ 164,394,126	\$ 168,067,374
<i>Positions</i>	<i>708.00</i>	<i>768.78</i>	<i>756.97</i>	<i>734.31</i>	<i>768.81</i>

Office of Transportation

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06		FY 2006-07		FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	3.00	2.00	2.00	85,272	2.00	90,101	2.00	90,101
0515	Accountant II	3.00	2.00	3.00	156,348	3.00	159,948	3.00	159,948
0516	Accountant III	1.00	1.00	1.00	57,360	1.00	58,680	1.00	58,680
0102	Office Supp Spec II	9.00	8.90	9.00	320,409	9.00	336,192	9.00	336,192
0104	Office Supp Spec III	10.00	9.00	9.00	378,345	9.00	389,340	9.00	389,340
7579	Portland Streetcar Maint. Supv	0.00	1.00	1.00	59,178	1.00	61,606	1.00	61,606
7196	Sec & Emerg Mgmt Program Mgr	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0310	Service Dispatcher	3.00	3.00	3.00	112,355	3.00	120,693	3.00	120,693
0311	Service Dispatcher Lead	1.00	1.00	1.00	36,060	1.00	40,608	1.00	40,608
0406	Storekeeper/Acq Specialist II	4.00	4.00	6.00	246,636	4.00	181,992	4.00	181,992
0408	Storekeeper/Acq Specialist III	2.00	2.00	2.00	103,848	2.00	106,248	2.00	106,248
7351	Accountant, Assistant Systems	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	1.00	2.00	2.00	94,620	2.00	98,173	2.00	98,173
7102	Administrative Specialist, Sr	1.00	3.00	2.90	155,808	3.00	164,631	3.00	164,631
7106	Administrative Supervisor I	2.00	3.00	2.00	114,756	2.00	117,030	2.00	117,030
7107	Administrative Supervisor II	1.00	1.00	2.00	124,032	2.00	126,360	2.00	126,360
2533	Applications Analyst III	2.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
2534	Applications Analyst IV	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
1225	Asphalt Raker	11.00	12.00	14.00	556,295	14.00	576,708	14.00	576,708
1311	Automotive Equipment Operator I	57.00	58.00	57.00	2,357,234	54.00	2,333,539	57.00	2,440,999
1312	Automotive Equipment Operator II	7.00	8.00	8.00	350,400	8.00	358,488	8.00	358,488
1313	Automotive Equipment Operator II	15.00	16.00	16.00	714,660	15.00	686,700	15.00	686,700
1314	Automotive Equipment Operator II	1.00	2.00	2.00	89,496	2.00	91,560	2.00	91,560
7112	Business Operations Manager	2.00	2.00	2.00	175,560	2.00	175,560	2.00	175,560
7113	Business Operations Mgr, Sr	1.00	1.00	1.00	79,992	1.00	81,828	1.00	81,828
7110	Business Operations Supervisor	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
7122	Business Systems Analyst, Senior	0.00	1.00	1.00	73,404	1.00	74,094	1.00	74,094
6034	CAD Analyst	1.00	1.00	1.00	52,178	1.00	57,202	1.00	57,202
6032	CAD Technician II	5.00	5.00	4.00	201,612	4.00	213,031	4.00	213,031
6033	CAD Technician III	1.00	1.00	1.00	66,108	1.00	68,976	1.00	68,976
6141	Capital Project Manager I	0.00	3.00	3.00	168,408	3.00	184,564	3.00	184,564
7656	Capital Project Manager II	4.00	5.00	5.90	447,864	6.00	461,853	6.00	461,853
7657	Capital Projects Manager III	6.00	6.00	6.00	464,220	6.00	491,759	6.00	491,759
1420	Carpenter	7.00	7.00	7.00	331,596	7.00	339,312	7.00	339,312
1419	Carpenter, Apprentice	1.00	1.00	1.00	28,752	1.00	29,412	1.00	29,412
3173	City Engineer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6132	City Planner I	1.00	1.00	0.00	0.00	0.00	0.00	1.00	47,256
6133	City Planner II	4.00	4.00	3.00	157,335	3.00	166,787	3.00	166,787
7654	City Traffic Engineer	1.00	1.00	1.00	101,400	1.00	101,400	1.00	101,400
2203	Code Spec II Parking Enforcement	42.00	42.00	41.00	1,683,504	39.00	1,663,800	39.00	1,663,800
2201	Code Specialist I	4.00	4.00	4.00	141,000	4.00	146,208	4.00	146,208
2204	Code Specialist III	1.00	1.00	1.00	49,800	1.00	50,940	1.00	50,940
7686	Communications Engineer, Senior	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7203	Community Outreach/Info Rep	1.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
7204	Community Outreach/Info Rep, Sr	1.00	0.00	1.00	64,128	1.00	66,756	1.00	66,756
1410	Concrete Finisher	12.00	12.00	12.00	567,360	10.00	490,320	12.00	580,560
1315	Construction Equipment Operator	18.00	20.00	18.00	845,412	17.00	827,232	19.00	903,480
6041	Dev Services Tech I	1.00	2.00	2.00	75,588	2.00	80,598	2.00	80,598
6042	Dev Services Tech II	0.00	1.00	1.00	45,066	1.00	49,414	1.00	49,414
6043	Dev Services Tech III	1.00	0.80	0.50	30,476	1.00	68,976	1.00	68,976
7765	Development Review Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7768	Development Services Manager	0.00	1.00	1.00	82,596	1.00	85,134	2.00	155,982
7767	Development Supervisor	3.00	3.00	3.00	167,736	3.00	169,417	3.00	169,417
7562	Electrical Supervisor	1.00	1.00	1.00	69,348	1.00	70,492	1.00	70,492
1453	Electrician	17.00	17.00	17.00	1,012,656	17.00	1,036,116	17.00	1,036,116
3251	Electronic Tech II Communication	0.00	0.00	1.00	58,212	1.00	59,556	1.00	59,556
3252	Electronic Tech II Traffic Signl	2.00	3.00	3.00	166,074	3.00	177,747	3.00	177,747
7195	Emergency Mgmt Program Mgr	0.00	0.00	1.00	70,854	1.00	73,542	1.00	73,542
6112	Engineer	10.00	10.00	9.00	640,587	9.00	673,752	11.00	811,704
7653	Engineer, Chief	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7650	Engineer, Senior	6.00	5.80	6.80	546,732	7.00	567,199	8.00	628,459
7651	Engineer, Supervising	6.00	6.00	6.00	490,921	6.00	499,016	6.00	499,016
6110	Engineering Associate	7.00	6.00	5.00	260,036	5.00	278,592	5.00	278,592
7673	Engineering Survey Manager	1.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
6021	Engineering Technician I	9.00	13.00	13.00	484,800	13.00	517,710	13.00	517,710
6022	Engineering Technician II	15.00	17.00	18.00	888,750	18.00	953,951	19.00	998,399
6023	Engineering Technician III	6.00	6.00	4.00	252,794	4.00	269,982	4.00	269,982
1230	Environ Systems Crew Ldr	10.00	10.00	10.00	483,291	10.00	495,504	11.00	541,848
7609	Environmental Program Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00

Transportation and Parking Service Area

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06		FY 2006-07		FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7607	Environmental Program Specialist	1.00	1.00	1.00	47,988	1.00	48,972	1.00	48,972
2032	Environmental Resources Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1229	Environmental Systems Maint Tech	7.00	9.00	8.00	376,032	8.00	384,768	9.00	427,848
7376	Financial Analyst	5.00	5.00	3.00	192,352	3.00	195,736	3.00	195,736
7377	Financial Analyst, Senior	0.00	0.00	2.00	138,756	2.00	142,789	2.00	142,789
1524	General Mechanic	3.00	3.00	3.00	145,188	3.00	148,572	3.00	148,572
6062	GIS Technician II	3.00	4.00	5.00	245,988	5.00	261,636	5.00	261,636
6063	GIS Technician III	0.00	1.00	1.00	66,108	1.00	68,976	1.00	68,976
6123	Graphics Designer III	1.00	1.00	1.00	63,000	1.00	68,976	1.00	68,976
7510	Information Systems Mgr, Sr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7508	Information Systems Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0812	Intergovernmental Program Coord	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2118	Lighting and Signal Inspector	2.00	2.00	2.00	139,344	2.00	133,872	2.00	133,872
7056	Maintenance Director	1.00	1.00	1.00	100,380	1.00	102,781	1.00	102,781
7131	Management Analyst	1.00	1.00	2.00	129,852	2.00	132,420	2.00	132,420
7132	Management Analyst, Senior	2.00	1.75	1.00	74,232	1.00	74,232	1.00	74,232
6026	Mapping Data Technician	2.00	2.00	2.00	95,118	2.00	104,226	2.00	104,226
6075	Materials Quality Compl Spec	0.00	0.00	1.00	59,592	1.00	60,816	1.00	60,816
1443	Painter	1.00	1.00	1.00	47,916	1.00	49,032	1.00	49,032
2208	Parking Collection Tech	0.00	0.00	2.00	52,296	2.00	52,296	2.00	52,296
7574	Parking Control Supervisor	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7571	Parking Enforcement Supervisor I	2.00	2.00	2.00	112,849	2.00	116,660	2.00	116,660
1250	Parking Meter Technician	6.00	6.00	6.00	267,784	6.00	279,010	6.00	279,010
1251	Parking Meter Technician, Lead	1.00	1.00	1.00	43,992	1.00	45,012	1.00	45,012
7573	Parking Operations Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7576	Portland Streetcar Maint Mgr	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
7575	Portland Streetcar Oper Mgr	1.00	1.00	1.00	74,676	1.00	77,736	1.00	77,736
7507	Prin Info Sys Analyst IV(Supr)	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7652	Principal Engineer	4.00	4.00	3.00	289,536	3.00	292,108	3.00	292,108
7378	Principal Financial Analyst	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
2545	Principal Info Systems Analyst	2.00	1.00	1.00	80,612	1.00	87,780	1.00	87,780
7133	Principal Management Analyst	0.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7154	Program Coordinator	3.00	3.00	3.00	200,160	3.00	204,162	3.00	204,162
7156	Program Manager	1.00	2.00	3.00	211,452	3.00	215,327	3.00	215,327
0968	Program Manager I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7158	Program Manager, Senior	0.00	1.00	1.00	81,156	1.00	83,380	1.00	83,380
7153	Program Specialist	1.00	2.00	5.00	258,456	4.00	198,456	4.00	198,456
7152	Program Specialist, Assistant	3.00	4.00	2.00	99,576	2.00	100,464	2.00	100,464
7208	Public Information Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7206	Public Information Officer	0.00	0.00	1.00	54,348	1.00	55,596	1.00	55,596
7555	Public Works Division Manager	4.00	4.00	3.00	273,177	3.00	280,200	3.00	280,200
7662	Public Works Inspection Sprvsr	2.00	3.00	2.90	212,234	3.00	222,428	3.00	222,428
3150	Public Works Inspector	8.00	9.00	9.00	493,071	9.00	511,116	9.00	511,116
3151	Public Works Inspector, Senior	4.00	4.00	4.00	249,312	4.00	255,072	4.00	255,072
3359	Public Works Project Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7553	Public Works Supervisor II	25.00	27.00	26.00	1,572,156	26.00	1,604,452	26.00	1,604,452
7554	Public Works Supervisor, Senior	6.00	6.00	6.00	451,404	6.00	456,385	6.00	456,385
7675	Right Of Way Acquisition Supr	1.00	1.00	1.00	54,348	1.00	55,596	1.00	55,596
6081	Right of Way Agent I	0.00	1.00	1.00	31,800	1.00	33,870	1.00	33,870
6082	Right of Way Agent II	2.00	2.00	2.00	97,470	2.00	103,950	2.00	103,950
6083	Right of Way Agent III	1.00	1.00	1.00	56,878	1.00	62,276	1.00	62,276
3219	Right-of-Way Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7185	Risk Specialist	1.00	1.00	1.00	63,984	1.00	63,984	1.00	63,984
7193	Safety and Risk Officer II	1.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
6134	Senior City Planner	5.00	5.00	5.00	316,734	5.00	340,026	5.60	372,426
6111	Senior Engineering Associate	14.00	19.90	18.60	1,172,631	19.00	1,264,223	19.00	1,264,223
3163	Senior Engineering Associate	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2250	Sidewalk Inspector	4.00	4.00	4.00	196,848	4.00	201,408	4.00	201,408
1224	Sign Maker	1.00	1.00	1.00	47,916	1.00	49,032	1.00	49,032
6170	Signals and Street Lighting Tech	1.00	1.00	2.00	116,298	2.00	125,700	2.00	125,700
7397	St. Maint/Improvement Fee Admin	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7690	Street Lights/Signals Manager	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
1226	Street Maintenance Crew Leader	8.00	6.00	6.00	293,964	6.00	302,112	7.00	348,456
3120	Surveying Aide I	1.00	1.00	1.00	37,134	1.00	38,880	1.00	38,880
3121	Surveying Aide II	8.00	7.00	7.00	278,812	7.00	285,684	7.00	285,684
7670	Surveying Supervisor	1.00	1.00	1.00	61,152	1.00	62,197	1.00	62,197

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
3122	Surveyor I	4.00	4.00	4.00	204,384	4.00	209,088	4.00	209,088
3123	Surveyor II	2.00	2.00	2.00	109,368	2.00	111,912	2.00	111,912
6091	TDM Specialist I	0.00	0.00	0.00	0.00	0.00	0.00	2.00	88,896
6092	TDM Specialist II	3.00	3.50	3.90	213,220	4.00	237,412	4.00	237,412
3107	Technician I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3108	Technician II	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3109	Technician III	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1227	Traffic Crew Leader	8.00	7.00	8.00	379,680	8.00	388,416	8.00	388,416
7680	Traffic Investigations Manager	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7568	Traffic Signal Maintenance Super	1.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
7577	Trans. Director, Assistant	0.00	1.00	1.00	75,000	1.00	77,827	1.00	77,827
7050	Transportation Director	1.00	1.00	1.00	109,032	1.00	113,508	1.00	113,508
7578	Transportation Division Manager	3.00	5.00	5.00	454,572	5.00	462,561	5.00	462,561
7052	Transportation Engineering & Dev	0.00	1.00	1.00	114,624	1.00	117,368	1.00	117,368
7782	Transportation Planner, Sprvsg	2.00	2.00	2.00	175,560	2.00	175,560	2.00	175,560
7780	Transportation Planning Coord	2.00	2.00	2.50	153,516	3.00	185,892	3.00	185,892
7784	Transportation Planning Manager	1.00	1.00	1.00	92,004	1.00	94,516	1.00	94,516
7054	Transportation System Management	1.00	1.00	1.00	110,220	1.00	112,476	1.00	112,476
1210	Utility Worker I	25.00	21.90	20.00	743,136	20.00	762,408	20.00	762,408
1211	Utility Worker II	133.00	134.50	134.51	5,373,995	127.60	5,272,475	134.50	5,537,687
1510	Welder	2.00	2.00	2.00	95,832	2.00	98,064	2.00	98,064
TOTAL FULL-TIME POSITIONS		708.00	736.05	728.51	\$ 36,923,115	711.60	\$ 37,493,842	737.10	\$ 38,651,830
0515	Accountant II	0.00	0.00	0.50	21,336	0.50	24,210	0.50	24,210
7142	Enviornmental Policy Analyst	0.00	1.00	0.70	51,960	0.70	51,960	0.70	51,960
0310	Service Dispatcher	0.00	3.53	3.53	122,259	3.53	132,830	3.53	132,830
7656	Capital Project Manager II	0.00	0.50	1.00	57,084	0.50	21,948	0.50	21,948
2203	Code Spec II Parking Enforcement	0.00	1.26	1.26	52,680	1.26	53,880	1.26	53,880
6041	Dev Services Tech I	0.00	0.50	0.50	21,300	0.50	22,224	0.50	22,224
6061	GIS Technician I	0.00	0.00	1.00	31,800	0.85	28,200	0.85	28,200
7131	Management Analyst	0.00	0.00	0.00	0.00	(0.50)	(33,588)	(0.50)	(33,588)
7130	Management Assistant	0.00	0.60	0.60	36,552	0.00	0	0.00	0
7133	Principal Management Analyst	0.00	0.86	0.00	0.00	0.00	0.00	0.00	0.00
6082	Right of Way Agent II	0.00	0.75	0.75	32,730	0.75	35,868	0.75	35,868
6134	Senior City Planner	0.00	0.00	0.00	0.00	0.40	23,832	0.40	23,832
2250	Sidewalk Inspector	0.00	0.50	0.50	24,612	0.50	25,176	0.50	25,176
6092	TDM Specialist II	0.00	0.50	2.08	120,289	2.10	128,736	2.10	128,736
TOTAL PART-TIME POSITIONS		0.00	10.00	12.42	\$ 572,602	11.09	\$ 515,276	11.09	\$ 515,276
0100	Office Supp Spec I	0.00	0.89	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7121	Business Systems Analyst	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6032	CAD Technician II	0.00	0.58	1.00	43,122	0.75	34,974	0.75	34,974
7656	Capital Project Manager II	0.00	0.92	0.00	0.00	0.00	0.00	0.00	0.00
7657	Capital Projects Manager III	0.00	0.00	0.00	0.00	1.00	71,784	1.00	71,784
6133	City Planner II	0.00	0.00	0.00	0.00	0.00	0.00	1.00	51,984
7204	Community Outreach/Info Rep, Sr	0.00	0.00	0.00	0.00	0.00	0.00	1.00	52,932
7768	Development Services Manager	0.00	0.00	0.00	0.00	0.00	0.00	1.00	70,848
3251	Electronic Tech II Communication	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6112	Engineer	0.00	0.00	0.00	0.00	0.00	0.00	1.00	68,976
7650	Engineer, Senior	0.00	2.58	2.80	211,903	2.45	190,963	2.45	190,963
6021	Engineering Technician I	0.00	0.33	0.00	0.00	0.00	0.00	0.00	0.00
6022	Engineering Technician II	0.00	0.00	0.42	17,750	1.00	45,358	2.00	89,806
6023	Engineering Technician III	0.00	0.00	0.00	0.00	1.00	59,592	1.00	59,592
6061	GIS Technician I	0.00	0.00	1.83	58,300	0.00	0.00	0.00	0.00
7509	Information Systems Manager	0.00	0.75	0.00	0.00	0.00	0.00	0.00	0.00
6026	Mapping Data Technician	0.00	1.00	1.00	45,255	0.00	0.00	1.00	44,448
7569	Parking Collection Technician	0.00	1.76	0.00	0.00	0.00	0.00	0.00	0.00
7156	Program Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	0.00	0.83	32,950	0.00	0.00	0.00	0.00
3150	Public Works Inspector	0.00	2.00	1.58	77,590	2.00	109,460	2.00	109,460
7552	Public Works Supervisor I	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
6134	Senior City Planner	0.00	0.00	0.83	43,120	1.00	55,362	1.00	55,362
6111	Senior Engineering Associate	0.00	1.92	2.00	124,506	1.42	94,197	2.42	153,789
3120	Surveying Aide I	0.00	1.00	0.58	21,125	0.00	0.00	0.00	0.00
3121	Surveying Aide II	0.00	1.50	1.17	46,202	0.00	0.00	1.00	36,816

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
6091	TDM Specialist I	0.00	0.00	2.00	85,896	0.00	0.00	1.00	44,448
6092	TDM Specialist II	0.00	3.00	0.00	0.00	1.00	59,592	1.00	59,592
TOTAL LIMITED TERM POSITIONS		0.00	22.73	16.04	\$ 807,719	11.62	\$ 721,282	20.62	\$ 1,195,774

Office of Transportation

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	164,891,941	1,060,872	165,952,813	748.91	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	(4,300,000)	4,300,000	0	0.00	Budget for labor turnover
	(292,040)	0	(292,040)	0.00	Shift health benefits to fund transfer
	(764,822)	0	(764,822)	0.00	Shift Human Resources IA to GF Overhead
	14,941	0	14,941	0.00	BTS Interagency increase
	2,000	0	2,000	0.00	Add Interagency Revenue - AU 146
	0	25,000	25,000	0.00	Add Milwaukie Transit Corridor project
	0	67,559	67,559	0.00	Add Eastside MAX Station Areas project
	0	20,000	20,000	0.00	Add Lake Oswego Trolley project
	0	18,044	18,044	0.00	Add Inner Powell project
Mayor's Proposed Budget Decisions					
	0	350,000	350,000	0.00	General Fund CRC Add - Streetlighting CIP
	0	1,000,000	1,000,000	0.00	General Fund - Signal Intersection Hardware
	0	275,000	275,000	0.00	General Fund - Cully Blvd Green Street
	(1,459,000)	0	(1,459,000)	-4.10	Efficiency Packages
	(2,475,000)	(66,000)	(2,541,000)	-13.90	Reduction Packages
	85,000	0	85,000	0.00	Other Revenue Package - Signal Climate Trust
	478,000	0	478,000	0.00	Alternate Funding - Leaf Removal program
	73,000	0	73,000	0.00	Alternate Funding - Special Event/Film/Video
	1,000,000	0	1,000,000	0.00	Revenue Package - Citation Bail Increase
	360,000	0	360,000	0.00	Revenue Pkg - Citation Revenue Share Increase
	500,000	0	500,000	0.00	Revenue Pkg - Parking Operation Cost Recovery
	100,000	0	100,000	0.00	Revenue Package - Street Light Banner program
	(2,511,000)	0	(2,511,000)	0.00	Offset to GTR - Alternate Funding and Revenue
	0	546,000	546,000	5.00	Redirect GTR Package - Keep Portland Moving
	0	165,000	165,000	0.30	Redirect GTR Package - Station Area Planning
	0	165,000	165,000	0.70	Redirect GTR Package - Rail System Plan
	0	250,000	250,000	0.00	Redirect GTR Package - Asset Management Plan
	240,000	0	240,000	2.00	Redirect Package - ADA Ramps
	80,000	0	80,000	0.00	Redirect GTR - Tree Pruning
	35,000	0	35,000	0.00	Redirect GTR - Communications program materials
	50,000	0	50,000	0.00	Red Light Camera Expansion
	22,432	0	22,432	0.00	Commissioner Office Interagency
	116,000	0	116,000	1.00	Interagency Add Package - East Broadway Plan
	403,080	0	403,080	2.00	Interagency Add - BIP # 19 Development Services
	94,656	0	94,656	1.00	Interagency Add Package - Major Project Group
	770,000	0	770,000	7.00	Interagency Add Package - Water Bureau
	1,250,000	0	1,250,000	5.00	Interagency Add Package - Environmental Services
Approved Budget Additions and Reductions					
	129,240	0	129,240	2.00	Other Revenue Add - Transportation Options
	83,172	0	83,172	1.00	Other Revenue Add Package - Permits
	12,000	0	12,000	0.00	Interagency Add - Housing & Community Develop.
	0	75,381	75,381	1.00	Redirect GTR - Communications program position
	0	807,000	807,000	0.00	Technical Adjustment - 117th Hazelwood project
	8,053	0	8,053	0.00	Technical Adjustment - Reclassify positions
	46,188	0	46,188	0.00	Technical Adjustment - Extend position
	0	0	0	9.90	Tech. Adj. - Shift materials & services to positions
	0	6,000,000	6,000,000	0.00	Tech. Adj. - Loan from FY 2005-06 - principal
	0	59,310	59,310	0.00	Tech. Adj. - Loan from FY 2005-06 - interest
	0	(6,059,310)	(6,059,310)	0.00	Tech. Adj. - Loan from FY 2005-06 - offset
Adopted Budget Additions and Reductions					
	(34,323)	0	(34,323)	0.00	Reduce Interagency with Commissioner's Office
	(5,883,423)	7,997,984	2,114,561	19.90	Total FY 2006-07 Decision Packages
			\$ 168,067,374	768.81	Total Adopted Budget



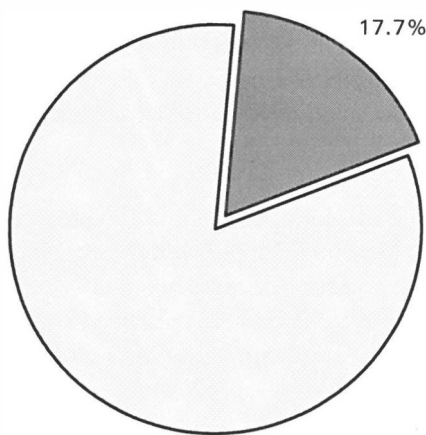
Legislative, Administrative, and Support

Office of the City Attorney
 Office of the City Auditor
 Commissioner of Public Affairs
 Commissioner of Public Safety
 Commissioner of Public Utilities
 Commissioner of Public Works

Office of Government Relations
 Bureau of Licenses
 Office of the Mayor
 Office of Management and Finance
 Special Appropriations

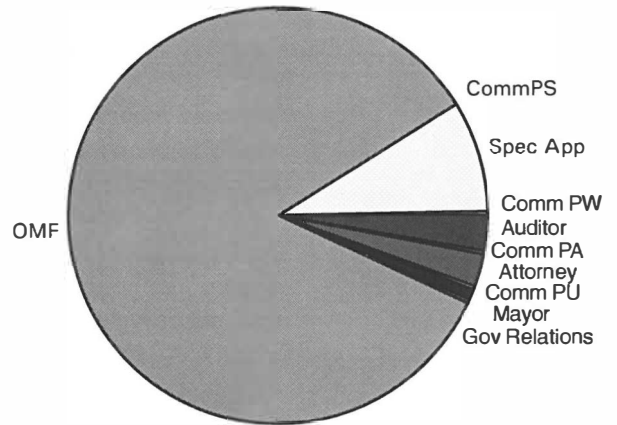
Percent of City Budget

Leg Adm = \$280.5 Million



City Budget = \$1.58 Billion

Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	238,892,422	246,952,228	8,059,806	3.4%
Capital	32,416,481	33,553,637	1,137,156	3.5%
Total Expenditures	\$ 271,308,903	\$ 280,505,865	\$ 9,196,962	\$ 3.4%
Authorized Positions	934.11	933.83	-0.28	0.0%

Service Area Highlights

DESCRIPTION

The Legislative, Administrative, and Support Services service area includes the City's internal support bureaus, the offices of the Mayor, City Auditor, and Commissioners, and all Special Appropriations. The internal support bureaus are the Office of the City Attorney, the Office of Government Relations, and the Office of Management and Finance.

MAJOR THEMES

Attorney

The FY 2006-07 Adopted Budget for the City Attorney's Office is \$6.7 million. Major additions include a \$276,631 interagency agreement with the Revenue Bureau to maintain the collection of delinquent business license accounts and a \$113,880 interagency agreement with the Bureau of Environmental Services to continue work on the Portland Harbor Superfund site. The budget also includes a reduction of \$33,716 in external materials and services.

Auditor

The Adopted Budget for the Auditor's Office in FY 2006-07 totals \$7.8 million, level with the FY 2005-06 Revised Budget. Additional funding is allocated to implement Efiles, an electronic records management system, for all City Hall employees. The Managing for Results management auditor position is continued, and new positions are added to audit PDC and handle more hearings cases.

Office of Management and Finance

The FY 2006-07 Adopted Budget for the Office of Management and Finance totals \$236.3 million. The budget reflects the creation of the Revenue Bureau, which combined the utility customer services division, Bureau of Licenses, and the Assessments and Liens program from the Auditor's Office. Significant budgetary actions include enhanced revenue collections, increased outreach and training efforts, implementation of a City space plan, and investments in technology.

Special Appropriations

Special appropriations included in the FY 2006-07 Adopted Budget total \$23.9 million. Major items include \$10 million to Portland area schools, \$1.4 million for supporting the redevelopment of Ball elementary school in North Portland, \$2.6 million to the Regional Arts and Culture Council, and \$1.5 million for continuing support for Multnomah County jail beds.

Mayor and Commissioner Offices

The Mayor and four City Commissioner Offices were held harmless from budget reductions. The Mayor's Office extended limited term positions for the Community Visioning Project (3.50 FTE) and Bureau Innovation Project (2.00 FTE), and added limited term positions for a Gang Reduction Project (2.00 FTE) and school funding coordination (1.25 FTE).

Bureau of Licenses

Legislative, Administrative, and Support Service Area

Bureau Summary

SUMMARY OF BUDGET DECISIONS

On October 1, 2005, the Bureau of Licenses was incorporated into the newly created Revenue Bureau. The historical budget information for the Bureau of Licenses through the FY 2005-06 Revised Budget is contained in this section. Information for the current fiscal year may be found in the Legislative, Administrative, and Support section of the City of Portland budget, under the Office of Management and Finance, Revenue Bureau.

Bureau of Licenses

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	3,391,083	4,382,909	4,343,836	0	0
External Materials and Services	934,621	663,040	2,682,560	0	0
Internal Materials and Services	1,662,617	1,265,950	896,809	0	0
Minor Capital Outlay	6,995	0	0	0	0
Total Operating Budget	5,995,316	6,311,899	7,923,205	0	0
Capital Improvements	159	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 5,995,475	\$ 6,311,899	\$ 7,923,205	\$ 0	\$ 0
Allocated Overhead	302,425	276,183	401,886	0	0
Total Cost with Allocated Overhead	6,297,900	6,588,082	8,325,091	0	0
RESOURCES					
Discretionary Revenue	2,353,858	3,982,746	2,804,397	0	0
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	2,646,559	1,317,580	4,125,246	0	0
Interagency Revenues	364,848	380,964	438,573	0	0
Program Revenue	630,210	630,609	554,989	0	0
Total Non-Discretionary Revenues	3,641,617	2,329,153	5,118,808	0	0
TOTAL GENERAL FUND RESOURCES	\$ 5,995,475	\$ 6,311,899	\$ 7,923,205	\$ 0	\$ 0
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Business Licenses	5,275,873	5,650,592	7,305,361	0	0
<i>Positions</i>	<i>56.85</i>	<i>66.48</i>	<i>75.07</i>	<i>0.00</i>	<i>0.00</i>
Regulatory Programs	610,230	580,303	491,009	0	0
<i>Positions</i>	<i>4.65</i>	<i>4.50</i>	<i>5.00</i>	<i>0.00</i>	<i>0.00</i>
Transient Lodgings	109,372	81,004	126,835	0	0
<i>Positions</i>	<i>1.50</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 5,995,475	\$ 6,311,899	\$ 7,923,205	\$ 0	\$ 0
<i>Positions</i>	<i>63.00</i>	<i>70.98</i>	<i>80.07</i>	<i>0.00</i>	<i>0.00</i>

Bureau of Licenses

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	11.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0104	Office Supp Spec III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0335	Print & Dist Tech Lead	0.00	1.00	1.00	25,308	0.00	0.00	0.00	0.00
6206	Senior Revenue Auditor	0.00	3.00	3.00	193,140	0.00	0.00	0.00	0.00
7360	Accounting Supervisor	1.00	1.00	1.00	51,744	0.00	0.00	0.00	0.00
7103	Administrative Assistant	0.00	0.00	1.00	50,232	0.00	0.00	0.00	0.00
7112	Business Operations Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7121	Business Systems Analyst	3.00	2.00	1.00	63,708	0.00	0.00	0.00	0.00
2202	Code Specialist II	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2207	Code Specialist, Lead	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7377	Financial Analyst, Senior	1.00	1.00	1.00	67,164	0.00	0.00	0.00	0.00
7028	License Bureau Director	1.00	1.00	1.00	79,992	0.00	0.00	0.00	0.00
7415	Licensing Division Manager	2.00	1.00	1.00	87,780	0.00	0.00	0.00	0.00
7410	Licensing Operations Supervisor	1.00	3.00	2.00	120,136	0.00	0.00	0.00	0.00
7412	Licensing Services Dev Coord	1.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
7114	Operations Manager	0.00	0.00	1.00	94,344	0.00	0.00	0.00	0.00
7154	Program Coordinator	0.00	1.00	2.00	137,187	0.00	0.00	0.00	0.00
7156	Program Manager	0.00	0.00	1.00	74,232	0.00	0.00	0.00	0.00
2222	Regulatory Program Administrator	3.00	3.00	3.00	182,330	0.00	0.00	0.00	0.00
2221	Regulatory Program Specialist	0.00	1.00	1.00	41,994	0.00	0.00	0.00	0.00
2232	Revenue & Tax Specialist III	6.00	6.00	6.00	258,800	0.00	0.00	0.00	0.00
2234	Revenue & Tax Specialist Lead	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
2230	Revenue & Taxation Specialist I	0.00	3.00	3.00	94,664	0.00	0.00	0.00	0.00
2231	Revenue & Taxation Specialist II	13.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2233	Revenue & Taxation Specialist IV	1.00	5.90	5.90	284,674	0.00	0.00	0.00	0.00
2235	Revenue & Taxation Specialist V	2.00	6.00	6.00	302,841	0.00	0.00	0.00	0.00
7405	Revenue Audit Supervisor	1.00	1.00	1.00	78,168	0.00	0.00	0.00	0.00
7403	Revenue Auditor, Senior	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		63.00	44.90	41.90	\$ 2,288,438	0.00	\$ 0	0.00	\$ 0
6205	Revenue Auditor	0.00	1.00	2.50	129,306	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Sr	0.00	0.00	0.58	21,756	0.00	0.00	0.00	0.00
7106	Administrative Supervisor I	0.00	0.00	1.00	55,992	0.00	0.00	0.00	0.00
2202	Code Specialist II	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
2232	Revenue & Tax Specialist III	0.00	7.00	11.59	453,140	0.00	0.00	0.00	0.00
2230	Revenue & Taxation Specialist I	0.00	4.00	3.83	127,773	0.00	0.00	0.00	0.00
2231	Revenue & Taxation Specialist II	0.00	10.00	14.17	522,827	0.00	0.00	0.00	0.00
2233	Revenue & Taxation Specialist IV	0.00	3.58	4.00	171,056	0.00	0.00	0.00	0.00
2235	Revenue & Taxation Specialist V	0.00	0.00	0.50	23,574	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	26.08	38.17	\$ 1,505,424	0.00	\$ 0	0.00	\$ 0



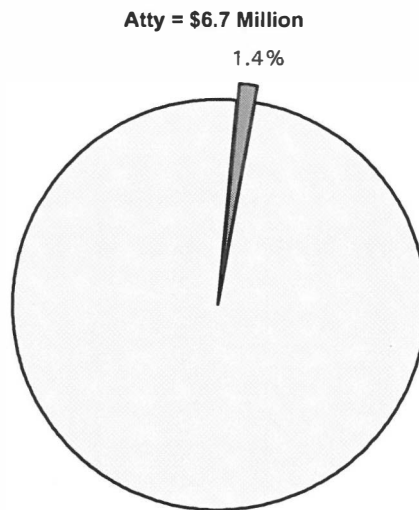
Office of the City Attorney

Legislative, Administrative, and Support Service Area

Mayor Tom Potter, Commissioner-in-Charge

Linda Meng, City Attorney

Percent of General Fund

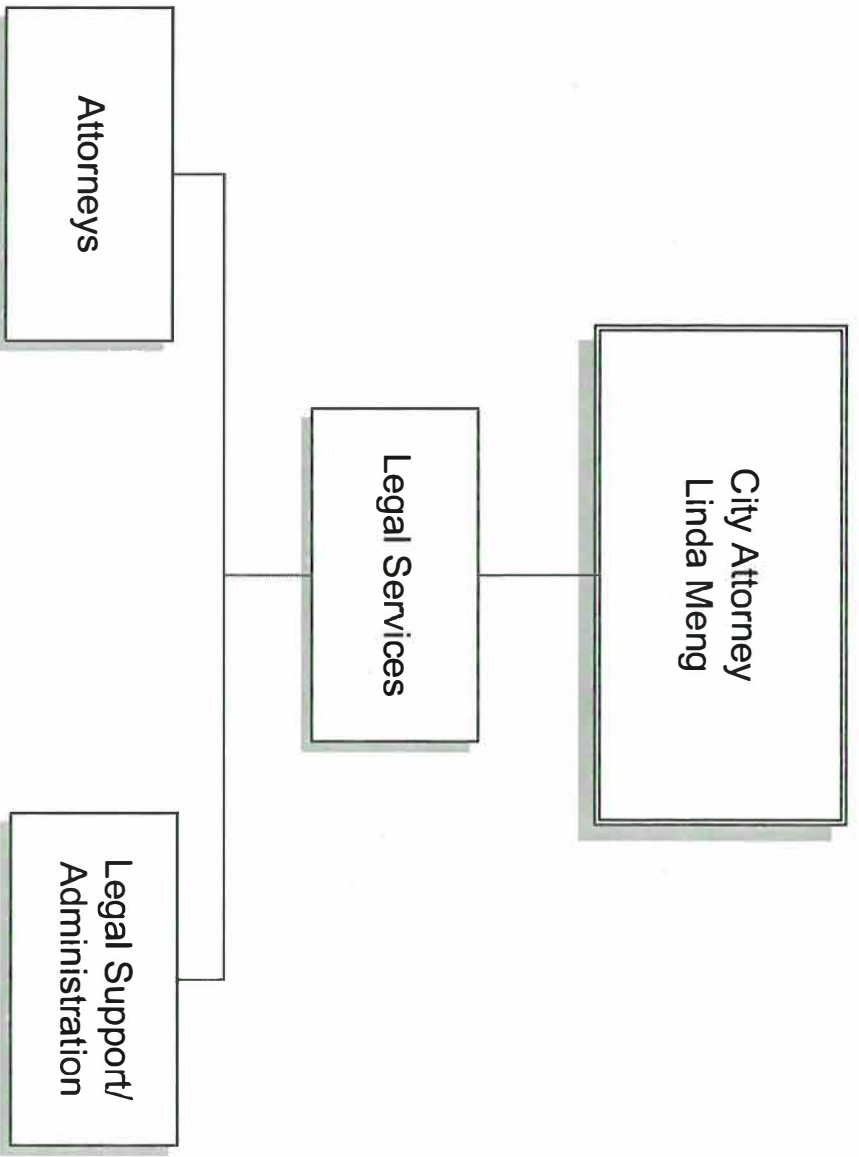


General Fund = \$469.7 Million

Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	6,060,567	6,704,170	643,603	10.6%
Capital	0	0	0	0.0%
Total Expenditures	\$ 6,060,567	\$ 6,704,170	\$ 643,603	\$ 10.6%
Authorized Positions	46.55	47.33	0.78	1.7%

Office of City Attorney



Bureau Summary

BUREAU MISSION

To help the City achieve its policy goals in the public interest by providing excellent, objective, timely, and economical legal advice and advocacy, unaffected by politics, personalities, or self-interest.

BUREAU OVERVIEW

The City Attorney is appointed by the City Council. The City Attorney's Office provides legal services and programs for the City of Portland.

The office provides many types of legal services.

The office handles work generated by the City Council, City bureaus, employees, and citizens who bring claims or actions against the City. This work includes defending the City in court, initiating legal actions when appropriate in the public interest, handling other judicial and quasi-judicial matters, negotiating and reviewing contracts, reviewing policies and programs, providing legal advice and counsel, producing formal opinions, and performing any other legal services needed.

Legal obligations are created by the City Code and Charter, state statutes, regulations, administrative requirements, and federal law. In addition, the Oregon State Bar establishes ethical professional requirements that govern lawyers and the work performed for the City and City officials.

The office works on a wide range of subjects, such as constitutional aspects of municipal legislation, personnel and labor law issues, tort claims, workers' compensation, construction issues, land use litigation and planning, environmental issues, and code enforcement. The office also works on police and public records issues, fire and safety requirements, telecommunications, utilities and license fees, collection of revenues owed to the City, and franchises and contracts.

Consultative work includes advising, advocating, analyzing, and reviewing activities and materials, negotiating agreements, drafting documents and legal instruments, and assisting in policy development and program implementation as requested and needed.

Attorneys and paralegals work with City Council members and their staff, as well as bureaus, to find legally acceptable ways to achieve public objectives.

Legal services are affected by decisions made by City government, other governments, and private parties. Legal issues usually originate outside of the direct control of the City Attorney's Office. The office works with Council members and bureau managers to review the legal issues that may be associated with City projects, and to assist in the successful completion of these projects.

Funding sources and uses

The office is supported by General Fund discretionary resources, internal City overhead revenues, and interagency agreements. Interagency agreements with selected agencies support specialized legal work in specific areas. Over 82% of the City Attorney's costs are for personal services. The office has 47.33 authorized positions. The office's indirect overhead costs are substantially lower than those in private sector law firms and other law offices.

Interagency agreements currently represent 50% of the total operating budget of the City Attorney's Office. The remainder of the operating budget is supported by General Fund discretionary revenue (27%) and General Fund overhead recovery revenue (23%).

SUMMARY OF BUDGET DECISIONS

Budget Decisions

The Adopted Budget includes continuing one-time funding for a full-time deputy city attorney position and full-time paralegal assistant to continue work on collecting delinquent business license accounts. The salaries for the positions, plus materials and services, are funded through an interagency agreement with the Revenue Bureau totaling \$276,631.

The Adopted Budget supports ongoing funding of half a deputy city attorney position to work on complex regulatory and enforcement issues regarding the Portland Harbor Superfund Site. The salary for the position, plus materials and services, is funded through an interagency agreement with the Bureau of Environmental Services totaling \$113,880.

Budget Reduction

The Adopted Budget includes a reduction in external materials and services totaling \$33,716. The office is committed to continuing the current level of service despite this reduction.

Strategic Direction

SIGNIFICANT ISSUES

The City Attorney's Office continues to face increasing legal needs and limited City resources. The City's legal work is not usually optional and must be performed by City lawyers or more expensive outside counsel.

The City Attorney's Office continues its efforts to control overall legal costs to the City by attempting to minimize the City's reliance on outside counsel.

Another effective way to control the City's legal costs is to maximize the use of paralegal assistants and other non-attorney staff. The office has added paralegals as a more efficient way to handle some legal work. The office is currently exploring various IT applications that could also assist in making the office more efficient.

MANAGEMENT GOALS & OBJECTIVES

Long-Term Goals

The Office of the City Attorney has established six management goals, which support the City goal of delivering efficient, effective, and accountable municipal services.

City Attorney Goal 1: Ensure timely and knowledgeable legal advice to Council and bureaus.

- ◆ This will be achieved by performing top quality professional work that is unaffected by politics or personalities.

City Attorney Goal 2: Pursue aggressive cost controls and expenditure restrictions to decrease costs and promote efficiencies.

- ◆ This initiative includes reducing reliance on outside counsel services that are more expensive to the City and updating office technology to reduce cost and increase efficiency.

City Attorney Goal 3: Identify legal risks.

- ◆ Identify legal risks and remedy legal problems, while still encouraging prudent risk taking. When the City encounters legal obstacles, propose alternative, legally acceptable ways to accomplish public objectives.

City Attorney Goal 4: Promote workplace diversity.

- ◆ Provide training and advice to assist in implementation of City policies on workplace diversity, and provide opportunities to increase office diversity as well as provide for office personnel to participate in Citywide diversity and training activities.

City Attorney Goal 5: Provide cross training to bureaus.

- ◆ Provide cross-bureau training, advice, and legal representation to assure consistent and coordinated City services and management of City operations.

City Attorney Goal 6: Provide excellent customer service.

- ◆ Provide courteous and timely referrals and responses to citizen inquiries.

Overview of Programs

LEGAL SERVICES

Description

Legal Services is the sole budget program included within the City Attorney's Office. The Legal Services program includes the following personnel: the City Attorney, chief deputies, deputy city attorneys, paralegal assistants, legal assistants, and administrative staff. All provide legal work directly to the City Council and bureau staff.

The Legal Services program allows the City Attorney's Office to represent the City in court litigation, administrative proceedings, appeals, and other judicial processes. This program also provides advice, consultation, and research on issues and questions regarding municipal operations and programs, contract negotiation, and training.

Relationship to Goals

The Legal Services program supports the City goal of delivering efficient, effective, and accountable municipal services.

Performance

The cost for legal services in the City Attorney's Office remains significantly lower than outside legal services. The total number and complexity of cases in which the City Attorney's Office has represented the City continues to increase.

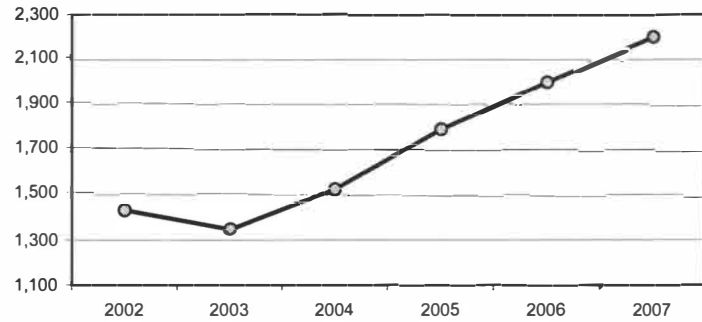
Changes to Service and Activities

No significant changes for FY 2006-07.

Performance Measures

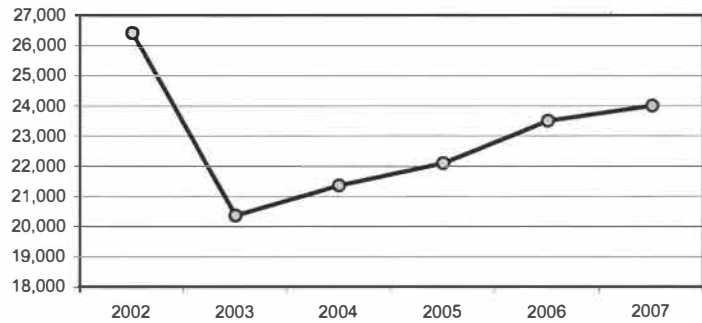
Litigation Cases

◆ Numbers, complexity, and cost of litigated cases have increased.



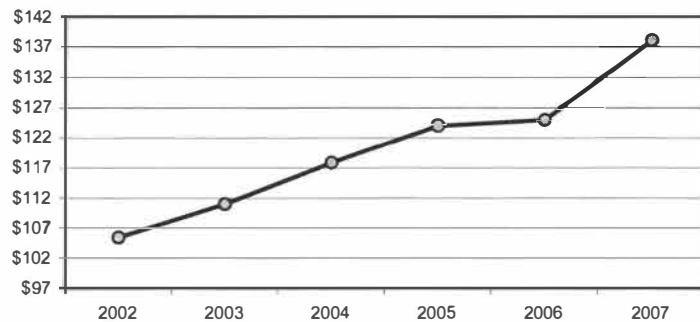
Legal Documents Pages

◆ As this graph shows, while all legal work is document intensive, actual printing requirements fluctuate.



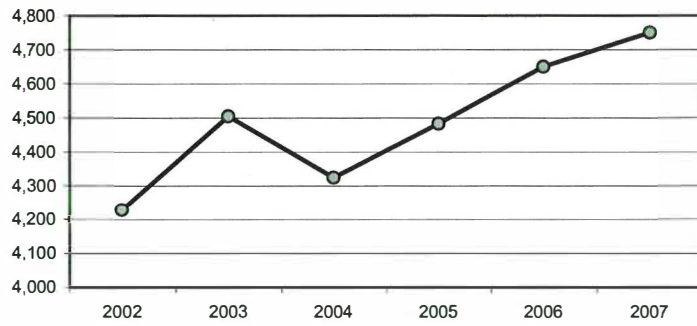
Hourly Rates

◆ The office's fully loaded hourly rate includes direct expenses for staff and materials.



Contracts Reviewed and Approved

- ◆ The City Attorney's Office reviews contracts for accuracy and completeness.



Office of the City Attorney

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF THE CITY ATTORNEY						
Legal Services						
Workload						
Litigation Cases	1,432	1,350	1,525	1,789	2,000	2,200
Legal Documents Pages	26,430	20,370	21,365	22,101	23,500	24,000
Hourly Rate	\$105	\$111	\$118	\$124	\$125	\$138
Contracts Review and Approval	4,229	4,505	4,325	4,483	4,650	4,750
Number of Trainings City Attorney Staff Provide to Other City Staff	NA	NA	NA	NA	133	155

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	4,265,615	4,499,652	5,000,096	5,476,793	5,476,793
External Materials and Services	230,917	245,479	423,931	593,358	593,358
Internal Materials and Services	548,245	575,398	636,540	634,019	634,019
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	5,044,777	5,320,529	6,060,567	6,704,170	6,704,170
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 5,044,777	\$ 5,320,529	\$ 6,060,567	\$ 6,704,170	\$ 6,704,170
Allocated Overhead	0	0	0	51,001	51,001
Total Cost with Allocated Overhead	5,044,777	5,320,529	6,060,567	6,755,171	6,755,171
RESOURCES					
Discretionary Revenue	1,493,018	1,385,404	1,789,043	1,758,818	1,758,818
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	2,419,227	2,666,344	2,958,779	3,422,788	3,422,788
Program Revenue	4,565	10,681	0	0	0
Overhead Recovery	1,127,967	1,258,100	1,312,745	1,522,564	1,522,564
Total Non-Discretionary Revenues	3,551,759	3,935,125	4,271,524	4,945,352	4,945,352
TOTAL GENERAL FUND RESOURCES	\$ 5,044,777	\$ 5,320,529	\$ 6,060,567	\$ 6,704,170	\$ 6,704,170
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Legal Services	5,044,777	5,320,529	6,060,567	6,704,170	6,704,170
<i>Positions</i>	<i>37.00</i>	<i>43.77</i>	<i>46.55</i>	<i>47.33</i>	<i>47.33</i>
TOTAL PROGRAMS	\$ 5,044,777	\$ 5,320,529	\$ 6,060,567	\$ 6,704,170	\$ 6,704,170
<i>Positions</i>	<i>37.00</i>	<i>43.77</i>	<i>46.55</i>	<i>47.33</i>	<i>47.33</i>

Office of the City Attorney

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	1.00	1.00	1.00	34,344	1.00	38,062	1.00	38,062
7030	City Attorney	1.00	1.00	1.00	132,852	1.00	139,199	1.00	139,199
7483	City Attorney, Chief Deputy	2.00	2.00	2.00	239,832	2.00	247,014	2.00	247,014
7481	Deputy City Attorney	9.00	9.70	10.45	945,396	11.70	1,106,917	11.70	1,106,917
7482	Deputy City Attorney, Senior	11.00	10.70	10.80	1,134,816	10.72	1,167,136	10.72	1,167,136
7377	Financial Analyst, Senior	1.00	1.00	1.00	74,232	1.00	76,518	1.00	76,518
2543	Information Systems Analyst III	1.00	1.00	1.00	71,136	1.00	74,232	1.00	74,232
7487	Law Office Administrator	1.00	1.00	1.00	78,168	1.00	81,898	1.00	81,898
7475	Legal Assistant	5.00	4.50	5.00	279,456	5.00	290,612	5.00	290,612
7476	Legal Assistant, Senior	2.00	2.90	2.90	185,556	2.90	188,922	2.90	188,922
7489	Legal Contract Analyst	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7477	Paralegal	1.00	1.00	1.00	63,984	2.00	121,893	2.00	121,893
7478	Paralegal, Senior	1.00	1.90	1.90	134,136	1.90	135,027	1.90	135,027
TOTAL FULL-TIME POSITIONS		37.00	38.70	40.05	\$ 3,461,688	42.22	\$ 3,755,210	42.22	\$ 3,755,210
0102	Office Supp Spec II	0.00	0.50	0.50	15,960	0.50	17,368	0.50	17,368
7481	Deputy City Attorney	0.00	0.50	0.50	50,220	1.00	96,624	1.00	96,624
7482	Deputy City Attorney, Senior	0.00	0.80	0.80	87,192	0.80	89,847	0.80	89,847
7475	Legal Assistant	0.00	1.00	1.50	69,108	1.00	51,150	1.00	51,150
7478	Paralegal, Senior	0.00	1.35	1.20	81,996	1.31	93,135	1.31	93,135
TOTAL PART-TIME POSITIONS		0.00	4.15	4.50	\$ 304,476	4.61	\$ 348,124	4.61	\$ 348,124
7481	Deputy City Attorney	0.00	0.92	1.00	80,844	0.00	0.00	0.00	0.00
7477	Paralegal	0.00	0.00	1.00	59,472	0.50	31,280	0.50	31,280
TOTAL LIMITED TERM POSITIONS		0.00	0.92	2.00	\$ 140,316	0.50	\$ 31,280	0.50	\$ 31,280

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

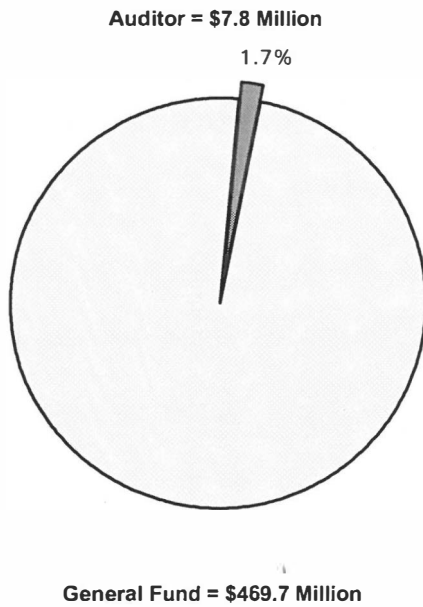
ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	6,305,744	0	6,305,744	44.83	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments	(51,001)	0	(51,001)	0.00	BHR to overhead funding
	(7,449)	0	(7,449)	0.00	Decreased health rates
	0	98,128	98,128	0.00	IA adjustments
	1,953	0	1,953	0.00	Employee transit
Mayor's Proposed Budget Decisions	(33,716)	0	(33,716)	0.00	External materials and services reduction
	0	276,631	276,631	2.00	Revenue Bureau IA
	0	113,880	113,880	0.50	BES IA
Approved Budget Additions and Reductions	0	0	0	0.0	None
Adopted Budget Additions and Reductions	0	0	0	0.0	None
	(90,213)	488,639	398,426	2.50	Total FY 2006-07 Decision Packages
			\$ 6,704,170	47.33	Total Adopted Budget

Office of the City Auditor

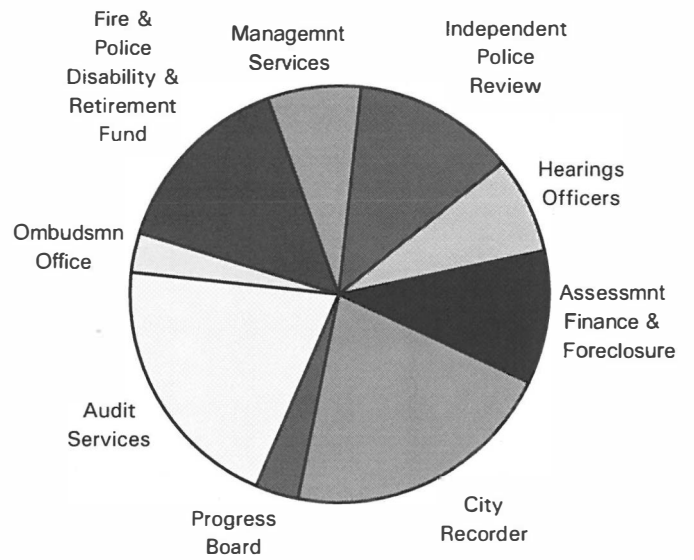
Legislative, Administrative, and Support Service Area

Gary Blackmer, City Auditor

Percent of General Fund



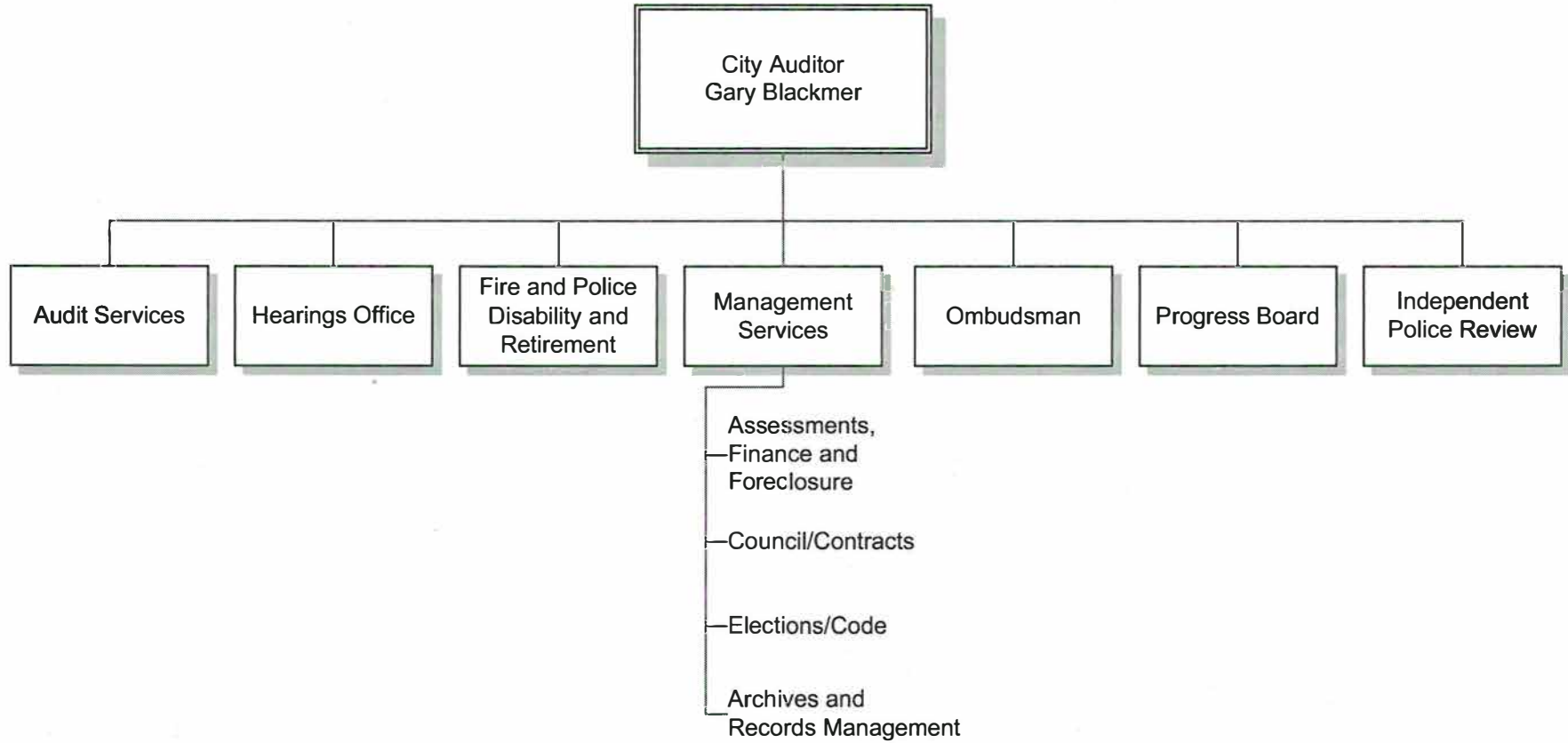
Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	7,803,356	7,577,407	-225,949	-2.9%
Capital	0	247,504	247,504	0.0%
Total Expenditures	\$ 7,803,356	\$ 7,824,911	\$ 21,555	\$ 0.3%
Authorized Positions	59.30	62.40	3.10	5.2%

Office of the City Auditor



Bureau Summary

BUREAU MISSION

The mission of the City Auditor’s Office is to foster open and accountable government. This is accomplished by providing access to City information and conducting independent and impartial reviews that promote fair, efficient, and quality services.

VISION AND VALUES

The vision of the Auditor’s Office is that citizens will have increased confidence in City government knowing that an independent Auditor’s Office is working to improve City services and public access to information. The Auditor’s Office has the following values:

- ◆ We value independence, objectivity, and fairness.
- ◆ We value professionalism in the quality of our work and our interactions with each other, other bureaus, and the public.
- ◆ We value open and accountable government to achieve continuous improvement in City services to the public.

BUREAU OVERVIEW

Organizational Description

The City Auditor is an elected official of the City of Portland who provides accountability for the use of public resources and access to information for all Council members and the public. The Auditor is required by City Charter to be professionally certified and is prohibited from running for any other elected City position while in office.

The City Charter assigns the Auditor a variety of responsibilities. These responsibilities include conducting financial and performance audits, supervising City elections, maintaining all official business records of the City, providing official certifications, assessing and collecting liens, and serving as the secretary of the Fire and Police Disability and Retirement (FPD&R) system.

SUMMARY OF BUDGET DECISIONS

Reduction in Personnel and Materials and Services; New Revenue

The Adopted Budget reflects a reduction in the Auditor’s Office budget of \$18,426, and \$31,042 in new revenue. The reductions are due to staffing changes within Audit Services and the Hearings Office and decreases in the materials and services budget. The increased revenue is the result of a new interagency agreement with the Portland Office of Transportation for the Hearings Office to provide tow appeal hearings. The Hearings Office has provided tow hearings in the past through the overhead model. The new interagency revenue will displace General Fund discretionary and overhead revenues.

Officer-Involved Shooting Review

The Adopted Budget reduces funding in the amount of \$12,494 for the Officer-Involved Shooting Review. The current contract with the Police Assessment Resource Center will be renegotiated. The Auditor’s Office will also reduce funding of \$6,000 for closed captioning of Council meetings.

- Neighborhood Survey** The Adopted Budget reflects an ongoing reduction of \$50,000 that will eliminate funding to conduct the Service Efforts and Accomplishments neighborhood-level survey. The survey will be funded with \$100,000 in one-time funds in alternate years.
- MFR Position** The Adopted Budget includes one-time funding of \$86,580 for a management auditor position to support the Managing for Results (MFR) effort. The position will help sustain Audit Services' performance audit duties and assist City bureaus to implement and improve performance management and measurement systems. The position will allow audit staff to provide training and consulting assistance to bureau managers and program supervisors in developing mission statements, goals and objectives, and relevant performance measures. Audit services staff will review bureau performance measures, develop documents summarizing information, and present the information to Council and the public. A quarter of this position will be devoted to supporting the recommendations of Bureau Innovation Project #7 - Customer Service.
- PDC Auditor** The Adopted Budget includes \$78,000 for a half-time senior management auditor position and associated materials and services costs. This position will be combined with an existing half-time position to form one new full-time position in FY 2006-07. The duties for this new position will be divided between performing audits for City bureaus and performing audits for the Portland Development Commission (PDC). The Auditor's Office will receive funding in the amount of \$78,000 through an interagency agreement with PDC for the entire cost of this half-time position and accompanying expenses.
- SPARC Facility Maintenance** The Adopted Budget includes one-time funds of \$40,000 for maintenance and repairs to SPARC. These funds will be used to seal leaks on the exterior walls and perform other repairs to the building.
- SPARC Space Study** The Adopted Budget includes \$35,000 in one-time funds to conduct a space feasibility study. The Stanley Parr Archives and Records Center (SPARC) is approximately 99.5% full and requires constant space monitoring. The first step in exploring space needs is to work with Facilities to define the requirements for a secure, offsite facility appropriate for the management and storage of City records, including historical records dating back to 1850. The feasibility study will explore three options: building a new facility, finding an existing building that will meet SPARC's needs, and adding additional space to the existing Archives and Records Center.
- Efiles** The Adopted Budget includes funding of \$247,504 to deploy Efiles, an electronic records management system, to approximately 200 City Hall employees. Efiles was first purchased by the Auditor's Office in 2000 and implemented in the City Recorder program. It was chosen as an enterprise-wide system to be phased in over time, to address the deluge of e-mail, the potential cost of litigation to the City, and the importance of vital records in case of emergency.
- Campaign Finance Position** The Adopted Budget includes one-time funding for a limited term position to assist with the Campaign Finance Fund. The Auditor's Office had a full-time permanent position in its FY 2005-06 budget, but did not fill this position because of the impending initiative petition. Since it was not filled in FY 2005-06, the office was required to submit a package requesting this position for FY 2006-07.

**Half-time Hearings
Officer Position**

The Adopted Budget includes funding for a half-time hearings officer position. City Council approved Ordinance numbers 179995 and 179996 effective April 17, 2006 for the Drug-free and Prostitution-free program. These Ordinances amend City Code and require a hearings officer to review all exclusion notices before they are issued. This review process increased the workload for the Hearings Office and requires a half-time hearings officer position. This position is funded by an interagency agreement with the Bureau of Police.

BUDGET NOTES**Enterprise Document
Management Strategy**

Council requests that the Auditor work with the Bureau of Technology Services and other interested bureaus to develop an enterprise document management strategy.

**MFR (Managing for
Results) Auditor
Position**

The Managing for Results (MFR) management auditor position is continued as limited term for a second year. Twenty-five percent of this position will be devoted to supporting the recommendations of Bureau Innovation Project #7—Customer Service. Council asks the Auditor to report on the extent to which this utilization is effective before any decision is made regarding the permanence of the position.

Strategic Direction

SIGNIFICANT ISSUES

Accountability

Public distrust and dissatisfaction with government is a frequently expressed sentiment. Portland has long been a leader in accountability, in part through the efforts of the Auditor's Office, which can help rebuild public confidence in government.

Managing Wisely

The City of Portland faces challenging times: growing resource constraints, changing public demands, and increasing government complexity. Working in partnership with the Bureau of Planning, Office of Management and Finance, and other City bureaus, the Auditor's Office will provide technical advice and assistance to implement Managing for Results.

Space Shortage at SPARC

The Stanley Parr Archives and Records Center is approximately 99.5% full and requires constant space monitoring. The Efiles system will help manage the increased need for records storage, but will not replace the need for additional storage. Future storage demands, which are affected by internal and external factors (decreasing storage space in bureau offices and changes in local, state, and federal record-keeping requirements) are outpacing the current physical storage space. The Auditor's Office in conjunction with Facilities is exploring options for additional space; funding for a records center feasibility study is included in the FY 2006-07 Adopted Budget.

Rising Public Expectations for Access to City Information

The increased popularity of the Internet is creating a public expectation of access to City information through that medium. The Auditor's Office has expanded its use of the Internet to reduce printing and mailing costs and to distribute information such as the City Charter and Code, Portland policy documents, elections information, Council agendas, ordinances, records requests, and audit reports. The Adopted Budget includes funding to deploy Efiles, an electronic records management system, to City Hall employees. This initiative will increase access to City information.

Successful School Efforts

A well-educated public is key to fulfilling lives, civic engagement, economic development, and healthy families. Deep cuts in state funding for schools require that public resources be wisely allocated. Portland and Multnomah County leaders helped schools overcome a funding shortfall in the short term, but continued attention is necessary.

The Portland Multnomah Progress Board monitors key indicators of community well-being and is also a census affiliate, helping City, county, and school managers understand demographic impacts on housing needs, transportation patterns, park and recreation activities, foreign language needs, economic development opportunities, and other services affected by demographic shifts. The staff have also been assisting the Leaders Roundtable and school principals to improve third grade reading scores.

Lien Accounting System Migration

The lien collection and billing function within the Assessment and Liens program was transferred to the Revenue Bureau in December 2005; the administration of the Lien Accounting system stayed within the Auditor's Office. The Auditor's Office had originally planned to migrate the Lien Accounting System to a different platform during FY 2005-06, but decided to wait until after the transfer was complete to migrate the system. The Auditor's Office will work with the Revenue Bureau to determine the informational needs and reporting requirements of the lien accounting system. The system will migrate to a new platform during FY 2006-07.

MANAGEMENT GOALS & OBJECTIVES**City and Auditor's Office Goals**

The Auditor's Office has established four management goals to support the City goal of delivering efficient, effective, and accountable municipal services. The Auditor's Office has established one management goal to support the City goal to improve the quality of life in neighborhoods.

City Goal: Deliver Efficient, Effective, and Accountable Municipal Services**Program: Audit Services**

Bureau Goal: To improve City accountability and performance, we report our independent and impartial reviews, conclusions, and recommendations.

Major Initiative: Implement Managing for Results.

Audit Services will help the City implement a Managing for Results system by offering training and data verification of performance measures. A limited term management auditor position was approved to assist in the implementation of Managing for Results. One-time funding in alternate years was approved to conduct satisfaction surveys at a neighborhood association level.

Major Initiative: Develop performance measures for the Office of Neighborhood Involvement.

Audit Services staff will work with staff from the Office of Neighborhood Involvement to develop performance measures that are linked to its mission, goals, and programs, and reported in subsequent Service Efforts & Accomplishments (SEA) reports.

Major Initiative: Conduct PDC audits.

To provide cost-effective and independent accountability for the Portland Development Commission, the Auditor's Office has agreed to an interagency agreement to provide the equivalent of 1,000 hours of performance auditing and other services.

Program: City Recorder

Bureau Goals: Ensure open and transparent City Council deliberations by preparing fair and impartial agendas, adequately notifying the public, advising on proper proceedings, and producing a clear and accurate record. Provide accountability by ensuring public access to the City's records in compliance with the law. Limit City liability by reviewing each bureau contract for conformance with code and charter requirements before certifying the contract is legally binding.

Major Initiative: Expand the Efiles system to all City employees.

The Auditor's Office is working to implement Efiles, an electronic records management system, on a Citywide basis. This will allow electronic records and e-mail to be organized, classified, retained, and/or destroyed according to the City's retention schedule. The Adopted Budget includes funding to deploy Efiles to all City Hall employees in FY 2006-07.

Major Initiative: Public access

The division will analyze its workflow and establish public online access to documentation related to weekly Council agenda items.

Program: Ombudsman Office

Major Initiative: Inclusion in the City Charter

Charter authority for the Ombudsman would assist in protecting and preserving this independent function for accountability.

Program: Portland Multnomah County Progress Board

Major Initiative: Assist in developing the City's vision and strategic plan.

The Portland Multnomah Progress Board will assist the team developing the City's vision and strategic plan, provide liaison with other jurisdictions and the business community, and participate in various efforts to enhance the tracking of economic indicators.

Program: Management Services

Major Initiative: Implement the Lobbyist Ordinance.

The City Council passed Ordinance #179843, effective April 1, 2006 establishing a registration and reporting system for lobbying entities. This system requires lobbying entities to register if they meet certain conditions. It also requires lobbying entities and City officials to prepare financial reports on a quarterly basis. The Auditor's Office is currently preparing administrative rules, designing workflow charts, determining processes, and working with the Bureau of Technology Services to design and format electronic forms and reports. The quarterly reports submitted by the lobbying entities and elected officials will be implemented in FY 2006-07 along with basic informational reports that are published on the Internet and available to the public.

Program: Assessment, Finance, and Foreclosure

Bureau Goal: To promote neighborhood livability, we assess liens on property to finance improvements and penalize code violations, collect and record lien payments owed to the City, and provide timely responses to delinquencies and lien information requests.

**City Goal: Improve
the Quality of Life in
Neighborhoods**

Overview of Programs

OMBUDSMAN OFFICE

Description

The Office of the Ombudsman is an independent, impartial office that investigates the administrative acts of City agencies in a nonadversarial manner. When warranted, the office recommends appropriate changes to promote higher standards of competency, efficiency, and justice in the provision of City services. The Ombudsman has access to all public records, but has no authority to issue a directive or reverse a decision.

The Ombudsman’s job is to investigate complaints from the public and determine whether the City has acted fairly and efficiently. If a complaint is justified, staff will work with the citizen and the agency to find a fair solution and may recommend changes in policies or procedures to avoid subsequent problems. If a complaint is not justified, the office will explain the reasoning and the public interest implications to the citizen. This helps protect employees from unfounded criticism. The Ombudsman plays a significant role in making sure citizen concerns are addressed, and helps avoid more costly conflicts. The office is committed to increasing trust in local government.

The Office of the Ombudsman collaborates with other City bureaus and outside agencies on a regular basis. In addition to investigating individual complaints, the Ombudsman has been instrumental in addressing issues proactively. In May 2005, the Ombudsman issued a report and recommendation regarding onsite waste storage and dumpsters stored in the public right-of-way. The report resulted in Resolution 36339, which established a collaborative work group to discuss the issue and report back to Council in 2006.

Relationship to Goals

The Ombudsman Office supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance, by reporting its independent and impartial reviews, conclusions, and recommendations.

Performance

The Ombudsman Office opened 316 complaints in FY 2004-05 and projects that the office will receive 300 complaints in FY 2006-07. In FY 2004-05, 77% of citizens reported satisfaction with the timeliness of the response to their complaint; the goal for FY 2006-07 is 80%. In FY 2004-05 76% of citizens were satisfied with the service they received; the goal for FY 2006-07 is 80%.

Changes to Services and Activities

There are no significant changes for FY 2006-07.

INDEPENDENT POLICE REVIEW

Description

The Independent Police Review (IPR) program was established January 1, 2002 to improve police accountability to the public and to provide the opportunity for a fair resolution of complaints about the police. The program works with the Citizen Review Committee and the Police Bureau to ensure that proper actions are taken to address citizen complaints about police activities, that the complainants and officers have an opportunity for a fair appeal of the results, and that preventable problems are identified and addressed through well-researched recommendations for improvement.

The IPR receives the initial complaints from citizens, reviews police internal investigations, monitors and reports on complaint status, and conducts independent investigations where warranted. A Citizen Review Committee, appointed by City Council, reviews and rules on citizen appeals of investigation findings. The committee also reviews complaint trends and works with IPR to advise the Police Bureau on ways to improve practices that contribute to citizen complaints.

The program has the authority to initiate independent investigations if the director believes that the Police Bureau investigation might not be timely, thorough, complete, or sufficiently fair. IPR prepares frequent public reports on the status and resolution of citizen complaints. Currently, IPR is implementing an ongoing outreach program to inform citizens and police officers about the complaint-handling system. Evaluation surveys are distributed regularly to monitor customer service goals. After receiving City Council approval, the Auditor hired an outside expert to review officer-involved shootings and deaths of persons in custody and to make policy recommendations.

The IPR works closely with the Police Bureau in investigating citizen complaints against police officers. In addition to receiving and processing complaints against sworn members of the bureau, IPR receives complaints against nonsworn members, and advises and assists with other areas of concern such as the early intervention system and the proposed office of professional standards. The IPR collaborates with the City Attorney's office in identifying and addressing issues of legal concern, and works with Risk Management, the Office of Neighborhood Involvement, and the Mayor's and Commissioners' staffs.

Relationship to Goals

The Independent Police Review program supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance by reporting its independent and impartial reviews, conclusions, and recommendations.

Performance

In FY 2004-05, this program received 781 citizen complaints; it is projected that the program will receive 800 complaints in FY 2006-07. In FY 2006-07, the goal for the percentage of complainants who were satisfied with the thoroughness of their investigation is 36%. In FY 2006-07, the goal for the percentage of cases closed within 150 days is 90%.

Changes to Services and Activities

There are no significant changes to this program. The Auditor's Office budget reflects a reduction for the officer-involved shooting review. This decrease may result in issuing and publishing the report every other year instead of on an annual basis.

AUDIT SERVICES

Description

The mission of the Audit Services program is to promote honest, efficient, effective, and fully accountable City government. The program conducts independent audits and analyses that provide objective information to City officials, City managers, and the public. The program also prepares the annual Service Efforts and Accomplishments report, which includes the City Auditor's Citizen Survey.

Performance and financial audit reports identify savings and revenue enhancements, strengthen management controls, and improve the efficiency and effectiveness of City government operations. Since 1985, the Audit Services program has issued over 160 reports and identified over \$18.1 million in measurable financial benefits to the City. Bureaus have implemented, or are in the process of implementing, over 80% of audit report recommendations.

Program staff provided two Citywide training sessions for the Managing for Results, as well as on-request training to specific bureaus in FY 2005-06. In total, staff presented MFR information to over 200 employees.

For on-call assistance, staff has collaborated with many bureaus, including City Attorney (for assistance in assessing an audit issue related to tax collection), Transportation (for assistance in preparing data for a court case involving parking meter theft and for assistance with overhead cost issues), Parks (for assistance reviewing their contracted work to review Parks Stores costs and operations), Police, and many others. For follow-up assistance and help to bureaus processing audit recommendations, staff worked in FY 2005-06 with the Portland Development Commission.

Relationship to Goals Audit Services supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance by reporting its independent and impartial reviews, conclusions, and recommendations.

Performance This division completed 11 audits in FY 2005-06 that helped improve the City’s public accountability and identified opportunities for increased efficiency and effectiveness. The goal for FY 2006-07 is the completion of 12 audits. In FY 2006-07, the cost per audit hour is projected to be \$104. At least 80% of audit recommendations were implemented in FY 2005-06; the goal for FY 2006-07 is 85%.

Changes to Services and Activities Audit Services is increasing the number and types of audits produced. They are also increasing the number of bureaus reported in the annual SEA report. This program is instrumental in the Citywide implementation of Managing for Results, and one-time funding for a full-time management auditor position to assist with this effort is included in the Adopted Budget. Audit Services is conducting audits for PDC, and funding is included for a half-time senior management auditor to continue with these efforts.

CITY RECORDER

Description The City Recorder develops, maintains, and provides accurate and objective documentation of City business and acts as an information clearinghouse for the Council, bureaus, and the public. This program has implemented an electronic records management program that allows simplified access to Citywide information.

Council Clerk/Contracts

As Clerk of the Council, the City Recorder program is responsible for preparing the Council agenda, processing City ordinances and resolutions, and transcribing the official summary minutes of Council meetings. The clerk maintains the official copy of the Portland City Charter, Code, and Portland Policy Repository, and coordinates the publishing of City Code on paper, CD-ROM, and online. The City Recorder program also receives accounting documents, contracts, and data from other bureaus and provides this information to the public and other City bureaus as requested. Through this program, the City Auditor gives final approval to all claims for payment against the City, disburses payments, and maintains current files of all City contracts.

Staff assists and advises bureaus on Council filing procedures, document requirements, and scheduling of items on the Council Agenda. All City contracts are filed in the Auditor’s Office, and staff provides assistance to bureaus and contractors. All disbursements for payroll and vendor checks are disseminated by staff.

Archives and Records Management

Archives and Records Management is responsible for records storage, confidential destruction of records, preservation of historical records, and provision of reference and retrieval services for the general public and City employees at the Stanley Parr Archives and Records Center. Staff assists the elected officials and bureaus in managing their public records legally and efficiently, and is committed to documenting and preserving evidence of City actions and City government history.

Archives and Records Management staff gives instruction and guidance on public records issues: laws, access, management, destruction, and preservation. Staff works with all City bureaus to develop records retention schedules that meet the bureau's needs, while ensuring compliance with federal, state and local requirements. This program provides offsite storage and management of records needing to be retained by bureaus. Bureaus receive records within 24 hours of their request or may review the records onsite. Staff provide specialized reference assistance or research for City bureaus and to citizens, providing guidance and help in their search for public information, both current and past.

Relationship to Goals

The City Recorder program supports the City goal of delivering efficient, effective, and accountable municipal services. This program supports the bureau goals to ensure open and transparent City Council deliberations by preparing fair and impartial agendas, adequately notifying the public, advising on proper proceedings, producing a clear and accurate record, providing accountability by ensuring public access to the City's records in compliance with the law, and limiting City liability by reviewing each bureau contract for conformance with code and charter requirements before certifying the contract is legally binding.

Performance

In FY 2004-05, the Records Center fulfilled 41,001 records requests; the goal for FY 2006-07 is to fulfill 41,500 requests. In FY 2004-05, the program processed 222,663 checks/ deposit advices; the goal for FY 2006-07 is 222,500. In FY 2004-05, the direct cost to retrieve and deliver a record was \$3.10 per request; the goal for FY 2006-07 is \$3.10 per request. In FY 2004-05, the Records Center staff delivered records within 24 hours of the request 99% of the time. The goal for FY 2006-07 is to fulfill the request within 24 hours 99% of the time. In FY 2006-07, the division will track the percent of all records retrievals provided in electronic format.

Changes to Services and Activities

This program continues to increase the number of electronic documents available to City employees and citizens through the Efiles system. Funding of \$247,504 to deploy the Efiles system to 200 City Hall employees is included in the Adopted Budget. The Auditor's Office will hire one limited term position, purchase additional software licenses and hardware, and provide training to all City Hall employees in basic records management principles, electronic filing systems, and the Efiles software system.

ASSESSMENTS, FINANCE & FORECLOSURE

Description

The Assessments, Finance, and Foreclosure program assists the City of Portland in providing a wide range of services to property owners through special assessments. The program helps plan and finance local improvement projects such as sewer and street improvements, assists in code enforcement efforts, sidewalk repairs, nuisance abatement, demolition, and civil penalty assessment. The program oversees the Local Improvement District (LID) Construction Fund, the Bancroft Bond Fund, the Assessment Collection Fund, and the City's foreclosure program. The primary objective of the foreclosure program is to protect the interest of bondholders and taxpayers by recovering costs incurred by the City in providing services.

Program staff work closely with the Offices of Transportation and Neighborhood Involvement and with the Bureaus of Development Services, Environmental Services, and Parks & Recreation. This program provides counseling and assistance to property owners. Staff investigates and conducts research to see if the individual qualifies for other types of financial assistance, prepares individual payment plans, and contacts other agencies as needed.

Program Revenues

The program is entirely funded through fees and charges paid by property owners and, to a limited extent, interagency revenues from the Bureau of Environmental Services.

The assessment portfolio includes the Office of Transportation, Parks and Recreation, and the Bureau of Environmental Services system development charges; local improvement district assessments; nuisance abatement, derelict building, code violation, code enforcement, and demolition assessments; sidewalk assessments; and the private plumbing loan program. The LID program has also been utilized to finance speed bumps, street lighting, the Portland Streetcar, and various pedestrian access improvements.

Relationship to Goals

The Assessments, Finance, and Foreclosure program supports the City goal of improving the quality of life in neighborhoods and the bureau goals of providing accurate assessment recordings, financing, and information to protect the interest of City bureaus, bondholders, and taxpayers.

Performance

In FY 2004-05, this program assessed 1,488 new assessments; the goal for FY 2006-07 is 1,581. In FY 2006-07, the program will track and report on the number of assessments per staff.

Changes to Services and Activities

The liens billing and collection function of the program was transferred to the Revenue Bureau in December 2005.

FIRE & POLICE DISABILITY & RETIREMENT FUND

Description

This program manages the City's Fire and Police Disability and Retirement system, which was authorized by the voters in 1948 and is supported by the proceeds of a continuing property tax levy. Program personnel support the fund's board of trustees, advise and assist members of the retirement system, provide claims management service, and prepare payments for members of the system and their survivors.

This program includes only the personnel costs of managing FPD&R. The Auditor's Office is fully reimbursed for these costs through an interagency service agreement. All other FPD&R costs are budgeted directly in the Fire and Police Disability and Retirement Fund.

Relationship to Goals The relationship to goals and the performance measurements for this program are reported in the Fire and Police Disability and Retirement Fund budget.

HEARINGS OFFICERS

Description The Hearings Officers program provides a forum for public hearings and renders objective decisions on matters over which City Council grants it jurisdiction. In addition to providing hearings for City bureaus, the Hearings Office also hears cases pursuant to intergovernmental agreements with other governmental bodies such as Multnomah County, Port of Portland, Oregon Department of Transportation, and TriMet.

Land Use

The Hearings Office holds public hearings related to certain types of land use applications. State statutes and City Code establish the basic procedural rules under which all land use hearings are held. Land use hearings ensure that land use applications are reviewed in a fair and open process and that land use decisions are legally supportable.

Enforcement

The Hearings Office provides a forum to allow the City and parties affected by governmental determinations to present evidence and argument in contested cases. The Hearings Office hears cases initiated by a governmental body against a person or property. The Hearings Office also hears cases brought by parties who believe that a government determination is not legally or factually correct. In both types of cases the function of the Hearings Office is to ensure the actions and determinations by the governmental body are legally supportable.

Program Revenues

The Hearings Officers program is partially supported by fees, interagency service agreements, and intergovernmental contracts. Fees are charged for land use hearing services; the Code Enforcement and Neighborhood Inspections programs of BDS are funded through interagency agreements.

Relationship to Goals The Hearings Office supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance by reporting its independent and impartial reviews, conclusions, and recommendations.

Performance	In FY 2004-05, the Hearings Office heard 1,548 City Code and land use appeal hearings. The majority of these cases were TriMet exclusion hearings. The number will decrease in FY 2005-06 because TriMet will conduct these hearings in-house rather than contracting with the City of Portland. The goal in FY 2006-07 is 150 hearings. In FY 2005-06, the program will track the number of hearings per FTE. In FY 2006-07, the Hearings Office will track and report on the percent of land use decisions that are remanded to the Land Use Board of Appeals.
Changes to Services and Activities	The Hearings Office has taken on the added responsibility of reviewing all drug-free and prostitution-free exclusions issued by the Police Bureau. A half-time Hearings Officer position was added to handle the increased workload.

MANAGEMENT SERVICES

Description	<p>The Management Services program provides leadership, accountability, and support for all activities of the Auditor's Office to ensure good management of the operational programs. These functions include budgeting, accounting, human resource and payroll matters, purchasing and supplies, and information technology systems. This program monitors problem-solving efforts throughout the office and serves as a contact point for other bureaus and offices in the City. Management Services is committed to strong working partnerships with other bureaus of the City, as well as other local and state agencies. One significant partnership is the collaboration with the Multnomah County Auditor to jointly audit eight school districts.</p> <p>Elections, City Code, Campaign Finance, and Lobbyist Ordinance</p> <p>This program is responsible for overseeing the election processes for the City. Staff receives, processes, and files all declarations of candidacy for City office; contributions and expenditure reports; initiative, referendum, and recall petitions; and Council-originated ballot measures. This program also maintains the City Charter, City Code, and Portland Policy Documents. Staff reviews City Code changes and update the Code after Council approval.</p> <p>This program administers the campaign finance system. Staff receives and certifies qualifying candidates, disburses funds, responds to questions, prepares the budget and financial reports, and serves as staff to the Citizen Campaign Commission. This program is also responsible for implementing the Lobbyist Ordinance that was approved by City Council in December 2005 and effective April 1, 2006.</p>
Relationship to Goals	Management Services supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to provide leadership and accountability for the Auditor's Office to achieve public and professional expectations.
Performance	In FY 2004-05, 71% of the Auditor's Office performance measures were achieved; the goal for FY 2006-07 is 80%. FY 2004-05 administrative costs were 7% of the total budget, compared to a goal of 10%; the FY 2006-07 target is 8%.
Changes to Services and Activities	There was a significant increase in workload in this program to implement the campaign finance system in FY 2005-06, and this work will continue in FY 2006-07. This program is also experiencing an increase in workload due to the implementation of the Lobbyist Ordinance.

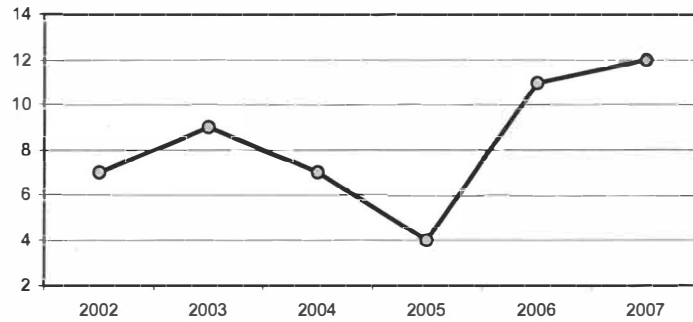
PROGRESS BOARD

Description	<p>This program provides research and technical assistance to Portland, Multnomah County, and other local governments. The board's two-member staff maintains trend data on over 60 benchmarks and produces in-depth benchmark analyses. The staff also have census affiliate status and provide technical assistance regarding demographic data.</p> <p>The Portland Multnomah Progress Board was established in 1994 and is funded jointly by the City and Multnomah County to identify and report on indicators (benchmarks) that collectively gauge whether the community is meeting its goals and vision for the future. These benchmarks measure the livability of the community, environmental concerns, education system concerns, and the shift to a global economy. The local government, business, and educational leaders who serve on the board track major trends in the community and act as catalysts for performance improvements as gauged by the benchmarks.</p> <p>Progress Board staff gives frequent presentations to community service organizations, agency and bureau staff groups, and school boards. Its web site makes available to the public information on the benchmarks, a set of 68 high-level societal indicators that provide a comprehensive look at conditions in our community.</p>
Relationship to Goals	<p>The Portland Multnomah Progress Board supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance by reporting our independent and impartial reviews, conclusions, and recommendations.</p>
Performance	<p>In FY 2004-05, the Progress Board completed five benchmark projects; the goal for FY 2006-07 is four projects. In FY 2005-06, the program will track the number of requests for assistance, the number of special reports issued per FTE, and the number of agencies linked into multi-agency collaborative efforts to address community problems. In FY 2006-07, the Progress Board will report on the percent of benchmarks updated and the number of benchmark projects completed to the satisfaction of the agency/customer.</p>
Changes to Services and Activities	<p>There are no significant changes to this program for FY 2006-07, but this program will continue to play an integral role in the City's visioning process and strategic planning.</p>

Performance Measures

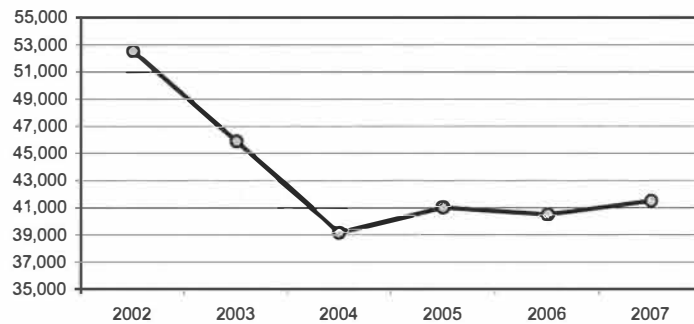
Number of audit reports issued

- ◆ Audit Services expects to issue 11 reports in FY 2005-06 and 12 in FY 2006-07.



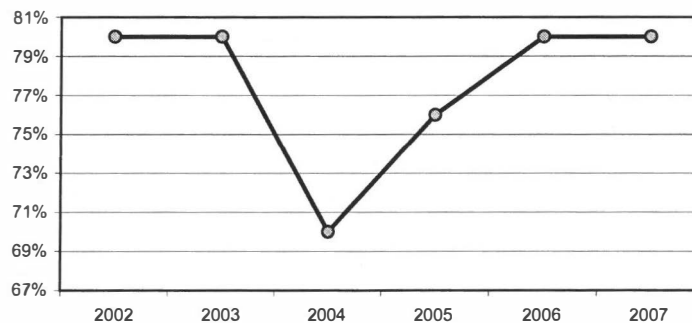
Records Center retrieval requests

- ◆ Records Center retrieval requests are expected to remain around 41,000 annually.



Percentage of citizens satisfied with service

- ◆ The Ombudsman Office receives around 300 complaints and requests each year. The percentage of citizens who are satisfied or very satisfied with the service they received is 70-80%.



	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF THE CITY AUDITOR						
Audit Services						
Effectiveness						
Percent of report recommendations implemented -- Goal is 90%	86%	88%	80%	82%	80%	85%
Efficiency						
Full cost per audit hour	\$79	\$92	\$94	\$104	\$104	\$104
Workload						
Number of reports issued	7	9	7	4	11	12
Independent Police Review						
Effectiveness						
Percentage of complainants who were satisfied with the thoroughness of the investigation	NA	NA	NA	NA	35%	36%
Efficiency						
Percent of cases closed within 150 days	NA	NA	NA	NA	90%	90%
Workload						
Number of citizen complaints	252	634	809	781	800	800
City Recorder						
Effectiveness						
Percent of requests provided within 24 hours -- Goal 100%	97%	97%	98%	99%	99%	99%
Efficiency						
Direct cost per retrieval and delivery of record from Records Center	\$2.75	\$2.28	\$2.90	\$3.10	\$3.10	\$3.10
Workload						
Records Center retrieval requests	52,525	45,896	39,156	41,001	40,500	41,500
Number of checks/deposit advices processed	224,118	222,848	221,065	222,663	222,000	222,500
Fire & Police Disability & Retirement Fund						
Workload						
Performance measurements are reported in the FPD&R budget						
Hearings Officers						
Effectiveness						
Percent of land use cases remanded by Land Use Board of Appeals	NA	NA	NA	NA	NA	0.01%
Workload						
Code and appeal hearings	194	149	145	1,548	200	225
Assessments, Finance & Foreclosure						
Efficiency						
Number of assessments per staff	NA	NA	NA	NA	NA	791
Workload						
New liens assessed	3,458	1,960	1,434	1,488	1,543	1,581
Ombudsman Office						
Effectiveness						
Percentage of citizens who are satisfied or very satisfied with the service they received. Goal is 70%.	80%	80%	70%	76%	80%	80%
Efficiency						
Percentage of citizens satisfied with a timely response. Goal is 80%.	90%	69%	67%	77%	80%	80%

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
Workload						
Number of complaints and requests	270	382	300	316	325	300
Progress Board						
Effectiveness						
Benchmark projects completed to satisfaction of agency/customer	NA	NA	NA	NA	4	4
Efficiency						
Percent of benchmarks updated	NA	NA	NA	NA	50%	50%
Workload						
Number of benchmark projects completed	2	2	4	5	4	4
Management Services						
Effectiveness						
Percent of City Auditor performance measures fully achieved -- Goal 100%	95%	90%	90%	71%	80%	80%
Efficiency						
Administrative costs under 10% of total budget	10%	9%	8%	7%	8%	8%

Office of the City Auditor

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	4,631,471	4,836,932	5,299,071	5,284,281	5,284,281
External Materials and Services	789,456	795,867	1,371,308	1,152,385	1,152,385
Internal Materials and Services	966,501	1,003,425	1,132,977	1,140,741	1,140,741
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	6,387,428	6,636,224	7,803,356	7,577,407	7,577,407
Capital Improvements	0	249	0	247,504	247,504
TOTAL BUREAU EXPENDITURES	\$ 6,387,428	\$ 6,636,473	\$ 7,803,356	\$ 7,824,911	\$ 7,824,911
Allocated Overhead	0	0	0	59,501	59,501
Total Cost with Allocated Overhead	6,387,428	6,636,473	7,803,356	7,884,412	7,884,412
RESOURCES					
Discretionary Revenue	2,284,059	2,359,491	3,064,573	3,300,048	3,300,048
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	78,441	221,325	221,045	199,045	199,045
Interagency Revenues	2,329,344	2,065,216	2,603,171	2,217,515	2,217,515
Program Revenue	110,209	106,742	142,522	139,449	139,449
Overhead Recovery	1,585,375	1,883,699	1,772,045	1,968,854	1,968,854
Total Non-Discretionary Revenues	4,103,369	4,276,982	4,738,783	4,524,863	4,524,863
TOTAL GENERAL FUND RESOURCES	\$ 6,387,428	\$ 6,636,473	\$ 7,803,356	\$ 7,824,911	\$ 7,824,911
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Audit Services	1,265,471	1,205,948	1,600,784	1,580,353	1,580,353
<i>Positions</i>	<i>9.00</i>	<i>9.00</i>	<i>9.00</i>	<i>10.50</i>	<i>10.50</i>
Independent Police Review	688,559	819,824	899,163	963,852	963,852
<i>Positions</i>	<i>7.00</i>	<i>8.58</i>	<i>8.50</i>	<i>8.50</i>	<i>8.50</i>
City Recorder	1,007,782	1,109,774	1,201,552	1,659,919	1,659,919
<i>Positions</i>	<i>11.00</i>	<i>12.00</i>	<i>12.00</i>	<i>12.67</i>	<i>12.67</i>
Fire & Police Disability & Retirement	982,621	980,179	1,089,947	1,143,870	1,143,870
<i>Positions</i>	<i>13.00</i>	<i>13.40</i>	<i>14.40</i>	<i>14.40</i>	<i>14.40</i>
Hearings Officers	472,989	510,320	595,845	600,753	600,753
<i>Positions</i>	<i>4.00</i>	<i>4.50</i>	<i>4.50</i>	<i>5.00</i>	<i>5.00</i>
Assessments, Finance & Foreclosure	1,169,478	1,163,973	1,382,359	794,539	794,539
<i>Positions</i>	<i>12.00</i>	<i>10.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>
Ombudsman Office	257,801	206,304	228,473	249,410	249,410
<i>Positions</i>	<i>3.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Progress Board	200,598	209,583	232,783	248,770	248,770
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Management Services	342,129	430,568	572,450	583,445	583,445
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>4.33</i>	<i>4.33</i>
TOTAL PROGRAMS	\$ 6,387,428	\$ 6,636,473	\$ 7,803,356	\$ 7,824,911	\$ 7,824,911
<i>Positions</i>	<i>64.00</i>	<i>64.48</i>	<i>59.30</i>	<i>62.40</i>	<i>62.40</i>

Office of the City Auditor

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0516	Accountant III	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0003	City Auditor	1.00	1.00	1.00	90,816	1.00	90,816	1.00	90,816
0858	Claims Tech Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0859	Claims Technician	2.00	2.90	1.90	78,072	1.90	82,620	1.90	82,620
0131	Customer Accts Spec I	5.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00
0245	Hearings Clerk	3.00	3.00	3.00	132,960	3.00	136,020	3.00	136,020
0100	Office Supp Spec I	3.00	3.00	1.00	26,298	1.00	30,156	1.00	30,156
0102	Office Supp Spec II	1.00	1.00	3.00	97,717	3.00	107,084	3.00	107,084
0104	Office Supp Spec III	2.00	2.00	2.00	88,944	2.00	91,032	2.00	91,032
7103	Administrative Assistant	2.00	2.00	1.00	49,020	1.00	51,036	1.00	51,036
7102	Administrative Specialist, Sr	1.00	1.00	2.00	100,260	2.00	103,266	2.00	103,266
7308	Archivist & Records Ctr Sprvsr	1.00	1.00	1.00	70,596	1.00	70,596	1.00	70,596
7306	Archivist, Assistant	1.00	1.00	1.00	59,532	1.00	61,968	1.00	61,968
7399	Assessments & Liens Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7345	City Auditor, Chief Deputy	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7332	City Ombudsman	1.00	1.00	1.00	82,476	1.00	84,162	1.00	84,162
7310	Clerk to City Council	1.00	1.00	1.00	55,656	1.00	56,420	1.00	56,420
7202	Community Outreach/Info Asst	1.00	1.00	1.00	60,924	1.00	60,924	1.00	60,924
7203	Community Outreach/Info Rep	1.00	1.00	1.00	60,048	1.00	62,433	1.00	62,433
7330	Complaint Investigator	4.00	4.00	4.00	239,292	4.00	248,514	4.00	248,514
7312	Council Support/Contracts Sprvsr	1.00	1.00	1.00	70,596	1.00	70,596	1.00	70,596
7326	Director of Audit Services	1.00	1.00	1.00	88,776	1.00	90,291	1.00	90,291
7377	Financial Analyst, Senior	2.00	1.90	1.90	134,304	1.90	136,764	1.90	136,764
7327	Foreclosure Program Manager	0.00	0.00	1.00	70,572	1.00	73,464	1.00	73,464
7395	FPDR Fund Administrator	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
7394	FPDR Fund Administrator Assist	1.00	1.00	1.00	71,100	1.00	73,520	1.00	73,520
7485	Hearings Officer	1.00	1.00	1.00	101,400	1.00	101,400	1.00	101,400
7335	IPR Program Manager	1.00	1.00	1.00	90,996	1.00	94,728	1.00	94,728
7486	Legal Advisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7131	Management Analyst	3.00	3.00	2.00	119,784	2.00	124,692	2.00	124,692
7132	Management Analyst, Senior	0.00	0.00	2.00	114,310	2.00	118,012	2.00	118,012
7130	Management Assistant	1.00	1.00	1.00	54,972	1.00	57,228	1.00	57,228
7322	Management Auditor	3.00	3.00	2.90	182,604	3.00	187,768	3.00	187,768
7323	Management Auditor, Senior	2.00	1.00	1.00	65,808	2.00	133,428	2.00	133,428
7324	Principal Management Auditor	3.00	4.00	3.00	245,772	3.00	246,828	3.00	246,828
7154	Program Coordinator	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7340	Progress Board Research Manager	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
7302	Records Center Assistant	2.00	2.00	2.00	77,040	2.00	79,286	2.00	79,286
7304	Records Management Specialist	1.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
7181	Workers Comp/Claims Analyst	1.00	1.00	2.00	110,136	2.00	114,147	2.00	114,147
7182	Workers Comp/Claims Analyst Sr	2.00	2.00	3.00	163,704	3.00	168,552	3.00	168,552
TOTAL FULL-TIME POSITIONS		64.00	61.80	55.70	\$ 3,381,941	56.80	\$ 3,535,207	56.80	\$ 3,535,207
7334	Assistant IPR Program Manager	0.00	0.00	0.50	37,380	0.50	38,142	0.50	38,142
7485	Hearings Officer	0.00	0.50	0.50	42,948	0.50	43,977	0.50	43,977
7476	Legal Assistant, Senior	0.00	0.60	0.60	38,388	0.60	38,388	0.60	38,388
7323	Management Auditor, Senior	0.00	0.00	0.50	27,180	0.00	0	0.00	0
7324	Principal Management Auditor	0.00	0.00	0.50	41,148	0.50	41,148	0.50	41,148
TOTAL PART-TIME POSITIONS		0.00	1.10	2.60	\$ 187,044	2.10	\$ 161,655	2.10	\$ 161,655
7334	Assistant IPR Program Manager	0.00	0.58	0.00	0.00	0.00	0.00	0.00	0.00
0102	Office Supp Spec II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7121	Business Systems Analyst	0.00	0.00	0.00	0.00	1.00	58,776	1.00	58,776
7485	Hearings Officer	0.00	0.00	0.00	0.00	0.50	38,076	0.50	38,076
7130	Management Assistant	0.00	0.00	0.00	0.00	1.00	38,652	1.00	38,652
7322	Management Auditor	0.00	0.00	1.00	58,776	1.00	58,776	1.00	58,776
TOTAL LIMITED TERM POSITIONS		0.00	1.58	1.00	\$ 58,776	3.50	\$ 194,280	3.50	\$ 194,280

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	7,398,306	0	7,398,306	58.40	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments	(59,501)	0	(59,501)		Discretionary Adj-Human Resources to Overhead
	1,590	0	1,590		Discretionary Adj-Increase Employee Transit
	(14,358)	0	(14,358)		Discretionary Adj-Healthcare Costs
Mayor's Proposed Budget Decisions	(18,426)	0	(18,426)	0.00	Increase Revenue, Cut Personal Services
	(31,100)	0	(31,100)	0.00	Police-related Shooting Study, Increase Revenue
	(50,000)	0	(50,000)	0.00	Neighborhood Survey Reduction
	0	35,000	35,000	0.00	Records Center Feasibility Study
	0	86,580	86,580	1.00	MFR Management Auditor
	78,000	0	78,000	0.50	New Management Auditor-PDC
	0	40,000	40,000	0.00	Records Center Facility Maintenance
	27,224	220,280	247,504	1.00	Efiles City Hall Implementation
	0	53,316	53,316	1.00	Campaign Finance Position
	0	58,000	58,000	0.50	Hearings Officer-Exclusion Code
Approved Budget Additions and Reductions	0	0	0	0.00	None
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(66,571)	493,176	426,605	4.00	Total FY 2006-07 Decision Packages
			\$ 7,824,911	62.40	Total Adopted Budget

Office of Government Relations

Legislative, Administrative, and Support Service Area

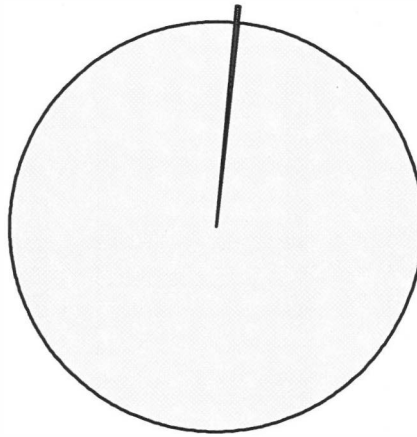
Mayor Tom Potter, Commissioner-in-Charge

Dan Bates, Director

Percent of General Fund

GovRel = \$789.4 Thousand

0.2%

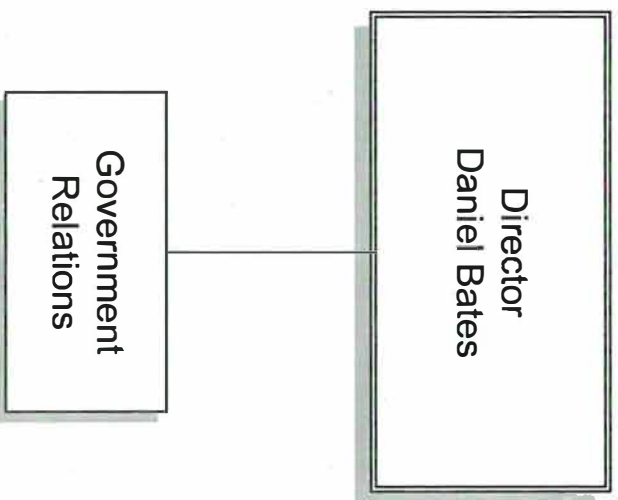


General Fund = \$469.7 Million

Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	750,597	789,368	38,771	5.2%
Capital	0	0	0	0.0%
Total Expenditures	\$ 750,597	\$ 789,368	\$ 38,771	\$ 5.2%
Authorized Positions	4.00	4.00	0.00	0.0%

Office of Government Relations



Bureau Summary

BUREAU MISSION

Government Relations provides government representation for all City bureaus and offices, the Mayor, and members of the City Council in advancing City objectives with the Congress, the State Legislature, and other governments.

BUREAU OVERVIEW

Organizational Description

The Office of Government Relations has one program, Government Relations. The office is organized to support City Council in achieving its legislative goals and objectives, with four permanent staff in its City Hall offices and two part-time temporary staff in Salem during legislative sessions.

SUMMARY OF BUDGET DECISIONS

Funding in FY 2006-07 supports staff travel to Washington, D.C. to lobby for increased appropriations to advance the Council's goals. Staff will be lobbying full time in Salem during the 2007 Legislative Session. Staff will continue regular meetings with the Portland area delegation as well as our Council-approved outreach with legislators outside the Portland metropolitan area.

Strategic Direction

MANAGEMENT GOALS & OBJECTIVES

The Office of Government Relations provides government representation for all City bureaus and offices, the Mayor, and members of the City Council in advancing City objectives with the Congress, the State Legislature, and other governments, and provides assistance to City Council members in achieving their outlined goals and objectives.

- ◆ City Goal: Deliver efficient, effective, and accountable municipal services
- ◆ Program: Government Relations

Major Initiatives

The Office of Government Relations will continue with our statewide outreach strategy to establish and enhance working relationships with other jurisdictions located around the state.

Government Relations will continue working with Oregon's congressional delegation on issues related to the economic vitality of the City of Portland. Government Relations will maintain the City's working relationships with legislators in keeping them apprised of City issues and areas of concern throughout the state.

Government Relations staff will be headquartered in Salem for the 2007 Legislative Session.

Overview of Programs

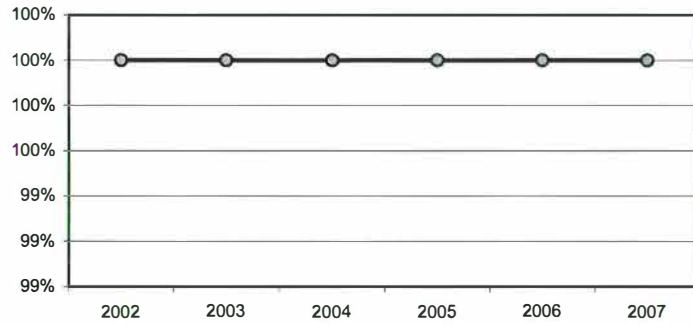
GOVERNMENT RELATIONS

Description	The Office of Government Relations provides government representation for all City bureaus and offices, the Mayor, and members of the City Council in advancing City objectives with the Congress, the State Legislature, and other governments. The office also provides assistance to City Council members in achieving their outlined goals and objectives.
Relationship to Goals	Government Relations supports the City goal of delivering efficient, effective, and accountable municipal services.
Performance	Government Relations had significant staff changes during the FY 2005-06 budget year that affected the office's ability to meet stated performance measures, though the office developed an outreach strategy for the interim. In line with this strategy, the Mayor has been traveling around the state visiting with mayors in a rural outreach effort that will be beneficial to the state, region, and the City of Portland.

Performance Measures

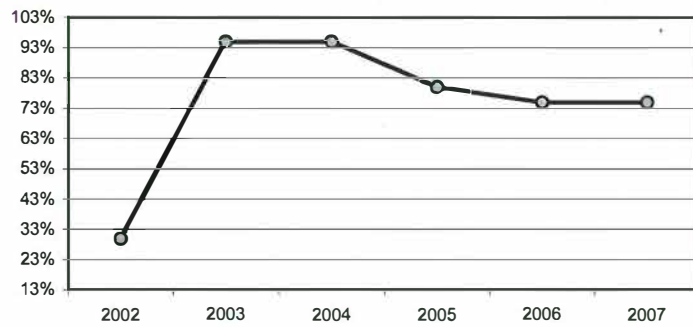
Legislative Package for State Legislature

- ◆ The Office of Government Relations will produce a Legislative Package for City Council review and adoption before the biennial legislative session, and a report on the results of that package following the session.



Legislative Outreach outside Portland

- ◆ Government Relations will conduct outreach efforts with non-Portland Legislators before, during, and following legislative sessions.



Office of Government Relations

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF GOVERNMENT RELATIONS						
Government Relations						
Workload						
Legislative Reporting	100%	100%	100%	100%	100%	100%
Percent of Targeted Legislators Contacted	30%	95%	95%	80%	75%	75%
Success of City-Introduced/Sponsored Legislation	NA	NA	NA	NA	90%	90%
Number of Priority Bills Tracked by Lobbyists	NA	NA	NA	NA	1,100	1,045

Office of Government Relations

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	434,696	406,770	430,791	419,049	419,049
External Materials and Services	187,363	162,957	223,898	252,623	252,623
Internal Materials and Services	87,981	110,624	95,908	117,696	117,696
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	710,040	680,351	750,597	789,368	789,368
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 710,040	\$ 680,351	\$ 750,597	\$ 789,368	\$ 789,368
Allocated Overhead	0	0	0	3,110	3,110
Total Cost with Allocated Overhead	710,040	680,351	750,597	792,478	792,478
RESOURCES					
Discretionary Revenue	294,247	218,537	305,189	334,640	334,640
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	43,390	49,500	51,976	61,796	61,796
Program Revenue	0	0	0	0	0
Overhead Recovery	372,403	412,314	393,432	392,932	392,932
Total Non-Discretionary Revenues	415,793	461,814	445,408	454,728	454,728
TOTAL GENERAL FUND RESOURCES	\$ 710,040	\$ 680,351	\$ 750,597	\$ 789,368	\$ 789,368
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Government Relations	710,040	680,351	750,597	789,368	789,368
<i>Positions</i>	<i>4.00</i>	<i>3.48</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>
TOTAL PROGRAMS	\$ 710,040	\$ 680,351	\$ 750,597	\$ 789,368	\$ 789,368
<i>Positions</i>	<i>4.00</i>	<i>3.48</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>

Office of Government Relations

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7103	Administrative Assistant	0.00	1.00	1.00	63,984	0.00	0.00	0.00	0.00
7105	Director's Executive Assistant	1.00	0.00	0.00	0.00	1.00	64,476	1.00	64,476
7020	Government Relations Director	1.00	1.00	1.00	102,000	1.00	111,771	1.00	111,771
7210	Government Relations Lobbyist	2.00	1.48	2.00	158,676	2.00	155,685	2.00	155,685
TOTAL FULL-TIME POSITIONS		4.00	3.48	4.00	\$ 324,660	4.00	\$ 331,932	4.00	\$ 331,932

Office of Government Relations

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	793,085	0	793,085	4.0	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(3,110)	0	(3,110)	0.0	Shift HR to GF Overhead
	50	0	50	0.0	Increase in Employee Transit Allocation
	(657)	0	(657)	0.0	Reduction in Employee Health Insurance Rates
Mayor's Proposed Budget Decisions					
	0	0	0	0.0	None
Approved Budget Additions and Reductions					
	0	0	0	0.0	None
Adopted Budget Additions and Reductions					
	0	0	0	0.0	None
	(3,717)	0	(3,717)	0.0	Total FY 2006-07 Decision Packages
			\$ 789,368	4.0	Total Adopted Budget

Office of Management and Finance

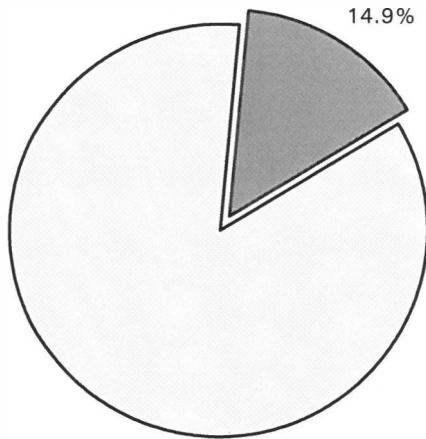
Legislative, Administrative, and Support Service Area

Mayor Tom Potter, Commissioner-in-Charge

Timothy Grewe, Chief Administrative Officer

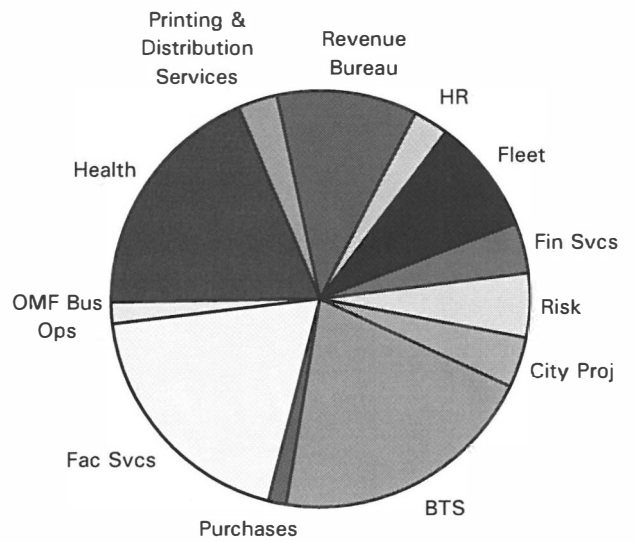
Percent of City Budget

OMF = \$236.3 Million



City Budget = \$1.58 Billion

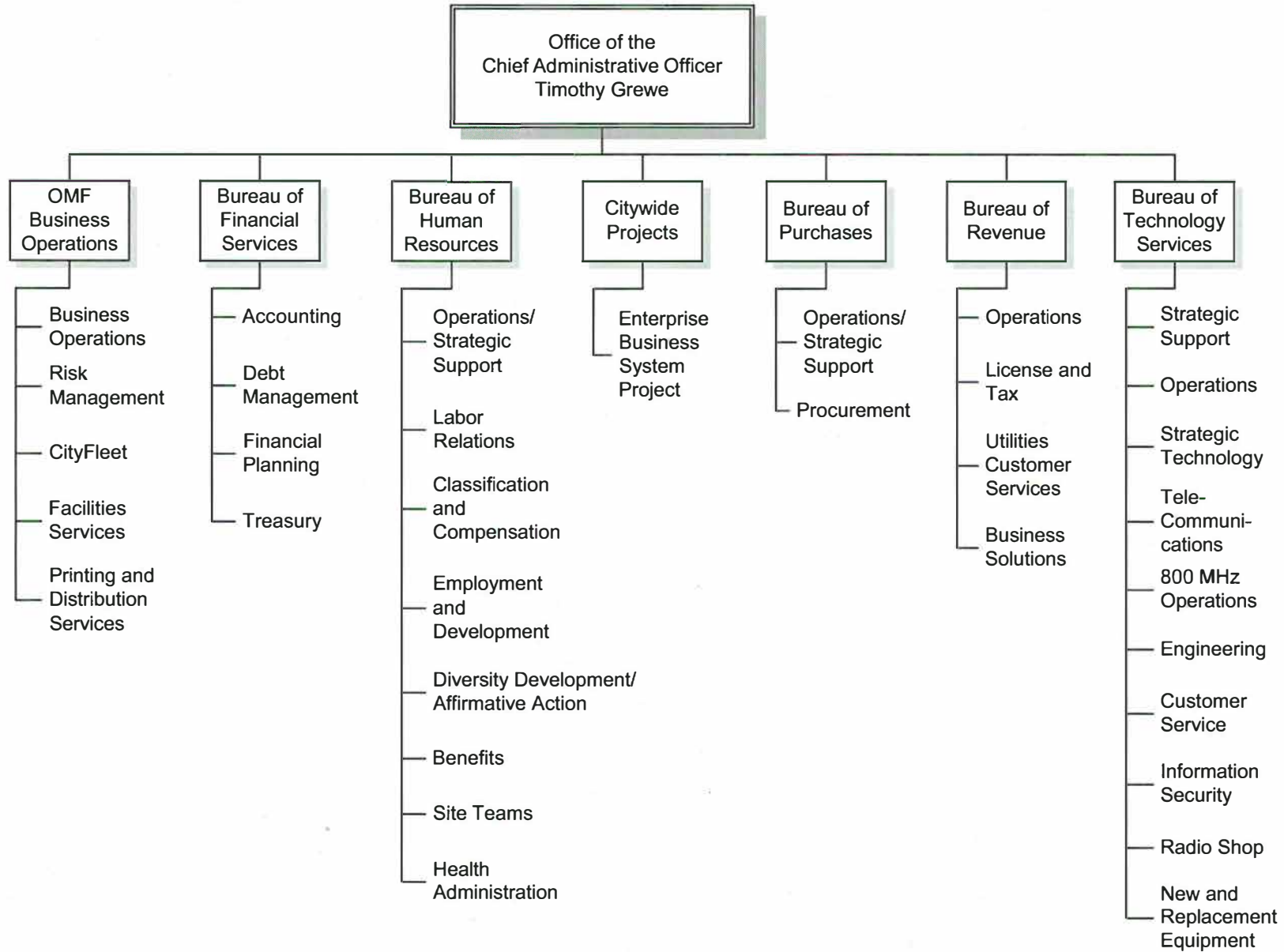
Bureau Divisions



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	191,229,850	203,023,139	11,793,289	6.2%
Capital	32,416,481	33,306,133	889,652	2.7%
Total Expenditures	\$ 223,646,331	\$ 236,329,272	\$ 12,682,941	\$ 5.7%
Authorized Positions	690.66	762.96	72.30	10.5%

Office of Management and Finance



Bureau Summary

BUREAU MISSION

The mission of the Office of Management and Finance is:

Leadership, Management, Stewardship: Supporting the administrative and operational needs of the City to enhance quality service delivery to the public.

VISION AND VALUES

The Office of Management and Finance has established the following values:

Customer Focus - We value an effective balance between service provision and regulation. We achieve this balance by striving to know the core business needs of our customers, establishing mutual understandings about our service capacity, and using a problem-solving approach.

Coordination & Partnerships - We value a spirit of collaboration, cooperation, and effective communication in our work within the Office of Management and Finance and among City bureaus, the City Council, other governmental agencies, and the public.

Respect & Integrity - We value and practice personal and organizational integrity, fiscal and operational accountability, inclusiveness and diversity, and protection of the public trust.

Stewardship - We value sound management practices in discharging the responsibilities entrusted to us by City Council, City bureaus, and the public.

Strategic Perspective - We value preparedness coupled with shared recognition of constraints and opportunities. We serve the City best through advance planning and anticipation of issues.

Knowledgeable, Dedicated Workforce - We consider our employees our greatest asset. We strive to maintain a safe and supportive workplace based on principles of accountability and service.

Sustainability - We value and maintain business practices that respect the natural environment and further the City's goals for sustainability.

BUREAU OVERVIEW

Services to City

The Office of Management and Finance (OMF) provides central services necessary for the operation of the City of Portland, and provides services to other government agencies such as the 800 MHz Public Safety Radio System, Integrated Regional Network Enterprise (IRNE), Multnomah County Income Tax collection, and Printing and Distribution. OMF consists of the Business Operations division, the Citywide Projects section, and the bureaus of Financial Services, Human Resources, Purchases, Revenue, and Technology Services. These areas of OMF are described below.

OMF Business Operations

In addition to Citywide responsibilities, the Chief Administrative Officer (CAO) is charged with managing OMF so that cost effective administrative and support services, and excellent customer service, are delivered to the bureaus, Council, and the community. The CAO is also responsible for providing the Mayor and Council with accurate, timely information and analysis on a wide variety of subjects, and implementing Council directives in the areas

encompassed by OMF. The Office of the CAO is located within Business Operations for budgetary purposes. The division is responsible for the financial and budgetary management of all OMF funds, as well as the smooth operation, coordination, and consistency of processes throughout the organization and management of OMF-wide initiatives and projects.

In a major change for FY 2006-07, the Bureau of General Services has been eliminated to reduce overhead costs. The divisions of Facilities Services, CityFleet, Printing and Distribution, and Risk Management have been organizationally relocated under Business Operations. These four divisions provide an array of services to the City and other jurisdictions. These divisions will be discussed in greater detail in the divisional budget sections. The savings from the elimination of the BGS Director position will be returned to the customer bureaus.

Total Budget: \$89,107,783

Total FTE: 186.10

Citywide Projects

The CAO manages and assumes responsibility for Citywide projects assigned to him by Council. Such large-scale, capital intensive projects are budgeted under the Citywide Projects program. In FY 2006-07, this program will continue to house the Enterprise Business System (EBS) project, which will enter Phase 2 in the new fiscal year as the City moves toward implementation of a fully integrated Enterprise Resource Planning system to replace the aging IBIS system. The CAO serves as Project Sponsor of this project.

Total Budget: \$9,017,205

Total FTE: 5.00

Bureau of Financial Services

The Bureau of Financial Services is managed by the Chief Financial Officer (CFO). The bureau provides the City with financial management services in a variety of areas, such as financial reporting and planning, investments, debt issuance, accounting, payroll, and grants management. At the direction of the CAO, the CFO is also responsible for oversight of certain Council initiatives. In this capacity, the CFO is currently serving as the Project Director for the EBS project.

Total Budget: \$8,796,612

Total FTE: 58.48

Bureau of Human Resources

The Bureau of Human Resources is responsible for the development, refinement, and oversight of the City's human resources administrative rules and procedures, and management of the City's human resources systems. It is also responsible for assisting City bureaus in the recruitment, development, and retention of a competent and high-quality workforce that is representative of the community; employee benefits; classification and compensation; and manager, supervisor, and employee training efforts.

Total Budget: \$6,956,984

Total FTE: 57.78

- Bureau of Purchases** The Bureau of Purchases provides leadership and management of the City's procurement and contractor development activities. The bureau administers the City's competitive bidding and contracting process to acquire goods and services for bureaus, ensures compliance, and serves as a consultative unit to the bureaus. The bureau has also implemented the City's strategy to increase minority, women-owned, and emerging small business participation in the bidding of City procurements.
- Total Budget: \$3,770,328
Total FTE: 32.25
- Revenue Bureau** City Council formed the Revenue Bureau in October 2005 to consolidate revenue collection efforts and staff in order to achieve the following goals: increase collections and system efficiencies; improve the City's ability to respond to and effectively serve its customers; and create easier, more centralized access for citizens, businesses, and other jurisdictions to do business with the City. The bureau strives to provide outstanding service, to efficiently and equitably collect revenues to fund essential City services, and to provide regulatory oversight to promote safety and livability.
- Total Budget: \$26,149,442
Total FTE: 209.50
- Bureau of Technology Services** The Bureau of Technology Services (BTS), managed by the Chief Technology Officer (CTO), provides strategic planning and management of the City's telecommunications-related and information technology equipment and systems. BTS provides expert and cost-effective telecommunications and information technology services to the City, as well as regional external customers, promoting public safety through programs such as the 800 MHz Public Safety Radio System, IRNE, and Telecommunications.
- Total Budget: \$48,202,467
Total FTE: 206.85
- Summary of Resources** The Office of Management and Finance is funded through a combination of resources. Historically, over 90% of OMF's revenue has come from interagency charges to other City bureaus. This includes charges for the Bureaus of Technology Services and Human Resources, CityFleet, Facilities, Printing and Distribution, Risk, Business Operations, and portions of the Revenue Bureau. In FY 2005-06, OMF received only 6% of its total resources from General Fund discretionary and overhead revenue, mainly to fund OMF Business Operations, Financial Services, and Purchases. The total resource allocation will change somewhat in FY 2006-07 as the Bureau of Human Resources moves from interagency to overhead funding and the Revenue Bureau - which receives interagency, discretionary, overhead, and program revenues - becomes part of OMF's total budget. Business Operations will also begin receiving discretionary funding directly in an effort to reduce double-counted interagency charges within OMF. Other resources to OMF include parking revenues for the Parking Facilities Fund, general obligation (GO) bond proceeds for the Fire & Rescue GO Bond Construction Fund, user fees for the Spectator Facilities Fund, and payroll charges for the health insurance funds. In addition, most of the internal service funds have numerous outside agency customers.

SUMMARY OF BUDGET DECISIONS

Budget Approach

OMF values the inclusion of our customers, employees, and other stakeholders in the development of our budget and business practices - reflected in the OMF Five-Year Strategic Plan and a variety of initiatives each fiscal year. Committees comprised of City bureau staff, labor, citizens, and other external stakeholders advise OMF on budget, operational, and customer service issues:

- ◆ OMF Advisory Committee - advises the Chief Administrative Officer
- ◆ Chief Technology Officer Advisory Committee
- ◆ Accounting Advisory Board - advises the City Controller & Chief Financial Officer
- ◆ CityFleet Customer Advisory Board
- ◆ Revenue Bureau Labor Management Budget Advisory Committee

OMF solicits proposals from its employees, provides information to all City bureaus during budget development through its website, and holds customer forums on services and rates at the beginning of each budget process.

OMF has developed a budget that is focused on the goals of the City and OMF, the Council focus areas, and support for the Bureau Innovation Project (BIP).

Decision Packages

Following is a summary of OMF decision packages approved for inclusion in the Adopted Budget.

Budget Reductions

Bureau of Purchases:

- ◆ External materials and services freeze - ongoing reduction of \$24,412.
- ◆ Better coordinate advertising and participation at outreach events - ongoing reduction of \$12,000.
- ◆ Redirect Mentor Protégé program funding for increased efficiencies, vendor opportunities, and to realize savings - reduction in participation in the Mentor Protégé program from three sponsorships to two and redirection of the \$15,000 savings into the City's sheltered market program.
- ◆ External Materials & Services Reductions - ongoing reduction of \$7,000.

Revenue Bureau:

- ◆ Revenue Bureau efficiencies - ongoing reduction of \$600,365, including elimination of six full-time positions.
- ◆ Customer Services efficiencies - ongoing reduction of \$241,572, including elimination of five full-time positions.

OMF Business Operations:

- ◆ Reduce external materials and services - ongoing reduction of \$18,648.

OMF Business Operations - Risk Management:

- ◆ Eliminate office support specialist position - ongoing reduction of \$56,790 in interagency agreements.

OMF Business Operations - Printing & Distribution:

- ◆ Printing standards - ongoing reduction of \$34,000 in interagency agreements.

OMF Business Operations - Facilities Services:

- ◆ Eliminate one facilities project manager position - ongoing reduction of \$108,420 in interagency agreements.
- ◆ Reduce office support specialist position from full-time to half-time - ongoing reduction of \$21,660 in interagency agreements.
- ◆ 1900 Building maintenance and operations efficiencies - ongoing savings of \$22,754 will be reinvested in the building's major maintenance account.

OMF Business Operations - CityFleet:

- ◆ Biofuels cost reduction - ongoing reduction of \$124,200, of which \$62,100 will be reinvested as start-up costs for Phase II of the Fuel Management Program and \$62,100 of savings will be passed on to customers.

Bureau of Financial Services:

- ◆ Personnel savings - ongoing reduction of \$35,000 from the reclassification of a senior financial analyst position to a senior administrative specialist.
- ◆ Additional program revenue - new revenues of \$275,000 from additional interest earnings and a new Securities Lending Program.

Bureau of Technology Services:

- ◆ Network equipment maintenance - ongoing reduction of \$50,000.
- ◆ Communications audits - ongoing reduction of \$50,000 in interagency agreements (IAs).
- ◆ Operational supplies - ongoing reduction of \$11,000 to customers and reinvestment of \$61,000 to establish an account to acquire software that will help the City increase its efficiency and respond more quickly to change and new developments.
- ◆ Centrex reduction - ongoing reduction of \$49,980 to customers and reinvestment of savings of \$20,000 to establish an IRNE major maintenance account.
- ◆ Equipment - ongoing reinvestment of \$49,900 to fund a system equipment replacement account.

Emergency Communications and Preparedness

Disaster recovery and business continuation plan (Technology Services) - \$250,000 funded through the reinvestment of health care savings and one-time interagency charges to customers.

800 MHz tower maintenance (Technology Services) - one-time General Fund discretionary funding of \$235,000.

800 MHz Public Safety Radio System replacement (Technology Services) - one-time General Fund discretionary funding of \$85,000.

Enhanced Revenue Collections

Delinquent collections (Revenue Bureau) - ongoing General Fund discretionary funding of \$145,368 for two positions assigned to collection of delinquent business license accounts.

Legal collections team (Revenue Bureau) - one-time funding totaling \$403,171 for an interagency with the City Attorney's Office and one additional position to collect on past due accounts.

Unlicensed compliance team (Revenue Bureau) - one-time General Fund discretionary funding of \$133,524 for two positions assigned to find businesses within the city that do not have a valid business license.

- Capital Investments**
- HR Filenet system maintenance (Human Resources) - one-time \$90,000 from General Fund discretionary and overhead.
 - Production printer (Revenue Bureau) - one-time funding through an interagency agreement of \$300,000 with Water and BES for a speed printer able to handle the increased volume of monthly billings.
 - Filenet imaging systems (Revenue Bureau) - one-time funding of \$50,000 from Water and BES for maintenance of the current system.
 - Records center improvements (Facilities) - \$40,000 to address immediate maintenance needs for the building.
 - City space plan (Facilities) - one-time funding of \$3.45 million to implement space plan for 1900 Building, Portland Building, and leased space. This plan will restack 1900 Building to reduce most vacant space, move the Planning Bureau to one floor, and improve proximities in the Bureau of Development Services; consolidate Revenue Bureau operations in one facility; and restack the Portland Building to accommodate employees in the EBS project and the Water Bureau.
 - Enterprise FileNet System study (Technology Services) - \$200,000 to study the City's requirements and implement a Citywide FileNet system.
- Innovations**
- Limited-term strategic sourcing position (Purchases) - one-time funding of \$85,752 from General Fund discretionary. Individual bureau savings will be identified during the 2007 Spring BuMP. A portion of these savings will be used to reimburse the General Fund for position costs in FY 2006-07.
 - Fuel management system (CityFleet) - funding of \$98,000 from CityFleet fund balance to procure Phase 1 of a modern fuel management system to better manage the City's vehicle inventory.
 - Fuel management system Phase 2 (CityFleet) - funding of \$27,364 from CityFleet to assist with Phase 2 of the project.
 - Deficient Equipment Replacement Fund (Technology Services) - ongoing funding of \$140,000 through interagency agreements to replace the oldest and/or least reliable 5% of machines in the City inventory (approximately 200 each year).
 - Open source office product migration Phase 1 (Technology Services) - funding of \$15,000 from fund balance to support the first stage of research into the feasibility of using an open source office suite.
 - Open source office product migration pilot (Technology Services) - funding of \$30,000 from fund balance to run a pilot installation of open source office suite for 100 City users.
 - City wellness program coordinator (Human Resources) - one-time funding of \$75,612 from General Fund discretionary and overhead to plan and implement a citywide wellness program.
- Outreach and Training**
- Performance review training (Human Resources) - one-time funding of \$125,000 from General Fund discretionary to support training for supervisors of represented employees on a performance review two-way communication program. This package is linked to BIP #5.
 - Culturally competent management certificate training (Human Resources) - one-time funding of \$130,000 from General Fund discretionary to extend the City's contract with the PSU Executive Leadership Institute for 24 months. This package is linked to BIP #5.

City/County diversity conference (Human Resources) - ongoing funding of \$20,000 from General Fund discretionary and overhead to support the annual diversity development conference.

Citywide job fair (Human Resources) - ongoing funding of \$55,000 from General Fund discretionary and overhead to support this coordinated effort between City bureaus and labor organizations. This package is linked to BIP #5.

Summer youth employment program (Human Resources) - ongoing funding of \$120,000 from General Fund discretionary and overhead to provide the program to 70 youths per summer.

Training (Revenue Bureau) - one-time funding of \$15,000 from interagency agreements with Water and BES for one-time intensive training for Revenue Bureau staff.

Citywide Initiative Support

Policy analyst (Business Operations) - ongoing funding of \$119,448 from General Fund discretionary to restore funding for this full-time position. The position assists the CAO on high-level Citywide projects, including a lead role in the FPD&R Independent Review Committee and Charter Review, involvement in the Bureau Innovation Project, and Managing for Results.

Senior policy analyst (Business Operations) - ongoing funding of \$84,144 from General Fund discretionary to restore funding for a part-time position that assists the CAO on high-level Citywide projects including the Bureau Innovation Project, Managing for Results, and the development of the OMF emergency management plan.

Public Information Officer position (OMF Business Operations) - redirect \$53,342 from OMF Business Operations external materials and services to cover 0.50 FTE of the position previously funded through interagency agreements with POEM (25%) and PDOT (25%).

Payday loan regulation program (Revenue Bureau) - ongoing funding of \$103,500 to support one position to regulate and reinforce the payday loan industry. Funding is from an administrative fee charged to the payday loan industry.

Utilities Customer Service Improvements

Clean River Incentive and Discount program (Revenue Bureau) - ongoing funding of \$526,528 through an interagency with BES to continue funding through FY 2006-07. The program encourages utility customers to disconnect properties' downspouts from the combined sewer system.

Rerouting of meters (Revenue Bureau) - one time funding of \$219,794 to allow more efficient routing of meter readers and reduce staffing by 1.5 FTE by FY 2007-08.

Information Systems Analyst III for Open Vision Support (Bureau of Technology Services) - Ongoing funding of \$92,700 to keep the previous customer information application, Open Vision, in a "read only" mode for a period of three years after the Cayenta CIS system goes live to have access to historical data.

BUDGET NOTES

Bureau of Purchases

The Bureau of Purchases will identify during the spring BuMP the estimated Citywide savings due to the strategic sourcing position. The savings will be quantified by bureau. Sufficient dollars will be transferred to the General Fund to offset the one-time costs associated with the position. Savings beyond paying the cost of the position will be retained by the various bureaus.

Bureau of Technology Services	The Bureau of Technology Services will work with the Auditor and other interested bureaus to develop an enterprise document management strategy.
Enterprise Business Systems Project	All City bureaus with staff involvement in the Enterprise Business Systems Project (EBSP) are strongly encouraged to bank budget savings to offset direct and indirect EBSP costs, including any staffing backfill needed to support the project during the project's implementation period. The three budget monitoring processes during the year should be used to identify and move these funds.
Revenue Bureau	Water, Environmental Services, and the Revenue Bureau will prepare a plan for maintenance and replacement of water meters. This plan will address the level of meter maintenance, frequency of meter replacement, evaluation of the costs and benefits of automatic meter reading, cost of the meter replacement program, method of payment, and share of the costs, for both large and small meters. This joint plan is to be incorporated into each bureau's five-year financial plan that is submitted in the fall of 2006.
Financial Planning	The OMF Financial Planning Division will work with all bureaus to ensure that bureaus report results achieved with all add packages. This reporting may include adjustments to performance goals for existing performance measures, the creation of new performance measures, or simply narrative reporting of results in the FY 2006-07 BuMP reports and the FY 2007-08 Requested Budget. Financial Planning will include bureaus' performance results in BuMP and Requested Budget analyses in order to better inform the Mayor and Council on whether continued funding is appropriate relative to stated goals.

Strategic Direction

SIGNIFICANT ISSUES

OMF adheres to the following strategic directions:

- ◆ Strengthen our organization's leadership and stewardship of the City's human, technological, financial and capital resources.
- ◆ Recruit and continue to develop an expert workforce, and develop a workplace based on basic values of accountability, stewardship, inclusion, and service.
- ◆ Enhance the management skill sets necessary to lead the organization.
- ◆ Maximize the cost-effective use of technology in all aspects of our work.
- ◆ Strengthen our collaborative business partnerships with customers, users, and stakeholders.

Citywide Initiatives

Replacement of 800 MHz Public Safety Radio System Equipment and Backbone

The events of September 11, 2001, and the increased concern for homeland security have focused considerable attention on communication and data systems that support emergency operations and maintain interoperability. The concerns suggest accelerated attention to modernizing the radio system platform to better support interoperability and provide significantly increased bandwidth in data communications. It is necessary that radio system replacement begin now as the system replacement has to occur before the original target date of 2013 established in the original system financing. The 800 MHz system will no longer be supported by the vendor after 2011, the analog based components are obsolete, and the vendor is focusing on digital systems as directed by the Federal Communications Commission (FCC).

Federal action to rearrange and increase the radio frequency spectrum for public safety may require significant investments in the radio system to meet frequency realignment requirements. The FCC has required Nextel to absorb the costs of interference-related realignment, although there are concerns as to whether Nextel's contribution will meet the true costs. System replacement will enable the region to take advantage of the extended spectrum being made available.

The City, through BTS, and adjacent counties are pursuing grants to replace the system with one used by all local counties, with Portland as the prime site or one of the prime sites. This will allow for increased interoperability between the City and neighboring counties and increased bandwidth, a requirement for using the system more for data communications. Any financial plan to replace the system has to address the fact that debt on the old core system goes through FY 2012-13.

Annual amounts collected for radio equipment replacement will remain at approximately the same level over the five-year period, with adjustments for inflation each year. Just as the core system has to be replaced in the next five years, the system's devices which use the system have to be replaced. Some radios are being replaced in 2006 as part of the Nextel re-banding of the 800 MHz frequencies, with the cost of replacement of the radios that require replacement to function in the re-banded scenario paid by Nextel; the final count of replaced radios will not be known until negotiations with the administering authority are conducted later this year.

Replacement planning is identified as a CIP activity within the five-year CIP; however, no funding for replacement is requested in the CIP in FY 2006-07. In the past year, BTS has worked with BOEC to promote a regional replacement strategy. Letters of support from Clackamas, Washington, Clark, and Columbia Counties were received for a grant application to fund the initial core of such a regional system. Discussions are underway with the State to coordinate replacement planning to ensure State support for federal funding requests. While the grant has not been funded, the approach is the starting point for a regional interoperability plan to be completed this year by a consultant. The approved interoperability plan is a critical element to obtaining future federal support for the system replacement. Recent congressional action has identified funding to support such system replacements to improve first responder interoperability. Obtaining Federal funding will require that the Urban Areas Security Initiative (UASI) region prioritize significant funding for the radio replacement, and that the region work effectively with the State of Oregon.

Health Fund Reserves

Health plan funding was considered the key issue in negotiations with the four unions that have contracts that expire June 30, 2006. These contracts have been settled. The key question was the distribution of cost sharing between the City and employees. The City and the unions agreed to a new funding formula which calls for the City to pay 95% of the combined medical, vision, and dental rates with employees paying 5%. The City and the unions also agreed to jointly work on a multi-year health and wellness strategy aimed at reducing self-insured health plan cost trend increases by 3% to 5% over the next four years.

Regarding the Health Fund's restricted reserves, the City's policy is to ensure the fund maintains a prudent reserve level to meet incurred but not reported (IBNR) requirements. In FY 2005-06, the City began purchasing stop loss coverage for claims over \$250,000.

Bureau Innovation Project

In June of 2005, the Mayor released 20 Bureau Innovation Project recommendations and subsequently established teams to realize their assigned goals. OMF has been highly involved and supportive of the BIP process. The CAO serves as a lead on three initiatives: Internal Customer Service to City Bureaus (BIP #4), Managing for Results (#16), and Sustainable City Government Partnership (#18). OMF supports, either as a lead, staff, or team member, 13 of the 20 projects.

Charter Review Commission

The goal of BIP #20 is to assess the City Charter to consider alternative governing structures and changes that will improve delivery of services to Portland citizens. Progress toward this important goal is being led by a policy analyst position from the CAO's Office. The commission met at least twice monthly since November 2005. Three subcommittees also met twice monthly to focus on their specific areas: civil service regulation, the relationship between PDC and Council as it relates to the Charter, and forms of government. Preliminary subcommittee findings were released in May of 2006, and the full Commission's report was due to Council by June 30, 2006. Citing limited opportunities for a good public involvement process with the initial timeline, the Mayor announced in May that he did not plan to take any recommendations to the November 2006 ballot. The Commission will continue to refine its work into the coming fiscal year with increased emphasis on its public awareness and public involvement activities and to align its outcomes with that of visionPDX.

Managing for Results

OMF is the lead organization for this effort, which is also tied to BIP #16. The CAO leads this effort with the City Auditor and the Planning Bureau director. The goal of this effort is to implement and incorporate the procedures and polices of Managing for Results throughout the City organization.

Fire/Police Disability & Retirement

The Reform Team selected by Council to resolve financial and policy issues identified by the Independent Review Committee is partially staffed by OMF personnel. The CAO's Office, the Bureau of Financial Services, and Risk Management staff will all contribute professional assistance to the Reform Team. The Reform Team is expected to reach consensus on changes to the Charter governing FPD&R, and send those to Council in time for referral to the ballot for a vote in November 2007.

City/County Public Safety Collaborative

During FY 2005-06 the Public Safety Collaboration Project developed strategies for improving the delivery of public safety services in Multnomah County and identified immediate opportunities for collaboration between the City and County for the provision of public safety services. Discussions are currently underway for improvements to providing river safety services. Future collaborative efforts are possible including the development of a framework for future joint budgeting between the City and County for public safety services. The CAO plays a lead role in this important effort, the Financial Planning Division provides staff support, and OMF maintains a joint city/county website.

Citywide Strategic Plan

To follow on the Visioning Project, OMF will play a key leadership role in developing the Citywide strategic plan.

Revenue Bureau Implementation

City Council approved the creation of the Revenue Bureau effective October 1, 2005. The approval of the Revenue Bureau allowed for a design phase to form the bureau during FY 2005-06. The structure of the Revenue Bureau is comprised of four programs: License and Tax, Utilities Customer Services, Operations, and Business Solutions.

Technology Services Improvements

The Bureau of Technology Services (BTS) will not consolidate any remaining bureau information technology (IT) staff in FY 2006-07. BTS will be absorbing the application staff from the Cayenta Customer Information System project and assume responsibility for system maintenance and technical staff to work with Cayenta on enhancements. BES application staff that supports BES financial applications will transfer in FY 2007-08 in conjunction with the "go-live" of the EBS project. BTS expects to transfer the remaining Police Bureau applications staff in FY 2007-08, although the timing of the transfer will depend on the status of Portland Police Data System migration planning. All transfers will adhere to the management agreement developed between BTS and the affected bureaus.

Cayenta Utility Billing System Implementation

The Cayenta utility billing system was implemented in early-April 2006. Revenue Bureau staff in the Utilities Customer Services program received training on the new Cayenta system for three months prior to go-live. As a result of the system implementation, significant savings are planned in the Utilities Customer Services program. While the final staffing reduction will not be known until the Cayenta system is fully implemented, a total of 19 positions have been cut since FY 2004-05. Another five full-time positions will be reduced as part of the FY 2006-07 budget.

Lack of Information Technology Investment

To fully implement the Information Technology strategic plan, which provides bureaus with full services for PCs, servers, laptops, and data networks, the ongoing funding of replacement of this equipment must be addressed. This may need to include amounts to catch up collections so BTS does not have to replace equipment before it has collected the full amount.

Currently, most bureaus do not have comprehensive replacement programs for their PCs, servers, and laptops. The bureaus may have a budget to replace a certain percentage of equipment each year, or they may fund replacement through savings in other line items as available. Consequently, replacement of equipment is not done in a consistent manner. Most bureaus rely on one-time budget saving or use hand-me-down equipment or a less sophisticated level of information technology, which may introduce higher operational cost for BTS or increased security risk for the City.

For the FY 2007-10 planning period, BTS has expanded its capital planning beyond the 800 MHz system and IRNE to include other capital programs, such as:

- ◆ *Strategic Technology.* These projects include planning and implementation of major systems and application integration infrastructure. Major system replacement will be funded cooperatively with the bureaus (e.g., CAD replacement/upgrade with BOEC), although some major projects may require debt or a public vote due to the scale.
- ◆ *Operations.* Replacement of core infrastructure, including mainframe, servers, switches, and routers. A combination of approaches (some billing for replacement equipment, some use of reserves) will be used, with efficiencies gained in redeployment allowing capture of savings by not lowering rates (often the budget process in the past has required that these savings be passed on in rate reductions).
- ◆ *Information Security.* These projects will be funded primarily by grants, with some augmentation using fund balance.

The technology/capital reserve will fund some of the projects that are identified as critical and that have no established funding source. However, the major infrastructure consolidations are expected to deplete the technology reserves within the 2007-10 planning horizon unless a more structured approach to capital reserve replenishment is implemented.

OMF Innovations

Enterprise Business System Project

This project includes business process analysis, selection, and implementation of a new Enterprise Resource Planning system to replace IBIS, the City's nearly obsolete financial system. This infrastructure investment will revolutionize the City's business practices and create major efficiencies as best practices are implemented, business processes are streamlined, paper processes are retired, and data and reporting are automated. Improvements will reduce administrative redundancies, increase productivity, and improve

customer service as information will be delivered with greater speed, accuracy, and consistency. Additionally, stakeholders/customers such as the general public will experience quicker turn around times and more up to date information in response to data and reporting requests. This project involves all City bureaus and is a major collaboration across the disciplines of information technology, human resources, purchasing, and finance.

Revenue Bureau Automations

Further automation and e-government innovations in the Revenue Bureau range from more online payment options to wireless water meter reporting. Document imaging will reduce the volume of paper files for historic data, and the automation of lien collection letters will eliminate a manual process which will increase efficiency, reduce the chance of errors or omissions, and improve collections. E-commerce improvements will result in services such as online filing, payments, and applications. The Revenue Bureau will also increase efficiency by developing a process for data matching against Department of Revenue data and improve audit capabilities.

CityFleet Automated Diagnostics

Using chips installed in fleet vehicles, the division will be able to assess fuel usage and other diagnostics automatically upon vehicle return. The system is capable of authorizing fuel transactions without keys, cards, PINs, or any human intervention. This feature reduces the time currently required at the fueling station, improving both operator efficiency and productivity. Further, the system can provide repair technicians with vehicle onboard computer system data, improving diagnostic capabilities.

Facilities Partnerships

The fire bond program is a partnership between Facilities Services and the Fire Bureau, including ongoing community engagement. There is an oversight committee comprised predominantly of citizens to provide direction and advice on the overall program. There are also station advisory committees formed for each individual station comprised of individuals from the surrounding neighborhood(s). A notable innovation is the cooperative work among Facilities, the Fire Bureau, PDC and neighborhood groups to potentially relocate Station 1 and Fire Administration from its current location to old town. Many of the stations include innovative design and sustainable components as well as artwork. Most stations also include a community meeting room for uses such as neighborhood association meetings.

Green Building Projects

Many of Facilities' proposed projects are subject to green building standards. Facilities will undertake a relighting test, in partnership with the Energy Office, in the Portland Building that may develop into a re-lighting project to improve quality of office lighting while reducing energy consumption.

Automation of Dispatch Services

Facilities implemented a centralized dispatch system approximately five years ago. The dispatch center has used a computerized work order system that has recently been upgraded to allow use of remote hand-held devices. The addition of hand-held work order devices will enhance response speed and quality, improve real-time resource tracking and allow more detailed customer information.

Innovative Relocation of Police Property Warehouse

The Police Property Warehouse (PPW) is presently located in an old building that requires high-level maintenance and repair, and it has been a goal of the Police Bureau for several years to have better property warehouse space. A recent appraisal suggests that, in the current market, net proceeds from a sale could equal or exceed the cost to complete tenant improvements and move the PPW to a City-owned warehouse in the Guilds Lake industrial area. Improvements in the Guilds Lake warehouse could create a state-of-the-art, operationally efficient warehouse while police presence at the Guilds Lake property should reduce vandalism, an issue at this location.

Manager & Supervisor Core Competency Training

The Bureau of Human Resources will develop and implement a Citywide core competency training program for managers and supervisors consisting of seven modules to increase managers' and supervisors' effectiveness in managing the City's workforce. Additionally, Human Resources is developing and implementing a program to certify that all managers and supervisors have met and support the City's standards in the area of cultural competency. These initiatives will establish a culturally competent workforce, ensure that managers and supervisors are trained to effectively manage a multi-cultural workforce, and create a pool of approximately 40 in-house trainers to ensure ongoing training.

Fair Contracting Strategies

Fair contracting and employment strategy efforts are providing results through the Good Faith Effort program, the Sheltered Market program, the Workforce Training and Hiring program, and the Project Manager and Inspector Training program. In addition, the bureau has increased compliance monitoring of construction contracts to ensure subcontractors are paid on a timely basis and that requirements are met. The bureau's data collection, tracking, and reporting capabilities have compiled enough data to accurately report on strategy outcomes and successes, and identify areas targeted for improvement.

Strategic Sourcing

Responding to Council directive during FY 2003-04, OMF implemented a feasibility study to utilize strategic sourcing methods to realize substantial savings on commodity and services procurements. From the initial effort, ten areas were identified where the City could more effectively procure goods and services and improve buying leverage. The Bureau of Purchases identified \$700,000 in savings in June 2005 as a result of these efforts. At this time, the bureau is completing the procurements and tracking the results for future presentation to Council. Further procurements utilizing advanced techniques are in process, with additional reportable savings. In FY 2006-07 advanced purchasing techniques will be applied to the procurement of both commodities and professional, technical, and expert service contracts.

The Bureau of Purchases is identifying ways to link City goals and needs with strategic procurement, especially in the areas of environmentally-friendly fuels and price agreements for commodities such as paper and office supplies. By including language requiring sustainable practices and diversity development into price agreement negotiations, the City will realize increased savings while furthering socially desirable objectives. To augment these efforts, the bureau is researching the possibility of including rebate structures when other jurisdictions utilize a City-negotiated price agreement. This entrepreneurial effort may permit the City to receive a rebate from the vendor each time another public agency uses a price agreement to purchase goods or services.

E-Government Initiatives

Continued innovation is underway for PortlandOnline and PortlandMaps - adding comment features into the content management system, allowing PortlandOnline to be a more effective vehicle for gathering comments and feedback from citizens; incorporating use of Google map and Google earth interfaces to provide additional user friendly map displays of information (example: Park Finder, Parks' new online application).

eVolvment

Phase III of this project follows on work developed beginning in 2003 with one neighborhood and expanded to a neighborhood district in 2004. This award-winning program provides local information and problem solving, within the community and interactively with City bureaus, online 24/7 and has increased participation beyond traditional participants in neighborhood activities. The next step is to expand this program citywide as resources and partnerships are solidified. Grant monies originally devoted to this project are no longer available for ongoing activities; however, returns on investment have far exceeded predictions. Partners include all City bureaus, the business community, neighborhood associations and offices, and community organizations. The entire project is an innovation in government business practice and service delivery for which Portland is at the leading edge.

Wireless Police Field Reporting Application

The Field Reporting Application is designed to allow officers to complete reports electronically, which speeds the processes for report approval, data entry into PPDS, and data availability to other officers for investigation and follow-up. The ability to write reports in the car should reduce the proportion of officer time that is spent in the office, translating to more time in the community. Electronic entry of the data into PPDS will reduce the existing records backlog. The field reporting system is supported by the 800 MHz public safety radio network for most officers; supervisors will initially use a proprietary wireless network to review and approve reports, to be replaced by the Unwire Portland system when available.

Wireless Applications

BTS is the lead agency on the Unwire Portland Project, working with the Portland Development Commission, Tri-Met, and the Portland Public Schools to recruit a private firm to design, fund, and deploy a citywide wireless network based on Wi-Fi technology.

The initial applications for the wireless network are:

- ◆ Replacement of slow links to fire stations, neighborhood offices, and Parks' facilities to facilitate more effective use of existing applications and PortlandOnline in those facilities.
- ◆ Conversion of the parking meters to the wireless network to lower transport charges and to facilitate conversion from batch processing of credit and debit cards to real-time authorization, which will significantly increase the portion of parking payments that remain with the City.
- ◆ Support for field inspection operations by nuisance and building inspection groups, which may require some modification of the applications that these groups use to better support remote operation.

Extending field applications is somewhat dependent on the timeline for build-out of Wi-Fi coverage throughout the city; for other than pilot efforts, good coverage is essential to avoid having staff shift among business processes as they try to complete their work.

Financing Innovations

New advances are expected as Financial Services evaluates innovative financing structures and products to determine their suitability for inclusion in the City's debt portfolio. These may include the use of interest rate exchange agreements (swaps), variable rate debt, alternative debt repayment terms, and senior/subordinate lien structures. The Treasury program also plans to pilot a project that will enable select bureaus to scan and electronically deposit checks on-site. This service, referred to as "desktop deposit," will substantially improve collection and processing time, allowing Treasury to have more immediate access to funds for investment. Additionally, Treasury is currently reviewing the feasibility of developing a securities lending program that will maximize the utility and return on the City's investment portfolio.

Special Financing Projects

Financial Services provides financing services for multiple City bureau projects each year. Several special financing projects are anticipated for FY 2006-07, including:

- ◆ *Convention Center Hotel*: Participate with PDC, Metro, and representatives of the lodging and tourism industries to determine whether an acceptable Convention Center hotel financing plan can be developed.
- ◆ *South Waterfront Financing Plan*: Currently engaged in active negotiations with the City's development partners in South Waterfront.

Future Focused Reviews

To ensure continuous innovation and ongoing customer service improvements, OMF undertakes one to three focused reviews annually. Business Operations provides ongoing support and leadership to the reviews. Past reviews that have resulted in improvements to customer service, reorganizations, and other innovations include CityFleet, Human Resources, Risk Management, the budget process, and the General Fund overhead model. During FY 2005-06, a focused review was conducted of the operations of the CAO's Office and Business Operations, as well as for the Facilities Services division. The Business

Operations Strategic Plan has been completed and the implementation of recommendations from both reviews will continue in FY 2006-07. In FY 2006-07, OMF will conduct a focused review of the Printing and Distribution Services and a review of another service area yet to be determined. The focused reviews include extensive internal and external stakeholder and customer review and evaluation across most City bureaus and within OMF.

MANAGEMENT GOALS & OBJECTIVES

City Council Focus Areas

The Office of Management and Finance appreciates and supports the City Council's focus on promoting a family-friendly city, economic development, public safety and emergency preparedness, energy alternatives, and infrastructure. Through the services and expertise of our staff, OMF sustains the five focus areas as follows:

Family-Friendly City

- ◆ Management of Children's Investment Fund financing
- ◆ School funding financing strategies assistance
- ◆ Workers' Compensation claims on the decline due to a focus on loss prevention and return to work programs
- ◆ Renewed focus on wellness and disease management programs for employees
- ◆ Citywide employee development program
- ◆ Deferred compensation plan management
- ◆ Summer Youth Employment Program
- ◆ City of Portland Job Fair
- ◆ Portland Building City Kids lease management
- ◆ Manager and supervisor core competency training
- ◆ Manager and supervisor cultural competency training
- ◆ Health Fund finance analysis

Economic Development

- ◆ Fair Contracting strategies to improve Minority, Women, and Emerging Small Business participation
- ◆ Emerging small businesses sponsorship through Port of Portland Mentor Protégé program
- ◆ Sheltered Market Program for technical assistance and business development for small businesses
- ◆ E-commerce development
- ◆ PortlandOnline "Business in Portland" website
- ◆ Participation in the South Waterfront Negotiation Team
- ◆ Financing projects: Convention Center Hotel, South Waterfront, City housing initiatives, pension bond risk management
- ◆ Financing innovations: interest rate exchanges, variable rate debt, desktop deposit, securities lending
- ◆ Partnership with PDC to examine improvements to the SW 10th & Yamhill parking garage
- ◆ Memorial Coliseum reuse

Public Safety and Emergency Preparedness

- ◆ Public Safety Radio system replacement
- ◆ Council Crest Tower replacement
- ◆ Interoperability across jurisdictions for public safety radio system, Portland Police Data System, and 911
- ◆ Police field reporting application and wireless preparation
- ◆ Unwire Portland enhancements to replace slow links to fire stations, neighborhood offices, and parks facilities
- ◆ Portland Police Data System replacement
- ◆ Computer Aided Dispatch system replacement
- ◆ Property warehouse relocation and potential SE precinct site purchase
- ◆ Budget and project management for the Fire General Obligation bond projects including the Fire Administration/Fire Station 1 relocation
- ◆ eVolvment expansion including the successful online crime prevention problem solving of e-Back Fence
- ◆ City/County Public Safety Collaborative - CAO is a member of the Steering Committee, while OMF provides staffing and website management
- ◆ Technology Services citywide disaster recovery and business continuity plan

Energy Alternatives

- ◆ Continued expansion of bio-fuels use in the City's fleet and purchase of hybrid and bio-diesel vehicles
- ◆ FlexCar contract and potential elimination of bulk of City's motor pool
- ◆ Portland Building relighting pilot testing
- ◆ City Hall audit for Leadership in Energy & Environmental Design - Existing Buildings (LEED-EB) Silver Certification
- ◆ Strategic Sourcing continuation and expansion
- ◆ Sustainable Procurement (Environmentally Preferable Procurement & Sustainable Paper Use) program
- ◆ Clean River Incentive Discount program
- ◆ Management and Finance Sustainability Strategy implementation

Infrastructure

- ◆ Address Major Maintenance reserve deficits for city buildings
- ◆ City office space efficiency planning
- ◆ 800 MHz Public Safety Radio system replacement
- ◆ Replacement of primary simulcast site for public safety radio system at Council Crest
- ◆ Address Technology Reserve deficit
- ◆ Technology core storage capacity expansion
- ◆ Replacement of financial, human resources, payroll, and procurement technology with an integrated Enterprise Resource Planning system
- ◆ Conversion of parking meters to wireless with Unwire Portland project
- ◆ Improvements in CityFleet including areas of utilization, repair time standards, and preparation for Fleet Certification for excellence in fleet management

OMF Goals and Objectives

The Office of Management and Finance has identified a number of goals and objectives linked to the OMF strategic directions. These include the following:

Leadership and Stewardship of Resources

Strengthen the City's human, technological, financial, and capital resources

- ◆ Continue the critical evaluation of existing service delivery based on cost effectiveness, quality of service, and accountability in light of OMF's performance over time, as well as comparisons to similar jurisdictions nationwide.
- ◆ Continue the existing competitiveness study for OMF services using benchmarks established in FY 2005-06.
- ◆ Model the City's sustainability vision by establishing objectives and implementing a comprehensive sustainability program.
- ◆ Implement education and outreach efforts to increase the visibility of OMF and increase awareness of the organization's value and role to internal and external customers, users, and stakeholders.

Professional Workforce and Workplace

Continue to recruit and develop an expert workforce and foster a workplace based on basic values of accountability, stewardship, inclusion, and service

- ◆ Continue to foster diversity and inclusion in all aspects of our work.
- ◆ Develop and implement an organization-wide communication plan for timely and relevant communication of information to employees, customers, users, and stakeholders.
- ◆ Conduct a comprehensive workforce needs assessment leading to the development and implementation of a workforce training and development plan.
- ◆ Develop and implement workforce turnover and management succession plans.
- ◆ Engage all OMF employees in discussions of the organization's mission, vision, values, and strategic goals.
- ◆ Continue to develop a workplace distinguished by a sense of safety and a responsiveness to the needs of our workforce.
- ◆ Recognize the need to balance work and personal life to ensure a healthy workforce.

Management Skills

Enhance the management skill sets necessary to lead the organization

- ◆ Develop a clear set of management skill sets, competencies, and expectations based on strategic goals and objectives.
- ◆ Develop and implement a comprehensive management training and development program across the organization.
- ◆ Continue the implementation of sound performance management practices that establish clear expectations, provide organizational support for success, and hold individuals at all levels of the organization accountable for results.
- ◆ Further build teamwork and the ability of organizational leaders to work together on addressing Citywide issues.

Efficiency Through Technology

Maximize the cost-effective use of technology in all aspects of OMF's work

- ◆ Develop a comprehensive strategic technology plan for OMF.
- ◆ Undertake a comprehensive examination of the City's technology infrastructure requirements and develop an investment plan.

- ◆ Continue to explore ways to use technology including investing in and promoting the use of e-business, e-commerce, and e-government in order to increase the ease of City and public use of our services.
- ◆ Continue to develop and implement Citywide technology standards consistent with the core business needs of users.
- ◆ Conduct an assessment of user training needs and provide appropriate support.

Partnerships

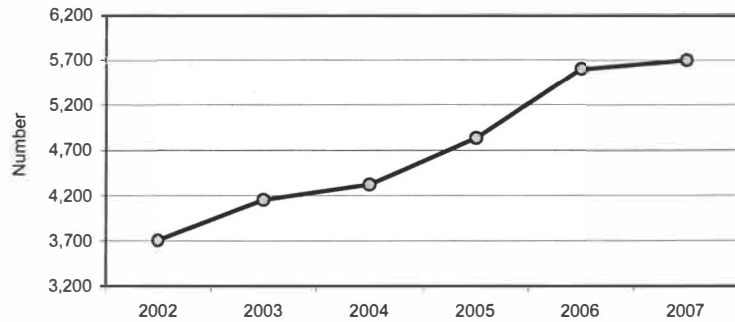
Strengthen OMF's collaborative business partnerships with customers, users, and stakeholders

- ◆ Establish customer service standards based on input from customers, users, and stakeholders that balance service delivery with our regulatory mandates and financial constraints.
- ◆ Capitalize on opportunities to partner with other government jurisdictions and appropriate entities to achieve economies of scale in the delivery of cost-effective and quality services.
- ◆ Establish consistent standards of service delivery, including operating policies and procedures, across all OMF bureaus.
- ◆ Establish, administer, and report specific performance measures within all OMF bureaus.
- ◆ Regularly communicate with our customers and stakeholders on projects and issues that impact them.
- ◆ Continue to periodically survey customer satisfaction with our services.

Performance Measures

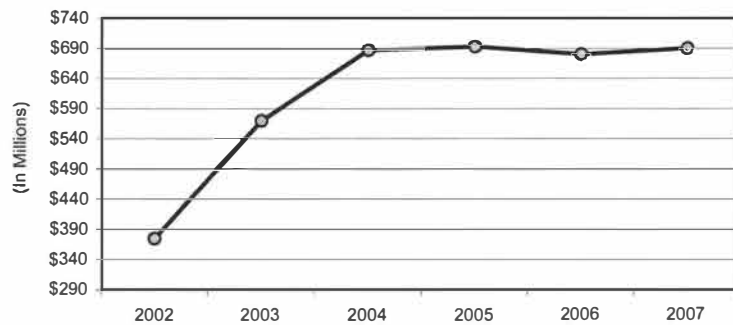
Accounts Receivable Invoices Issued

- ◆ The number of accounts receivable invoices has been on a steady increase since FY 2000-01.



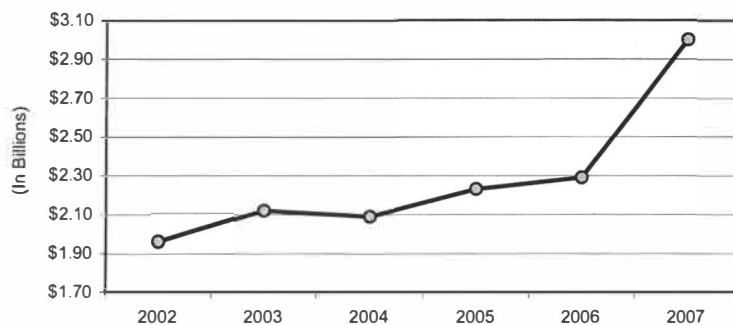
Investment Portfolio

- ◆ The size of the investments managed by the Treasury has grown as a result of growth of City services.



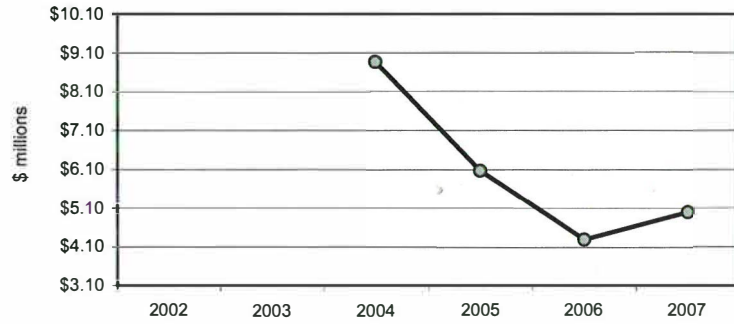
Long-Term Debt Under Management

- ◆ The amount of debt managed by OMF has increased as the City has debt financed large capital projects.



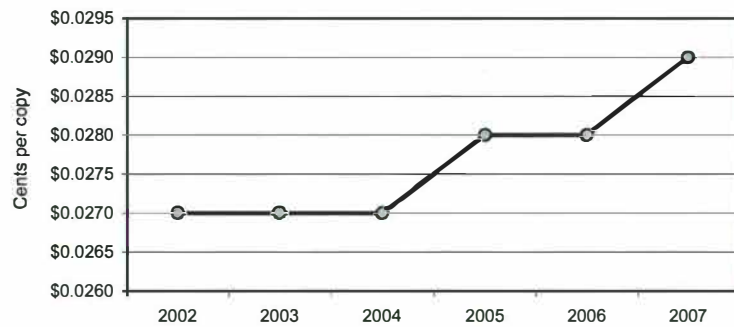
Business License Fee/Tax Gap

- ◆ The "tax gap" is the difference between business licenses and fees owed and the amount paid. This gap is declining due to focused efforts at collection, including legal action.



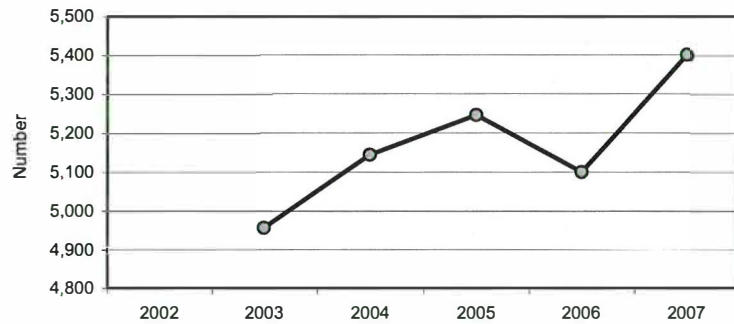
Cents per Copy

- ◆ Through efficiencies and increased volume, Printing and Distribution has increased the basic copy center rate by only \$0.002 in the last four years.



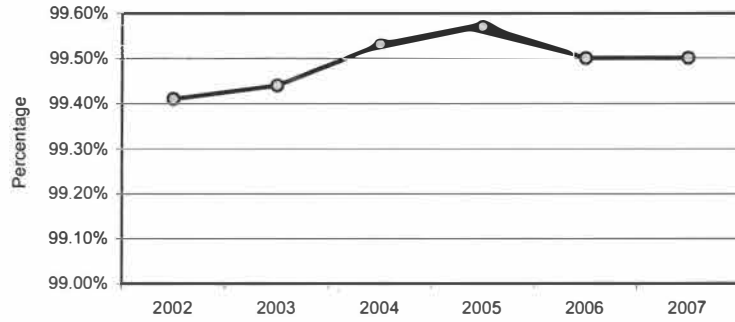
Number of Email Accounts Supported

- ◆ The number of email accounts have increased sharply since FY 2001-02. It is anticipated that the current number of email accounts will remain steady.



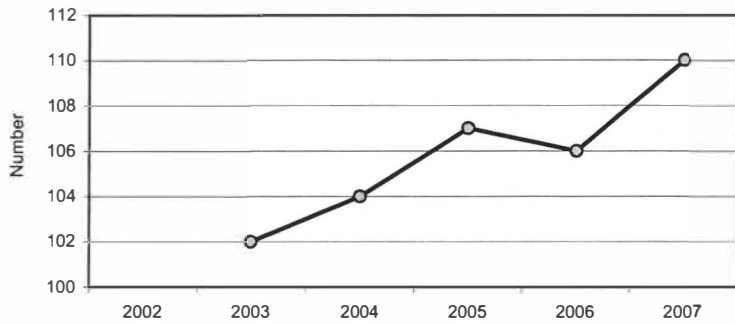
Portland Police Data System Availability

- ◆ Portland Police Data System Availability Percentage (SLA obligation - 99.5%)



Number of Desktops Supported per Technician

- ◆ BTS efficiently provides desktop services to City bureaus.



Office of Management and Finance

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	38,515,385	44,471,143	55,050,535	64,052,552	64,052,552
External Materials and Services	71,731,533	82,982,293	97,077,805	97,404,945	98,688,392
Internal Materials and Services	18,593,129	19,928,064	29,686,883	32,437,665	33,969,692
Minor Capital Outlay	4,571,530	8,966,101	9,414,627	6,192,503	6,312,503
Total Operating Budget	133,411,577	156,347,601	191,229,850	200,087,665	203,023,139
Capital Improvements	12,781,534	10,328,096	32,416,481	31,723,572	33,306,133
TOTAL BUREAU EXPENDITURES	\$ 146,193,111	\$ 166,675,697	\$ 223,646,331	\$ 231,811,237	\$ 236,329,272
Allocated Overhead	6,477,238	4,498,741	4,597,431	5,010,168	5,010,168
Total Cost with Allocated Overhead	152,670,349	171,174,438	228,243,762	236,821,405	241,339,440

RESOURCES					
Resources					
CityFleet	15,868,174	22,756,737	22,132,673	20,817,250	21,003,050
ComNet	11,681,235	12,123,328	0	0	0
Facilities Services	17,272,615	16,542,096	29,965,663	24,799,810	24,971,371
Fire Facilities GO Bond	4,424,035	3,864,240	7,811,378	11,442,470	11,442,470
Health Insurance	33,929,841	28,626,024	35,200,521	34,501,856	34,579,257
PPA Health Insurance	0	7,158,164	8,304,262	9,750,108	9,749,194
Parking Facilities	4,934,921	4,189,141	6,955,523	6,874,757	6,874,757
Printing & Distribution	5,650,349	6,141,295	6,297,135	6,832,733	6,832,733
Risk	9,405,947	11,947,576	10,991,253	12,070,771	12,080,771
Spectator Facilities	1,014,288	1,374,786	1,477,168	1,649,011	1,649,011
Technology Services	17,529,137	19,164,408	45,647,293	45,902,280	48,202,467
Discretionary General Fund	2,969,373	4,135,017	6,248,899	11,847,608	11,847,608
Total Discretionary Revenues	124,679,915	138,022,812	181,031,768	186,488,654	189,232,689
Non-Discretionary Revenues					
Interagency Revenues	14,282,320	20,110,163	34,417,308	29,433,261	31,207,261
Bureau Program Revenues	1,081,335	1,070,854	1,069,318	1,970,485	1,970,485
Overhead Revenues	5,843,558	7,222,245	6,726,134	9,328,162	9,328,162
Contract Revenues	305,983	249,623	401,803	4,590,675	4,590,675
Total Non-Discretionary Revenues	21,513,196	28,652,885	42,614,563	45,322,583	47,096,583
Total General Fund Resources					
TOTAL RESOURCES	\$ 146,193,111	\$ 166,675,697	\$ 223,646,331	\$ 231,811,237	\$ 236,329,272

Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.
 Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.

DIVISIONS					
Facilities Services	27,645,859	25,970,263	46,209,732	44,766,048	44,937,609
<i>Positions</i>	<i>37.00</i>	<i>37.30</i>	<i>37.00</i>	<i>34.50</i>	<i>34.50</i>
OMF Business Operations	5,435,839	5,375,732	4,999,922	4,253,620	4,253,620
<i>Positions</i>	<i>37.60</i>	<i>31.60</i>	<i>31.20</i>	<i>28.60</i>	<i>28.60</i>
Financial Services	8,540,233	8,582,511	9,292,365	8,796,612	8,796,612
<i>Positions</i>	<i>57.50</i>	<i>58.48</i>	<i>57.68</i>	<i>58.48</i>	<i>58.48</i>
Human Resources	5,826,162	6,184,535	7,011,631	6,956,984	6,956,984
<i>Positions</i>	<i>55.00</i>	<i>56.66</i>	<i>56.36</i>	<i>57.78</i>	<i>57.78</i>
Purchases	3,159,972	4,396,634	3,917,015	3,770,328	3,770,328
<i>Positions</i>	<i>29.50</i>	<i>31.65</i>	<i>32.00</i>	<i>32.25</i>	<i>32.25</i>
Printing & Distribution Services	5,650,349	6,141,295	6,297,135	6,832,733	6,832,733
<i>Positions</i>	<i>26.00</i>	<i>26.00</i>	<i>26.00</i>	<i>26.00</i>	<i>26.00</i>
Technology Services	29,210,372	31,287,736	45,647,293	45,902,280	48,202,467
<i>Positions</i>	<i>179.00</i>	<i>194.14</i>	<i>204.92</i>	<i>206.85</i>	<i>206.85</i>
Citywide Projects	1,520,363	4,434,191	9,253,587	7,471,205	9,017,205
<i>Positions</i>	<i>0.00</i>	<i>24.00</i>	<i>21.00</i>	<i>5.00</i>	<i>5.00</i>
Revenue Bureau	0	3,814,299	14,388,942	25,921,442	26,149,442
<i>Positions</i>	<i>0.00</i>	<i>115.40</i>	<i>119.50</i>	<i>209.50</i>	<i>209.50</i>
Health Administration	33,929,841	35,784,188	43,504,783	44,251,964	44,328,451
<i>Positions</i>	<i>6.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>
CityFleet	15,868,174	22,756,737	22,132,673	20,817,250	21,003,050
<i>Positions</i>	<i>83.00</i>	<i>82.00</i>	<i>76.00</i>	<i>76.00</i>	<i>76.00</i>

SUMMARY OF BUREAU BUDGET

Office of Management and Finance
 Legislative, Administrative, and Support Service Area

DIVISIONS					
Risk Management	9,405,947	11,947,576	10,991,253	12,070,771	12,080,771
<i>Positions</i>	<i>17.00</i>	<i>23.00</i>	<i>22.00</i>	<i>21.00</i>	<i>21.00</i>
TOTAL DIVISIONS	\$ 146,193,111	\$ 166,675,697	\$ 223,646,331	\$ 231,811,237	\$ 236,329,272
<i>Positions</i>	<i>527.60</i>	<i>687.23</i>	<i>690.66</i>	<i>762.96</i>	<i>762.96</i>

OMF Business Operations

OVERVIEW

The Office of Management and Finance provides internal support services that enable City bureaus to fulfill their missions. To that end, the OMF Business Operations program and the Chief Administrative Officer (CAO) program provide an array of financial management, business systems management, support, coordination, policy, and planning services to OMF bureaus, the City Council, and other City bureaus.

Overview of Programs

CAO'S OFFICE

Description

The Chief Administrative Officer reports to the Mayor and the Council and is directly responsible for providing leadership and oversight of all Citywide administrative services. The CAO advises the Mayor, Council, and bureau managers on strategic issues and programs that can affect the City and provides leadership and support for a variety of Citywide projects.

The CAO also manages the Office of Management and Finance, which is directly responsible for implementing Council policies by providing Citywide systems, programs, and processes in the areas of financial management, financial planning, technology services, human resources, revenue, and Citywide services (printing, facilities, risk management, purchasing, and fleet). The CAO also manages and assumes responsibility for Citywide projects initiated by Council, such as the Customer Information System (CIS) and the Enterprise Business System (EBS).

Program objectives include:

- ◆ Seamless delivery of Citywide administrative services that are cost effective and responsive.
- ◆ Ability to continually provide the Mayor and Council with accurate, timely information and analysis.
- ◆ Ensure that the City's Managing for Results (MFR) approach is fully implemented and working.
- ◆ Ensure that administrative overhead is kept to a minimum and duplication of services in OMF is avoided.

Relationship to Goals

This program supports all City goals by management and oversight throughout the City; however, it most specifically supports the City goal of delivering efficient, effective, and accountable municipal services. As the head of OMF, the CAO has responsibility for ensuring that all of OMF's strategic plan goals are realized.

Performance

Although the program has no specific performance measures, it is evaluated on the successful management and completion of the OMF work plan, including the Charter Review, the FPD&R Independent Review, the implementation of CIS, and the EBS project.

Changes to Services and Activities

The FY 2005-06 Adopted Budget replaced ongoing funding for one full-time policy analyst and a 60% senior policy analyst with one-time funding. The positions provide the CAO with leadership and staffing on Council projects including FPD&R Independent Review Committee, Charter Review, the Bureau Innovation Project, and Managing for Results. Ongoing funding has been restored for these positions in the FY 2006-07 budget to ensure the continuation of necessary high-level support for the CAO. Council plans to review the ongoing need for these positions in conjunction with the annual review of the OMF work plan.

OMF BUSINESS OPERATIONS

Description

OMF Business Operations supports the CAO and all OMF bureaus, and is intended to ensure smooth operation, coordination, and consistency throughout the organization. The program is highly responsive to client demand for services and to changing organizational needs. OMF Business Operations also manages the business systems of the OMF funds.

OMF Business Operations' major responsibilities are to:

- ◆ Provide management, support, and coordination for all OMF internal business operations.
- ◆ Provide leadership and management oversight of OMF finances in both the General Fund and internal service funds, including budget and rate development, Capital Improvement Plan development, monitoring, business case analyses, and financial project management.
- ◆ Provide support and management for organizational and interbureau projects, often of Citywide significance.
- ◆ Represent OMF in Citywide efforts such as improved workforce diversity, sustainability, and expanding internship programs.
- ◆ Manage ongoing endeavors such as the organization's strategic plan, web sites, employee involvement and recognition programs, diversity program, affirmative action/equal employment opportunity program, family medical and catastrophic leave programs, and the OMF policy manual.
- ◆ Provide public information services for OMF.
- ◆ Ensure comprehensive communications, public involvement and outreach, and strategic planning throughout OMF.
- ◆ Implement City Council and OMF strategic initiatives.

Relationship to Goals

The primary City goal that Business Operations supports is the goal to deliver efficient, effective, and accountable municipal services. The internal services provided by this program help the City deliver responsive government services, maintain a healthy City financial condition, and manage to achieve City and OMF goals. Business Operations also provides services to all City bureaus that assist them in delivering direct services to citizens in support of all City goals.

As the central manager, coordinator, and support system for all OMF internal business operations, the Business Operations program performs functions and activities dedicated to achieving the specific goals of each of the five OMF strategic plan directions.

Performance

The OMF Business Operations program is implementing performance measures recommended through the focused review conducted in FY 2005-06. The measures include:

- ◆ Total number of accounts payable (AP) invoices processed and the average processed per program accountant
- ◆ Annual dollar amount of interagency billings per year
- ◆ Number of family medical leave requests processed for all of OMF
- ◆ Percentage of AUs managed in full compliance
- ◆ Average of OMF employees per program timekeeper
- ◆ Number of OMF employees per program employee

Changes to Services and Activities

OMF Business Operations is reducing its external materials and services budget to cover 50% of a public relations and information officer position previously funded through interagency agreements with the Office of Emergency Management (25%) and the Office of Transportation (25%) that have been eliminated.

The reductions in materials and services will reduce OMF's ability to respond to future demands of the Mayor and Council regarding new initiatives and Citywide projects.

OMF Business Operations

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
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OFFICE OF MANAGEMENT AND FINANCE

OMF Business Operations

OMF Business Operations

Effectiveness

Total budget managed annually (in millions)	NA	NA	NA	NA	\$222	\$225
Percent of AUs that were managed in full compliance for the fiscal year	NA	NA	NA	NA	100%	100%

Efficiency

Annual number of AP invoices processed per Business Operations accountant	NA	NA	NA	NA	11,887	12,189
Number of OMF employees per timekeeper	NA	NA	NA	NA	50	180

Workload

Annual number of AP invoices processed	NA	NA	NA	NA	31,500	32,300
Annual dollar amount of IA billings (in millions)	NA	NA	NA	NA	\$123	\$128
Annual number of FMLA requests processed	NA	NA	NA	NA	158	160

OMF Business Operations

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	2,893,356	2,877,077	3,070,018	2,958,387	2,958,387
External Materials and Services	699,084	1,258,872	555,053	381,344	381,344
Internal Materials and Services	1,843,399	1,239,783	1,374,851	913,889	913,889
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	5,435,839	5,375,732	4,999,922	4,253,620	4,253,620
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 5,435,839	\$ 5,375,732	\$ 4,999,922	\$ 4,253,620	\$ 4,253,620
Allocated Overhead	1,777,465	1,317,121	1,069,991	238,360	238,360
Total Cost with Allocated Overhead	7,213,304	6,692,853	6,069,913	4,491,980	4,491,980
RESOURCES					
Discretionary Revenue	0	608,241	302,422	1,778,808	1,778,808
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	5,418,275	4,710,433	4,697,500	2,401,866	2,401,866
Program Revenue	17,564	57,058	0	0	0
Overhead Recovery	0	0	0	72,946	72,946
Total Non-Discretionary Revenues	5,435,839	4,767,491	4,697,500	2,474,812	2,474,812
TOTAL GENERAL FUND RESOURCES	\$ 5,435,839	\$ 5,375,732	\$ 4,999,922	\$ 4,253,620	\$ 4,253,620
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
CAO's Office	578,015	515,010	595,038	562,090	562,090
<i>Positions</i>	<i>2.00</i>	<i>4.60</i>	<i>4.20</i>	<i>3.60</i>	<i>3.60</i>
BGS Administration	309,881	360,647	264,545	0	0
<i>Positions</i>	<i>3.00</i>	<i>2.00</i>	<i>1.00</i>	<i>0.00</i>	<i>0.00</i>
OMF Business Operations	4,547,943	4,500,075	4,140,339	3,691,530	3,691,530
<i>Positions</i>	<i>32.60</i>	<i>25.00</i>	<i>26.00</i>	<i>25.00</i>	<i>25.00</i>
TOTAL PROGRAMS	\$ 5,435,839	\$ 5,375,732	\$ 4,999,922	\$ 4,253,620	\$ 4,253,620
<i>Positions</i>	<i>37.60</i>	<i>31.60</i>	<i>31.20</i>	<i>28.60</i>	<i>28.60</i>

OMF Business Operations

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	2.00	1.00	1.00	45,540	1.00	46,596	1.00	46,596
0515	Accountant II	5.00	6.00	5.00	260,580	5.00	266,580	5.00	266,580
0516	Accountant III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0102	Office Supp Spec II	5.00	2.00	2.00	67,536	2.00	74,606	2.00	74,606
0104	Office Supp Spec III	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7207	Public Relations/ Info Officer	0.00	1.00	1.00	77,964	1.00	79,282	1.00	79,282
7103	Administrative Assistant	1.00	2.00	3.00	159,132	2.00	100,464	2.00	100,464
7107	Administrative Supervisor II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7112	Business Operations Manager	2.00	2.00	2.00	168,579	2.00	171,888	2.00	171,888
7113	Business Operations Mgr. Sr	1.00	1.00	1.00	119,916	1.00	119,916	1.00	119,916
7121	Business Systems Analyst	1.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
7001	Chief Administrative Officer	1.00	1.00	1.00	151,800	1.00	151,800	1.00	151,800
7127	Executive Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7376	Financial Analyst	3.00	3.00	3.00	199,320	3.00	195,452	3.00	195,452
7377	Financial Analyst, Senior	3.00	5.00	5.00	367,116	4.00	295,834	4.00	295,834
7006	General Services Director	1.00	1.00	1.00	39,540	0.00	0	0.00	0
7510	Information Systems Mgr, Sr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7131	Management Analyst	0.00	0.00	1.00	55,932	2.00	120,013	2.00	120,013
7132	Management Analyst, Senior	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7130	Management Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7145	Policy Analyst	0.00	0.00	1.00	86,052	1.00	89,316	1.00	89,316
7146	Policy Analyst, Senior	0.00	0.00	0.60	63,780	0.00	0.00	0.00	0.00
7378	Principal Financial Analyst	1.00	1.00	1.00	73,116	1.00	76,104	1.00	76,104
7133	Principal Management Analyst	0.00	0.00	1.00	75,588	1.00	76,878	1.00	76,878
7156	Program Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7206	Public Information Officer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7188	Risk Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		36.00	29.00	30.60	\$ 2,078,655	28.00	\$ 1,931,893	28.00	\$ 1,931,893
7452	Community Service Aide II	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7145	Policy Analyst	0.50	0.60	0.60	51,408	0.00	0.00	0.00	0.00
7146	Policy Analyst, Senior	0.60	0.00	0.00	0.00	0.60	63,780	0.60	63,780
TOTAL PART-TIME POSITIONS		1.60	0.60	0.60	\$ 51,408	0.60	\$ 63,780	0.60	\$ 63,780
7145	Policy Analyst	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7146	Policy Analyst, Senior	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	2.00	0.00	\$ 0	0.00	\$ 0	0.00	\$ 0

OMF Business Operations

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	4,070,644	0	4,070,644	27.50	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	(16,413)	0	(16,413)	0.00	Revised health benefit rates
	144,756	0	144,756	0.00	Internal balancing for AU 307
Mayor's Proposed Budget Decisions					
	(18,648)	0	(18,648)	0.00	Materials & services reduction
	(23,110)	0	(23,110)	0.00	Further reduce materials & services
	119,448	0	119,448	1.00	Add policy analyst position - CAO's Office
	0	0	0	0.50	Absorb half of PIO position
	84,144	0	84,144	0.60	Add senior policy analyst position - CAO's Office
	(107,201)	0	(107,201)	(1.00)	Eliminate BGS director
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	182,976	0	182,976	1.10	Total FY 2006-07 Decision Packages
			\$ 4,253,620	28.60	Total Adopted Budget

Citywide Projects

OVERVIEW

The Chief Administrative Officer and the Office of Management and Finance provide management and oversight for Citywide projects initiated by City Council. OMF Business Operations provides financial management for these projects.

Overview of Programs

EBS PROJECT

The Enterprise Business System (EBS) project objective is to acquire and implement an integrated enterprise resource planning (ERP) system and best practice business processes Citywide. The current financial system, IBIS, is a 16-year-old system that is no longer able to meet the City's present or future financial and business needs.

The intended outcome of this project is the successful implementation of an ERP system to replace IBIS and other systems, to enable Citywide implementation and utilization of leading practice business processes and standardized financial management. The City Council directed OMF to proceed with the EBS project in Resolution No. 36246.

Relationship to Goals

The EBS project will enable Citywide implementation of leading practice business processes and resultant efficiencies in furtherance of all City goals and priorities. This project will primarily meet the City goal of delivering efficient, effective, and accountable municipal services. The project will attempt to:

- ◆ Improve financial accountability.
- ◆ Standardize business and financial processes Citywide.
- ◆ Improve efficiency and overall productivity.
- ◆ Enable long-term Citywide cost avoidance and savings.
- ◆ Maintain the City's place as an innovator in finance, management, and technology.

This project primarily supports OMF's goal of strengthening organizational leadership and stewardship of the City's human, technological, financial, and capital resources. It also addresses OMF goals of maximizing the cost-effective use of technology in all aspects of our work, and of strengthening our collaborative business partnerships with customers, users, stakeholders, other jurisdictions, and other City bureaus and agencies.

Performance

Performance measures are not attached to this program as it is a one-time, capital-intensive project.

Changes to Services and Activities

The replacement of the City's automated customer information system (Cayenta) was completed in FY 2005-06. Staffing and resources assigned to this system are transferred to the Revenue Bureau in FY 2006-07.

Citywide Projects

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	19,147	1,297,808	1,517,124	0	0
External Materials and Services	1,401,632	2,320,944	3,118,585	0	0
Internal Materials and Services	99,584	494,173	222,030	0	0
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	1,520,363	4,112,925	4,857,739	0	0
Capital Improvements	0	321,266	4,395,848	7,471,205	9,017,205
TOTAL BUREAU EXPENDITURES	\$ 1,520,363	\$ 4,434,191	\$ 9,253,587	\$ 7,471,205	\$ 9,017,205
Allocated Overhead	0	39,702	27,667	103,481	103,481
Total Cost with Allocated Overhead	1,520,363	4,473,893	9,281,254	7,574,686	9,120,686
RESOURCES					
Discretionary Revenue	11,199	931	0	0	0
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	1,509,164	4,433,260	9,253,587	7,471,205	9,017,205
Program Revenue	0	0	0	0	0
Total Non-Discretionary Revenues	1,509,164	4,433,260	9,253,587	7,471,205	9,017,205
TOTAL GENERAL FUND RESOURCES	\$ 1,520,363	\$ 4,434,191	\$ 9,253,587	\$ 7,471,205	\$ 9,017,205
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
EBS Project	0	321,266	4,395,848	7,471,205	9,017,205
<i>Positions</i>	<i>0.00</i>	<i>4.00</i>	<i>4.00</i>	<i>5.00</i>	<i>5.00</i>
CIS Implementation	1,520,363	4,112,925	4,857,739	0	0
<i>Positions</i>	<i>0.00</i>	<i>20.00</i>	<i>17.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 1,520,363	\$ 4,434,191	\$ 9,253,587	\$ 7,471,205	\$ 9,017,205
<i>Positions</i>	<i>0.00</i>	<i>24.00</i>	<i>21.00</i>	<i>5.00</i>	<i>5.00</i>

Citywide Projects

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0131	Customer Accts Spec I	0.00	2.50	3.00	119,788	0.00	0	0.00	0
0132	Customer Accts Spec II	0.00	1.00	1.00	34,560	0.00	0	0.00	0
7511	Enterprise Bus Sys Proj Mgr	0.00	1.00	0.00	0.00	0.00	0	0.00	0
7103	Administrative Assistant	0.00	1.00	0.00	0.00	0.00	0	0.00	0
7102	Administrative Specialist, Sr	0.00	1.00	1.00	46,764	0.00	0	0.00	0
2533	Applications Analyst III	0.00	4.00	0.00	0.00	0.00	0	0.00	0
7121	Business Systems Analyst	0.00	1.00	4.00	236,520	0.00	0	0.00	0
7120	Business Systems Analyst, Asst	0.00	3.00	0.00	0.00	0.00	0	0.00	0
7133	Principal Management Analyst	0.00	2.00	0.00	0.00	0.00	0	0.00	0
7158	Program Manager, Senior	0.00	1.00	1.00	78,852	0.00	0	0.00	0
TOTAL FULL-TIME POSITIONS		0.00	17.50	10.00	\$ 516,484	0.00	\$ 0	0.00	\$ 0
7511	Enterprise Bus Sys Proj Mgr	0.00	0.00	1.00	109,032	1.00	109,032	1.00	109,032
7103	Administrative Assistant	0.00	0.00	1.00	59,511	1.00	60,924	1.00	60,924
7120	Business Systems Analyst, Asst	0.00	5.50	6.00	268,548	0.00	0.00	0.00	0.00
7510	Information Systems Mgr, Sr	0.00	1.00	1.00	94,344	1.00	98,220	1.00	98,220
7133	Principal Management Analyst	0.00	0.00	2.00	152,172	2.00	175,560	2.00	175,560
TOTAL LIMITED TERM POSITIONS		0.00	6.50	11.00	\$ 683,607	5.00	\$ 443,736	5.00	\$ 443,736

Citywide Projects

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	0	4,395,848	4,395,848	5.00	FY 2006-07 Current Appropriation Level
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	0	3,075,357	3,075,357	0.00	Update EBS project costs
Approved Budget Additions and Reductions	0	1,732,871	1,732,871	0.00	Carryover of contract expenses
Adopted Budget Additions and Reductions	0	(186,871)	(186,871)	0.00	Reduce contract carryover expenses
	0	4,621,357	4,621,357	0.00	Total FY 2006-07 Decision Packages
			\$ 9,017,205	5.00	Total Adopted Budget

Financial Services

OVERVIEW

The Bureau of Financial Services (BFS) is composed of Accounting, Debt Management, Financial Planning, and Treasury. BFS is under the direction of the Chief Financial Officer (CFO), who provides vision, leadership, and management oversight to the programs within the bureau; communicates complex financial information and policy to elected officials and bureau managers; represents the City in the area of financial management to external parties; and provides support and leadership to professional organizations that represent local governments both in Oregon and across the country. The bureau provides the City with financial management and planning services in a variety of areas, such as financial reporting and planning, investments, debt issuance, and grants management, and provides internal financial consulting services in support of City bureau programs and the economic development and housing activities of the Portland Development Commission.

Overview of Programs

ACCOUNTING

Description

The Accounting program provides accounting, financial reporting, and management of the City's corporate accounting systems and processes. The activities of the program include the following:

- ◆ Ensure accounting operations throughout the City result in accurate, complete, and timely information;
- ◆ Establish and maintain Citywide accounting standards;
- ◆ Review, monitor, and process payments to vendors, billings to City creditors, and employee paychecks;
- ◆ Support the ability of operating bureaus to achieve fiscal compliance, accuracy, and timeliness;
- ◆ Monitor bureau accounting operations to ensure compliance with City, state, and federal regulations and generally accepted accounting principles, and ensure that adequate internal controls are in place;
- ◆ Support preservation of the Aaa credit rating from Moody's Investors Service;
- ◆ Prepare financial reports that comply with current accounting principles and regulatory requirements; and
- ◆ Prepare the Comprehensive Annual Financial Report (CAFR).

Relationship to Goals

Accounting supports the Citywide goal to deliver efficient, effective, and accountable municipal services by maintaining a financially healthy City. The program supports the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.

Performance

During FY 2004-05 the Accounting program continued prior trends by increasing accounts receivable invoices issued by 11.9% with an average collection rate of 88% of outstanding invoices collected within 60 days and issuing 175,736 employee paychecks without error.

The number of manual checks issued grew for accounts payable and payroll by 24% and 10%, respectively, due to individual, isolated problems that required the issuance of multiple manual checks. Controls over these processes have been strengthened to reduce the need for manual checks in the future.

In addition, the program received the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting for the 24th year for the 2004 CAFR, issued the 2005 CAFR on time, and received a clean audit opinion from the City's external auditors.

Changes to Services and Activities

Program staff have provided significant support during the development of the RFP and selection of software for the Enterprise Business System project. This project, which will replace the current financial system and redesign business processes throughout the City, will require a continued full-time commitment of five or six staff.

The Accounting program will also work with bureaus to implement business process changes that will fully utilize payment terms of City vendors, thereby generating additional interest to the City. Currently, City bureaus do not take full advantage of payment terms on professional, technical, and expert services; construction contracts; and purchases of materials and services that allow for net 30-day payment terms. Instead, payments are often made quickly after receipt of an invoice. The increased interest could be as much as \$200,000 a year Citywide, but given start-up time for training and other issues, only \$100,000 of savings is estimated in FY 2006-07.

FINANCIAL PLANNING

Description	<p>The Financial Planning program includes the City's financial planning and grants administration functions.</p> <p>Financial Planning analyzes City policies and ordinances for fiscal and policy impacts, coordinates development of the City's budget, creates the City's published budget documents, provides fiduciary oversight of the General Fund, and performs special studies. The program also monitors bureau expenditures and revenues, coordinates budget amendments, and provides analysis of financial plans and operating and capital budgets. The program provides consultation, training, and technical assistance to City bureaus' budget staff, hosts community budget forums, and assists the Council with budgetary decision making.</p> <p>The program's grants administration function minimizes potential financial liability with respect to allowable costs and works to eliminate findings by grantors and auditors. The grants administration function maximizes the City's cash flow from grantors, thereby increasing interest earnings. Grants administration staff maximize the potential for receiving new grants by ensuring applications are well prepared and meet the individual grant application requirements. Grants administration coordinates and prepares the federally required Single Audit Report and the Federally Approved Indirect Cost Allocation Plan.</p>
Relationship to Goals	<p>The Financial Planning program supports the Citywide goal of delivering efficient, effective, and accountable municipal services and the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.</p>
Performance	<p>Performance is measured by the accuracy of financial forecasts, the number of active federal grants, and the number of grant audit findings. The City's grants administration has been recognized as a model for other jurisdictions. Despite increased workload (the number of grants managed has increased from 186 in FY 2002-03 to about 250 in FY 2006-07) grants administration received no findings in the FY 2004-05 audit.</p>
Changes to Services and Activities	<p>Financial Planning staff are providing support and financial reviews for the work of the various Bureau Innovation Project teams.</p>

DEBT MANAGEMENT

Description	The Debt Management program provides advice and expertise to City bureaus and the Portland Development Commission (PDC) in managing long- and short-term capital financing programs. The program's primary activities include debt transaction management, rebate compliance and management, continuing disclosure, issuance of conduit bonds, investor and credit-rating relations, and financial analysis for special projects. Key objectives for the Debt Management program are to assure timely access to capital markets, low-cost financing, and high credit ratings to ensure that City bureaus have cost-effective funding options available to implement capital programs.
Relationship to Goals	Debt Management supports the Citywide goal of delivering efficient, effective, and accountable municipal services by working to ensure timely access to the capital markets while minimizing debt service costs to city taxpayers and ratepayers. This program supports the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.
Performance	The performance measures used for this program include the amount of long-term debt under management, the number of outstanding long-term debt issues, the number of short-term borrowing programs managed, and maintenance of the City's bond rating. The amount of long-term debt has grown steadily over the past several years, although the number of outstanding issues under management has fluctuated over a relatively constant range. Short-term borrowing programs have become more complex in terms of types of projects funded and number of borrowings, requiring greater management attention. Bond ratings for existing credits continue to be maintained, including the City's triple-A rating on unlimited tax general obligation bonds.
Changes to Services and Activities	In FY 2006-07, Debt Management will use \$75,000 from unspent retained bond proceeds associated with compensation earned for the issuance of Convention Center bonds to offset its interagency charges to other City bureaus. In future years, the additional Debt Management charges to City bureaus will be offset by the increased interest earnings generated from the Securities Lending Program and the additional interest earnings in Accounting.

TREASURY

Description	<p>The Treasury program, in practical terms, serves as the City's bank. The program manages the City's investment program, coordinates and reconciles all City cash deposits and disbursements, provides cash and investment accounting, and provides trustee account activities and passport processing functions. In addition, the program is responsible for monitoring the financial activities of the Fire and Police Disability and Retirement Fund and the Public Employees Retirement System, and responding to proposed policy changes to ensure the City's financial liabilities are addressed and planned for proactively.</p> <p>Treasury's daily activities are critical to the execution of the City's investment policy and strategies, and compliance with applicable Internal Revenue Service arbitrage rebate requirements. Treasury supports all Citywide cash operations and serves as the primary source for reconciling cash for central accounting, outside audit, and investment purposes.</p>
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This program also monitors, evaluates, and recommends City positions on policy and administrative issues regarding the Public Employees Retirement System and other pension plans, and testifies before boards and legislative bodies on a wide range of complex policy, program, and financial issues with the objective of reducing the City's pension payroll costs. The program oversees the work of retained actuaries and legal staff in analyzing highly detailed and complex policy, benefit, and cost determination proposals and administrative practices that impact retirement benefit scope and cost to the City.

Relationship to Goals

The Treasury program supports the Citywide goal to deliver efficient, effective, and accountable municipal services by helping to maintain a healthy City financial condition. Treasury supports the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.

Performance

The performance measures used for the Treasury program include: the volume of the investment portfolio, the number of deposit/disbursement transactions processed, the percentage of employees participating in the Deferred Compensation Plan, and the number of passports processed. The City's investment portfolio and Treasury's transaction activity have consistently increased over the past several years. Although transaction activity continues to rise, an increasing portion of daily activity is being processed electronically through the use of the City's electronic banking software and the City's Internet gateway. After experiencing a surge in FY 2003-04, passport applications have essentially stabilized for the past two fiscal years, leveling off at approximately 800 per year.

In terms of the Deferred Compensation Plan, the City completed a comprehensive review and consolidation process that resulted in the selection of a single investment provider as well as significant improvements with respect to plan fees, investment options, and retirement planning services. Plan participation has remained steady though we have experienced consistent increases in average participant deferrals.

Changes to Services and Activities

In FY 2006-07, Treasury will initiate a securities lending program that is intended to generate additional portfolio revenue through the lending of portfolio securities. It is anticipated that the program will generate approximately \$100,000 of additional revenue during the fiscal year.

Financial Services

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF MANAGEMENT AND FINANCE						
Financial Services						
Accounting						
Effectiveness						
Number of Payroll Checks Without Error	163,000	171,563	171,378	175,736	171,500	172,000
Percent of Accounts Receivable Invoices Collected Within 60 Days	74%	60%	67%	70%	74%	78%
Efficiency						
Percent of Payroll Checks Direct Deposited	NA	77%	78%	79%	79%	80%
Number of Manual Payroll Checks Issued	NA	1,183	1,114	1,230	1,150	1,170
Number of Manual Accounts Payable Checks Issued	152	156	91	113	74	70
Workload						
Number of Accounts Receivable Invoices Issued	3,705	4,152	4,321	4,834	5,600	5,700
Financial Planning						
Effectiveness						
Accuracy of Financial Forecasts (Percent Within Actuals)	1.5%	-0.6%	2.6%	5.4%	2.0%	2.0%
Number of Grant Audit Findings	0	3	0	0	0	0
Workload						
Number of Active Federal Grants	160	186	231	250	250	250
Treasury						
Effectiveness						
Percent of Employees Participating in Deferred Compensation Program	59%	57%	56%	55%	60%	60%
Efficiency						
Number of Deposit/Disbursement Transactions Processed	5,148	2,829	10,192	9,824	10,596	10,775
Workload						
Investment Portfolio (in millions)	\$375	\$570	\$687	\$693	\$680	\$690
Number of Passports Processed	770	826	918	770	850	800
Debt Management						
Effectiveness						
City's Unlimited Tax General Obligation Bond Rating (1=Aaa)	1	1	1	1	1	1
Workload						
Long-Term Debt Under Management (in billions)	\$1.96	\$2.12	\$2.09	\$2.23	\$2.29	\$3.00
Number of Long-Term Debt Issues Outstanding	74	66	65	68	73	80
Number of Short-Term Borrowing Programs Managed	14	15	9	12	13	15

Financial Services

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	4,288,723	4,511,006	4,808,348	5,195,709	5,195,709
External Materials and Services	307,090	325,811	1,034,206	1,097,490	1,089,990
Internal Materials and Services	3,944,420	3,745,694	3,449,811	2,503,413	2,510,913
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	8,540,233	8,582,511	9,292,365	8,796,612	8,796,612
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 8,540,233	\$ 8,582,511	\$ 9,292,365	\$ 8,796,612	\$ 8,796,612
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	8,540,233	8,582,511	9,292,365	8,796,612	8,796,612
RESOURCES					
Discretionary Revenue	2,616,036	2,207,919	2,708,176	2,655,222	2,655,222
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	181,025	195,465	194,103	168,208	168,208
Interagency Revenues	774,314	736,173	806,599	730,237	730,237
Program Revenue	882,130	880,362	994,318	1,296,817	1,296,817
Overhead Recovery	4,086,728	4,562,592	4,589,169	3,946,128	3,946,128
Total Non-Discretionary Revenues	5,924,197	6,374,592	6,584,189	6,141,390	6,141,390
TOTAL GENERAL FUND RESOURCES	\$ 8,540,233	\$ 8,582,511	\$ 9,292,365	\$ 8,796,612	\$ 8,796,612
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
CFO Office/Strategic Support	1,562,493	1,379,069	1,265,780	0	0
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>0.00</i>	<i>0.00</i>
Accounting	4,080,942	4,053,642	4,617,000	4,873,222	4,873,222
<i>Positions</i>	<i>29.00</i>	<i>30.00</i>	<i>29.00</i>	<i>29.25</i>	<i>29.25</i>
Financial Planning	1,575,741	1,673,771	1,766,261	2,025,069	2,025,069
<i>Positions</i>	<i>14.00</i>	<i>14.28</i>	<i>14.48</i>	<i>15.13</i>	<i>15.13</i>
Treasury	757,519	867,671	1,014,392	1,203,780	1,203,780
<i>Positions</i>	<i>8.75</i>	<i>8.20</i>	<i>8.20</i>	<i>9.80</i>	<i>9.80</i>
Debt Management	563,538	608,358	628,932	694,541	694,541
<i>Positions</i>	<i>3.75</i>	<i>4.00</i>	<i>4.00</i>	<i>4.30</i>	<i>4.30</i>
TOTAL PROGRAMS	\$ 8,540,233	\$ 8,582,511	\$ 9,292,365	\$ 8,796,612	\$ 8,796,612
<i>Positions</i>	<i>57.50</i>	<i>58.48</i>	<i>57.68</i>	<i>58.48</i>	<i>58.48</i>

Financial Services

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	6.00	7.60	7.60	342,804	7.60	354,132	7.60	354,132
0515	Accountant II	5.00	4.60	4.60	235,080	5.00	264,168	5.00	264,168
0516	Accountant III	6.00	6.00	6.00	331,436	6.00	345,833	6.00	345,833
7367	Accounting Policy Manager	0.00	1.00	1.00	58,404	1.00	59,404	1.00	59,404
0510	Accounting Technician	3.00	3.00	2.00	75,384	2.00	77,136	2.00	77,136
7365	Controller	0.00	1.00	1.00	99,360	1.00	102,420	1.00	102,420
0100	Office Supp Spec I	1.00	1.00	1.00	34,140	1.00	34,920	1.00	34,920
0102	Office Supp Spec II	4.00	3.00	3.00	108,960	3.00	114,186	3.00	114,186
0104	Office Supp Spec III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7366	Accounting Compliance Manager	0.00	1.00	1.00	65,004	1.00	67,668	1.00	67,668
7351	Accountant, Assistant Systems	1.00	1.00	1.00	60,924	1.00	60,924	1.00	60,924
7352	Accountant, Systems	1.00	1.00	1.00	58,776	1.00	59,580	1.00	59,580
7360	Accounting Supervisor	1.00	1.00	1.00	69,072	1.00	70,088	1.00	70,088
7362	Accounting Supervisor I, Senior	2.00	2.00	2.00	148,464	2.00	148,464	2.00	148,464
7363	Accounting Supervisor II, Senior	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Sr	0.00	2.00	3.00	150,300	3.00	152,778	3.00	152,778
7292	Benefits Specialist	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7010	Chief Financial Officer	1.00	1.00	1.00	134,928	1.00	134,928	1.00	134,928
7370	City Accounting Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7391	City Treasurer	1.00	1.00	1.00	104,712	1.00	106,854	1.00	106,854
7381	Debt Analyst, Senior	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7384	Debt Manager	1.00	1.00	1.00	105,564	1.00	108,743	1.00	108,743
7388	Economist, City	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
7386	Economist, Senior	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
7376	Financial Analyst	2.00	1.00	1.00	62,628	1.00	65,196	1.00	65,196
7377	Financial Analyst, Senior	8.00	7.00	6.00	397,812	6.00	400,798	6.00	400,798
7379	Financial Planning Division Mana	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
7396	Pension Liability Manager	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7382	Principal Debt Analyst	1.00	1.00	1.00	82,884	1.00	86,292	1.00	86,292
7378	Principal Financial Analyst	2.00	2.00	2.00	153,624	2.00	159,410	2.00	159,410
7154	Program Coordinator	0.00	0.00	1.00	59,736	1.00	62,184	1.00	62,184
7156	Program Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7392	Treasury Analyst	0.00	1.00	1.00	64,382	1.00	66,824	1.00	66,824
7390	Treasury Operations Manager	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
TOTAL FULL-TIME POSITIONS		57.00	57.20	56.20	\$ 3,526,102	56.60	\$ 3,624,654	56.60	\$ 3,624,654
0514	Accountant I	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7376	Financial Analyst	0.00	0.60	0.80	53,736	0.60	40,296	0.60	40,296
7377	Financial Analyst, Senior	0.00	0.68	0.68	50,112	0.68	50,484	0.68	50,484
7145	Policy Analyst	0.00	0.00	0.00	0.00	0.60	52,458	0.60	52,458
TOTAL PART-TIME POSITIONS		0.50	1.28	1.48	\$ 103,848	1.88	\$ 143,238	1.88	\$ 143,238

Financial Services

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	8,832,506	0	8,832,506	58.48	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	(6,565)	0	(6,565)	0.00	Internal balancing for AU 307
	5,671	0	5,671	0.00	Employee transit increase
Mayor's Proposed Budget Decisions					
	(35,000)	0	(35,000)	0.00	Financial Planning reclass
	0	0	0	0.00	Alternative revenue sources
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(35,894)	0	(35,894)	0.00	Total FY 2006-07 Decision Packages
			\$ 8,796,612	58.48	Total Adopted Budget

Human Resources

OVERVIEW

The Bureau of Human Resources (BHR) provides strategic leadership and management for Citywide human resource systems, which link to the overall business strategies of the Council and bureaus. The bureau is responsible for the development, refinement, and oversight of the City's human resources administrative rules and procedures. It is also responsible, through corporate-level activities and site teams, for assisting City bureaus in the recruitment, development, and retention of a competent and high-quality workforce that is representative of the community.

The bureau is actively engaged in the Enterprise Business System (EBS) replacement. Due to the manual and paper-based processes that provide linkages between the HR/payroll and financial systems, and the absence of any automated workflow, substantial productivity gains are expected on a Citywide basis. It is estimated that 12% of the existing bureau workforce will be supporting the implementation of the EBS project. Backfill to continue the existing HR workload is essential to ensure success.

Overview of Programs

OPERATIONS/STRATEGIC SUPPORT

This program provides management, oversight, and coordination of the City's human resources systems. The program also provides direct operational and program-specific administrative support to recruitment, training, and classification and compensation functional areas. It administers and manages the City's central human resources information systems, provides internal communication with employees and timekeepers on HR-related issues and concerns, maintains central employee personnel and employment history records, develops and maintains the City's HR Administrative Rules and Policies, and develops and manages the Health Benefits program budget and finances. The program also manages the City's college work study program, the City's Child Development Center contract and pre-employment contracts, and coordinates on HR matters internally and externally.

Relationship to Goals This program specifically supports the City goal of delivering efficient, effective, and accountable municipal services by managing the HR system. The program supports the OMF goal of stewardship of the City's human and financial resources by providing strategic HR consultation to City bureau directors and Council, and by developing solutions to bureaus' HR issues.

Performance The performance measure for this program is the number of personnel action notices processed and is a general indicator of employee records workload. This indicator demonstrates that, since 1990, a static number of employee records staff has increased productivity by over 60% through the application of technological innovation and by streamlining processes.

Changes to Services and Activities The program is providing project coordination and support to the HR/Payroll portion of the EBS project. It is estimated that eight full-time employees from BHR and two full-time employees from the Bureau of Financial Services' Accounting Division will be needed to support this project.

As a result of customer feedback and the focused review, further automation of mass updates to personnel records and operational linkages between HR layoff, redeployment, and recall policies will be made. Improved communication on updates to Position Management (PM) and PM coordination with the Bureau of Financial Services are planned through FY 2006-07.

A records system review was conducted in FY 2005-06 to ensure system integrity, quality inspection assurance, and compliance with state and federal guidelines. This effort concluded that the HR Filenet system requires immediate hardware replacement and licensing upgrades to mitigate the risk of system failure. A \$90,000 decision package was approved to migrate the HR system over to a Bureau of Water Works server and upgrade software licenses.

LABOR RELATIONS

Labor Relations (LR) oversees labor negotiations and acts as the official representative of the City in labor negotiations with the City's eight bargaining units. The program assists bureaus in responding to and resolving grievances and other disciplinary matters, and oversees compliance with federal and state labor laws, City policies, and collective bargaining agreements. In addition, Labor Relations provides administrative support to the Civil Service Board.

Relationship to Goals The LR program supports the City goal of delivering efficient, effective, and accountable municipal services by providing the legal framework under which working conditions are specified, and by increasing workforce productivity through LR performance-management efforts. This program supports the OMF goal of recruiting and developing an expert workforce.

Performance The performance measure for this program is the total number of grievances received by the system. In FY 2003-04 and FY 2004-05, there were 149 and 162 grievances logged into the Labor Relations grievance tracking system, respectively. In FY 2006-07 the number of grievances is expected to decline to 125, roughly 23% less than the FY 2004-05 level. This improvement is attributed to better communications and collaboration with labor unions.

Changes to Services and Activities Labor Relations is actively engaged in the design and implementation of Bureau Innovation Project (BIP) #6 - Labor Management Committees, which seeks to establish such committees in every City bureau. The goal is to improve worker productivity and promote ongoing operational-level communications with labor organizations. This is potentially a comprehensive redesign of how selected labor relations activities will be conducted by the City and the involved labor organizations. BIP # 6 will likely require additional resources in the future for training, facilitation, and extensive professional and technical support.

The bureau has responded to Council's goal to improve labor relations by establishing monthly meetings between labor leaders and the BHR director to improve collaboration and communication. In addition, the Citywide job fair has provided an opportunity for labor to coordinate with the City to promote apprenticeship programs and engage in community outreach efforts.

CLASS/COMPENSATION

The Class/Compensation program plans, designs, implements, monitors, and maintains Citywide classification and compensation plans, programs, policies, and systems, and supports labor contract negotiations through compensation and labor market analysis.

Relationship to Goals This program specifically supports the City goal of delivering efficient, effective, and accountable municipal services by providing the legal framework for compensation. This program supports the OMF goal of recruiting and developing an expert workforce by developing compensation plans commensurate with market conditions.

Performance	The number of annual classification actions is indicative of the amount of items reviewed and processed via classification requests. During FY 2004-05 and 2005-06, the BHR Class/ Compensation program processed nearly 430 classification actions, including those resulting from reorganizations within certain bureaus. Classification requests are expected to remain steady or increase slightly through FY 2006-07, due to reorganizations within City bureaus and budget changes.
Changes to Services and Activities	Work has begun on reengineering projects including classification review and compensation policy review processes, as outlined in the revised BHR strategic plan. Staff from this program have supported the BIP #5 subcommittee on performance review. Outcomes during FY 2005-06 include an improved nonrepresented employee performance evaluation format, and a new performance review format for represented employees. In FY 2006-07, work on performance reviews will continue, including assistance in using the revised nonrepresented employee format, and assisting in further development and use of the new tool for represented employees. In conjunction with BIP #5 - Citywide Employee Development Program, \$125,000 in one-time funding has been approved to fund training activities for the represented employee performance review tool.

EMPLOYMENT AND DEVELOPMENT

The Employment and Development program assists in managing the City's recruitment, employee development, injured worker, and layoff activities.

Relationship to Goals	This program specifically supports the City goal of delivering efficient, effective, and accountable municipal services by providing high-quality candidates who can effectively do the jobs specified by City bureaus. This program supports the OMF goal of recruiting and developing an expert workforce by supporting the recruitment needs of City bureaus.
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Performance	The performance measures for this program include the number of employment applications received, the percentage of recruitments meeting original or renegotiated timelines, the number of participant training hours coordinated or presented by the bureau, and the number of employment exams posted. Nearly 17,000 applications are expected to be received in FY 2005-06. This is lower than the FY 2004-05 total of 18,512, since there were fewer open public safety-related exams during FY 2005-06.
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Approximately 260 recruitments are expected to be completed in FY 2005-06. Streamlining work processes have allowed analysts to absorb increasing recruitment workload as a result of a greater volume of position-specific recruitments for nonrepresented positions and employee retirement, turnover, or internal movement. This trend is expected to continue over the next five to ten years.

Recruitments meeting pre-established or renegotiated timelines are running close to 100%. Improved systems require a high degree of communications with hiring managers, which allow recruitments to stay on track and adjustments in timelines to be negotiated when necessary.

Changes to Services and Activities	In conjunction with BIP #5, a one-time decision package of \$55,000 has been approved in support of a Citywide job fair, providing a tool to outreach into the local community.
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Both the focused review and the Mayor's BIP #5 reaffirmed a greater need for employee development, cultural awareness and competency, and community outreach. As a result of this and related Mayor and Council priorities, the following events have been planned: manager/supervisor core competency training, cultural competency management certificate training, bias reduction training, cultural competency training for frontline employees, and a Citywide job fair. In addition, the bureau has managed the City's Summer Youth Employment Program, partnered with Portland Community College Cascade Campus to assist in the outreach recruitment efforts in support of the public safety bureaus, and managed and coordinated a Leadership Institute training for the public utility bureaus.

Efforts in employee development and community outreach, which support the quality of the direct service delivery to citizens, are expected to carry over into FY 2006-07 and have indirect but supporting linkages to BIP #7 - Customer Service and BIP #16 - Managing for Results.

DIVERSITY - AFFIRMATIVE ACTION

The Diversity Development/Affirmative Action program supports the development of a diverse workforce, oversees the creation of an inclusive workplace culture, and ensures compliance with Affirmative Action/Equal Employment Opportunity laws, regulations, and guidelines.

Relationship to Goals This program specifically supports the City goal of delivering efficient, effective, and accountable municipal services by educating the workforce to be respectful of diversity and cultural differences, thereby increasing employees' ability to communicate within the community. This program supports the OMF goal of recruiting and developing an expert workforce.

Performance The performance measure used to determine the effectiveness of the program is the percentage of diverse applicants per recruitment. The percentage is expected to continue to make incremental gains, increasing from 24% in FY 2004-05 to 28% in FY 2006-07. Further community outreach efforts are planned to enhance these percentages.

Changes to Services A \$20,000 ongoing decision package to fund the City/County Diversity Conference has been approved. Another \$120,000 ongoing decision package expands the Summer Youth Employment program to approximately 70 at-risk youth and increases the length of the overall program by three weeks. In conjunction with BIP #5, a \$130,000 one-time decision package was approved to deliver cultural competency training.

BENEFITS

The Benefits program is responsible for the management and administration of the City's employee benefit plans including medical, dental, vision, life, long-term disability, dependent care and medical expense reimbursement, and employee assistance plans.

Relationship to Goals	This program specifically supports the City goal of delivering efficient, effective, and accountable municipal services by providing an affordable benefits plan for City employees. This program continues to support the OMF goal of strengthening human and financial stewardship by providing support to an affordable City benefits program.
Performance	The performance measure for this program is the number of active participants in the employee benefits plans.
Changes to Services and Activities	The program is adding a new wellness coordinator to assist in preparing a Citywide health and wellness program. The program is intended to encourage healthy living by all enrollees and their families (including retirees) and to moderate health plan cost trends over time. This is consistent with the Council's family friendly city focus for FY 2006-07. Developing a comprehensive wellness program in conjunction with labor and other City stakeholders will continue to assist the City's ongoing healthcare cost containment efforts.

SITE TEAMS

The Site Teams program provides human resources consultation, services, and training to City bureaus to ensure that bureau directors and managers have immediate access to HR professionals to support their business needs. Site Team staff facilitate bureaus' use of all BHR programs and coordinate a Citywide approach to the application of HR policies and practices.

Relationship to Goals	This program supports the City goal of delivering efficient, effective, and accountable municipal services. The site teams also assist bureaus in attracting, managing, developing, and retaining their workforce so that bureau managers have the resources needed to achieve all Citywide goals and priorities. This program supports the OMF goal of recruiting and developing an expert workforce.
Performance	The performance measures for this program are the ratio of City employees to BHR employees and the cost of providing services per full-time employee. These performance measures indicate the level of investment of the City in managing its workforce, and they can be used as a standard comparison with other organizations. The number of City employees per BHR FTE has increased from 109 in FY 2003-04 to a projected 114 in FY 2006-07. This compares to a general industry standard of 100 employees per HR FTE. The cost of providing HR service per City FTE has trended upward due to cost of living adjustments and support related to Council-approved initiatives. It is, however, projected to decline in FY 2006-07 to \$1,096 from a FY 2004-05 actual of \$1,127.
Changes to Services and Activities	The site teams are focusing on improved customer service through a variety of activities. Staff will attend customer service and process improvement training. The teams will also deliver training to customers next year on workforce planning and selection processes as well as implementation of the new performance evaluation tools for nonrepresented and represented employees.

Human Resources

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF MANAGEMENT AND FINANCE						
Human Resources						
Operations/Strategic Support						
Workload						
Personnel Action Notices Processed	11,181	14,180	12,110	12,629	20,200	20,200
Labor Relations						
Workload						
Total Number of Grievances Received by the LR System	NA	75	149	162	100	125
Class/Compensation						
Workload						
Number of Classification Actions Annually	1,752	500	566	429	425	425
Employment and Development						
Effectiveness						
Percentage of Recruitments Meeting Original or Renegotiated Timelines	88%	81%	100%	100%	100%	100%
Workload						
Employment Exams Posted	242	NA	204	246	260	280
Number of Participant Training Hours Coordinated or Presented by BHR	1,600	1,894	16,880	9,497	18,731	25,115
Number of Employment Applications Received	11,399	16,882	13,083	18,512	16,700	18,700
Diversity - Affirmative Action						
Effectiveness						
Percentage of Diverse (Protected Class) Applicants per Recruitment	NA	16.0%	26.0%	24.0%	28.0%	28.0%
Benefits						
Workload						
Number of Participants in Benefits Program	6,147	NA	5,289	6,552	6,199	6,199
Site Teams						
Efficiency						
City Employees per BHR Employee	108	109	109	111	114	114
Cost of Providing HR Service per City FTE	\$759	\$770	\$887	\$1,127	\$1,074	\$1,096

Human Resources

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	4,298,664	4,462,821	4,870,005	5,176,381	5,176,381
External Materials and Services	431,332	584,951	1,143,432	937,126	937,126
Internal Materials and Services	1,096,166	1,136,763	998,194	843,477	843,477
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	5,826,162	6,184,535	7,011,631	6,956,984	6,956,984
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 5,826,162	\$ 6,184,535	\$ 7,011,631	\$ 6,956,984	\$ 6,956,984
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	5,826,162	6,184,535	7,011,631	6,956,984	6,956,984
RESOURCES					
Discretionary Revenue	0	(14,729)	767,263	4,161,078	4,161,078
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	5,695,884	6,189,905	6,244,368	80,379	80,379
Inter-Fund Cash Transfers	120,135	0	0	0	0
Program Revenue	10,143	9,359	0	0	0
Overhead Recovery	0	0	0	2,715,527	2,715,527
Total Non-Discretionary Revenues	5,826,162	6,199,264	6,244,368	2,795,906	2,795,906
TOTAL GENERAL FUND RESOURCES	\$ 5,826,162	\$ 6,184,535	\$ 7,011,631	\$ 6,956,984	\$ 6,956,984
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Human Resources	146,165	101,520	575,000	0	0
<i>Positions</i>	<i>0.00</i>	<i>1.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Personnel	0	3,949	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Operations/Strategic Support	2,147,055	2,056,305	1,936,059	2,025,260	2,025,260
<i>Positions</i>	<i>17.00</i>	<i>14.00</i>	<i>9.43</i>	<i>9.85</i>	<i>9.85</i>
Labor Relations	403,827	465,214	535,933	505,002	505,002
<i>Positions</i>	<i>4.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
Class/Compensation	380,412	445,814	452,949	456,771	456,771
<i>Positions</i>	<i>4.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
Employment and Development	461,768	798,262	1,042,575	1,175,874	1,175,874
<i>Positions</i>	<i>4.00</i>	<i>9.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>
Diversity - Affirmative Action	321,970	477,392	638,066	862,680	862,680
<i>Positions</i>	<i>3.00</i>	<i>4.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
Benefits	90,776	96,122	102,201	180,550	180,550
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>1.00</i>	<i>1.00</i>
Site Teams	1,874,189	1,739,957	1,728,848	1,750,847	1,750,847
<i>Positions</i>	<i>23.00</i>	<i>18.66</i>	<i>18.93</i>	<i>18.93</i>	<i>18.93</i>
TOTAL PROGRAMS	\$ 5,826,162	\$ 6,184,535	\$ 7,011,631	\$ 6,956,984	\$ 6,956,984
<i>Positions</i>	<i>55.00</i>	<i>56.66</i>	<i>56.36</i>	<i>57.78</i>	<i>57.78</i>

Human Resources

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7251	Human Resources Technician	0.00	7.00	7.00	330,453	7.00	343,429	7.00	343,429
0102	Office Supp Spec II	6.00	5.00	5.00	166,256	5.00	179,038	5.00	179,038
0104	Office Supp Spec III	4.00	2.00	1.00	40,865	1.00	44,326	1.00	44,326
7103	Administrative Assistant	3.00	1.00	1.00	62,832	1.00	62,832	1.00	62,832
7102	Administrative Specialist, Sr	2.00	2.00	2.00	93,000	2.00	95,476	2.00	95,476
7106	Administrative Supervisor I	1.00	1.00	1.00	56,374	1.00	58,684	1.00	58,684
7267	Affirm. Action/Diversity Mgr	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7112	Business Operations Manager	1.00	1.00	1.00	83,196	1.00	86,616	1.00	86,616
7274	Class/Comp Analyst, Senior	1.00	2.00	2.00	116,424	2.00	117,564	2.00	117,564
7275	Class/Comp Coordinator	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7276	Class/Comp Manager	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
7265	EEO Investigator	1.00	1.00	1.00	66,972	1.00	67,052	1.00	67,052
7259	Emp & Dev Coordinator	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7260	Emp & Dev Manager	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
7127	Executive Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7252	Human Resources Analyst	0.00	1.00	1.00	49,956	1.00	51,837	1.00	51,837
7253	Human Resources Analyst, Senior	9.00	7.00	7.00	425,085	7.00	434,885	7.00	434,885
7254	Human Resources Coordinator	11.00	11.83	12.93	881,886	12.93	896,704	12.93	896,704
7008	Human Resources Director	1.00	1.00	1.00	134,928	1.00	134,928	1.00	134,928
7258	Human Resources Site Oper Mgr	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
7256	Human Resources Site Team Mgr	3.00	3.00	3.00	274,548	3.00	278,424	3.00	278,424
7280	Labor Relations Coordinator	3.00	2.00	2.00	148,464	2.00	148,464	2.00	148,464
7281	Labor/Employee Relations Manager	1.00	1.00	1.00	92,664	1.00	94,344	1.00	94,344
7154	Program Coordinator	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		55.00	55.83	54.93	\$ 3,557,867	54.93	\$ 3,628,567	54.93	\$ 3,628,567
0102	Office Supp Spec II	0.00	0.00	0.43	11,484	0.85	27,154	0.85	27,154
7253	Human Resources Analyst, Senior	0.00	0.83	1.00	58,776	1.00	57,823	1.00	57,823
7152	Program Specialist, Assistant	0.00	0.00	0.00	0.00	1.00	53,496	1.00	53,496
TOTAL LIMITED TERM POSITIONS		0.00	0.83	1.43	\$ 70,260	2.85	\$ 138,473	2.85	\$ 138,473

Human Resources

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	6,424,708	0	6,424,708	56.78	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	0	0	0	0.00	Switch to overhead funding
	(83,336)	0	(83,336)	0.00	Internal balancing for AU 307
Mayor's Proposed Budget Decisions					
	0	90,000	90,000	0.00	Filenet imaging system
	0	75,612	75,612	1.00	Wellness program coordinator
	20,000	0	20,000	0.00	Diversity conference
	0	125,000	125,000	0.00	Performance review training
	55,000	0	55,000	0.00	Citywide job fair
	120,000	0	120,000	0.00	Summer youth employment
	0	130,000	130,000	0.00	Cultural competency training
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	111,664	420,612	532,276	1.00	Total FY 2006-07 Decision Packages
			\$ 6,956,984	57.78	Total Adopted Budget

Health Administration

OVERVIEW

Health Administration provides leadership and expertise to the Council and the Labor-Management Benefits Committee in developing strategic direction for the City's benefits programs. Health Administration also oversees the City's self-insured medical plans, CityCore, and CityNet.

Overview of Programs

HEALTH INSURANCE

The Health Insurance program is responsible for the management and administration of the City's employee benefits programs and plans. Other responsibilities and activities include:

- ◆ Coordination of the Labor-Management Benefits Committee
- ◆ Administration of Consolidated Omnibus Budget Reconciliation Act and retiree continuation coverage
- ◆ Employee education on benefits issues through new employee orientation sessions, annual enrollment forums, and web site articles
- ◆ Negotiation and management of medical vendor contracts, the flexible spending account administrator, employee assistance program vendor, group life and long-term disability vendor, benefits consultants, and third-party administrator contracts
- ◆ Administration of the health care continuation component of the Family Medical Leave Act
- ◆ Development and implementation of an employee benefits communication strategy
- ◆ Management and administration of the City's employee assistance program
- ◆ Development and coordination of health and wellness strategies and programs

Relationship to Goals

The Health Insurance program supports the Council goal of delivering efficient, effective, and accountable municipal services by providing affordable benefits plans for City employees.

The Health Insurance program strengthens human and financial stewardship by providing affordable benefits plans for City employees. This in turn enhances the City's ability to competitively recruit an expert workforce.

Changes to Service and Activities

The Health Insurance program, with requested labor participation, is developing new initiatives to educate employees about health care costs and wellness. The initiatives are part of a strategy to moderate costs, engage employees in the generation of solutions, and develop shared responsibility for addressing the challenges of affordable benefits provision. For example, wellness and disease management education programs will be undertaken to improve the health of employees with chronic conditions and raise employee awareness of health issues.

PPA HEALTH INSURANCE

Prior to FY 2004-05, all resources and requirements associated with the City's self-insured medical plans were located in the Health Insurance Fund. In July 2004, a new benefits plan exclusively for Portland Police Association (PPA) employees, CityNet, was created as the result of interest arbitration between the City and PPA. The PPA Health Insurance Fund was subsequently created to pay medical claims for PPA City employees, dependents, retirees, and other participants. The Health Insurance Fund continues to account for resources and requirements of the City's non-PPA self-insured medical plans. Benefits administration staff and related materials and services are also budgeted in the Health Insurance Fund. The PPA Health Insurance Fund reimburses the Health Insurance Fund for its share of these costs.

Health Administration

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	462,327	451,628	536,471	623,242	623,242
External Materials and Services	32,726,348	34,552,250	42,073,848	42,713,440	42,811,400
Internal Materials and Services	741,166	780,310	894,464	915,282	893,809
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	33,929,841	35,784,188	43,504,783	44,251,964	44,328,451
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 33,929,841	\$ 35,784,188	\$ 43,504,783	\$ 44,251,964	\$ 44,328,451
Allocated Overhead	229,835	162,971	229,266	258,247	258,247
Total Cost with Allocated Overhead	34,159,676	35,947,159	43,734,049	44,510,211	44,586,698
RESOURCES					
Health Insurance Operating Fund	33,929,841	35,784,188	43,504,783	44,251,964	44,328,451
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Health Insurance	33,929,841	28,626,024	35,200,521	34,501,856	34,579,257
<i>Positions</i>	<i>6.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>
PPA Health Insurance	0	7,158,164	8,304,262	9,750,108	9,749,194
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 33,929,841	\$ 35,784,188	\$ 43,504,783	\$ 44,251,964	\$ 44,328,451
<i>Positions</i>	<i>6.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>

Health Administration

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7251	Human Resources Technician	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7293	Benefits Analyst	2.00	2.00	2.00	113,736	2.00	117,616	2.00	117,616
7295	Benefits Manager	1.00	1.00	1.00	85,140	1.00	88,620	1.00	88,620
7292	Benefits Specialist	2.00	2.00	2.00	108,288	2.00	112,543	2.00	112,543
7294	Benefits Supervisor	1.00	1.00	1.00	70,596	1.00	70,596	1.00	70,596
7131	Management Analyst	0.00	0.00	1.00	67,164	1.00	67,164	1.00	67,164
TOTAL FULL-TIME POSITIONS		6.00	7.00	7.00	\$ 444,924	7.00	\$ 456,539	7.00	\$ 456,539

Health Administration

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	43,346,831	0	43,346,831	7.00	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	901,092	0	901,092	0.00	Back Premium Payments
	(5,940)	0	(5,940)	0.00	Health Benefits Savings
	9,981	0	9,981	0.00	HR IA to Overhead
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	None
Approved Budget Additions and Reductions					
	76,487	0	76,487	0.00	Revised claim projections
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	981,620	0	981,620	0.00	Total FY 2006-07 Decision Packages
			\$ 44,328,451	7.00	Total Adopted Budget

Purchases

OVERVIEW

The Bureau of Purchases provides leadership, policy development, oversight, and management of the City's procurement processes. These activities are undertaken by the bureau's Procurement and Operations/Strategic Support programs.

Overview of Programs

PROCUREMENT

The Procurement program houses four mission-specific sections to assure effective oversight of the City's bidding and contracting processes and compliance with Council directives: Construction and Public Improvements Contracting; Goods and Services Acquisition; Professional, Technical, and Expert (PTE) Services Contracting; and Outside Services.

The three contracting and acquisitions sections administer competitive bidding and contracting processes, and ensure compliance with applicable laws, rules, and regulations. The Outside Services section markets compliance services to other government agencies and provides outreach to increase contracting opportunities for minority-owned, women-owned, and emerging small business (M/W/ESB) firms. The Procurement program also oversees the functions required for implementation of the fair contracting and employment strategy, including project manager training, administration of the Sheltered Market program, technical assistance for M/W/ESB firms, and administration of the Workforce Training and Hiring program for both the City and outside public agency partners.

Relationship to Goals

The programs and functions operating within the Procurement program are all mandated by City Code or Council directive, and all meet specific City goals. Overall, the primary City goal of the Procurement program is to deliver efficient, effective, and accountable municipal services while fostering competition to obtain the best value for the City. Through its administration of the fair contracting and employment strategy guidelines, the program also strongly supports the City's goal to promote economic vitality and opportunity. The Procurement program supports the OMF goal of strengthening our organization's leadership and stewardship of the City's human, technological, financial, and capital resources by ensuring that all procurement processes are fair, efficient, effective, and accountable.

Performance

Tracking the utilization of M/W/ESB firms for goods and services and PTE contracts are new measures. The focus mandated by Council has been on M/W/ESB use in construction contracting. Data in all of the areas tracked shows an incremental uptrend in utilization over the last decade. The percent of formal prime contracts less than \$200,000 awarded to M/W/ESB contractors has increased from 4.0% in FY 2003-04 to 16.9% in FY 2004-05 and 27.0% in FY 2005-06. This can be attributed to the fair contracting and employment strategy efforts to provide opportunities and attract firms, and increased interest Citywide in using M/W/ESB firms. Council has expressed a desire to see increased performance in all areas, most notably in the use of M/W/ESB prime contractors and subcontractors on construction and PTE contracts.

Changes to Services and Activities

Reductions were made by holding costs for external materials and services at the FY 2005-06 appropriation level. The program also reinvested funds for the Port of Portland Mentor Protégé program into more effective internal programs, and will collaborate with other bureaus to produce more effective, less costly outreach advertising. These reductions will result in some loss of bureau efficiency; however, the basic services provided will remain intact.

The Adopted Budget also includes a one-year limited term position to coordinate the strategic sourcing effort through FY 2006-07.

OPERATIONS/STRATEGIC SUPPORT

The Operations/Strategic Support program oversees the bureau's internal business needs, provides frontline customer support, and administers the City's procurement card and travel contracts, the Vendor Equal Employment Opportunity (EEO) certification requirements, and Contractor Prequalification activities. The Operations/Strategic Support program is responsible for maintaining and upgrading the bureau's data collection technology base, which is used to track all activity related to procurement and fair contracting strategy efforts. Additionally, the Operations/Strategic Support program develops policy, provides oversight, and reports on the City's sustainable procurement efforts.

Relationship to Goals

The program meets the City goal of delivering efficient, effective, and accountable municipal services. Technological improvements and utilization, systems monitoring and reporting, and incorporating contract-related product enhancements into Citywide use are all implemented by the Operations/Strategic Support program. In addition, the City's goal of protecting and enhancing the natural and built environment is realized through the development, implementation, and tracking of the City's Sustainable Procurement policies.

This program supports the OMF goal of strengthening our leadership and stewardship of the City's resources by promoting a sustainable City government.

Performance

The performance measure assigned to this program focuses on the utilization of the procurement card.

Changes to Services and Activities

The Operations/Strategic Support program achieved reductions by holding costs of external materials and services at the FY 2005-06 appropriation level and by making additional cuts to the external materials and services budget.

Purchases

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF MANAGEMENT AND FINANCE						
Purchases						
Procurement						
Effectiveness						
Percent of apprenticeship hours worked on City contracts	15.60%	13.33%	12.33%	10.40%	13.30%	13.50%
Percent of formal prime contracts less than \$200,000 awarded to M/W/ESB contractors	4.6%	6.4%	4.0%	16.9%	27.0%	27.0%
Percent of minority/women contractor hours worked on City construction contracts	42.3%	34.3%	21.3%	23.2%	21.9%	22.0%
Workload						
Number of formal and informal PTE contracts processed	174	56	210	431	465	490
Operations/Strategic Support						
Efficiency						
Total procurement card expenditures (in millions)	\$9.06	\$10.70	\$10.60	\$11.40	\$12.20	\$12.50

Purchases

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	1,883,999	2,233,852	2,451,193	2,669,482	2,669,482
External Materials and Services	383,577	1,243,163	689,736	672,813	672,813
Internal Materials and Services	892,396	919,619	776,086	428,033	428,033
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	3,159,972	4,396,634	3,917,015	3,770,328	3,770,328
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 3,159,972	\$ 4,396,634	\$ 3,917,015	\$ 3,770,328	\$ 3,770,328
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	3,159,972	4,396,634	3,917,015	3,770,328	3,770,328
RESOURCES					
Discretionary Revenue	342,138	1,328,798	1,234,538	678,350	678,350
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	124,958	54,158	207,700	207,700	207,700
Interagency Revenues	764,548	229,950	262,812	280,717	280,717
Program Revenue	171,498	124,075	75,000	10,000	10,000
Overhead Recovery	1,756,830	2,659,653	2,136,965	2,593,561	2,593,561
Total Non-Discretionary Revenues	2,817,834	3,067,836	2,682,477	3,091,978	3,091,978
TOTAL GENERAL FUND RESOURCES	\$ 3,159,972	\$ 4,396,634	\$ 3,917,015	\$ 3,770,328	\$ 3,770,328
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Procurement	1,131,350	2,912,125	2,497,376	2,627,684	2,627,684
<i>Positions</i>	<i>16.50</i>	<i>25.75</i>	<i>26.00</i>	<i>26.25</i>	<i>26.25</i>
Operations/Strategic Support	2,028,622	1,484,509	1,419,639	1,142,644	1,142,644
<i>Positions</i>	<i>13.00</i>	<i>5.90</i>	<i>6.00</i>	<i>6.00</i>	<i>6.00</i>
TOTAL PROGRAMS	\$ 3,159,972	\$ 4,396,634	\$ 3,917,015	\$ 3,770,328	\$ 3,770,328
<i>Positions</i>	<i>29.50</i>	<i>31.65</i>	<i>32.00</i>	<i>32.25</i>	<i>32.25</i>

Purchases

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7168	Contractor Dev Supervisor	0.00	1.00	1.00	76,236	1.00	78,007	1.00	78,007
0102	Office Supp Spec II	1.00	1.00	1.00	37,692	1.00	38,568	1.00	38,568
0419	Procurement Assistant	5.00	5.00	4.00	161,136	5.00	203,968	5.00	203,968
0420	Procurement Specialist	2.00	2.00	2.00	87,678	2.00	96,871	2.00	96,871
7170	Purchasing Manager	0.00	1.00	1.00	69,240	1.00	70,848	1.00	70,848
0421	Senior Procurement Specialist	2.00	2.00	2.00	98,760	2.00	114,164	2.00	114,164
7103	Administrative Assistant	1.00	2.00	2.00	105,672	2.00	106,808	2.00	106,808
7102	Administrative Specialist, Sr	1.00	0.90	1.00	52,284	1.00	54,420	1.00	54,420
7165	CDD Program Coordinator	3.00	3.00	3.00	208,870	3.00	216,510	3.00	216,510
1003	Contractor Development Super.	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7163	Contracts Compliance Specialist	4.00	4.00	4.00	248,592	4.00	253,617	4.00	253,617
1004	Deputy Purchasing Agent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7127	Executive Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7166	Procurement Supervisor	3.00	3.00	3.00	208,431	3.00	210,861	3.00	210,861
7154	Program Coordinator	1.00	1.00	1.00	67,188	1.00	69,020	1.00	69,020
7156	Program Manager	1.00	1.00	1.00	72,087	1.00	74,232	1.00	74,232
7153	Program Specialist	0.00	0.00	1.00	55,992	1.00	57,711	1.00	57,711
7152	Program Specialist, Assistant	1.00	1.00	1.00	55,536	1.00	56,296	1.00	56,296
7004	Purchasing Director	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
TOTAL FULL-TIME POSITIONS		29.00	28.90	29.00	\$ 1,714,426	30.00	\$ 1,810,933	30.00	\$ 1,810,933
0421	Senior Procurement Specialist	0.50	1.00	1.00	47,988	0.00	0	0.00	0
TOTAL PART-TIME POSITIONS		0.50	1.00	1.00	\$ 47,988	0.00	\$ 0	0.00	\$ 0
0421	Senior Procurement Specialist	0.00	1.00	1.00	56,157	1.00	62,256	1.00	62,256
7154	Program Coordinator	0.00	0.75	1.00	55,104	1.25	75,552	1.25	75,552
TOTAL LIMITED TERM POSITIONS		0.00	1.75	2.00	\$ 111,261	2.25	\$ 137,808	2.25	\$ 137,808

Purchases

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	3,771,947	0	3,771,947	30.75	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	(43,959)	0	(43,959)	0.00	Internal balancing for AU 307
Mayor's Proposed Budget Decisions					
	(24,412)	0	(24,412)	0.00	Materials & services at FY 2005-06 level
	(12,000)	0	(12,000)	0.00	Reduce advertising & outreach
	(7,000)	0	(7,000)	0.00	Reduce materials & services
	0	85,752	85,752	1.00	Strategic sourcing position
	0	0	0	0.50	Reclassification & increase to full-time
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(87,371)	85,752	(1,619)	1.50	Total FY 2006-07 Decision Packages
			\$ 3,770,328	32.25	Total Adopted Budget

Revenue Bureau

OVERVIEW

The Revenue Bureau was formed by Council in FY 2005-06 with the following goals established:

- ◆ Improve the City's ability to respond to and effectively serve its customers whether in person, over the phone, or via the Internet.
- ◆ Create easier, more centralized access for citizens, businesses, and other jurisdictions to do business with the City.
- ◆ Continue its emphasis on revenue collection.
- ◆ Eventually achieve ongoing savings due to improvements in system delivery and process.

The Revenue Bureau is composed of the following programs: Utilities Customer Services, License and Tax, Operations, and Business Solutions. Through these programs, the bureau strives to provide outstanding service, to efficiently and equitably collect revenues to fund essential City services, and to provide regulatory oversight to promote safety and livability.

As detailed in the supporting documents for the ordinance establishing the Revenue Bureau, FY 2006-07 will be Phase I of the Revenue Bureau implementation. During this phase, the bureau will experience operational efficiencies resulting in savings of approximately \$600,000. In addition, the bureau will experience efficiencies in the Utilities Customer Services program relating to the Cayenta utility billing system implementation, resulting in cost savings of approximately \$241,000.

Overview of Programs

UTILITIES CUSTOMER SERVICES

Description

The Utilities Customer Services program provides revenue collection for the City of Portland. The responsibilities include establishment of new utilities accounts, close out of terminated utilities accounts, bill generation, payment application, remittance processing, response to customer inquiries, and collection of unpaid utilities accounts. The program also provides meter reading and meter inspection services. This work includes regularly scheduled meter reading, delinquent account notification, leak repair notification, shutting off water service for nonpayment, and turning on water after receiving payment. The division collects approximately \$253 million in revenues for the Bureau of Water Works and the Bureau of Environmental Services.

Relationship to Goals

This program supports the Council goal of delivering efficient, effective, and accountable municipal services. The Utilities Customer Services program supports the OMF goal of strengthening our organization's leadership and stewardship of the City's human, technological, financial, and capital resources as well as the goal of strengthening our collaborative business partnerships with customers, users, and stakeholders.

Performance

The performance measures for this program include the number of participants in the low-income bill discount program, total customer services revenue collected for the City, number of calls offered per call center FTE, cost per customer services dollar collected, and number of customer services accounts managed. The number of customer services accounts managed increased by approximately 28,000 accounts between FY 2003-04 and FY 2004-05 due to the program taking over the Powell Valley meters.

Changes to Services and Activities

The program will continue to experience efficiencies resulting in reductions of \$241,000 by eliminating five positions as well as a reduction in materials and services resulting from Revenue Bureau consolidation efficiencies. The program is increasing support to the Bureau of Environmental Services in FY 2006-07 with limited term staff to respond to customer inquiries regarding the Clean River Incentive and Discount Program. The program will also purchase and implement software to reroute meter reading, which will result in efficiencies in future years.

LICENSE & TAX

Description

The License and Tax program provides revenue collection and regulatory oversight for the City of Portland and Multnomah County. The activities of the program include:

- ◆ The Business License Fee/Multnomah County Business Income Tax subprogram identifies licensees, processes and validates tax returns, and collects fees and tax revenue. Business license revenue is one of the largest sources of General Fund revenues for the City, with receipts expected to be approximately \$50 million in FY 2006-07. An additional \$30 million is anticipated to be collected for the county.

- ◆ Multnomah County Income Tax (ITAX) subprogram administers the collection of the three-year personal income tax to raise approximately \$125 million per year to support funding for schools, public safety, health, and senior and youth programs.
- ◆ Regulatory program licenses and permits involves application issuance, compliance, and regulation of various program permits. Regulatory programs include second-hand dealers, pay and park lots, social games, amusement devices, taxicabs and other for-hire ground transportation, towing, personal property impounds, payday lenders, and special event permits. The programs collect approximately \$653,500 in revenues for the City.
- ◆ Transient lodging tax identifies operators within the boundaries of Portland subject to the transient lodgings tax, processing and validating tax returns, collecting taxes, auditing accounts for accuracy, maintaining appropriate records, and assisting operators in complying with tax regulations. Transient Lodgings tax collections are expected to exceed \$11 million in FY 2006-07. This program also provides approximately \$2.3 million in funding for the Portland Oregon Visitors Association to support tourism activity.
- ◆ The business property management subprogram administers the Downtown and Lloyd property management programs to support business improvement districts generating approximately \$4 million in revenue that is dedicated to those districts.

Relationship to Goals

The License and Tax program supports the Citywide goal to deliver efficient, effective, and accountable municipal services by delivering responsive, competitive government services and maintaining a financially healthy City. The program supports the OMF strategic plan goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources as well as the goal of strengthening collaborative business partnerships with customers, users, and stakeholders.

Performance

In FY 2005-06, the License and Tax program continued focused efforts to identify new businesses, enhanced enforcement efforts to collect license revenues due, and improved use of information technology to make staff work more efficiently. The total license and tax revenues collected drop between FY 2005-06 and FY 2006-07 as revenues collected for the county are expected to decrease after the ITAX program completes processing of tax year 2005 and shifts focus to collection on delinquent accounts. This decrease in revenues also affects the cost per license and tax dollar collected, doubling the measure from \$0.04 to \$0.08 from FY 2005-06 to FY 2006-07.

Changes to Services and Activities

The primary services and activities of this program are consistent with what was previously provided by the Bureau of Licenses. The major changes are expected in operational efficiencies and technological improvements. The FY 2006-07 Adopted Budget provides one-time funding to continue identification of businesses in the City that do not have business licenses through the unlicensed compliance team.

In FY 2005-06, the program began regulating payday lending businesses, and the Film and Video program was transferred to the Mayor's office.

OPERATIONS

Description	<p>The Operations program provides business management and administrative support to the bureau including:</p> <ul style="list-style-type: none"> ◆ Audits of a variety of business license fees and taxes paid by businesses and individuals in the City of Portland and Multnomah County ◆ Billing and collection of current and delinquent installment payment lien assessments, collecting approximately \$11 million revenue for the City ◆ Administrative, financial, and human resources support ◆ Mailroom processing, remittance processing, and imaging services
Relationship to Goals	<p>The program supports the Citywide goal to deliver efficient, effective, and accountable municipal services by delivering responsive, competitive government services and maintaining a financially healthy City. The program supports the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources as well as the goal of strengthening collaborative business partnerships with customers, users, and stakeholders.</p>
Performance	<p>The legal collections team will continue focused efforts on collection of delinquent business license accounts and expand efforts to include collection on delinquent utilities accounts.</p> <p>The performance measures for this program include total other revenues collected, cost per operations dollar collected, and number of collections accounts managed. The number of collections accounts managed increases from 7,500 in FY 2005-06 to 19,000 in FY 2006-07 due to the legal collections team taking over collections of approximately 12,000 delinquent utility accounts.</p>
Changes to Services and Activities	<p>The program is a consolidation of administrative, support, and operational functions from the various programs of the bureau. The FY 2006-07 Adopted Budget anticipates efficiencies, including position reductions, resulting from the consolidation of the Revenue Bureau and technological improvements. The program will continue to pursue initiatives to streamline the bureau's business management functions and pursue the possibility of expanding payment processing with other City bureaus.</p> <p>The budget also includes ongoing funding in support of the delinquent collection efforts, and one-time funding for the continuation and expansion of the legal collections effort.</p>

BUSINESS SOLUTIONS

Description	<p>The Business Solutions program will be formed in FY 2006-07 to provide business process and systems support to all other bureau programs in collaboration with the Bureau of Technology Services.</p> <p>One major project is the replacement of the City's automated utility billing system for managing billing, accounting, reporting, and collections for its water, sanitary sewer, and stormwater utilities. In January 2004, a contract for a replacement system was awarded to Cayenta Canada. During FY 2005-06, City and Cayenta staff configured, installed, and</p>
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tested the system to ensure it functioned in accordance with City business requirements. Implementation was completed in April 2006. Select project staff are transferred to the Business Solutions division in FY 2006-07 to provide ongoing support for the project.

Relationship to Goals	This program supports the Citywide goal to deliver efficient, effective, and accountable municipal services by delivering responsive, competitive government services and maintaining a financially healthy City. The program supports the OMF goal of maximizing the cost-effective use of technology in all aspects of OMF's work, as well as strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.
Performance	The performance measure for the program is the number of e-commerce transactions. The number of transactions is expected to dramatically increase as utilization of web based licensing and other new features increases. As the program is formed and projects develop, additional performance measures may be established, including the number of e-commerce projects completed.
Changes to Services and Activities	The program is a consolidation of existing staff from the various programs of the bureau, including staff dedicated to the utility billing system project. The program will be the leader of short-term process improvements and a partner with BTS on the vision for long-term strategic information systems direction for the Revenue Bureau.

Revenue Bureau

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF MANAGEMENT AND FINANCE						
Revenue Bureau						
Utilities Customer Services						
Effectiveness						
Number of participants in the low-income bill discount program	5,600	6,200	6,500	7,325	7,000	10,000
Total customer services revenue collected (in millions)	NA	NA	NA	NA	\$241	\$253
Efficiency						
Number of calls offered per call center FTE	NA	NA	NA	NA	6,167	6,167
Cost per customer services dollar collected	NA	NA	NA	NA	\$0.06	\$0.06
Workload						
Number of customer services accounts managed	162,631	163,896	165,350	193,441	194,000	194,000
License & Tax						
Effectiveness						
Business License Fee/Tax Gap - Difference between business taxes and fees paid and owed (in millions)	NA	NA	\$8.85	\$6.07	\$4.30	\$5.00
Total license & tax revenue collected (in millions)	NA	NA	NA	NA	\$193	\$102
Efficiency						
Cost per license & tax dollar collected	NA	NA	NA	NA	\$0.04	\$0.08
Workload						
Number of license & tax accounts managed	NA	NA	NA	NA	535,000	551,000
Operations						
Effectiveness						
Total other revenues collected (in millions)	NA	NA	NA	NA	\$12	\$11
Efficiency						
Cost per operations dollar collected	NA	NA	NA	NA	NA	\$0.17
Workload						
Number of collections accounts managed	NA	NA	NA	NA	7,500	19,000
Business Solutions						
Efficiency						
Number of e-commerce transactions	NA	NA	NA	NA	1,000	38,000

Revenue Bureau

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	0	2,280,190	6,967,759	14,356,566	14,356,566
External Materials and Services	0	345,813	1,782,203	2,887,651	3,115,651
Internal Materials and Services	0	1,188,296	5,413,980	8,327,225	8,327,225
Minor Capital Outlay	0	0	225,000	350,000	350,000
Total Operating Budget	0	3,814,299	14,388,942	25,921,442	26,149,442
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 0	\$ 3,814,299	\$ 14,388,942	\$ 25,921,442	\$ 26,149,442
Allocated Overhead	0	0	0	573,046	573,046
Total Cost with Allocated Overhead	0	3,814,299	14,388,942	26,494,488	26,722,488
RESOURCES					
Discretionary Revenue	0	3,857	1,236,500	2,574,150	2,574,150
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	4,214,767	4,214,767
Interagency Revenues	0	3,810,442	13,152,442	18,468,857	18,696,857
Program Revenue	0	0	0	663,668	663,668
Total Non-Discretionary Revenues	0	3,810,442	13,152,442	23,347,292	23,575,292
TOTAL GENERAL FUND RESOURCES	\$ 0	\$ 3,814,299	\$ 14,388,942	\$ 25,921,442	\$ 26,149,442
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Utilities Customer Services	0	3,814,299	14,388,942	14,591,875	14,714,268
<i>Positions</i>	<i>0.00</i>	<i>115.40</i>	<i>112.50</i>	<i>103.50</i>	<i>103.50</i>
License & Tax	0	0	0	6,018,613	6,018,613
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>59.00</i>	<i>59.00</i>
Operations	0	0	0	4,276,108	4,276,108
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>7.00</i>	<i>38.00</i>	<i>38.00</i>
Business Solutions	0	0	0	1,034,846	1,140,453
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>9.00</i>	<i>9.00</i>
TOTAL PROGRAMS	\$ 0	\$ 3,814,299	\$ 14,388,942	\$ 25,921,442	\$ 26,149,442
<i>Positions</i>	<i>0.00</i>	<i>115.40</i>	<i>119.50</i>	<i>209.50</i>	<i>209.50</i>

Revenue Bureau

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06	FY 2005-06	FY 2006-07	FY 2006-07	FY 2006-07	FY 2006-07
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	0.00	0.00	1.00	45,540	1.00	46,596	1.00	46,596
0516	Accountant III	0.00	0.00	1.00	57,360	1.00	58,680	1.00	58,680
0131	Customer Accts Spec I	0.00	56.00	56.00	2,139,872	50.00	2,048,766	50.00	2,048,766
0132	Customer Accts Spec II	0.00	12.00	10.00	428,446	10.00	447,225	10.00	447,225
0100	Office Supp Spec I	0.00	4.00	5.00	156,358	4.00	136,907	4.00	136,907
0102	Office Supp Spec II	0.00	3.00	3.00	93,522	3.00	103,264	3.00	103,264
0335	Print & Dist Tech Lead	0.00	0.00	0.00	0.00	1.00	25,896	1.00	25,896
6206	Senior Revenue Auditor	0.00	0.00	0.00	0.00	3.00	202,788	3.00	202,788
7360	Accounting Supervisor	0.00	0.00	0.00	0.00	0.00	0	0.00	0
7103	Administrative Assistant	0.00	1.00	1.00	44,311	2.00	98,081	2.00	98,081
7102	Administrative Specialist, Sr	0.00	0.00	0.00	0.00	1.00	48,354	1.00	48,354
2532	Applications Analyst II	0.00	1.00	1.00	66,768	1.00	67,032	1.00	67,032
7399	Assessments & Liens Supervisor	0.00	0.00	1.00	70,860	1.00	70,860	1.00	70,860
7121	Business Systems Analyst	0.00	0.00	0.00	0.00	4.00	247,177	4.00	247,177
7120	Business Systems Analyst, Asst	0.00	2.00	2.00	77,304	2.00	79,080	2.00	79,080
7116	Customer Service Supervisor	0.00	4.00	4.00	268,332	4.00	272,872	4.00	272,872
7117	Customer Services Manager	0.00	1.00	1.00	76,152	1.00	78,752	1.00	78,752
7377	Financial Analyst, Senior	0.00	0.00	0.00	0.00	2.00	143,228	2.00	143,228
7506	Information Systems Analyst IV	0.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
7028	License Bureau Director	0.00	0.00	0.00	0.00	0.00	(27,204)	0.00	(27,204)
7415	Licensing Division Manager	0.00	0.00	0.00	0.00	1.00	87,780	1.00	87,780
7410	Licensing Operations Supervisor	0.00	0.00	0.00	0.00	1.00	70,596	1.00	70,596
1200	Maintenance Worker	0.00	0.00	1.00	20,922	1.00	24,624	1.00	24,624
7131	Management Analyst	0.00	0.00	0.00	0.00	1.00	63,100	1.00	63,100
7132	Management Analyst, Senior	0.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7130	Management Assistant	0.00	0.00	2.00	105,792	2.00	110,124	2.00	110,124
7114	Operations Manager	0.00	0.00	0.00	0.00	1.00	94,344	1.00	94,344
7154	Program Coordinator	0.00	1.00	1.00	70,596	3.00	210,303	3.00	210,303
7156	Program Manager	0.00	1.00	1.00	74,232	1.50	111,354	1.50	111,354
7158	Program Manager, Senior	0.00	0.00	0.00	0.00	1.00	82,080	1.00	82,080
2222	Regulatory Program Administrator	0.00	0.00	0.00	0.00	3.00	190,419	3.00	190,419
2221	Regulatory Program Specialist	0.00	0.00	0.00	0.00	2.00	93,012	2.00	93,012
6180	Remittance Technician	0.00	2.00	2.00	74,860	2.00	80,888	2.00	80,888
2232	Revenue & Tax Specialist III	0.00	0.00	0.00	0.00	5.00	232,048	5.00	232,048
2230	Revenue & Taxation Specialist I	0.00	0.00	0.00	0.00	3.00	102,564	3.00	102,564
2233	Revenue & Taxation Specialist IV	0.00	0.00	0.00	0.00	8.00	401,358	8.00	401,358
2235	Revenue & Taxation Specialist V	0.00	0.00	0.00	0.00	6.00	312,477	6.00	312,477
7405	Revenue Audit Supervisor	0.00	0.00	0.00	0.00	1.00	78,168	1.00	78,168
7014	Revenue Bureau Director	0.00	0.00	1.00	114,480	1.00	117,217	1.00	117,217
7271	Training and Development Officer	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1700	Water Meter Reader I	0.00	13.00	12.00	459,072	12.00	469,440	12.00	469,440
1701	Water Meter Reader II	0.00	2.00	1.00	43,284	1.00	44,280	1.00	44,280
1705	Water Service Inspector	0.00	7.00	8.00	340,855	8.00	352,994	8.00	352,994
1706	Water Service Inspector II	0.00	1.00	1.00	45,816	1.00	47,820	1.00	47,820
TOTAL FULL-TIME POSITIONS		0.00	114.00	118.00	\$ 5,027,134	158.50	\$ 7,677,744	158.50	\$ 7,677,744
0131	Customer Accts Spec I	0.00	1.40	1.50	59,232	1.50	62,280	1.50	62,280
TOTAL PART-TIME POSITIONS		0.00	1.40	1.50	\$ 59,232	1.50	\$ 62,280	1.50	\$ 62,280
0131	Customer Accts Spec I	0.00	0.00	0.00	0.00	8.00	322,464	8.00	322,464
6205	Revenue Auditor	0.00	0.00	0.00	0.00	3.00	159,501	3.00	159,501
7102	Administrative Specialist, Sr	0.00	0.00	0.00	0.00	1.00	38,058	1.00	38,058
7106	Administrative Supervisor I	0.00	0.00	0.00	0.00	1.00	56,756	1.00	56,756
7154	Program Coordinator	0.00	0.00	0.00	0.00	1.00	70,596	1.00	70,596
2232	Revenue & Tax Specialist III	0.00	0.00	0.00	0.00	12.00	517,980	12.00	517,980
2230	Revenue & Taxation Specialist I	0.00	0.00	0.00	0.00	4.00	145,357	4.00	145,357
2231	Revenue & Taxation Specialist II	0.00	0.00	0.00	0.00	15.00	605,616	15.00	605,616
2233	Revenue & Taxation Specialist IV	0.00	0.00	0.00	0.00	2.00	90,188	2.00	90,188
2235	Revenue & Taxation Specialist V	0.00	0.00	0.00	0.00	1.00	50,265	1.00	50,265
1700	Water Meter Reader I	0.00	0.00	0.00	0.00	1.50	58,680	1.50	58,680
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.00	\$ 0	49.50	\$ 2,115,461	49.50	\$ 2,115,461

Revenue Bureau

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	22,983,327	0	22,983,327	202.50	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	(135,164)	0	(135,164)	0.00	Revised health benefit & COLA savings
	(201,877)	0	(201,877)	0.00	Switch Human Resources to overhead
	3,366	0	3,366	0.00	Employee transit increase
	155,760	0	155,760	2.00	Increase IA with BES for position transfer
	561,082	0	561,082	0.00	POBS and OVHD pass throughs
Mayor's Proposed Budget Decisions					
	(600,365)	0	(600,365)	(6.00)	Efficiencies gained from consolidation
	(241,572)	0	(241,572)	(5.00)	Customer Services efficiencies
	145,368	0	145,368	2.00	Delinquent business license collections
	0	403,171	403,171	1.00	Legal collections for business licenses
	0	133,524	133,524	2.00	Collections for unlicensed businesses
	0	300,000	300,000	0.00	Production printer for Customer Svcs
	0	15,000	15,000	0.00	Training
	0	50,000	50,000	0.00	Maintenance for Filenet imaging system
	0	219,794	219,794	2.00	Reroute meters - Customer Svcs
	0	526,528	526,528	8.00	Clean River Discount program
	103,500	0	103,500	1.00	Payday loan regulation
	0	1,500,000	1,500,000	0.00	Move to Columbia Square Bldg
Approved Budget Additions and Reductions					
	0	228,000	228,000	0.00	Additional moving expenses
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(209,902)	3,376,017	3,166,115	7.00	Total FY 2006-07 Decision Packages
			\$ 26,149,442	209.50	Total Adopted Budget

CityFleet

OVERVIEW

CityFleet procures, maintains, and repairs most City vehicles and equipment. The division operates seven maintenance facilities to optimize efficiency and provide excellent customer service for a diverse fleet ranging from patrol cars to construction equipment. Additionally, CityFleet operates both a fully equipped auto body shop and fabrication facility that provides body work, welding, machining, project design, and metal fabrication service to City customers. CityFleet is also responsible for maintaining emergency generators, renting equipment, and disposing of vehicles at the end of economic life cycles.

A short-term vehicle pool is located at SW 1st Avenue & SW Jefferson to meet the needs of customers located in the downtown area. The City currently has a pilot program with Flexcar to provide short-term vehicles.

Over the last ten years, the City fleet has grown by over 650 units to a total size of about 2,600 vehicles and equipment, based on bureau needs. Sport utility vehicles comprise less than 5% of the total fleet. Continuous improvement and enhanced operational efficiencies have enabled staff to keep pace with both the number and sophistication of today's modern vehicles and equipment. A properly maintained fleet is imperative for bureaus to deliver essential City services that the citizens expect and deserve.

Overview of Programs

LEASE EQUIPMENT

Description	The Lease/Rental Equipment program minimizes costs by renting equipment where peak demands, seasonality, or specialization make it more cost-effective than ownership.
Relationship to Goals	This program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program also supports the OMF goal of strengthening the organization's leadership and stewardship of the City's resources.
Performance	The program's objective is to procure private rental equipment to augment City resources during peak demands. Program performance will be primarily measured through customer service evaluation surveys. CityFleet will also monitor equipment utilization, and continuously compare the cost of ownership with the cost of rental equipment. If the rental cost is anticipated to exceed the cost of a new unit, CityFleet will contact the user and recommend an outright purchase.
Changes to Services and Activities	Accurate meter readings and reporting capabilities will enhance the ability to maximize equipment utilization and reduce costs.

BODY AND PAINT

Description	The Body and Paint program assists the Maintenance and Repair program in the preparation of new vehicles, and restoration of damaged City vehicles and equipment.
Relationship to Goals	This program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program also supports the OMF goal to strengthen the organization's leadership and stewardship of the City's resources.
Performance	Performance is measured by tracking labor productivity time standards, fleet availability, and customer satisfaction. The objective is for the body and paint repair cost to be continuously below local market rates.
Changes to Services and Activities	No significant changes for FY 2006-07.

VEHICLE POOL

Description	The Vehicle Pool maintains unassigned vehicles for occasional and short-term use by City bureaus.
Relationship to Goals	The Vehicle Pool program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program also supports OMF in its goal to strengthen the organization's leadership and stewardship of the City's resources.

Performance The program objective is to rent vehicles on a short-term basis to augment bureau resources during peak demands. Program performance will be measured through customer service evaluation surveys, vehicle utilization, cost to bureau as compared to the cost of vehicle ownership, and overall cost to the City.

Changes to Services and Activities CityFleet is currently monitoring the pilot pool vehicle (Flexcar) program.

MAINTENANCE & REPAIR

Description The Maintenance and Repair program is responsible for preventative maintenance and repairs of City vehicles and equipment, and fabrication.

Relationship to Goals This program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program also supports the OMF goal to strengthen the organization's leadership and stewardship of the City's resources.

Performance Performance is measured by tracking fleet availability, scheduled versus unscheduled repairs, preventative maintenance compliance, and customer satisfaction.

Changes to Services and Activities Enhanced computer data collection and reporting capabilities will enable performance measure tracking.

NEW & REPLACEMENT EQUIPMENT

Description The mission of the Fleet Replacement program is to replace vehicles before maintenance costs enter the penalty phase of the vehicle's economic life cycle. The penalty phase is that point where the maintenance cost associated with the continued use of a vehicle exceeds the average cost of other vehicles in the same class. Classes are grouped using established industry and historical information for specific vehicle groupings. Timely vehicle replacement is imperative to operating a cost-effective fleet program.

Relationship to Goals This program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program also supports the OMF goal to strengthen the organization's leadership and stewardship of the City's resources. A program goal is to promote multi-modal transportation choices with the use of hybrid vehicles.

Performance The program's performance measures track the number of new vehicles purchased compared to the total number projected for the year, the percent of fleet purchase work completed by December 31st, the percent of acquisition projects under budget, and the percent of customers rating services as always or usually very good.

Changes to Services and Activities No significant changes for FY 2006-07

PARTS & FUEL MANAGEMENT

Description	The Parts & Fuel Management program supports the division's maintenance and repair activities and provides fuel for vehicles and equipment for the City and other public agencies. The goal is to provide parts at the lowest cost possible, eliminate obsolete parts, ensure that parts are available when needed, and promote energy alternatives such as biodiesel.
Relationship to Goals	The Parts & Fuel Management program supports the City in its goal to deliver efficient, effective, and accountable municipal services. This program also supports the OMF goal to strengthen the organization's leadership and stewardship of the City's resources.
Performance	The parts management performance measures include parts cost compared to the private sector, inventory turns, and the parts fill rate. The fuel management performance measures include the cost of fuel provided to City customers, compliance with regulatory requirements, and the percentage of diesel-powered vehicles using biodiesel. Due to the volatility of the global petroleum market, fuel vendors have had to inflate their costs to absorb radical market changes. To stabilize pricing, CityFleet is implementing a requirements contract for all fuel types. This process will base fuel cost upon the Oil Price Information Service (OPIS) rack price, reduce vendor risk, and enable daily fuel cost comparisons.
Changes to Services and Activities	In FY 2006-07, the division will install a new fuel management system that will integrate seamlessly with FleetFocus, the City's fleet management software program. The new fuel management system will enhance the ability to analyze vehicle preventative maintenance, acquisition, cost, utilization, and other fleet-related activities. When fully implemented with the computer chip on the vehicle, the system is capable of authorizing fuel transactions without keys, cards, or PINs. This feature will reduce the time currently required at the fueling station, improving both operator efficiency and productivity. The system can also provide repair technicians with vehicle onboard computer system data, improving diagnostic capabilities.

STRATEGIC SUPPORT

Description	Strategic Support provides overall management and administrative support and oversight for the programs within the CityFleet division. The program goal is to promote customer service through collaboration and involvement with the bureaus. This program includes an interagency agreement with OMF Business Operations to provide support and financial services. CityFleet will also work with bureaus on shortening the acquisition process, greater use of biodiesel, and the use of smaller and more fuel efficient vehicles.
Relationship to Goals	This program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program also supports OMF in its goal to strengthen the organization's leadership and stewardship of the City's resources.

Performance

This program contains performance measures used to monitor a safe working environment, to monitor employee training, and to maintain the financial security of the CityFleet Fund, including: percentage of quarterly safety inspections completed; percentage of required training hours completed; and percentage of billing data submitted to finance within 48 hours of accounting period end.

Changes to Services and Activities

No significant changes for FY 2006-07.

CityFleet

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF MANAGEMENT AND FINANCE						
CityFleet						
Lease Equipment						
Effectiveness						
Percentage of total fleet vehicles that are leased	NA	NA	NA	3%	4%	4%
Body and Paint						
Effectiveness						
Percentage of opened work orders completed	NA	NA	100%	100%	100%	100%
Vehicle Pool						
Efficiency						
Percentage of usage against availability	NA	NA	21%	35%	90%	90%
Maintenance & Repair						
Effectiveness						
Percentage availability of all vehicles	97%	95%	94%	95%	90%	90%
Percentage of scheduled preventative maintenance completed	NA	NA	NA	75%	85%	85%
Percentage of used oil recycled	NA	NA	100%	100%	100%	100%
New & Replacement Equipment						
Effectiveness						
Percentage of replacement vehicles purchased on schedule	NA	NA	30%	65%	65%	65%
Percentage of new vehicles issued within two months of delivery	NA	NA	20%	51%	100%	100%
Parts & Fuel Management						
Effectiveness						
Percentage of diesel-powered vehicles using B20 bio-diesel	NA	NA	NA	97%	97%	97%
Strategic Support						
Effectiveness						
Percentage of quarterly safety inspections completed	NA	NA	100%	100%	100%	100%
Percentage of required training hours completed	NA	NA	96%	96%	97%	97%
Percentage of billing data submitted within 48 hours of AP end	NA	NA	NA	100%	100%	100%

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	5,133,807	5,119,836	5,399,386	5,764,075	5,764,075
External Materials and Services	6,149,636	8,266,606	8,420,859	8,956,761	9,142,561
Internal Materials and Services	1,433,449	1,353,207	1,417,994	1,264,786	1,264,786
Minor Capital Outlay	3,151,056	8,017,088	6,894,434	4,831,628	4,831,628
Total Operating Budget	15,867,948	22,756,737	22,132,673	20,817,250	21,003,050
Capital Improvements	226	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 15,868,174	\$ 22,756,737	\$ 22,132,673	\$ 20,817,250	\$ 21,003,050
Allocated Overhead	877,260	609,771	787,192	764,457	764,457
Total Cost with Allocated Overhead	16,745,434	23,366,508	22,919,865	21,581,707	21,767,507
RESOURCES					
CityFleet Operating Fund	15,868,174	22,756,737	22,132,673	20,817,250	21,003,050
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Operations	4,100	0	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Lease Equipment	758,269	1,010,990	944,536	1,276,031	1,454,831
<i>Positions</i>	<i>0.70</i>	<i>0.00</i>	<i>0.00</i>	<i>1.05</i>	<i>1.05</i>
Body and Paint	700,128	699,562	808,280	866,379	866,379
<i>Positions</i>	<i>6.10</i>	<i>7.00</i>	<i>6.00</i>	<i>6.00</i>	<i>6.00</i>
Vehicle Pool	95,228	67,892	99,254	39,919	39,919
<i>Positions</i>	<i>0.52</i>	<i>0.00</i>	<i>0.00</i>	<i>0.30</i>	<i>0.30</i>
Maintenance & Repair	7,325,626	7,590,091	8,258,073	7,783,684	7,783,684
<i>Positions</i>	<i>60.65</i>	<i>58.00</i>	<i>56.00</i>	<i>55.25</i>	<i>55.25</i>
New & Replacement Equipment	3,519,324	8,478,715	7,378,216	5,260,029	5,260,029
<i>Positions</i>	<i>4.23</i>	<i>0.00</i>	<i>0.00</i>	<i>4.10</i>	<i>4.10</i>
Parts & Fuel Management	2,705,001	3,718,865	3,712,559	4,711,100	4,718,100
<i>Positions</i>	<i>5.40</i>	<i>5.00</i>	<i>3.00</i>	<i>5.80</i>	<i>5.80</i>
Strategic Support	760,498	1,190,622	931,755	880,108	880,108
<i>Positions</i>	<i>5.40</i>	<i>12.00</i>	<i>11.00</i>	<i>3.50</i>	<i>3.50</i>
TOTAL PROGRAMS	\$ 15,868,174	\$ 22,756,737	\$ 22,132,673	\$ 20,817,250	\$ 21,003,050
<i>Positions</i>	<i>83.00</i>	<i>82.00</i>	<i>76.00</i>	<i>76.00</i>	<i>76.00</i>

CityFleet

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0100	Office Supp Spec I	1.00	1.00	1.00	34,140	1.00	34,920	1.00	34,920
0102	Office Supp Spec II	1.00	1.00	1.00	37,692	1.00	38,568	1.00	38,568
0407	Storekpr/Acq Spec II-AutoParts	5.00	5.00	4.00	165,262	4.00	175,520	4.00	175,520
7103	Administrative Assistant	1.00	1.00	1.00	57,204	1.00	59,544	1.00	59,544
1516	Auto Body Restorer	5.00	5.00	5.00	238,140	5.00	243,696	5.00	243,696
7121	Business Systems Analyst	0.00	1.00	1.00	63,624	1.00	64,714	1.00	64,714
1520	Industrial Machinist	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2522	Information Systems Tech I	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1200	Maintenance Worker	1.00	1.00	1.00	20,292	1.00	20,760	1.00	20,760
1530	Motorcycle Mechanic	1.00	1.00	1.00	48,396	1.00	49,524	1.00	49,524
7161	Stores System Supervisor II	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1533	Vehicle & Equip Mechanic Lead	2.00	2.00	2.00	101,592	2.00	103,968	2.00	103,968
1532	Vehicle & Equipment Mechanic	47.00	47.00	47.00	2,254,452	47.00	2,319,780	47.00	2,319,780
7703	Vehicle Acquisition Analyst	2.00	2.00	2.00	139,152	2.00	140,316	2.00	140,316
7708	Vehicle Maint Supervisor II	1.00	1.00	1.00	57,384	1.00	59,736	1.00	59,736
7709	Vehicle Maintenance Superintende	1.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
7707	Vehicle Maintenance Supervisor I	5.00	4.00	4.00	255,936	4.00	255,936	4.00	255,936
7702	Vehicle Program Specialist	1.00	1.00	1.00	60,924	1.00	60,924	1.00	60,924
7710	Vehicle Services Manager	1.00	1.00	1.00	101,400	1.00	101,400	1.00	101,400
7706	Vehicle Srvcs Ops Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1510	Welder	3.00	3.00	2.00	95,832	2.00	98,064	2.00	98,064
1511	Welder, Lead	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		83.00	82.00	76.00	\$ 3,813,730	76.00	\$ 3,909,678	76.00	\$ 3,909,678

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	20,738,274	0	20,738,274	76.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(67,056)	0	0	0.00	Cut in Health Benefits Cost
	(47,182)	0	0	0.00	OMF Bus Ops Shift HR Services to GF Overhead
Mayor's Proposed Budget Decisions					
	(124,200)	0	(124,200)	0.00	Biodiesel Price Reduction
	0	98,000	0	0.00	Fuel Mgmt System - Phase I
	0	93,164	0	0.00	Fuel Mgmt System - Phase II
	9,141	0	9,141	0.00	Lease Vehicle for Environmental Services
	95,000	0	95,000	0.00	Leased Vehicles for Water
	0	23,000	0	0.00	New Vehicle - Office of Transportation
	(891)	0	(891)	0.00	Other OMF Decision Packages
Approved Budget Additions and Reductions					
	185,800	0	185,800	0.00	I/A increase with Water - Rental Vehicles
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	50,612	214,164	264,776	0.00	Total FY 2006-07 Decision Packages
			\$ 21,003,050	76.00	Total Adopted Budget

Facilities Services

OVERVIEW

Facilities Services operates and maintains City facilities managed by OMF. Facilities Services also manages capital improvement projects, provides property management services, and manages the City's spectator facilities and parking garages. The exceptions are buildings owned and operated by the Bureaus of Parks & Recreation and Fire, and some facilities of the Bureau of Environmental Services, Office of Transportation (PDOT), and the Water Bureau.

The Facilities Services Fund was created to account for all facilities-related programs and capital projects managed by OMF. The fund's operating and capital reserves are below the goals set in the OMF Financial Policy for fund reserves. The goals for the Facilities Services Fund are \$1.2 million for the operating reserve and \$775,000 for the capital reserve. The operating reserve at the end of FY 2004-05 was slightly over \$1.0 million. The fund at this time has not built up a capital reserve. The Facilities Services Fund's five-year financial plan projects the reserve will grow conservatively due to an expected savings in the General Fund overhead paid by the Facilities Services Fund.

Facilities Services receives revenue from various sources. These consist primarily of reimbursements for office and building space rental, building operations and maintenance, interior space remodels and reconfigurations, security services, janitorial services, property management, and capital project management. Other revenue sources are intergovernmental agreements and rents from commercial leases in City-owned buildings. Cash transfers from other funds also cover the cost of some budgeted capital improvement projects. Debt sales have been used in the past as a resource for capital projects, with the resulting principal and interest obligations being incorporated into rental rates. In addition, Facilities Services provides project management services to the Fire General Obligation (GO) Bond program.

Facilities Services uses interagency charges to recover costs in two ways: rental rates charged to the occupants of the Portland Building, City Hall, various Police facilities, the Records Center, the Portland Communications Center, the 1900 Building, and two CityFleet facilities; and service agreements with bureaus for the provision of a variety of discretionary facility-related services not covered in rental rates.

Changes to Services and Activities

Starting in FY 2005-06, Bureau Innovation Project (BIP) #12, Review of Maintenance Functions, began studying the possibility of developing a centralized structure for maintenance, including facilities maintenance. This initiative will continue into FY 2006-07 with a focus on cooperative efforts to develop innovative ways of doing business.

Overview of Programs

PROPERTY MANAGEMENT

Description	The Property Management program is responsible for the City's real properties. Property Management evaluates real property transactions and negotiates the acquisition and disposal of real property. This program manages leases and tenant matters for City-owned commercial property. Property Management also conducts research, negotiation, and lease development for bureaus seeking space in privately owned properties. In addition, this program evaluates and disposes of unassigned or surplus property and also provides advice and technical assistance to other bureaus on real property-related issues.
Relationship to Goals	The Property Management program primarily supports the City goal of delivering efficient, effective, and accountable municipal services. This program supports the OMF goal of strengthening stewardship of the City's resources.
Performance	Property Management manages 491,446 square feet owned by the City and leased to others, with an annual rent of \$2.3 million. This program also manages 219,555 square feet of privately-owned property leased by the City for City use. This averages 358,500 square feet managed per employee of this section. This section also oversees a Citywide property inventory of over 3,000 parcels of land. In addition, the Property Management section created 18 new leases and amended 26 other leases. Property managers also administer occupancy agreements for bureaus in City-owned buildings.
Changes to Services and Activities	With the recent Council decision to locate all City services in City-owned buildings and the creation of a new Revenue Bureau, Property Management will be working with many bureaus to relocate or modify current space. This will include development of new occupancy agreements for those moving into City buildings and the amendment of agreements for those relocating or reconfiguring within City buildings.

PROJECT MANAGEMENT

Description	The Project Management program provides project management services for major maintenance projects, Fire General Obligation Bond renovation and construction projects, parking garage major maintenance projects, and other tenant improvement projects requested by bureaus. Project management includes development of project cost estimates, consultant selection and management, construction planning and management services, space planning, master planning, and management of the public bidding process. Moves are also coordinated through this program. As part of the annual Capital Improvement Plan budget process, this program develops the capital project work scopes, schedules, and project budget estimates. In addition, project managers are responsible for recordkeeping for construction and related contract documents.
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Relationship to Goals	The Project Management program primarily supports the City goal of delivering efficient, effective, and accountable municipal services. This program also supports the OMF goal of strengthening stewardship of the City's resources.
Performance	<p>Over the last two fiscal years, the Project Management program completed 72 projects with a total value of over \$11 million. These projects included capital improvement projects for City-owned facilities, major tenant improvements, space planning, and bureau-specific projects of various sizes as requested. This program also provided instruction assistance for certain project management classes and participated on the Green Building Advisory Team and other Citywide work groups.</p> <p>Similar to the Property Management program, it is expected that Project Management will be working with bureaus on detailed space planning, tenant improvements and moves resulting from the overall space plan completed for the 1900 Building and Portland Building. Additionally, several other large projects will commence in FY 2006-07. These include the relocation of the Police Bureau property evidence warehouse a facility at the Guild's Lake Industrial Complex, and projects related to the renovation and expansion of the Water Bureau Interstate Boulevard facility.</p>
Changes to Services and Activities	The FY 2006-07 Adopted Budget includes funding for maintenance projects at the Records Center, which will address several critical maintenance needs for the building. In addition, the number of project managers has been reduced by 1 FTE in the program. This will be the second project manager position eliminated in the last two years. The position reductions are possible due to a gradual decrease in projects for the Fire GO Bond program. All remaining projects are expected to be completed by the end of FY 2008-09.

FACILITIES MAINTENANCE

Description	<p>The Facilities Maintenance program provides a variety of services, the most visible of which is the 24/7 building operation and maintenance/repair program. This program also provides:</p> <ul style="list-style-type: none"> ◆ Preventative maintenance of building systems, including HVAC, electrical, and plumbing in the various City-owned facilities ◆ Annual building inspections to protect the City's infrastructure ◆ Development and implementation of security policies and procedures ◆ Management of the buildings' fire/life/safety systems ◆ Management of the operations and maintenance dispatch center, and the facility center work order system ◆ Monitoring of the custodial contracts, the elevator programs, recycling and waste management services, and landscape services for the various facilities ◆ The provision of services on a time and materials basis to other bureaus. <p>Facilities Maintenance also manages major maintenance projects and some tenant improvement projects requested by other bureaus.</p> <p>A project to significantly change the building security systems is being managed under this program. A green operations and maintenance manual is used as a guide for this program's sustainable maintenance practices and products.</p>
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Relationship to Goals	The Facilities Maintenance program primarily supports the City goal of delivering efficient, effective, and accountable municipal services and the City goal of preserving public infrastructure. This program supports the OMF goal of strengthening leadership and stewardship of the City's capital resources.
Performance	Facilities Maintenance completed over 2,800 scheduled and requested work orders during FY 2005-06. The square foot per maintenance FTE was once again 275,000. The buildings in the Facilities portfolio are in good or better condition according to the facility condition index (based on annual inspections).
Changes to Services and Activities	<p>The FY 2006-07 Adopted Budget includes a reduction in operational spending at the 1900 Building and the reinvestment of those monies into the building's major maintenance reserve. The amount to be reinvested is approximately \$30,000. This additional funding for the major maintenance reserve will provide funds for future projects and help to bring the reserve closer to the goal of collecting 3% of building value per year.</p> <p>Facilities Maintenance will implement hand-held work order devices to help improve customer service, work order tracking, and data gathering and analysis. This technological improvement is possible because of last year's upgrade to the facilities center work order software.</p> <p>This program will also research and test new lighting systems for the Portland Building with the intent of reducing energy consumption while improving the work space lighting. A cost-benefit analysis will be completed and, as appropriate, presented to the City Council in a future capital budget.</p>

STRATEGIC SUPPORT

Description	<p>Strategic Support provides overall management and support to Facilities Services. This program has responsibility for the Facilities Services Fund and the Spectator Facilities Fund, which includes:</p> <ul style="list-style-type: none"> ◆ Budget and rate development ◆ Capital project planning ◆ Oversight of major maintenance programs ◆ Organizational development <p>In addition, Strategic Support provides contract processing and procurement services for the other programs in Facilities Services. This program's budget includes interagency service agreements with OMF Business Operations as providers of some administrative and financial services, including financial analysis, budgeting, billing, and HR services.</p>
Relationship to Goals	The Strategic Support program primarily supports the City goal of delivering efficient, effective, and accountable municipal services. This program also supports the Office of Management and Finance's goal of strengthening the organization's leadership and stewardship of the City's resources.

Performance	The Strategic Support program processed 55 new contracts over the past year, 27% of which were awarded to Minority/Women/Emerging Small Business firms. In addition, the program administered a total of 131 active contracts and processed 27 purchase orders. The program provided oversight and management support for the Facilities Division as well as providing support to OMF and other bureaus on facilities issues. This program also managed a Focused Review of the Facilities Services Division and participated in BIP #18, Sustainable City Government.
Changes to Services and Activities	The FY 2006-07 Adopted Budget reduces an Office Specialist III position to 0.5 FTE. This will impact the contracts processing function of the program. High-priority work will be completed but not in as timely a manner than with a full-time position. Some low-priority and backlogged work may not get done.

SPECTATOR FACILITIES

Description	<p>Spectator Facilities oversees the operation of key City-owned spectator properties including PGE Park, Memorial Coliseum, Rose Quarter parking structures, as well as the City's business interests in other Rose Quarter facilities including the Rose Garden. These facilities are operated by private companies under long-term agreements with the City.</p> <p>The scope of responsibilities for this program includes operations and maintenance planning for the facilities, planning and implementing capital improvements, fund financial planning and budgeting, contract management and revenue collection, special projects, and liaison activities between the City and other governmental agencies and citizen groups.</p> <p>Support services are provided through an interagency agreement with the Facilities Services division.</p>
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PGE Park

The Civic Stadium (now PGE Park) redevelopment project was a public/private effort to renovate Civic Stadium and create a marketable, self-sustaining facility compatible with its surrounding neighborhood. The stadium, built in 1926, was in need of substantial repairs to correct seismic and other structural deficiencies and to address basic facility needs. The City issued \$35 million in bonds to pay for most of the construction work. The private partner paid the remaining portion of the renovation costs and purchased a minor league baseball and soccer team.

PGE Park is the home of the Triple-A Baseball Portland Beavers and United Soccer Leagues' Portland Timbers. PGE Park is also used for Portland State University football, high school football, summer concerts, and other community activities. In addition to the numerous football, baseball, and soccer events taking place at PGE Park, the field is routinely used for local youth soccer and baseball camps and practice.

Rose Quarter

The Oregon Arena Corporation (OAC) was created by the Trail Blazers, Incorporated to develop and operate the Oregon Arena Project. In 1992, the City of Portland and the OAC entered into the development agreement and leases for the planning, development, and management of the project, now known as the Rose Quarter. The agreements concluded a process that brought to Portland an innovative public/private development and the largest public/private arrangement ever formed in Oregon.

The Rose Quarter includes:

- ◆ The Rose Garden, a multi-million-dollar, 20,000 seat arena designed for basketball and hockey.
- ◆ An eight-level, 1,060 space parking garage attached to the Rose Garden.
- ◆ A 62,000 sq. ft. entertainment and office complex that includes a centralized ticket office and a 370-space, two-level parking garage.
- ◆ Two City-owned public parking structures and a surface lot with 1,201 total parking spaces.
- ◆ A public plaza for staging events, located between the Memorial Coliseum and the Rose Garden.

Besides the numerous sporting events and concerts held in the Rose Garden and Memorial Coliseum, the site has been host to a large number of community events since its creation. A vast majority of the community events are not required to pay a rental fee, allowing the event organizers to keep the revenue generated for the benefit of their particular cause.

Relationship to Goals

The Spectator Facilities program primarily supports the City goal of delivering efficient, effective, and accountable municipal services. This program also supports the OMF goal of strengthening stewardship of the City's resources.

In addition, PGE Park and the Rose Quarter align with City goals by providing access to recreation services and delivering efficient, effective, and accountable municipal services. Since both are public/private partnerships, they align with the OMF goal to strengthen our collaborative business partnerships with customers, users, and stakeholders.

Performance

The business operations at PGE Park showed signs of turning around in 2005. Baseball attendance increased from the prior year and the park held its first concert in three years. In addition, the operator secured several long-term sponsorships which will help provide financial stability.

Spectator Facilities managed the various agreements (Development Agreement, Parking Agreement, Coliseum Operating Agreement, Arena Lease, Plaza Lease, and Entertainment Complex Lease) which provide the basis for operation of the Rose Quarter. Spectator Facilities staff assisted in bringing several new events to the Rose Quarter in FY 2005-06 which increased revenue and provided new entertainment options for the community. The Rose Garden secured a new tenant, the Portland Lumberjax of the National Lacrosse League. The Lumberjax began play in January 2006 and played nine home games this season.

The Dew Action Sports Tour was held in August at the Rose Quarter through a partnership between the Oregon Sports Authority, Global Spectrum, and the City of Portland. The event was held over four days at both the Memorial Coliseum and Rose Garden and was televised nationally on NBC and the USA Network. In addition, staff is currently assisting in bringing additional events to the Rose Quarter such as the OSAA High School Basketball Tournament, NCAA Basketball Tournament regional games, and future ice skating events such as the U.S. Figure Skating Championships which were held in January 2005 at the Rose Quarter.

Changes to Services and Activities

PGE Park

In late 2005, the City Council approved a five-year agreement for the operation of PGE Park. The term of the agreement runs from 2006 to 2010, and includes a two-year extension provision through 2012. This agreement will provide the Spectator Facilities Fund with a significant increase in revenue from the one-year agreement that covered 2005.

Consistent with the Council focus on infrastructure, property maintenance, repair, and capital improvements are receiving greater concentration and funding. Several improvements to the park will occur in 2006 including improvements to concessions areas, club seating, and the creation of a new group area in left field. The City and operator will be implementing an annual capital improvement evaluation process as provided for in the new operating agreement.

Rose Quarter

In January 2005, as a result of the bankruptcy of Oregon Arena Corporation, the creditors of OAC took title to the Rose Garden and formed a new business named Portland Arena Management (PAM). Under bankruptcy law, PAM was required to assume the set of executory agreements between OAC and the City. PAM has appealed the obligation to assume the Memorial Coliseum Operating Agreement.

The City has conducted several studies of alternative uses for Memorial Coliseum in the recent past. During the study period, investment in the facility was curtailed pending a potential change in the use of the building. For the near term, the building is expected to continue to operate as a secondary arena, and staff focus has shifted to planning for and executing an improvement program for the building. For financial planning purposes, \$500,000 is being programmed for building upgrades for the next five-year forecast period. In conjunction with the operator, Global Spectrum, a phased improvement plan is being developed to upgrade key building infrastructure systems including the roof, plumbing, concessions and electrical systems. This improvement program will address the most critical needs to maintain the building for its current use. A full improvement program for the building is beyond the financial capability of the fund and would cost in the range of \$10 million.

FIRE FACILITIES GO BOND CONSTRUCTION

Description	<p>On November 7, 1998, the citizens of Portland authorized the sale of \$53.8 million in general obligation bonds to support a \$71.7 million program to improve the City's emergency facilities, including:</p> <ul style="list-style-type: none"> ◆ Seismic upgrades to allow firefighters to effectively respond to an earthquake in the metropolitan area. ◆ Relocation and construction of new facilities to meet the goal of a four-minute response time to emergency calls. ◆ Renovation of facilities to be consistent with the evolving mission of the Fire Bureau. For example, a major portion of the work is emergency medical services, yet few of the facilities were appropriately equipped for this service. ◆ Addressing Americans with Disabilities Act accessibility requirements and female firefighter accommodations. ◆ Responding to the issue of emergency facilities approaching the end of their useful lives. <p>The program invests in Fire Bureau infrastructure and, with the inclusion of community rooms and public art, improves the neighborhoods in which the fire stations are located. The program, managed through the Project Management program, has completed the expansion of the Portland Communications Center and construction of five new fire stations and 19 remodeled stations. The remaining improvements are scheduled to be completed by 2009.</p>
Relationship to Goals	<p>Seismically upgrading these buildings supports the City goal of ensuring a safe community in that the facilities will better survive natural disasters, allowing first responders and their equipment to be available to assist the community. This program also supports the OMF goal of strengthening the organization's leadership and stewardship of the City's capital resources.</p>
Performance	<p>In FY 2006-07, remodel work will be completed for Stations 43, 24 and 15 and work is expected to get underway for new Station 18. Preliminary work on Station 1 and the Fire administrative offices will continue.</p>
Changes to Services and Activities	<p>The level of activity for the Fire Bond program is expected to continue in FY 2006-07. Activity will decline in future years with all remaining projects expected to be completed by the end of 2009.</p>

PARKING OPERATIONS

Description	<p>The Parking Operations program supports the operations and maintenance of the City-owned Smart Park Garages, a parking system of 3,825 parking spaces established to provide convenient and economical short-term parking in the downtown area, as a way to enhance economic vitality and encourage businesses to locate and remain in the heart of the city. The operating budget includes all operating costs and major maintenance, but not the fund-level transfers to the General Fund special appropriation for downtown marketing, the operating transfer to the Office of Transportation, and the transfer to the Parking Facilities Bond Debt Redemption Fund for the downtown streetcar construction debt. The budget for those costs is included in the "Non-Operating Other Obligations" section.</p>
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The Commercial Space activities within Parking Operations provides for the property management and maintenance of the generally street-level retail space at the Smart Park Garages. The budget includes major maintenance expenses as well as routine maintenance, a significant variable for each fiscal year. This program enhances the net revenues of the Parking Facilities Fund.

Relationship to Goals

The primary Citywide goals this program supports is the goal to deliver efficient, effective, and accountable municipal services, and to promote economic vitality and opportunity. The program assists OMF in achieving its goal to strengthen our organization's leadership and stewardship of the City's human, technological, financial, and capital resources.

Performance

The success of the parking program is measured by the average annual net revenue per space, which increased by 12% in FY 2004-05 over FY 2003-04. During the recessionary three-year period beginning FY 2001-02, revenues declined and only began to recover during the second half of FY 2003-04. Gross parking revenues have continued to increase by approximately 10% in FY 2005-06, due to improving business conditions downtown and to the \$.30 per hour short-term parking rate increase instituted in February 2006. While the commercial space performance measures are new, in general, rent collections have kept mostly current over last and the current fiscal years, and the vacancy rate has remained at approximately 15%, reflecting the challenging rental market for retail spaces suitable for smaller businesses in downtown Portland.

Changes to Services and Activities

The Parking Operations program has been realigned under the Facilities Services division for FY 2006-07. The Parking Fund Manager position has been eliminated to create savings. The fund will be managed within the Facilities Division by the Spectator Facilities program.

Facilities Services

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF MANAGEMENT AND FINANCE						
Facilities Services						
Commercial Space						
Effectiveness						
Percentage of rent collections current	NA	NA	NA	100%	100%	100%
Percentage of total square footage vacant more than six months	NA	NA	NA	15%	15%	15%
Parking Operations						
Effectiveness						
Annual average net revenue per space	NA	NA	\$1,180	\$1,322	\$1,322	\$1,399
Property Management						
Efficiency						
Portfolio management - Total square footage per property management employee	NA	NA	363,420	363,240	363,420	358,500
Workload						
Portfolio size - Total square footage of facilities managed	NA	NA	726,840	726,840	726,840	717,000
Number of internal leases	NA	NA	55	55	55	86
Number of external leases	NA	NA	77	77	77	23
Project Management						
Workload						
Value of capital projects completed	NA	\$10,534,000	\$5,941,000	\$5,603,495	\$15,400,000	\$19,570,000
Facilities Maintenance						
Effectiveness						
Percentage of City facilities maintained in good or better condition	90%	90%	90%	90%	90%	90%
Efficiency						
Carbon footprint - CO2 emissions from energy use (tons)	13,180	8,637	8,637	8,637	8,637	8,637
Square foot of portfolio per maintenance FTE	NA	NA	275,407	275,407	275,407	275,407
Workload						
Number of work orders completed for scheduled maintenance	NA	2,754	2,603	3,060	2,800	3,050
Number of work orders completed for customer service requests	NA	8,065	7,686	7,391	8,000	8,000

Facilities Services

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	2,157,026	2,207,691	3,022,071	2,981,670	2,981,670
External Materials and Services	11,158,641	11,827,389	15,626,376	16,359,446	16,374,446
Internal Materials and Services	3,213,198	3,211,424	4,746,608	3,483,065	3,483,065
Minor Capital Outlay	50,046	0	0	0	120,000
Total Operating Budget	16,578,911	17,246,504	23,395,055	22,824,181	22,959,181
Capital Improvements	11,066,948	8,723,759	22,814,677	21,941,867	21,978,428
TOTAL BUREAU EXPENDITURES	\$ 27,645,859	\$ 25,970,263	\$ 46,209,732	\$ 44,766,048	\$ 44,937,609
Allocated Overhead	1,777,465	1,317,121	1,069,991	1,254,430	1,254,430
Total Cost with Allocated Overhead	29,423,324	27,287,384	47,279,723	46,020,478	46,192,039
RESOURCES					
Facilities Services Operating Fund	27,645,859	25,970,263	46,209,732	44,766,048	44,937,609
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
PGE Park Program	258,158	142,204	298,803	307,806	307,806
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Rose Quarter Program	756,130	1,053,867	1,178,365	1,341,205	1,341,205
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Commercial Space	357,458	441,424	444,187	1,218,742	1,218,742
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Parking Operations	4,577,463	3,747,717	6,511,336	5,656,015	5,656,015
<i>Positions</i>	<i>0.00</i>	<i>1.00</i>	<i>1.00</i>	<i>0.00</i>	<i>0.00</i>
Property Management	1,182,259	376,110	195,726	201,187	201,187
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Project Management	5,139,967	5,096,348	16,542,505	11,792,809	11,964,370
<i>Positions</i>	<i>7.00</i>	<i>10.00</i>	<i>9.00</i>	<i>5.00</i>	<i>5.00</i>
Facilities Maintenance	10,043,384	10,361,830	12,140,883	11,517,532	11,517,532
<i>Positions</i>	<i>27.00</i>	<i>23.30</i>	<i>24.00</i>	<i>23.00</i>	<i>23.00</i>
Strategic Support	907,005	886,523	1,086,549	1,072,510	1,072,510
<i>Positions</i>	<i>1.00</i>	<i>1.00</i>	<i>1.00</i>	<i>2.50</i>	<i>2.50</i>
Spectator Facilities	0	0	0	215,772	215,772
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2.00</i>	<i>2.00</i>
Fire Facilities GO Bond Construction	4,424,035	3,864,240	7,811,378	11,442,470	11,442,470
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 27,645,859	\$ 25,970,263	\$ 46,209,732	\$ 44,766,048	\$ 44,937,609
<i>Positions</i>	<i>37.00</i>	<i>37.30</i>	<i>37.00</i>	<i>34.50</i>	<i>34.50</i>

Facilities Services

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0104	Office Supp Spec III	1.00	1.00	1.00	34,560	0.50	21,864	0.50	21,864
7107	Administrative Supervisor II	1.00	1.00	1.00	66,732	1.00	67,056	1.00	67,056
6112	Engineer	1.00	1.00	1.00	68,583	1.00	75,114	1.00	75,114
7726	Facilities Construction Project	6.00	6.00	5.00	350,160	4.00	272,220	4.00	272,220
7727	Facilities Construction Project	1.00	1.00	1.00	87,780	1.00	87,780	1.00	87,780
7725	Facilities Construction Project	0.00	1.00	2.00	119,556	2.00	120,886	2.00	120,886
7136	Facilities Contracts Coordinator	0.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
7713	Facilities Maint and Access Cont	2.00	2.00	2.00	76,787	2.00	79,924	2.00	79,924
7717	Facilities Maintenance Sprvsr	1.00	1.00	1.00	63,984	1.00	63,984	1.00	63,984
7718	Facilities Maintenance Sprvsr Sr	1.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
1115	Facilities Maintenance Tech	12.00	11.80	12.00	574,032	12.00	614,532	12.00	614,532
1116	Facilities Maintenance Tech Lead	2.00	2.00	2.00	101,592	2.00	103,968	2.00	103,968
7719	Facilities Services Division Man	1.00	1.00	1.00	96,216	1.00	99,506	1.00	99,506
7715	Facilities Services Specialist	4.00	2.00	2.00	127,200	2.00	127,968	2.00	127,968
7376	Financial Analyst	0.00	1.00	1.00	52,812	1.00	54,984	1.00	54,984
7378	Principal Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7156	Program Manager	0.00	1.00	1.00	74,232	0.00	0	0.00	0
7678	Property Acquisition & Services	2.00	2.00	2.00	148,464	2.00	148,464	2.00	148,464
7721	Spectator Facilities Manager	1.00	1.00	1.00	94,344	1.00	94,344	1.00	94,344
TOTAL FULL-TIME POSITIONS		37.00	37.30	37.00	\$ 2,204,198	34.50	\$ 2,099,758	34.50	\$ 2,099,758

Facilities Services

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	23,961,284	18,801,934	42,763,218	37.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(30,156)	0	(30,156)	0.00	Facilities Cut in Health Benefits Cost
	(93,374)	0	(93,374)	0.00	OMF Bus Ops Shift HR Services to GF Overhead
	2,193	0	2,193	0.00	Parking Facilities Correct Garage Mgmt Fee per new contract terms
	45,900	0	45,900	0.00	Correct Garage Security Svs per new contract
	39,720	0	39,720	0.00	Correct Garage Janitorial Svs per new contract
	(14,882)	0	(14,882)	0.00	OMF Bus Ops Shift HR Services to GF Overhead
	(11,693)	0	(11,693)	0.00	Spectator Facilities OMF Bus Ops Shift HR Services to GF Overhead
	20,000	0	20,000	0.00	Fire Facilities GO Bond Debt fee adjustment
	65,095	0	65,095	0.00	Fire Bureau project manager funding via I/A
Mayor's Proposed Budget Decisions					
	0	35,463	35,463	0.00	Facilities Project for Records Center Improvements
	(108,420)	0	(108,420)	(1.00)	Eliminate Facilities Project Manager position
	(21,660)	0	(21,660)	(0.50)	Reduce Office Supp Spec III position to half-time
	(30,000)	0	(30,000)	0.00	Reduce expenses for the 1900 Building.
	0	2,025,820	2,025,820	0.00	Bureaus move costs as a result of the Space Plan
	0	30,000	30,000	0.00	Increase Auditors I/A - Records Center study
	0	135,910	135,910	0.00	Increase Planning I/A - move within 1900 Bldg
	0	300,950	300,950	0.00	Increase BDS I/A - expanded space in 1900 Bldg
	(4,967)	0	(4,967)	0.00	Other OMF decision packages
	0	91,120	91,120	0.00	Increase POEM I/A for space changes - 911 Center
	0	(136,800)	(136,800)	0.00	Reduce GO Bond I/A - Station 21 on indefinite hold
	(3,129)	0	(3,129)	0.00	Parking Facilities Other OMF decision packages
	(106,260)	0	(106,260)	(1.00)	Eliminate Parking Manager position
	0	(228,000)	(228,000)	0.00	Fire Facilities GO Bond Reduce Facilities I/A - Station 21 on indefinite hold
Approved Budget Additions and Reductions					
	0	21,561	21,561	0.00	Facilities True-up capital projects
	0	150,000	150,000	0.00	Increase I/A with BOEC
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(251,633)	2,426,024	2,174,391	(2.50)	Total FY 2006-07 Decision Packages
			\$ 44,937,609	34.50	Total Adopted Budget

Printing & Distribution Services

OVERVIEW

Printing & Distribution (P&D) supports all City bureaus with centralized, high quality, convenient, technologically current, and cost-effective reproduction and mailing services. P&D supports each bureau's unique work flow with products and services configured to maximize each customer's efficiency and effectiveness. All services are available through the interoffice mail system for traditional service requests, via the City's intranet for electronic service requests, via the internet for customers not on the City's network, and at the P&D customer service counters located at 124 SW Madison and 1900 SW 4th Avenue. As a central service provider, P&D ensures City reproduction and mailing projects are completed on time, to the customer's specifications, at the lowest possible cost.

P&D supports other local governmental agencies with reproduction services. The largest outside customers are Multnomah County and the State of Oregon. P&D was compared to the private sector by both agencies and both chose to sign intergovernmental agreements with P&D based on price and service levels. The additional work allows P&D to spread fixed costs over a larger billable base and to maximize the efficiency of facilities and equipment. P&D service rates recover all operating costs including overhead. P&D also directly serves the public at the 1900 SW 4th Avenue location by providing convenient reprographics services for the permitting process.

During a typical year P&D will process over 25,000 service requests, manage over 300 convenience copier/printers making over 20 million copies, mail over 4 million letters and packages while applying over \$1,000,000 in postage, and sell over 70 million sheets of paper.

P&D supports bureau cost control efforts through ongoing consultation services and by applying the City's current printing and mailing standards to all projects. P&D also supports the City's sustainability efforts by working with bureaus in complying with the City's sustainable paper policy. Through centralized paper purchasing P&D is able to provide bureaus with the lowest cost, ensure environmental content standards are enforced, and give bureaus the statistical information necessary to confirm progress toward City goals and provide the basis for future improvement.

Overview of Programs

STRATEGIC SUPPORT/OPERATIONS

Description	The Strategic Support/Operations program provides administrative support for all Printing & Distribution operations. Activities also include program and fund management, supervision, rate setting and billing, special projects, and customer service.
Relationship to Goals	This program is designed to accomplish the City goal of delivering efficient, effective, and accountable municipal services. While the program's activities aim to fulfill all OMF goals, they most directly maximize the cost-effective use of technology in all aspects of our work.
Performance	This program sets and maintains over 300 individual service rates, creates and monitors the division's annual budget, services over 300 accounts each accounting period, and processes and bills over 25,000 work orders each year. P&D's electronic service order system (ESR), through which over 16,000 work orders have been successfully submitted and processed, now accounts for one-third to one-half of all work orders. The Printing & Distribution Services Operating Fund, which contains capital, technology, and operating reserves, has increased in size over the last several years due to technology efficiencies and to cyclical decreases in capital requirements.
Changes to Services and Activities	A focused review of the division's services will be conducted in FY 2006-07, and a customer relations management program developed in conjunction with Portland State University marketing students will be implemented.

COPY SERVICES

Description	The Copy Services program supports bureau programs with technologically current digital copiers/printers for all City work areas requiring such a device, and provides services for a few external governmental agencies. In addition to providing equipment, maintenance, and consumables with each placement, this program provides voluntary printer audit services designed to identify potential cost and process efficiencies.
Relationship to Goals	This program is designed to accomplish the City goal of delivering efficient, effective, and accountable municipal services. While the program's activities aim to fulfill all OMF goals, they most directly maximize the cost-effective use of technology in all aspects of our work.
Performance	Over 315 convenience copier/printer devices located in bureaus throughout the City are managed by the program. These machines now produce over 24 million prints annually. Last year 11.9 million sheets of paper were sold and delivered to downtown higher-volume installations, all of which contained at least 30% post consumer waste. Volumes of in-bureau copies are slowly increasing due to the quality and reliability of newer technology machines, convenience, and the increasing volume being diverted from higher-cost laser printers.

Changes to Services and Activities No significant changes for FY 2006-07.

DUPLICATING

Description The Duplicating program supports bureau programs with centralized reproduction and binding services. The central in-plant print shop, located at 124 SW Madison, specializes in shorter run length, quick turn-around printing and xerography. This location operates three shifts during the business week and delivers most completed service requests overnight. Duplicating offers technologically current digital reproduction, traditional bindery, and digital pre-press services which include the service counter, typesetting and design, trouble shooting, file intervention, and consultation on file preparation. For work more efficiently completed on specialized equipment, P&D vends to commercial printers using a bidding process. This program supports City cost control efforts by working with bureaus to comply with the City's existing printing standards and sustainable paper policy. Duplicating services are also provided to Multnomah County and the State via intergovernmental agreements, and with other smaller local agencies on an as-requested basis.

This program also operates a service center at 1900 SW 4th Avenue in support of the Bureau of Development Services' permitting process. Conveniently located next to the Permit Center, P&D's service center allows the public to reproduce needed documents at a competitive price without leaving the building. This location specializes in large format reproduction and scanning, and printing from microfiche.

Relationship to Goals The Duplicating Program is designed to accomplish the Citywide goal of delivering efficient, effective, and accountable municipal services. While the program's activities aim to fulfill all OMF goals, they most directly maximize the cost-effective use of technology in all aspects of our work.

Performance The Duplicating program annually prints and binds over 40 million pages in-house and sells over 64 million sheets of paper both as a commodity and as a finished printing project. After following a downward trend with the recent economic downturn, volumes increased significantly last fiscal year and are expected to remain up. After decreasing in recent years, the total number of work orders has began to flatten out beginning last year. The net result is slightly increased run lengths, as bureaus make use of maturing digital reproduction and capture technologies in their particular work flow. The division has continued to improve its target "on time" rate of 98%. While statistical fluctuations can occur, Duplicating has continued to perform at or above 99% "on time" service delivery. The basic copy center rate, which is the most commonly charged rate, has remained relatively constant with the last increase occurring in FY 2004-05 - from \$.027 to \$.028 per sheet, due mostly to paper price increases. Next fiscal year another paper price rate increase is expected.

Changes to Services and Activities This program will expand its scanning capabilities and services (especially large format) and complete the migration of BTS data center output to P&D.

MICROFILM

Description	The Microfilm program supports City bureaus with traditional microfilming services. Services include archival filming and processing for documents requiring long term retention (the State of Oregon still does not recognize digital imaging as being archival); and jacketizing, duping, and file maintenance services for bureaus still using film and/or fiche as a part of their work flow.
Relationship to Goals	The program is designed to accomplish the Citywide goal of delivering efficient, effective, and accountable municipal services. While the program's activities aim to fulfill all OMF goals, they most directly maximize the cost-effective use of technology in all aspects of our work.
Performance	A volume of 403,000 traditional film exposures were made while processing 850 work orders last year. Annual volumes fluctuate from year to year due to the inconsistent nature of special projects. The program consistently exceeds its goal of a 98% "on time" completion rate, and like the Duplicating program, generally performs at or above 99%.
Changes to Services and Activities	Increased demands for archival film processing in conjunction with scanning reflective originals and outputting computer-generated materials to film are anticipated.

DISTRIBUTION

Description	<p>The Distribution program supports City bureaus with internal distribution and U.S. Mail services. Services include daily scheduled interoffice mail delivery for most City locations, delivery of incoming U.S. Mail to select downtown locations, centralized outgoing U.S. Mail processing, printing deliveries, and special delivery of a variety of materials. Distribution ensures all outgoing U.S. Mail meets U.S. Postal Service requirements, all City legal requirements are met through same day processing of all outgoing U.S. Mail, all postage and handling costs are correctly allocated to sending bureaus, and all mail is posted with the lowest possible postage.</p> <p>Distribution supports City cost control efforts by working with bureaus to comply with the City's existing mailing standards. This program also provides centralized control and accounting for all City postage dollars.</p>
Relationship to Goals	The program is designed to accomplish the Citywide goal of delivering efficient, effective, and accountable municipal services. While the program's activities aim to fulfill all OMF goals, they most directly maximize the cost-effective use of technology in all aspects of our work.
Performance	Over 5.1 million pieces of mail and \$1.4 million of City postage were managed last year. While the program anticipates a minimum of 800,000 pieces of mail to be mailed per employee each year, recently the actual number has been well above the target. The large increase last year - to over 1 million pieces per employee - is the result of increasing efficiencies in mail processing and several new large special projects that may or may not recur.

**Changes to Services
and Activities**

Distribution will perform an efficiency audit of its scheduled delivery system, which may result in adjustments to the schedule.

Printing & Distribution Services

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF MANAGEMENT AND FINANCE						
Printing & Distribution Services						
Strategic Support/Operations						
Effectiveness						
Maintain available fund balance to cover reserves	NA	NA	\$741,277	\$914,913	\$990,100	\$1,901,454
Copy Services						
Workload						
Total number of in-bureau copies	20,610,353	23,031,423	23,294,567	24,577,424	24,000,000	24,500,000
Duplicating						
Effectiveness						
Percentage of work shipped on time	98.8%	98.5%	98.5%	99.3%	98.0%	98.0%
Efficiency						
Basic Copy Center Rate	\$0.0270	\$0.0270	\$0.0270	\$0.0280	\$0.0280	\$0.0290
Workload						
Total number of work orders completed	29,051	27,719	29,000	25,353	26,500	26,000
Total number of copy center sheets	18,266,296	18,266,628	15,418,876	16,159,244	16,000,000	16,000,000
Total number of press impressions	13,526,639	12,545,976	10,378,644	11,776,540	11,000,000	11,000,000
Microfilm						
Effectiveness						
Work shipped on time	100.0%	100.0%	98.5%	99.4%	98.0%	98.0%
Distribution						
Efficiency						
Total number of pieces mailed per distribution employee	859,638	888,941	841,781	1,025,275	800,000	800,000

Printing & Distribution Services

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	1,574,354	1,580,637	1,753,216	1,871,076	1,871,076
External Materials and Services	3,244,613	3,571,416	3,554,256	4,070,715	4,070,715
Internal Materials and Services	553,428	611,402	632,766	610,067	610,067
Minor Capital Outlay	277,954	377,840	356,897	280,875	280,875
Total Operating Budget	5,650,349	6,141,295	6,297,135	6,832,733	6,832,733
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 5,650,349	\$ 6,141,295	\$ 6,297,135	\$ 6,832,733	\$ 6,832,733
Allocated Overhead	408,436	281,162	281,162	246,040	263,542
Total Cost with Allocated Overhead	6,058,785	6,422,457	6,578,297	7,078,773	7,096,275
RESOURCES					
Printing & Distribution Services	5,650,349	6,141,295	6,297,135	6,832,733	6,832,733
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Strategic Support/Operations	731,201	781,081	767,394	607,757	607,757
<i>Positions</i>	<i>2.55</i>	<i>4.00</i>	<i>4.00</i>	<i>0.50</i>	<i>0.50</i>
Copy Services	545,041	687,307	684,718	697,126	697,126
<i>Positions</i>	<i>0.95</i>	<i>1.00</i>	<i>1.00</i>	<i>1.50</i>	<i>1.50</i>
Duplicating	2,493,633	2,591,569	2,859,870	3,005,035	3,005,035
<i>Positions</i>	<i>14.75</i>	<i>15.00</i>	<i>15.00</i>	<i>15.55</i>	<i>15.55</i>
Microfilm	155,388	171,250	210,966	280,945	280,945
<i>Positions</i>	<i>3.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.75</i>	<i>2.75</i>
Distribution	1,725,086	1,910,088	1,774,187	2,241,870	2,241,870
<i>Positions</i>	<i>4.75</i>	<i>4.00</i>	<i>4.00</i>	<i>5.70</i>	<i>5.70</i>
TOTAL PROGRAMS	\$ 5,650,349	\$ 6,141,295	\$ 6,297,135	\$ 6,832,733	\$ 6,832,733
<i>Positions</i>	<i>26.00</i>	<i>26.00</i>	<i>26.00</i>	<i>26.00</i>	<i>26.00</i>

Printing & Distribution Services

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0515	Accountant II	1.00	1.00	1.00	25,398	1.00	53,316	1.00	53,316
0337	Distribution Tech	4.00	4.00	4.00	161,520	4.00	165,216	4.00	165,216
0339	Distribution Tech Lead	1.00	1.00	1.00	42,408	1.00	43,392	1.00	43,392
0346	Elect Pre-Press Oper Lead	1.00	1.00	1.00	50,784	1.00	51,960	1.00	51,960
0102	Office Supp Spec II	1.00	1.00	1.00	37,692	1.00	38,568	1.00	38,568
0340	P & D Customer Serv Rep	3.00	2.00	2.00	80,886	2.00	86,952	2.00	86,952
0341	P & D Customer Serv Rep Lead	1.00	1.00	1.00	50,784	1.00	51,960	1.00	51,960
0350	Repro Operator I	6.00	6.00	6.00	215,772	6.00	224,532	6.00	224,532
0351	Repro Operator II	3.00	4.00	4.00	147,439	4.00	178,613	4.00	178,613
0353	Repro Operator III	2.00	2.00	2.00	93,592	2.00	99,593	2.00	99,593
7730	Mail/Micrographics Supervisor	1.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
7732	Print Shop Supervisor	1.00	1.00	1.00	70,596	1.00	70,596	1.00	70,596
7734	Printing & Distribution Manager	1.00	1.00	1.00	88,440	1.00	88,440	1.00	88,440
TOTAL FULL-TIME POSITIONS		26.00	26.00	26.00	\$ 1,132,475	26.00	\$ 1,220,302	26.00	\$ 1,220,302

Printing & Distribution Services

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	6,807,356	0	6,807,356	26.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(14,148)	0	(14,148)	0.00	Cut in health benefits costs
	(2,536)	0	(2,536)	0.00	Personal services adjustment
	(17,502)	0	(17,502)	0.00	OMF Bus Ops shift HR Services to GF overhead
Mayor's Proposed Budget Decisions					
	94,291	0	94,291	0.00	Increases due to customer bureau increases.
	(34,000)	0	(34,000)	0.00	P&D decision package - printing efficiencies
	(728)	0	(728)	0.00	Other OMF decision packages
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	25,377	0	25,377	0.00	Total FY 2006-07 Decision Packages
			\$ 6,832,733	26.00	Total Adopted Budget

Risk Management

OVERVIEW

Risk Management's primary objectives are to:

- ◆ Safeguard the City's financial and human resources and capital assets from the adverse impact of actual and potential loss.
- ◆ Compensate, in an expedient and fair manner, individuals who have suffered bodily injury, personal injury, and/or property damage, when the City is found to be responsible.

Risk Management consists of two funds:

- ◆ The Insurance and Claims Operating Fund provides for tort/general and fleet liability claims administration, management of the liability self-insurance program, management of the City's commercial insurance portfolio, and Citywide leadership in loss prevention.
- ◆ The Workers' Compensation Self-Insurance Operating Fund supports the City's self-insured workers' compensation program, including claims administration and Citywide loss prevention activities aimed at minimizing occupational injury and illness.

Overview of Programs

TORT/GENERAL LIABILITY STRATEGIC SUPPORT

Description	The Strategic Support program in the Insurance and Claims Fund includes support staff services for all of the other programs in the fund.
Relationship to Goals	The Strategic Support program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the OMF goal of strengthening stewardship of the City's human and financial resources.
Performance	The amount of work required of the clerical support staff is now measured by the number of special projects for which they provide assistance throughout the year in addition to their regular duties. This was a new measure established in FY 2005-06.
Changes to Services and Activities	No significant changes for FY 2006-07.

TORT/GENERAL LIABILITY

Description	The Tort/General Liability program manages and administers the City's self-insured tort and general liability operations, adjusting all of the City's tort claims filed by citizens and other parties. Most of this program's budget consists of estimated claims payments, legal assistance (both internal and external), and the cost of the excess liability policy. The focus of the program is to adjust all claims in a timely manner and to reduce/control the cost of current litigation and potential litigation.
Relationship to Goals	The Tort/General Liability program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services and the OMF goal of strengthening stewardship of the City's human and financial resources.
Performance	<p>The effectiveness of this program is measured by minimizing the incurred cost of fleet and general liability claims. The incurred cost for fleet liability claims per 100,000 miles driven dropped by approximately 22% in FY 2004-05 compared to FY 2003-04. The expectation is for such costs to remain relatively flat for FY 2005-06 and FY 2006-07, primarily due to Risk Management's leadership in offering defensive driver training for City employees driving on City business.</p> <p>At the same time, FY 2004-05 saw an increase of 100% over FY 2003-04 in the incurred cost of general liability claims per \$100 of payroll, due to increased awards for a small number of tort claims and increased costs of litigation.</p>
Changes to Services and Activities	No significant changes for FY 2006-07.

TORT/GENERAL LIABILITY LOSS PREVENTION

Description	The Loss Prevention program for the Insurance and Claims Fund involves Risk Management's leadership and coordination of Citywide efforts to prevent losses due primarily to fleet accidents and general tort liability claims.
Relationship to Goals	The Loss Prevention program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the OMF goal of strengthening stewardship of the City's human and financial resources.
Performance	The Loss Prevention program's effectiveness is measured by limiting the number of general and fleet liability claims each year. The number of fleet liability claims per 100,000 miles driven dropped by 21% in FY 2004-05 compared to FY 2003-04, due to increased defensive driver education for City employees who drive in the course of their work for the City. The trend is for these favorable numbers to continue over FY 2005-06 and FY 2006-07. Also, the number of general liability claims for 200,000 hours worked has dropped by 13% in FY 2004-05 compared to FY 2003-04. However, the cost, both of some larger tort awards and related litigation, have increased dramatically over the past couple of years.
Changes to Services and Activities	No significant changes for FY 2006-07.

COMMERCIAL INSURANCE

Description	The Commercial Insurance program consists of the marketing, purchasing, and management of all commercial policies other than those for excess workers' compensation and excess liability. These include insurance for all City property, as well as special policies to cover unique requirements of various City departments. Commercial insurance protects City assets and is an integral part of the City's financial portfolio.
Relationship to Goals	The Commercial Insurance program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services and the OMF goal of strengthening stewardship of the City's human and financial resources.
Performance	The new measure used to gauge the effectiveness of this program is the annual price Risk Management pays for the City's property insurance policy in relation to general market conditions. This new measure predicts an increase of 13% in property insurance in FY 2006-07 over FY 2005-06, due to market rate increases driven by losses from natural disasters nationwide this past year.
Changes to Services and Activities	No significant changes for FY 2006-07.

WORKERS' COMPENSATION STRATEGIC SUPPORT

Description	The Strategic Support Program in the Workers' Compensation Fund includes support staff services for all of the other programs in the fund.
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Relationship to Goal	Risk Management's programs are designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the OMF goal of strengthening stewardship of the City's human and financial resources.
Performance	The amount of work required of the clerical support staff can be partially measured by the number of special projects for which they provide assistance throughout the year in addition to their regular duties. An additional measure involves tracking the annual number of workers' compensation medical provider bills that an Office Support Specialist audits, discounts, and pays. Early in the fiscal year the bulk of those responsibilities were shifted to the Claims Administration section.
Changes to Services and Activities	The Strategic Support section for Workers' Compensation eliminated an Office Support Specialist III position in the FY 2006-07 budget. This position had performed the work of auditing, discounting, and paying the medical providers' bills. While the data entry of the bill payments has been assigned to an Office Support Specialist II, the auditing and discounting of those bills has been spread among several of the Workers' Compensation claims administration staff, resulting in about a 12-month delay in some important projects that rely on the claims administration staff to complete, specifically updating and implementing the new policies and procedures for the City's "Early Return to Work" program and for the state's "Employer at Injury" program. Another project that will be delayed further into the future is making the Workers' Comp-related training for City bureau managers, supervisors, and timekeepers available electronically on Risk Management's web site.

WORKERS' COMPENSATION ADMIN/CLAIMS

Description	The Workers' Compensation program manages and administers the City's self-insured workers' compensation claims. Most of this program's budget consists of claims payments, legal assistance (both internal and external), and the cost of the workers' compensation excess policy. The mission of this program is to provide timely and equitable benefits to injured employees, advise management and employees on workers' compensation issues, and to safeguard City resources. The primary activities of this program are mandated by City Code, Oregon Statute, and Administrative Rules.
Relationship to Goals	The Workers' Compensation program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services and the OMF goal of strengthening stewardship of the City's human and financial resources.
Performance	The effectiveness of this program is measured by minimizing the incurred cost of workers' compensation claims. The incurred cost of workers compensation claims per \$100 of payroll has dropped by 36% from FY 2002-03 to FY 2004-05, due to Risk Management's leadership efforts in workplace injury prevention and their effective programs in getting injured workers healthy and back to work.
Changes to Services and Activities	No significant changes for FY 2006-07.

WORKERS' COMPENSATION LOSS PREVENTION

Description	The Loss Prevention program in the Workers' Compensation Fund involves Risk Management's leadership and coordination of Citywide efforts to prevent losses due to workforce injuries.
Relationship to Goals	The Loss Prevention program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the OMF goal of strengthening stewardship of the City's human and financial resources.
Performance	The Loss Prevention program's effectiveness is measured by limiting the number of workers' compensation claims each year. Risk Management's leadership in the effort to prevent workplace injuries over the past few years has resulted in a 13% drop in the number of workers' compensation injuries per 200,000 hours worked between FY 2002-03 and FY 2004-05. The numbers are expected to remain flat for FY 2005-06 and FY 2006-07.
Changes to Services and Activities	No significant changes for FY 2006-07.

OCCUPATIONAL HEALTH/INFECTIOUS DISEASE

Description	<p>The Occupational Health/Infectious Disease program manages:</p> <ul style="list-style-type: none"> ◆ Citywide and bureau-specific occupational infectious disease programs ◆ Professional contracts related to responding to incidents of blood-borne pathogen contact ◆ City flu vaccination program ◆ Respiratory protection ◆ Lead surveillance ◆ Allergic reaction protocol training ◆ Infectious disease training and information distribution
Relationship to Goals	The Occupational Health/Infectious Disease program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the OMF goal of strengthening stewardship of the City's human and financial resources.
Performance	The workload involved in this program is now measured by the annual number of bodily fluid exposure incidents managed, and the number of employees trained in dealing with blood-borne pathogens. The numbers are expected to remain consistent, as the number of employees served are not expected to increase in the near term.
Changes to Services and Activities	No significant changes for FY 2006-07.

Risk Management

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF MANAGEMENT AND FINANCE						
Risk Management						
Commercial Insurance						
Effectiveness						
Annual cost of City's property premium based on market conditions	NA	NA	NA	NA	\$711,078	\$807,216
Tort/General Liability						
Effectiveness						
Incurred cost of general liability claims per \$100 payroll	\$0.55	\$0.49	\$0.36	\$0.72	\$0.72	\$0.72
Incurred cost of fleet liability claims per 100,000 miles driven	\$3,054	\$3,458	\$3,687	\$2,889	\$2,889	\$2,889
Tort/General Liability Loss Prevention						
Efficiency						
Number of general liability claims per 200,000 hours worked	11.18	11.58	12.51	10.88	10.88	10.88
Number of fleet liability claims per 100,000 miles driven	1.16	1.22	1.22	0.96	0.96	0.96
Tort/General Liability Strategic Support						
Workload						
Number of special projects for which assistance is provided	NA	NA	NA	0	4	4
Occupational Health/Infectious Disease						
Workload						
Number of bodily fluid exposure incidents managed	NA	NA	NA	NA	30	30
Number of employees trained to deal with blood-borne pathogens	NA	NA	NA	NA	2,000	2,000
Workers' Compensation Loss Prevention						
Efficiency						
Number of workers' compensation claims per 200,000 hours worked	8.29	7.70	7.43	6.57	6.57	6.57
Workers' Compensation Strategic Support						
Workload						
Number of special projects for which assistance is provided	NA	NA	NA	NA	4	4
Number of workers' compensation medical provider bills audited, discounted, and paid	NA	NA	NA	NA	2,300	2,300
Workers' Compensation Admin/Claims						
Effectiveness						
Incurred cost of workers' compensation claims per \$100 payroll	\$1.30	\$0.92	\$0.63	\$0.59	\$0.59	\$0.59

Risk Management

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	1,280,302	1,661,635	1,783,994	1,845,426	1,845,426
External Materials and Services	5,891,650	8,274,949	6,956,190	7,896,924	7,906,924
Internal Materials and Services	2,233,995	2,010,992	2,231,069	2,318,421	2,318,421
Minor Capital Outlay	0	0	20,000	10,000	10,000
Total Operating Budget	9,405,947	11,947,576	10,991,253	12,070,771	12,080,771
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 9,405,947	\$ 11,947,576	\$ 10,991,253	\$ 12,070,771	\$ 12,080,771
Allocated Overhead	364,057	128,330	287,567	333,030	333,030
Total Cost with Allocated Overhead	9,770,004	12,075,906	11,278,820	12,403,801	12,413,801
RESOURCES					
Insurance and Claims Operating Fund	9,405,947	11,947,576	10,991,253	12,070,771	12,080,771
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Commercial Insurance	1,152,572	1,084,012	966,193	1,073,760	1,067,395
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>1.00</i>	<i>1.02</i>	<i>1.02</i>
Tort/General Liability	4,376,699	7,059,851	5,259,672	6,458,145	6,468,145
<i>Positions</i>	<i>8.00</i>	<i>10.00</i>	<i>7.00</i>	<i>6.65</i>	<i>6.65</i>
Tort/General Liability Loss Prevention	0	0	247,756	243,369	249,734
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>1.00</i>	<i>2.08</i>	<i>2.08</i>
Tort/General Liability Strategic Support	0	0	115,816	111,287	111,287
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>2.00</i>	<i>1.50</i>	<i>1.50</i>
Occupational Health/Infectious Disease	116,198	118,444	150,490	156,966	156,966
<i>Positions</i>	<i>0.00</i>	<i>1.00</i>	<i>1.00</i>	<i>1.02</i>	<i>1.02</i>
Workers' Compensation Loss	0	0	248,474	246,159	246,159
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>3.00</i>	<i>2.08</i>	<i>2.08</i>
Workers' Compensation Strategic	0	0	172,552	124,739	124,739
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>1.00</i>	<i>1.50</i>	<i>1.50</i>
Workers' Compensation Admin/Claims	3,760,478	3,685,269	3,830,300	3,656,346	3,656,346
<i>Positions</i>	<i>9.00</i>	<i>12.00</i>	<i>6.00</i>	<i>5.15</i>	<i>5.15</i>
TOTAL PROGRAMS	\$ 9,405,947	\$ 11,947,576	\$ 10,991,253	\$ 12,070,771	\$ 12,080,771
<i>Positions</i>	<i>17.00</i>	<i>23.00</i>	<i>22.00</i>	<i>21.00</i>	<i>21.00</i>

Risk Management

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0858	Claims Tech Assistant	2.00	1.00	1.00	35,557	1.00	39,624	1.00	39,624
0859	Claims Technician	2.00	2.00	2.00	82,980	2.00	88,104	2.00	88,104
0102	Office Supp Spec II	0.00	3.00	2.00	75,384	2.00	77,136	2.00	77,136
0104	Office Supp Spec III	0.00	2.00	1.00	34,560	0.00	0	0.00	0
7102	Administrative Specialist, Sr	0.00	0.00	1.00	47,772	1.00	49,576	1.00	49,576
7106	Administrative Supervisor I	0.00	0.00	1.00	55,992	1.00	58,284	1.00	58,284
7107	Administrative Supervisor II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7179	Claims Analyst, Senior	3.00	3.00	3.00	200,694	3.00	206,670	3.00	206,670
7174	Occupational Health Program Nurs	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7190	Risk Manager	1.00	1.00	1.00	85,992	1.00	88,336	1.00	88,336
7185	Risk Specialist	1.00	1.00	1.00	62,688	1.00	63,984	1.00	63,984
7186	Risk Specialist, Senior	2.00	2.00	2.00	141,192	2.00	141,192	2.00	141,192
7188	Risk Supervisor	2.00	3.00	3.00	246,924	3.00	246,924	3.00	246,924
7181	Workers Comp/Claims Analyst	1.00	1.00	1.00	60,216	1.00	62,688	1.00	62,688
7182	Workers Comp/Claims Analyst Sr	2.00	2.00	2.00	141,192	2.00	141,192	2.00	141,192
TOTAL FULL-TIME POSITIONS		17.00	23.00	22.00	\$ 1,345,375	21.00	\$ 1,337,942	21.00	\$ 1,337,942

Risk Management

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	12,148,184	0	12,148,184	22.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(13,743)	0	(13,743)	0.00	Cut in Health Benefits Cost
	5	0	5	0.00	Personal Services Adjustment
	10,000	0	10,000	0.00	Set up Ins. & Claims ONI Reserve
	(8,425)	0	(8,425)	0.00	OMF Bus Ops Shift HR Services to GF Overhead
Mayor's Proposed Budget Decisions					
	(56,790)	0	(56,790)	(1.00)	Eliminate vacant OSS III position
	(8,460)	0	(8,460)	0.00	Other OMF Decision Packages
Approved Budget Additions and Reductions					
	10,000	0	10,000	0.00	Set up ONI reserve
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(67,413)	0	(67,413)	(1.00)	Total FY 2006-07 Decision Packages
			\$ 12,080,771	21.00	Total Adopted Budget

Technology Services

OVERVIEW

The Bureau of Technology Services (BTS) provides leadership in the strategic planning and management of the City's telecommunications-related and information technology equipment and systems. BTS also provides expert telecommunications and information technology services to the City, as well as regional external customers. BTS supports the City's goal to deliver efficient, effective, and accountable municipal services through the efforts of all its programs. In addition, BTS supports the City's goal to ensure a safe and peaceful community, through the support for public safety response provided by the Radio Shop, 800 MHz Operations, Telecommunications, Operations, and Strategic Technology programs.

Overview of Programs

STRATEGIC SUPPORT

Description	The Strategic Support program provides overall strategic management and leadership for the bureau to ensure the effective delivery of Citywide services while meeting the availability and security requirements of public safety services. The program also is responsible for administration and procurement of all Information Technology (IT) and communications equipment and software, contract management, publication of standards and rules, and bureau administrative and human resources functions. This program includes the overall management functions of the office of the Chief Technology Officer, as well as the non-financial business operations of the bureau.
Relationship to Goals	The Strategic Support program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost-effective use of technology.
Performance	The program has a significant focus on the procurement process for technology acquisitions; to fully implement Technology Administrative Rules and maximize the benefits accrued through strategic sourcing of IT equipment. The program consolidates the management of IT and Telecommunications contracts to ensure 1) all technology acquisitions receive BTS review and approval; 2) technology contracts minimize City exposure to risk and 3) technology contracts including, but not limited to license and maintenance contracts are enforceable and consolidated to the most cost-effective agreement. Three performance measures were developed for FY 2005-06; two related to procurement (time to complete minor equipment orders and proportion of minor equipment orders that utilize the existing strategic sourcing contracts). The third measure is an administrative efficiency measure, measuring the ratio of bureau staff to clerical positions.
Changes to Services and Activities	A major focus is the fine-tuning of the centralized procurement model for IT equipment to assure full compliance with standards, maximize the benefits of strategic sourcing, assure contract protections for the City are properly in place, and that contracts are consolidated where feasible for the lowest cost to the City. As Strategic Sourcing contracts, centralized procurement, and maintenance contracts were new in FY 2005-06, the primary issue has been to implement the system and provide transparency to, and workflow approval within the requesting bureau. In addition, the strategic sourcing implementation involved a purchasing freeze, which created a significant backlog heading into FY 2005-06. Backlogs have been reduced, the approval process has improved, and business process adjustments have been made. BTS reduced its' budget based on the change in purchasing replacement computers (where bureaus would schedule replacements) that intended to smooth replacement activity peaks and valleys. With the exception of a few bureaus, however, this will not occur until FY 2006-07.

OPERATIONS

Description	<p>The Operations program is responsible for the daily operations of all networks, servers, and personal computers, supporting all City bureaus. Call center services offer effective and efficient technical support. Within budget constraints, ongoing maintenance and replacement of the City's IT infrastructure is managed to ensure maximum system availability, including: troubleshooting, repairs, and service restoration. Operations also includes staff supporting all infrastructure system reengineering, implementation of new network designs, consolidation projects, infrastructure to support new applications, the Information Security program, and implementation of new security measures. Services include management of e-mail, file management, virus and spam protection, and data backup and recovery.</p>
Relationship to Goals	<p>The Operations program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost effective use of technology.</p>
Performance	<p>Two critical performance measures for this program relate to system availability: the availability of the Portland Police Data System (PPDS), used by multiple law enforcement agencies, and the City's internet availability, required for citizen access to PortlandOnline, City employees' access to external resources, and delivery of e-mail. The PPDS is available 99.5% of the time and PortlandOnline 99.9%. Additional measures include an efficiency measure of desktops per technician and three measures to provide an indication of the problem resolution process through the help desk: percent resolved without dispatch of staff (tracking progress made through training and use of automated tools), and two indicators of resolution time.</p>
Changes to Services and Activities	<p>In addition to maintaining the infrastructure stability, including support of mission critical public safety systems, the implementation of numerous infrastructure changes is the major focus for Operations, including implementation of:</p> <ul style="list-style-type: none">◆ Customer Information System replacement (production environment) and the extension of this high availability architecture to support other major database applications◆ Storage Area Network (SAN) with support for replication of critical data to the back-up data center◆ Consolidated e-mail and files system◆ New network architecture to improve resistance to failure and lower operating cost◆ Asset management system <p>In addition, this program will work to improve coordination of system work with the Information Security program and to refine operational procedures.</p>

STRATEGIC TECHNOLOGY

Description	The Strategic Technology program manages corporate and bureau business applications to advance e-government initiatives that address specific bureau and citizen needs as well as internal strategic IT planning. The program includes the development and maintenance of all corporate applications, including IBIS (the City's financial and human resources management system), the Corporate Geographic Information System (GIS), BRASS (the City's budgeting system), and PortlandOnline (the City's website). The program also develops and supports bureau-specific applications, provides database administration and data warehouse development and support, and provides services to support additional web-based applications.
Relationship to Goals	The Strategic Technology program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost-effective use of technology.
Performance	The measures for Strategic Technology focus on the application workload - number of development hours billed, the utilization of the City's WebPortal, PortlandOnline (which measures at 150,000 page views per day) and its mapping component (Portland Maps) which measures at over 100,000 maps served per day. PortlandOnline received two national awards from the Center for Digital Government this year.
Changes to Services and Activities	<p>The Enterprise Business System planning and selection will draw resources from Strategic Technology, involving a number of staff who work with current enterprise applications. A significant GIS software version upgrade is in process. Tuning, refinement, and extension of the PortlandOnline payment gateway to support online e-commerce activities is substantially underway, with implementation of an initial group of online BDS permits, and the addition of modules to assist business license holders file tax returns and make payments. In the project pipeline are online activities for Utility Customer Service and the Clean Rivers initiative, which will draw significant resources, as will further integration of the PortlandOnline authentication system for these and other applications.</p> <p>The FY 2006-07 budget reflects the transfer of the application developers from the new water billing system project to BTS, as the project moved into production in late April 2006. While additional development will continue in FY 2006-07, this consolidates the application staff from the previous system, some portions of which are retained for data access purposes, with the new system staff.</p>

TELECOMMUNICATIONS

Description	The Telecommunications program provides voice, video, and high-availability data services, including telephone and data network backbones. The program manages Citywide contracts for telephone services, cellular phones, pagers, wiring, and other telecommunications-related services and products. This program configures, manages, and operates voice mail, circuits, and automatic call distribution. It also provides cabling and wiring services, manages customer order fulfillment, and completes assessment and deployment of new technologies to provide access to communications and information systems for remote-deployed workers. The IRNE is a telecommunications provider and
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broadband data network created by the City for government, educational, and public safety entities in the region. IRNE provides voice, video, and data communications for the City of Portland and its partners. IRNE partnerships leverage funds, expertise, and infrastructure resources to provide more bandwidth, better reliability, and lower-cost telecommunications services.

Relationship to Goals	The Telecommunications program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost-effective use of technology.
Performance	The primary performance indicator for the Telecommunications program is the percent of time the main telephone switch is operational - the goal is for the percentage to remain at 100%. Two other sets of measures are provided, focusing on trouble calls, resolution time, and number of customer problems resolved per technician.
Changes to Services and Activities	The primary change is the implementation of an Automated Call Distribution system with the IRNE in late FY 2005-06. This allows the transfer of this service from Qwest to the IRNE and provides a more modern, full feature set to facilitate call center management. In FY 2006-07, the program will work with the successful vendor of the Unwire Portland project to implement improved bandwidth to remote City sites.

800 MHz OPERATIONS

Description	<p>The 800 MHz Operations program manages the operations of the regional public safety radio system, including maintaining the backbone equipment (e.g., microwave radio towers that transmit and receive radio signals) and electronic hardware and software that controls the complex network infrastructure. In addition, this program oversees the ongoing major maintenance components of the 800 MHz system that were part of the Public Safety Radio Enhancement Project (PREP) capital improvement plan. Completion of the 800 MHz system projects ensures ongoing support for the system's basic infrastructure and system enhancements to further improve service to customers.</p> <p>800 MHz Operations supports a radio system that provides service to over 11,000 communication units accessed by over 115 City and non-City agencies. The system fills a need in the greater metropolitan area by providing a service critical to public safety and public service agencies. The special emphasis on availability, with generator support for critical transmitters, simulcast broadcasting, redundant microwave radio transport, 24/7 on-call technical staff, and multiple repeater sites; results in a service that cannot be matched with commercial options.</p>
Relationship to Goals	The 800 MHz Operations program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost-effective use of technology.

Performance	The primary performance measure for the 800 MHz public safety radio system is an overall system availability indicator, as availability is the most critical variable in the operation of a public safety radio system. Program objectives include the continued maintenance of the system at the standards already in existence to maintain operational levels at 99.9% without system failure. Additional measures are the inventory of devices that the shop is responsible for maintaining, and the number of devices per technician.
Changes to Services and Activities	The program will have to address the changes in the 800 MHz public safety radio system required by the Federal Communications Commission (FCC) mandated re-banding of the 800 MHz frequencies. This will require negotiations with the controlling authority and migrating of the frequencies used within the radio system. The primary change in emphasis is a shift in focus from system upgrades (major projects were completed in the past two years to extend the supported life of the radio system) to planning for system replacement. Increased resources will be directed to regional interoperability planning and grant applications to obtain funding to support a regionally based next generation digital radio system infrastructure.

ENGINEERING

Description	The Engineering program provides expert design consultation, project and construction management, and quality assurance for radio and telecommunications projects, such as the IRNE, radio communications, wireless and wireline data transmission, remote control, and television surveillance systems. In addition, Engineering is responsible for managing the radio frequency licensing requirements with the FCC and the Association of Public Safety Communications Officers. The program provides technical support to other BTS programs, and also uses its expertise to benefit non-City agencies in upgrades to their radio and telecommunications systems. As the IRNE system continues to expand, the Engineering program will play an increasing role in the design and orchestration so that the system continues to operate both efficiently and effectively. As it relates to the 800 MHz public safety radio system, the program will continue to oversee vital improvements to an aging system, and will begin to make plans for the design of next generation wireless systems. Engineering is a critical participant in evaluating and implementing advanced wireless data networks.
Relationship to Goals	The Engineering program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost-effective use of technology.
Changes to Services and Activities	Engineering will be a leader in the planning and design of the next generation, regional public safety radio system.

CUSTOMER SERVICE

Description	The Customer Service program is responsible for business relationship management. It provides Bureau Business Representatives (BBRs), who act as bureau-specific liaisons to work with customers and BTS divisions on communications, project management and coordination, strategic planning assistance, Service Level Agreements (SLAs), performance monitoring, and problem resolution.
Relationship to Goals	The Customer Service program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost-effective use of technology.
Performance	Customer survey data measures satisfaction and the degree to which the bureau's service level agreement commitments are being met. The goal is for 90% of BTS customers to agree that the bureau has met or exceeded its SLAs.
Changes to Services and Activities	Working with their respective bureaus, Bureau Business Representatives are increasingly involved in the establishment of the variable cost elements of the IT budgets. The reduction in BBR capacity in the FY 2005-06 budget has limited the ability of BBRs to assume full project management responsibility for modest-sized projects.

INFORMATION SECURITY

Description	The Information Security program is responsible for providing expert resources and policy guidance to ensure the integrity of the City's information infrastructure, reduce threats from malicious code or directed attacks at critical infrastructure control and data systems, and ensure appropriate implementation of systems to meet availability requirements. The City acquires, transmits, and maintains data and systems that if disrupted or compromised, could disrupt public services, public safety, privacy, and citizen and business financial security. The information security program works with the other programs within BTS to implement security measures and practices.
Relationship to Goals	The Information Security program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost-effective use of technology.
Performance	This program has defined two policy compliance measures that address the City's preparedness for dealing with cyber-security threats. The first is to identify the percentage of desktops that are running the current version of the virus protection engine. The goal for FY 2006-07 is 90%. The second is a measure of the number of desktops and servers that are so old that they are unable to be fixed with critical security patches. This is not static, as each year operating system vendors discontinue support for previous versions. The goal is to have 100% of desktop and server systems capable of receiving critical security patches.

Changes to Services and Activities The focus in FY 2006-07 will include monitoring the effectiveness of improvements in patch management procedures and security policy compliance achieved via the Active Directory and Oracle Collaboration Suite implementations. The implementation of new, grant-funded security technologies will be undertaken including network intrusion prevention and event correlation systems. Additional activities include preparing an integrated Citywide IT disaster recovery plan and ensuring compliance to credit card industry regulations for the growing level of e-commerce activity the City is undertaking.

RADIO SHOP

Description The Radio Shop procures, installs, maintains, and repairs City and non-City electronic and communications equipment, video equipment, and fiber optic systems. The Radio Shop maintains all public safety radio equipment and provides other electronic services, including the provision and maintenance of sirens, radar guns, and video security systems.

Relationship to Goals The Radio Shop program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost effective use of technology.

Performance The performance measures for the Radio Shop focus on the inventory of devices that the shop maintains, and the number of devices per technician. Devices per technician have increased by 200 since FY 2000-01.

Changes to Services and Activities The receipt of various Homeland Security grants supports the implementation of additional video security systems. The re-banding of the 800 MHz public safety radio system will require replacement of many user devices.

NEW AND REPLACEMENT EQUIPMENT

Description The New and Replacement Equipment program serves two functions. While almost all equipment purchases are "new" even if they are for replacement equipment, new equipment refers to those purchases that increase the existing equipment inventory. This program coordinates the procurement of equipment requested by City bureaus and external agencies, and manages the transfer of funds for payment.

The replacement equipment program refers to the coordination of the purchase of replacement equipment and receipt of funds for the future replacement of existing electronic equipment.

Relationship to Goals The New and Replacement Equipment program supports the City in its goal to deliver efficient, effective, and accountable municipal services. The program supports the OMF goal to maximize the cost effective use of technology.

Performance The primary measure is the percentage of servers and network equipment with replacement funding included in the BTS CIP.

Changes to Services None.

Technology Services

PERFORMANCE MEASURES

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
OFFICE OF MANAGEMENT AND FINANCE						
Technology Services						
Strategic Support						
Effectiveness						
Percentage of IT equipment procurement via contracts and strategic sourcing agreements	NA	NA	NA	95%	75%	75%
Speed for order processing via Help Desk for minor IT equipment purchases (days)	NA	NA	NA	12	10	10
Efficiency						
Number of bureau staff per clerical employee	NA	NA	NA	24	60	60
Operations						
Effectiveness						
First Call Resolution: Percentage of problems resolved by Help Desk	71%	92%	23%	30%	33%	50%
Resolution Time: Percentage of problems resolved within four hours	89%	97%	55%	63%	60%	60%
Portland Police Data System Availability Percentage	99.41%	99.44%	99.53%	99.57%	99.50%	99.50%
Problem Call Aging: Average elapsed time to resolve (days)	NA	NA	6.40	4.00	6.00	6.00
Internet Availability Percentage	NA	NA	99.90%	100.00%	99.90%	99.90%
Efficiency						
Number of Desktops Supported per Technician	NA	102	104	107	106	110
Workload						
Number of Email Accounts Supported	NA	4,957	5,144	5,246	5,100	5,400
Strategic Technology						
Effectiveness						
Average number of unique visitors per day to PortlandOnline	NA	NA	7,500	12,000	10,000	10,000
Average number of page views per day to PortlandOnline	NA	NA	5,500	90,000	90,000	90,000
Average number of maps per day served through PortlandMaps	NA	NA	80,000	145,000	120,000	120,000
Efficiency						
Total number of content items managed in PortlandOnline	NA	NA	30,000	71,000	70,000	70,000
Workload						
Application and Development Hours Billed	17,049	44,542	44,542	42,957	64,688	50,440
Telecommunications						
Effectiveness						
Percent Uptime for Phone Switch	NA	NA	100%	100%	100%	100%
Number of Lines Provided in Service	NA	NA	8,695	8,808	9,000	9,000
Average Trouble Ticket Resolution Time in Minutes	NA	NA	63	7	10	10
Efficiency						
Average Annual Number of Trouble Tickets Resolved per Technician	NA	NA	74	71	80	80
Workload						
Number of Service Orders Submitted	3,441	3,588	1,203	1,110	1,203	1,203

	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Actual FY 2004-05	Yr End Est. FY 2005-06	Adopted FY 2006-07
800 MHz Operations						
Effectiveness						
Percentage of time system operated without failure	99.99%	99.99%	99.99%	99.99%	99.98%	99.98%
Efficiency						
Number of pieces of electronic equipment maintained per technician	616	622	1,469	1,798	1,474	1,474
Workload						
Number of communication units accessing system	6,654	6,720	6,980	7,193	7,000	7,000
Customer Service						
Effectiveness						
Customer Satisfaction Rating: Percentage agreeing BTS met or exceeded SLA	NA	NA	NA	NA	90%	90%
Information Security						
Effectiveness						
Percentage of desktops/servers running current virus protection engine	NA	NA	NA	42%	90%	90%
Efficiency						
Percentage of clients and servers no longer supported for security updates	NA	NA	NA	16%	0%	0%
Radio Shop						
Efficiency						
Number of pieces of electronic equipment maintained per technician	609	625	784	724	784	784
Workload						
Number of pieces of electronic equipment maintained	6,120	6,277	6,470	6,520	6,470	6,470
New and Replacement Equipment						
Effectiveness						
Percentage of servers and network equipment with replacement funding included in capital plan	NA	NA	NA	3%	10%	10%

Technology Services

SUMMARY OF DIVISION BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	14,523,680	15,786,962	18,870,950	20,610,538	20,610,538
External Materials and Services	9,337,930	10,410,129	12,123,061	11,431,235	12,185,422
Internal Materials and Services	2,541,928	3,236,401	7,529,030	10,830,007	12,376,007
Minor Capital Outlay	1,092,474	571,173	1,918,296	720,000	720,000
Total Operating Budget	27,496,012	30,004,665	40,441,337	43,591,780	45,891,967
Capital Improvements	1,714,360	1,283,071	5,205,956	2,310,500	2,310,500
TOTAL BUREAU EXPENDITURES	\$ 29,210,372	\$ 31,287,736	\$ 45,647,293	\$ 45,902,280	\$ 48,202,467
Allocated Overhead	1,042,720	734,423	844,595	1,221,575	1,221,575
Total Cost with Allocated Overhead	30,253,092	32,022,159	46,491,888	47,123,855	49,424,042
RESOURCES					
Technology Services Fund	29,210,372	31,287,736	45,647,293	45,902,280	48,202,467
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Radio Shop	1,427,875	1,545,355	1,370,762	1,591,849	1,473,944
<i>Positions</i>	<i>9.80</i>	<i>10.00</i>	<i>10.00</i>	<i>10.13</i>	<i>10.13</i>
Engineering	359,264	416,948	497,172	320,312	320,312
<i>Positions</i>	<i>2.10</i>	<i>5.00</i>	<i>5.00</i>	<i>2.00</i>	<i>2.00</i>
Telecommunications	6,496,573	6,630,466	7,774,963	6,483,616	6,658,637
<i>Positions</i>	<i>15.20</i>	<i>13.00</i>	<i>13.00</i>	<i>14.48</i>	<i>14.48</i>
Cash Transfers	222,336	215,790	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Division Administration	990,163	1,103,625	0	0	0
<i>Positions</i>	<i>6.10</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
800 MHz Operations	1,745,683	1,844,764	4,290,281	2,151,710	2,151,710
<i>Positions</i>	<i>8.80</i>	<i>5.00</i>	<i>5.00</i>	<i>7.09</i>	<i>7.09</i>
New and Replacement Equipment	439,341	377,858	675,044	35,000	140,000
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Strategic Support	1,815,917	1,848,431	2,148,937	2,678,278	2,678,278
<i>Positions</i>	<i>5.59</i>	<i>20.80</i>	<i>13.13</i>	<i>15.39</i>	<i>15.39</i>
Operations	9,145,214	10,419,556	14,806,129	15,068,927	15,450,998
<i>Positions</i>	<i>78.54</i>	<i>80.00</i>	<i>89.16</i>	<i>88.16</i>	<i>88.16</i>
Strategic Technology	5,955,685	6,370,475	12,897,289	16,137,594	17,893,594
<i>Positions</i>	<i>45.15</i>	<i>59.34</i>	<i>61.63</i>	<i>61.14</i>	<i>61.14</i>
Customer Service	445,100	435,708	745,891	740,802	740,802
<i>Positions</i>	<i>5.51</i>	<i>0.00</i>	<i>6.00</i>	<i>5.46</i>	<i>5.46</i>
Information Security	167,221	78,760	440,825	694,192	694,192
<i>Positions</i>	<i>2.21</i>	<i>1.00</i>	<i>2.00</i>	<i>3.00</i>	<i>3.00</i>
TOTAL PROGRAMS	\$ 29,210,372	\$ 31,287,736	\$ 45,647,293	\$ 45,902,280	\$ 48,202,467
<i>Positions</i>	<i>179.00</i>	<i>194.14</i>	<i>204.92</i>	<i>206.85</i>	<i>206.85</i>

Technology Services

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2004	FY 2005	FY 2005-06	Amount	FY 2006-07	Amount	FY 2006-07	Amount
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0131	Customer Accts Spec I	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0100	Office Supp Spec I	1.00	1.00	1.00	34,140	1.00	34,920	1.00	34,920
0102	Office Supp Spec II	2.00	2.00	2.00	75,384	2.00	77,136	2.00	77,136
0104	Office Supp Spec III	1.00	1.00	1.00	44,472	1.00	45,516	1.00	45,516
0405	Storekeeper/Acq Specialist I	1.00	1.00	1.00	43,080	1.00	44,076	1.00	44,076
0406	Storekeeper/Acq Specialist II	1.00	1.00	1.00	45,228	1.00	46,260	1.00	46,260
7103	Administrative Assistant	0.00	1.00	1.00	54,144	1.00	55,994	1.00	55,994
7102	Administrative Specialist, Sr	2.00	1.00	1.00	42,324	1.00	44,064	1.00	44,064
2532	Applications Analyst II	3.00	2.00	5.00	314,736	5.00	318,866	5.00	318,866
2533	Applications Analyst III	9.00	13.00	17.00	1,105,138	17.00	1,133,479	17.00	1,133,479
2534	Applications Analyst IV	6.00	8.00	8.00	571,106	8.00	582,576	8.00	582,576
7110	Business Operations Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7121	Business Systems Analyst	0.00	1.00	1.00	58,152	1.00	60,341	1.00	60,341
7502	CAD Software Engineer	2.00	2.00	2.00	202,776	2.00	202,776	2.00	202,776
7012	Chief Technology Officer	1.00	1.00	1.00	128,520	1.00	131,154	1.00	131,154
3253	Comm Switch Tech	1.00	2.00	2.00	109,512	2.00	119,112	2.00	119,112
7520	Comm Systems Marketing Rep	1.00	1.00	1.00	67,164	1.00	67,164	1.00	67,164
3255	Communications Engineer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7685	Communications Engineer	2.00	2.00	2.00	148,725	2.00	152,812	2.00	152,812
7686	Communications Engineer, Senior	1.00	1.00	1.00	82,308	1.00	82,308	1.00	82,308
7528	Communications Systems Administr	1.00	1.00	1.00	83,901	1.00	86,952	1.00	86,952
7534	ComNet Director	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7532	ComNet Operations Manager	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
7526	ComNet Technical Projects Coordi	3.00	3.00	3.00	222,696	3.00	222,696	3.00	222,696
7105	Director's Executive Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3251	Electronic Tech II Communication	8.00	8.00	8.00	465,696	8.00	476,448	8.00	476,448
3248	Electronics Technician Assistant	2.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
3249	Electronics Technician I: Commun	3.00	4.00	5.00	244,402	5.00	254,580	5.00	254,580
6061	GIS Technician I	0.00	1.00	1.00	32,856	1.00	36,004	1.00	36,004
2541	Information Systems Analyst I	3.00	3.00	3.00	164,664	3.00	191,952	3.00	191,952
2542	Information Systems Analyst II	29.00	29.00	29.00	1,756,646	29.00	1,878,603	29.00	1,878,603
2543	Information Systems Analyst III	16.00	21.00	21.00	1,439,596	22.00	1,620,888	22.00	1,620,888
2544	Information Systems Analyst IV	8.00	9.00	11.00	793,054	11.00	857,379	11.00	857,379
7506	Information Systems Analyst IV	1.00	1.00	1.00	78,168	1.00	78,168	1.00	78,168
7509	Information Systems Manager	5.00	4.88	4.00	347,136	4.00	352,099	4.00	352,099
7510	Information Systems Mgr, Sr	9.00	10.00	9.00	843,492	9.00	862,218	9.00	862,218
7508	Information Systems Supervisor	3.00	6.00	9.00	739,056	9.00	747,038	9.00	747,038
2522	Information Systems Tech I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2523	Information Systems Tech II	14.00	12.00	12.00	689,471	12.00	731,088	12.00	731,088
2524	Information Systems Tech III	6.00	6.00	5.00	262,895	5.00	318,588	5.00	318,588
7515	IT Director	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7512	IT Operations Manager	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
7513	IT Strategic Technology Planning	1.00	1.00	1.00	109,032	1.00	109,032	1.00	109,032
7507	Prin Info Sys Analyst IV(Supr)	3.00	2.00	1.00	87,780	1.00	87,780	1.00	87,780
2545	Principal Info Systems Analyst	18.00	19.00	19.00	1,483,597	19.00	1,621,284	19.00	1,621,284
7133	Principal Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7115	Tech Svcs Admin Manager	0.00	1.00	1.00	66,228	1.00	68,036	1.00	68,036
7137	Tech Svcs Contract Coord.	0.00	1.00	1.00	61,397	1.00	63,914	1.00	63,914
7516	Tech Svcs Bureau Busines Rep	0.00	1.00	3.00	270,768	3.00	274,128	3.00	274,128
7514	Tech Svcs Cust Svc Manager	0.00	1.00	1.00	95,928	1.00	99,864	1.00	99,864
7524	Technical Operations Supervisor	1.00	1.00	1.00	74,232	1.00	74,232	1.00	74,232
7530	Telecommunications Manager	1.00	1.00	1.00	74,436	1.00	76,152	1.00	76,152
TOTAL FULL-TIME POSITIONS		178.00	191.88	201.00	\$ 13,832,100	202.00	\$ 14,605,741	202.00	\$ 14,605,741
0102	Office Supp Spec II	0.00	0.80	0.80	30,156	0.80	30,852	0.80	30,852
2533	Applications Analyst III	1.00	0.63	0.63	46,392	0.63	46,733	0.63	46,733
TOTAL PART-TIME POSITIONS		1.00	1.43	1.43	\$ 76,548	1.43	\$ 77,585	1.43	\$ 77,585
2542	Information Systems Analyst II	0.00	0.00	0.58	28,845	1.00	63,669	1.00	63,669
2543	Information Systems Analyst III	0.00	0.00	0.58	31,831	1.00	70,352	1.00	70,352
2522	Information Systems Tech I	0.00	0.83	1.00	50,342	0.42	23,615	0.42	23,615
7156	Program Manager	0.00	0.00	0.33	18,116	1.00	55,596	1.00	55,596
TOTAL LIMITED TERM POSITIONS		0.00	0.83	2.49	\$ 129,134	3.42	\$ 213,232	3.42	\$ 213,232

Technology Services

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	41,420,216	0	41,420,216	205.85	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	0	99,236	99,236	0.00	GIS Cash Transfer Correction
	(149,019)	0	(149,019)	0.00	Cut in Health Benefits Cost
	(126,580)	0	(126,580)	0.00	OMF Bus Ops Shift HR Services to GF Overhead
Mayor's Proposed Budget Decisions					
	0	235,000	235,000	0.00	800 MHz tower maintenance
	0	250,000	250,000	0.00	Disaster recovery
	(50,100)	0	(50,100)	0.00	Network equipment maintenance
	(50,000)	0	(50,000)	0.00	Telecommunications audits
	(11,000)	0	(11,000)	0.00	Targeted reductions - operating supplies
	(49,980)	253,000	203,020	0.00	Centrex line reductions
	144,220	0	144,220	0.00	Deficient computer equipment replacement
	92,700	0	92,700	1.00	Info. Sys. Analyst 3 for Open Vision support
	0	85,000	85,000	0.00	800 MHz system replacement planning
	0	200,000	200,000	0.00	Enterprise document management study
	0	3,075,357	3,075,357	0.00	EBSF funding change - debt financing
	484,230	0	484,230	0.00	Receiver bureau service request changes
Approved Budget Additions and Reductions					
	0	1,732,871	1,732,871	0.00	Carryover of EBS contracts
	210,000	0	210,000	0.00	Increase I/A with PDOT
	118,400	0	118,400	0.00	Net change to Water I/A
	7,500	0	7,500	0.00	Adjustment to OMF I/A
Adopted Budget Additions and Reductions					
	0	(186,871)	(186,871)	0.00	True-up of EBS contract carryover
	412,863	0	412,863	0.00	Various internal true-ups
	5,424	0	5,424	0.00	Various I/A adjustments
	1,038,658	5,743,593	6,782,251	206.85	Total FY 2006-07 Decision Packages
			\$ 48,202,467	206.85	Total Adopted Budget

Office of the Mayor

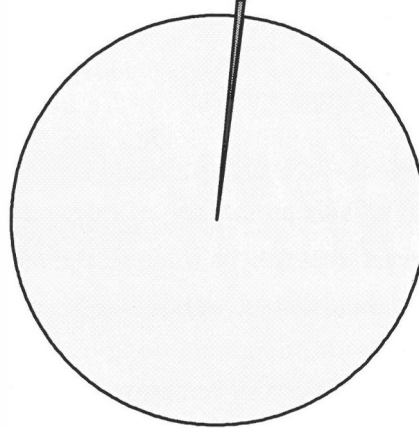
Legislative, Administrative, and Support Service Area

Mayor Tom Potter, Commissioner-in-Charge

Percent of General Fund

Mayor = \$2.5 Million

0.5%



General Fund = \$469.7 Million

Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	2,061,935	2,521,076	459,141	22.3%
Capital	0	0	0	0.0%
Total Expenditures	\$ 2,061,935	\$ 2,521,076	\$ 459,141	\$ 22.3%
Authorized Positions	22.31	28.75	6.44	28.9%

Bureau Summary

BUREAU OVERVIEW

The Mayor's Office is the central hub for all City business and affairs. The Mayor's Office FY 2006-07 Adopted Budget reflects this by dedicating staff and programs to address the concerns of Portland residents and City bureaus. The Mayor's Office works to meet the following goals and priorities:

- 1) Build opportunities for citizens to engage in public service, and improve the exchange of information between residents and their elected representatives through the following:
 - ◆ Redefine the role of the Office of Neighborhood Involvement (ONI) to significantly enhance citizen participation throughout Portland and the process of civic governance.
 - ◆ Continue the Mayor's goal of spending at least 50% of his time outside of the office, listening to community and business needs and creating opportunities for community partnerships.
 - ◆ Complete the community visioning process begun last year, which will engage the entire community in charting a roadmap for the city over the next 30 years.
 - ◆ Continue to provide prompt responses to citizen inquiries or concerns.
- 2) Implement recommendations from the Bureau Innovation Project:
 - ◆ Achieve a more diverse workforce, and create greater cultural understanding.
 - ◆ Provide greater collaboration among bureaus.
 - ◆ Improve public service and employee relations.
 - ◆ Be more accountable to the public for performance.
- 3) Work with the Portland Development Commission (PDC) to provide greater transparency and community involvement in its decision making, and provide closer oversight from City Council.
- 4) Improve Portland's business climate, and strengthen economic development regionally.
- 5) Integrate arts and culture into all planning and economic development efforts.
- 6) Strengthen Portland's role in the international marketplace by fostering and enhancing international relations.
- 7) Work with public safety bureaus to enhance community policing, and create improved efficiencies by working with Multnomah County and the District Attorney.

The Mayor's Office is committed to these goals and priorities and, therefore, dedicates staff to ensure they are met. In order to accommodate these goals, the office has developed interagency agreements with ONI, PDC, and Police.

Bureau Assignments

Mayor Potter is responsible for the following bureau assignments:

- ◆ Bureau of Planning
- ◆ Bureau of Police
- ◆ Office of Neighborhood Involvement
- ◆ Office of the City Attorney
- ◆ Office of Emergency Management

- ◆ Office of Government Relations
- ◆ Office of Management and Finance
- ◆ Portland Development Commission

In addition, the Mayor has the following liaison responsibilities:

- ◆ Civil Service Board
- ◆ Design Commission
- ◆ Planning Commission
- ◆ Historic Landmarks Commission
- ◆ Fire and Police Disability and Retirement Board
- ◆ Mayor's Leaders Roundtable
- ◆ Portland/Multnomah Progress Board
- ◆ Local Public Safety Coordinating Council
- ◆ Metro Policy Advisory Committee
- ◆ Film and Video Office
- ◆ League of Oregon Cities
- ◆ Rose Festival Association
- ◆ Business Licenses Board of Appeals
- ◆ Metropolitan Human Rights Center
- ◆ Education Advocate K-12
- ◆ Bureau Innovation Project Recommendations #1-20

SUMMARY OF BUDGET DECISIONS

In addition to providing ongoing funding for the responsibilities and staffing of the Mayor's Office, this budget continues funding for the Bureau Innovation Project and Vision PDX, the community visioning effort to engage Portland's citizens in creating a framework for the City to follow in the decades to come. The budget also includes two part-time positions to coordinate school funding issues with our regional partners and with the Oregon Legislature, in preparation for and during the 2007 legislative session. In addition, this budget provides one-time funding for two positions to implement a Community Violence Reduction plan.

The staffing level in the office will total 28.75 FTE in FY 2006-07. Ten of these positions, comprising 8.75 FTE, are limited duration, lasting only through this fiscal year. There is also one new ongoing position in the budget, an assistant to the Mayor's Chief of Staff, funded with reductions in materials & services.

BUDGET NOTES

Local Public Safety Coordinating Council

The FY 2006-07 Mayor's Office budget includes ongoing funds of \$25,000 for the Local Public Safety Coordinating Council (LPSCC). Before any of this appropriation is disbursed, LPSCC will submit a work plan and budget for these funds to the Mayor's Office.

**Changes in Position
Funding**

This budget sets forth the City Council's intention to convert Central City Planning positions in the Bureau of Planning that are now funded by the Portland Development Commission to ongoing General Fund discretionary funding in the FY 2007-08 budget process. This budget also sets forth the City Council's intention to convert three new positions in the Portland Office of Emergency Management to ongoing General Fund discretionary and overhead funding in the FY 2007-08 budget process. These three positions are funded with one-time General Fund discretionary resources in FY 2006-07. Finally, this budget sets forth the City Council's intention to convert three limited term positions related to budget process coordination and gang reduction in the Mayor's Office to permanent positions with ongoing funding in FY 2007-08.

Office of the Mayor

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	946,778	1,128,646	1,505,052	1,839,288	2,036,042
External Materials and Services	9,971	20,141	275,527	226,436	189,682
Internal Materials and Services	350,314	394,138	281,356	295,352	295,352
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	1,307,063	1,542,925	2,061,935	2,361,076	2,521,076
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 1,307,063	\$ 1,542,925	\$ 2,061,935	\$ 2,361,076	\$ 2,521,076
Allocated Overhead	0	0	0	15,548	15,548
Total Cost with Allocated Overhead	1,307,063	1,542,925	2,061,935	2,376,624	2,536,624
RESOURCES					
Discretionary Revenue	548,608	667,099	915,107	1,051,739	1,211,739
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	39,270	114,615	114,615
Interagency Revenues	0	36,152	391,331	445,580	445,580
Program Revenue	64,128	88,882	0	0	0
Overhead Recovery	694,327	750,792	716,227	749,142	749,142
Total Non-Discretionary Revenues	758,455	875,826	1,146,828	1,309,337	1,309,337
TOTAL GENERAL FUND RESOURCES	\$ 1,307,063	\$ 1,542,925	\$ 2,061,935	\$ 2,361,076	\$ 2,521,076
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Administrative/Executive	1,224,785	1,472,285	2,016,804	2,361,076	2,521,076
<i>Positions</i>	<i>15.00</i>	<i>16.58</i>	<i>22.31</i>	<i>26.00</i>	<i>28.75</i>
International Relations	82,278	70,640	45,131	0	0
<i>Positions</i>	<i>0.00</i>	<i>1.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 1,307,063	\$ 1,542,925	\$ 2,061,935	\$ 2,361,076	\$ 2,521,076
<i>Positions</i>	<i>15.00</i>	<i>17.58</i>	<i>22.31</i>	<i>26.00</i>	<i>28.75</i>

Office of the Mayor

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0015	Commissioner's Admin Supp Spec	0.00	5.50	5.65	204,792	9.00	348,024	9.00	348,024
0020	Commissioner's Staff Rep	8.00	8.50	10.00	529,224	8.00	430,884	8.00	430,884
0001	Mayor	1.00	1.00	1.00	104,976	1.00	104,976	1.00	104,976
0032	Mayor's Chief of Staff	1.00	1.00	1.00	93,000	1.00	93,000	1.00	93,000
0030	Mayor's Deputy Chief of Staff	1.00	1.00	1.00	75,000	1.00	75,000	1.00	75,000
0815	Administrative Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0900	Staff Assistant	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		15.00	17.00	18.65	\$ 1,006,992	20.00	\$ 1,051,884	20.00	\$ 1,051,884
0015	Commissioner's Admin Supp Spec	0.00	0.00	1.33	47,176	2.25	76,512	2.50	81,012
0020	Commissioner's Staff Rep	0.00	0.00	2.33	120,137	3.75	196,788	6.25	333,564
7156	Program Manager	0.00	0.58	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	0.58	3.66	\$ 167,313	6.00	\$ 273,300	8.75	\$ 414,576

Office of the Mayor

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	1,910,504	250,000	2,160,504	22.00	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(15,548)	0	(15,548)	0.00	Shift HR to GF Overhead
	432	0	432	0.00	Increase in employee transit allocation
	(12,336)	0	(12,336)	0.00	Reduction in employee health insurance rates
Mayor's Proposed Budget Decisions					
	0	112,220	112,220	1.75	BIP Special Appropriation - DP #1
	0	65,652	65,652	0.75	School Funding Coordination - DP #5
	0	25,152	25,152	0.50	School Funding Coordination Assistant - DP #6
	0	0	0	1.00	Ass't to Chief of Staff, funded w/M&S cuts - DP #9
	25,000	0	25,000	0.00	Public Safety Coord, was a Special Appropriation
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.50	Add 6-month Visioning position, reduce M&S
	0	0	0	0.25	Change part-time position to full-time for BIP
	0	160,000	160,000	2.00	Gang Reduction - Funds shifted from Spec. Approp.
	(2,452)	363,024	360,572	6.75	Total FY 2006-07 Decision Packages
			\$ 2,521,076	28.75	Total Adopted Budget

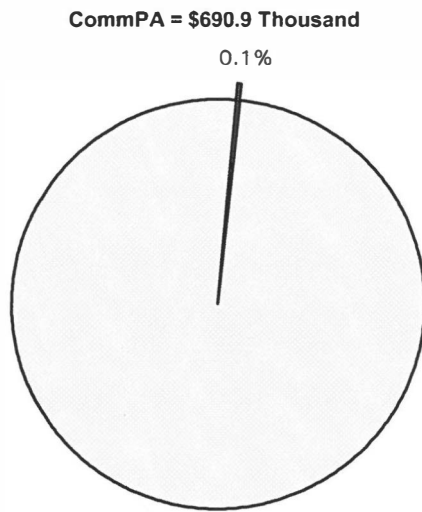


Commissioner of Public Affairs

Legislative, Administrative, and Support Service Area

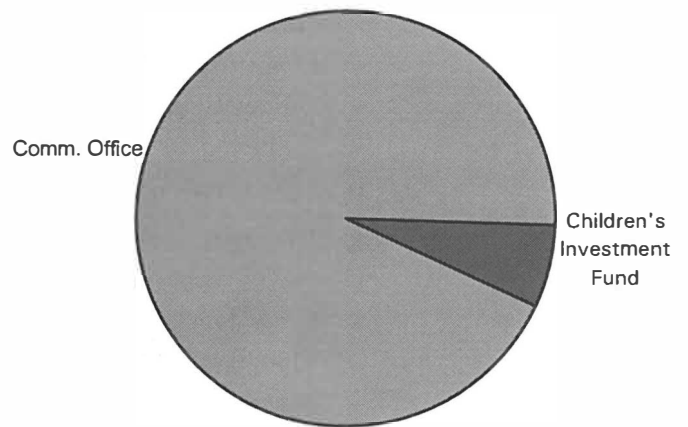
Dan Saltzman, Commissioner-in-Charge

Percent of General Fund



General Fund = \$469.7 Million

Bureau Programs



Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	674,617	690,870	16,253	2.4%
Capital	0	0	0	0.0%
Total Expenditures	\$ 674,617	\$ 690,870	\$ 16,253	\$ 2.4%
Authorized Positions	6.83	6.75	-0.08	-1.2%

Bureau Summary

BUREAU OVERVIEW

The Office of the Commissioner of Public Affairs is charged with legislative and administrative responsibilities in accordance with the provisions of the Portland City Charter. The Commissioner is one of five nonpartisan City Council members and participates in the enactment and enforcement of City laws and policies that promote a viable, livable, and sustainable city. The Commissioner also provides leadership and management oversight for a portfolio of City bureaus.

Bureau Assignments

Commissioner Saltzman is responsible for the following bureaus:

- ◆ Portland Parks & Recreation
- ◆ Office of Sustainable Development
- ◆ Office of Cable Communications
- ◆ Children's Investment Fund

In addition, Commissioner Saltzman has the following liaison responsibilities:

- ◆ Pioneer Courthouse Square
- ◆ Pittock Mansion Advisory Committee
- ◆ Urban Forestry Commission
- ◆ Multnomah County Animal Control
- ◆ Sustainable Development Commission
- ◆ Mt. Hood Cable Regulatory Commission
- ◆ Portland Cable Access Board
- ◆ Metro Solid Waste Advisory Committee
- ◆ Bureau Innovation Project Recommendations #1-20, with special emphasis on #12 - Review of Maintenance Functions, 15 -Eastside CSO Review, 16 - Managing For Results, and 18 - Sustainability.

SUMMARY OF BUDGET DECISIONS

No changes are made to the Commissioner's office budget in the FY 2006-07 Adopted Budget.

Commissioner of Public Affairs

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	731,371	492,332	526,585	536,425	536,425
External Materials and Services	33,375	3,319	17,245	32,476	30,756
Internal Materials and Services	102,640	118,816	130,787	123,689	123,689
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	867,386	614,467	674,617	692,590	690,870
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 867,386	\$ 614,467	\$ 674,617	\$ 692,590	\$ 690,870
Allocated Overhead	0	0	0	5,442	5,442
Total Cost with Allocated Overhead	867,386	614,467	674,617	698,032	696,312
RESOURCES					
Discretionary Revenue	266,877	209,119	296,194	319,564	317,844
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	262,746	38,649	17,961	0	0
Program Revenue	0	0	0	0	0
Overhead Recovery	337,763	366,699	360,462	373,026	373,026
Total Non-Discretionary Revenues	600,509	405,348	378,423	373,026	373,026
TOTAL GENERAL FUND RESOURCES	\$ 867,386	\$ 614,467	\$ 674,617	\$ 692,590	\$ 690,870
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office	655,418	601,566	629,617	647,590	645,870
<i>Positions</i>	<i>8.00</i>	<i>8.00</i>	<i>6.83</i>	<i>6.75</i>	<i>6.75</i>
Children's Investment Fund	211,968	12,901	45,000	45,000	45,000
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 867,386	\$ 614,467	\$ 674,617	\$ 692,590	\$ 690,870
<i>Positions</i>	<i>8.00</i>	<i>8.00</i>	<i>6.83</i>	<i>6.75</i>	<i>6.75</i>

Commissioner of Public Affairs

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0002	City Commissioner	1.00	1.00	1.00	90,816	1.00	90,816	1.00	90,816
0015	Commissioner's Admin Supp Spec	2.00	2.00	1.75	71,448	1.75	71,448	1.75	71,448
0022	Commissioner's Chief of Staff	1.00	1.00	0.50	39,000	1.00	71,616	1.00	71,616
0020	Commissioner's Staff Rep	4.00	4.00	3.00	170,136	2.00	106,284	2.00	106,284
TOTAL FULL-TIME POSITIONS		8.00	8.00	6.25	\$ 371,400	5.75	\$ 340,164	5.75	\$ 340,164
0015	Commissioner's Admin Supp Spec	0.00	0.00	0.58	26,271	0.00	0.00	0.00	0.00
0020	Commissioner's Staff Rep	0.00	0.00	0.00	0.00	1.00	45,336	1.00	45,336
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.58	\$ 26,271	1.00	\$ 45,336	1.00	\$ 45,336

Commissioner of Public Affairs

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	697,854	0	697,854	6.75	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(5,442)	0	(5,442)	0.00	BHR IA to overhead
	178	0	178	0.00	Increase transit pass subsidy
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	None
Approved Budget Additions and Reductions					
	(1,720)	0	(1,720)	0.00	Decreased health rates
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(6,984)	0	(6,984)	0.00	Total FY 2006-07 Decision Packages
			\$ 690,870	6.75	Total Adopted Budget



Commissioner of Public Safety

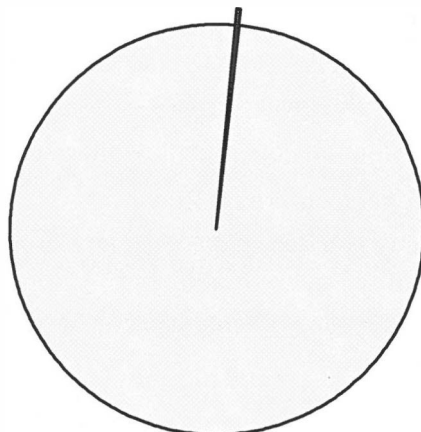
Legislative, Administrative, and Support Service Area

Randy Leonard, Commissioner-in-Charge

Percent of General Fund

CommPS = \$670.4 Thousand

0.1%



General Fund = \$469.7 Million

Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	638,140	670,426	32,286	5.1%
Capital	0	0	0	0.0%
Total Expenditures	\$ 638,140	\$ 670,426	\$ 32,286	\$ 5.1%
Authorized Positions	6.89	6.39	-0.50	-7.3%

Bureau Summary

BUREAU OVERVIEW

The Office of the Commissioner of Public Safety is charged with legislative and administrative responsibilities in accordance with the provisions of the Portland City Charter. The Commissioner is one of five nonpartisan City Council members and participates in the enactment and enforcement of City laws and policies that promote a viable, livable, and sustainable city. The Commissioner also provides leadership and management oversight for a portfolio of City bureaus.

Bureau Assignments

The Commissioner of Public Safety is responsible for the following bureaus:

- ◆ Bureau of Water Works
- ◆ Bureau of Emergency Communications
- ◆ Bureau of Development Services

In addition, the Commissioner has the following liaison responsibilities:

- ◆ Regional Water Consortium Board
- ◆ Water Quality Advisory Committee
- ◆ Portland Utility Review Board
- ◆ Bureau of Emergency Communications User Board
- ◆ Elders in Action
- ◆ Design Commission
- ◆ Historic Landmarks Commission
- ◆ Local Public Safety Coordinating Council (with Mayor Potter and Commissioner Adams)
- ◆ Emergency Medical Services Policy Board
- ◆ Adjustment Committee
- ◆ Building Board of Appeals
- ◆ Taxicab Board of Review
- ◆ Towing Board of Review
- ◆ Bureau Innovation Projects 1-20, with special emphasis on Projects 11, 12, 16, and 19

SUMMARY OF BUDGET DECISIONS

Beyond technical adjustments, no changes are made to the Commissioner's office budget from the current appropriation level in the FY 2006-07 Adopted Budget.

Commissioner of Public Safety

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	459,838	457,676	513,607	545,469	545,469
External Materials and Services	17,964	6,625	11,050	11,100	11,100
Internal Materials and Services	94,996	93,686	113,483	113,857	113,857
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	572,798	557,987	638,140	670,426	670,426
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 572,798	\$ 557,987	\$ 638,140	\$ 670,426	\$ 670,426
Allocated Overhead	0	0	0	6,219	6,219
Total Cost with Allocated Overhead	572,798	557,987	638,140	676,645	676,645
RESOURCES					
Discretionary Revenue	252,823	195,060	287,587	307,573	307,573
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	0	0	0	0
Program Revenue	0	4	0	0	0
Overhead Recovery	319,975	362,923	350,553	362,853	362,853
Total Non-Discretionary Revenues	319,975	362,927	350,553	362,853	362,853
TOTAL GENERAL FUND RESOURCES	\$ 572,798	\$ 557,987	\$ 638,140	\$ 670,426	\$ 670,426
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office	572,798	557,987	638,140	670,426	670,426
Positions	7.00	6.63	6.89	6.39	6.39
TOTAL PROGRAMS	\$ 572,798	\$ 557,987	\$ 638,140	\$ 670,426	\$ 670,426
Positions	7.00	6.63	6.89	6.39	6.39

Commissioner of Public Safety

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0002	City Commissioner	1.00	1.00	1.00	90,816	1.00	90,816	1.00	90,816
0015	Commissioner's Admin Supp Spec	2.00	1.00	1.00	49,260	1.00	49,260	1.00	49,260
0022	Commissioner's Chief of Staff	1.00	1.00	1.00	91,728	1.00	91,728	1.00	91,728
0020	Commissioner's Staff Rep	2.00	3.00	3.00	145,788	3.00	145,788	3.00	145,788
TOTAL FULL-TIME POSITIONS		6.00	6.00	6.00	\$ 377,592	6.00	\$ 377,592	6.00	\$ 377,592
0020	Commissioner's Staff Rep	0.00	0.63	0.39	50,004	0.39	17,040	0.39	17,040
0900	Staff Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PART-TIME POSITIONS		1.00	0.63	0.39	\$ 50,004	0.39	\$ 17,040	0.39	\$ 17,040
0020	Commissioner's Staff Rep	0.00	0.00	0.50	25,002	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.50	\$ 25,002	0.00	\$ 0	0.00	\$ 0

Commissioner of Public Safety

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	678,262	0	678,262	6.39	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(6,219)	0	(6,219)	0.00	Move Human Resources Charges to Overhead
	75	0	75	0.00	Increase Employee Transit Pass Subsidy
	(1,692)	0	(1,692)	0.00	Reduction in Employee Health Insurance Rates
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	None
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(7,836)	0	(7,836)	0.00	Total FY 2006-07 Decision Packages
			\$ 670,426	6.39	Total Adopted Budget



Commissioner of Public Utilities

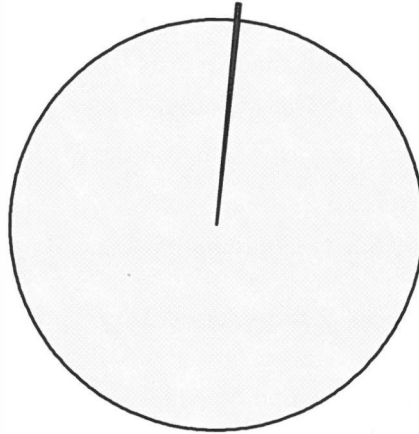
Legislative, Administrative, and Support Service Area

Sam Adams, Commissioner-in-Charge

Percent of General Fund

CommPU = \$762.6 Thousand

0.2%



General Fund = \$469.7 Million

Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	752,133	762,620	10,487	1.4%
Capital	0	0	0	0.0%
Total Expenditures	\$ 752,133	\$ 762,620	\$ 10,487	\$ 1.4%
Authorized Positions	10.50	8.50	-2.00	-19.0%

Bureau Summary

BUREAU OVERVIEW

Commissioner Adams's office is dedicated to working with the public and City bureaus on issues facing the City of Portland.

Irrespective of bureau assignments, the Office of Commissioner Adams's primary focus over the next fiscal year will be to ensure the City is helping to get Portlanders back to work. The community expects City influence in helping to create a strong, local economy that is better for families, supports a strong public school system, and creates a high quality of life with access to jobs for everybody. Commissioner Adams is committed to this expectation.

Bureau Assignments

Commissioner Adams is responsible for the following bureaus:

- ◆ Bureau of Environmental Services (BES)
- ◆ Portland Office of Transportation

In addition, Commissioner Adams has the following liaison responsibilities:

- ◆ Regional Arts and Culture Council
- ◆ Local Public Safety Coordinating Council (with Mayor Potter and Commissioner Leonard)
- ◆ Portland Oregon Visitors Association
- ◆ Endangered Species Act Program (BES)
- ◆ International Council on Local Environmental Initiatives
- ◆ Association of Portland Neighborhood Business Associations
- ◆ Airport Issues Roundtable
- ◆ Housing Authority of Portland
- ◆ Housing and Community Development Commission
- ◆ Workforce Development Boards
- ◆ Higher Education Advocate
- ◆ Bureau Innovation Project Recommendations #1-20, with special emphasis on #7, 11, 15, and 16.

SUMMARY OF BUDGET DECISIONS

The Commissioner's Office budget eliminates one position and reduces materials and services spending to reflect a reduced workload. The Commissioner's Office increased staff in FY 2005-06 to deal with large special projects such as the tram. With the bulk of the workload completed, the office can return to a lower staffing level. These savings are captured through reduced interagency charges with the bureaus of Environmental Services and Transportation.

Commissioner of Public Utilities

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	486,162	533,920	602,378	671,135	621,135
External Materials and Services	9,449	28,090	30,347	26,359	6,700
Internal Materials and Services	101,551	121,317	119,408	134,785	134,785
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	597,162	683,327	752,133	832,279	762,620
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 597,162	\$ 683,327	\$ 752,133	\$ 832,279	\$ 762,620
Allocated Overhead	0	0	0	6,997	6,997
Total Cost with Allocated Overhead	597,162	683,327	752,133	839,276	769,617
RESOURCES					
Discretionary Revenue	263,576	316,849	291,181	312,346	312,346
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	0	106,453	151,317	81,658
Program Revenue	0	13	0	0	0
Overhead Recovery	333,586	366,465	354,499	368,616	368,616
Total Non-Discretionary Revenues	333,586	366,478	460,952	519,933	450,274
TOTAL GENERAL FUND RESOURCES	\$ 597,162	\$ 683,327	\$ 752,133	\$ 832,279	\$ 762,620
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office	597,162	683,327	752,133	832,279	762,620
<i>Positions</i>	<i>7.00</i>	<i>7.50</i>	<i>10.50</i>	<i>9.50</i>	<i>8.50</i>
TOTAL PROGRAMS	\$ 597,162	\$ 683,327	\$ 752,133	\$ 832,279	\$ 762,620
<i>Positions</i>	<i>7.00</i>	<i>7.50</i>	<i>10.50</i>	<i>9.50</i>	<i>8.50</i>

Commissioner of Public Utilities

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0002	City Commissioner	1.00	1.00	1.00	88,416	1.00	88,416	1.00	88,416
0015	Commissioner's Admin Supp Spec	0.00	2.00	3.00	95,976	2.00	63,984	2.00	63,984
0022	Commissioner's Chief of Staff	1.00	1.00	1.00	72,900	1.00	72,900	1.00	72,900
0020	Commissioner's Staff Rep	4.00	3.00	4.00	217,164	4.00	217,164	3.00	165,168
7452	Community Service Aide II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		7.00	7.00	9.00	\$ 474,456	8.00	\$ 442,464	7.00	\$ 390,468
0015	Commissioner's Admin Supp Spec	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
0020	Commissioner's Staff Rep	0.00	0.00	0.50	26,004	0.50	26,004	0.50	26,004
TOTAL PART-TIME POSITIONS		0.00	0.50	0.50	\$ 26,004	0.50	\$ 26,004	0.50	\$ 26,004
0015	Commissioner's Admin Supp Spec	0.00	0.00	1.00	31,284	1.00	31,992	1.00	31,992
TOTAL LIMITED TERM POSITIONS		0.00	0.00	1.00	\$ 31,284	1.00	\$ 31,992	1.00	\$ 31,992

Commissioner of Public Utilities

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	796,522	0	796,522	9.50	FY 2006-07 Current Appropriation Level
CAL Adjustments					
	(2,265)	0	(2,265)	0.00	Revised health benefit rates
	(6,997)	0	(6,997)	0.00	Switch Human Resources to overhead
	155	0	155	0.00	Employee transit increase
	44,864	0	44,864	0.00	Increase IA with BES & PDOT
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	None
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	(69,659)	0	(69,659)	(1.00)	Eliminate staff rep & reduce materials and services
	(33,902)	0	(33,902)	(1.00)	Total FY 2006-07 Decision Packages
			\$ 762,620	8.50	Total Adopted Budget



Commissioner of Public Works

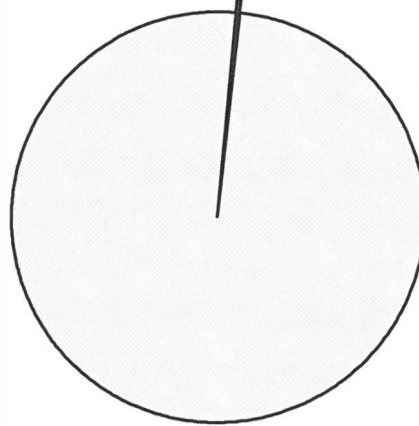
Legislative, Administrative, and Support Service Area

Erik Sten, Commissioner-in-Charge

Percent of General Fund

CommPW = \$679.5 Thousand

0.1%



General Fund = \$469.7 Million

Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	643,487	679,521	36,034	5.6%
Capital	0	0	0	0.0%
Total Expenditures	\$ 643,487	\$ 679,521	\$ 36,034	\$ 5.6%
Authorized Positions	7.00	6.75	-0.25	-3.6%

Bureau Summary

BUREAU OVERVIEW

The primary focus of the office during the fiscal year will be on:

- ◆ Portland Fire & Rescue (PF&R): Using the 2005-10 Strategic Plan and March, 2006 Service Delivery System Study as foundations, continue to ensure that PF&R has the resources to meet its core mission of protecting life, property, and firefighter safety.
- ◆ Homelessness Plan: Build on the success of the first year's results of the Ten-Year Plan to End Homelessness during year two of implementation. Work will center on the plan's three principles: focus on the most chronically homeless populations, streamline access to existing services to prevent and reduce other homelessness, and concentrate resources.
- ◆ Establish and lead a multi-bureau effort to work in partnership with Portland's public schools on strategies to make schools the centerpiece of the city's neighborhood-based community development, with a particular focus on family housing, investments to improve the quality of school facilities, and recreational opportunities. Establish and lead a task force to advise Portland Public Schools on how to optimize the value of its real estate, including its Blanchard headquarters.

Bureau Assignments

Commissioner Sten is responsible for the following bureaus:

- ◆ Portland Fire & Rescue
- ◆ Bureau of Housing and Community Development

In addition, Commissioner Sten is the liaison for the following responsibilities:

- ◆ Portland General Electric
- ◆ Metropolitan Exposition and Recreation Commission
- ◆ Housing and Community Development Commission
- ◆ Housing Authority of Portland
- ◆ International Council on Local Environmental Initiatives
- ◆ Metro Policy Advisory Committee (with Mayor Potter)
- ◆ City's Global Warming Action Plan
- ◆ League of Oregon Cities
- ◆ Bureau Innovation Project Recommendations #1-20, with special emphasis on #10 (Planning and Development Efforts), 12 (Review of Maintenance Functions), and 16 (Managing for Results).

SUMMARY OF BUDGET DECISIONS

The FY 2006-07 Adopted Budget reflects the Mayor's decision to not make reductions in the Council offices.

Commissioner of Public Works

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	509,073	527,803	520,272	556,620	556,620
External Materials and Services	8,187	4,602	6,200	7,759	7,759
Internal Materials and Services	98,063	106,618	117,015	115,142	115,142
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	615,323	639,023	643,487	679,521	679,521
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 615,323	\$ 639,023	\$ 643,487	\$ 679,521	\$ 679,521
Allocated Overhead	0	0	0	5,442	5,442
Total Cost with Allocated Overhead	615,323	639,023	643,487	684,963	684,963
RESOURCES					
Discretionary Revenue	271,592	273,661	290,444	313,221	313,221
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	0	0	0	0
Program Revenue	0	0	0	0	0
Overhead Recovery	343,731	365,362	353,043	366,300	366,300
Total Non-Discretionary Revenues	343,731	365,362	353,043	366,300	366,300
TOTAL GENERAL FUND RESOURCES	\$ 615,323	\$ 639,023	\$ 643,487	\$ 679,521	\$ 679,521
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office	615,323	639,023	643,487	679,521	679,521
<i>Positions</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>	<i>6.75</i>	<i>6.75</i>
TOTAL PROGRAMS	\$ 615,323	\$ 639,023	\$ 643,487	\$ 679,521	\$ 679,521
<i>Positions</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>	<i>6.75</i>	<i>6.75</i>

Commissioner of Public Works

FTE SUMMARY

Class	Title	Actual FY 2004	Actual FY 2005	Revised FY 2005-06		Proposed FY 2006-07		Adopted FY 2006-07	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0002	City Commissioner	1.00	1.00	1.00	90,816	1.00	90,816	1.00	90,816
0015	Commissioner's Admin Supp Spec	0.00	1.00	1.00	41,640	1.00	41,640	1.00	41,640
0022	Commissioner's Chief of Staff	1.00	1.00	1.00	68,988	1.00	68,988	1.00	68,988
0020	Commissioner's Staff Rep	4.00	4.00	3.75	192,144	3.75	192,144	3.75	192,144
0815	Administrative Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		7.00	7.00	6.75	\$ 393,588	6.75	\$ 393,588	6.75	\$ 393,588
0015	Commissioner's Admin Supp Spec	0.00	0.00	0.25	8,841	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.25	\$ 8,841	0.00	\$ 0	0.00	\$ 0

Commissioner of Public Works

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	686,937	0	686,937	6.75	FY 2006-07 Current Appropriation Level Estimate
CAL Adjustments					
	(2,126)	0	(2,126)	0.00	Revised HB Rates
	(5,442)	0	(5,442)	0.00	HR To Ovehead
Mayor's Proposed Budget Decisions					
	152	0	152	0.00	OMF I/A Net Changes
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(7,416)	0	(7,416)	0.00	Total FY 2006-07 Decision Packages
			\$ 679,521	6.75	Total Adopted Budget



Special Appropriations

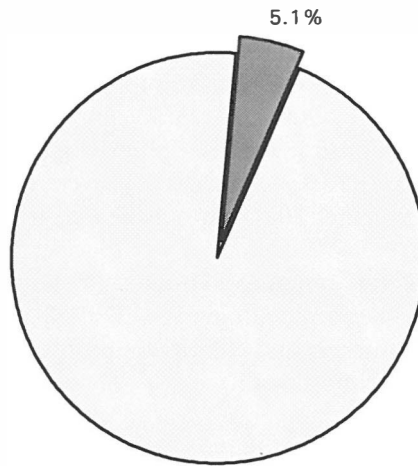
Legislative, Administrative, and Support Service Area

Mayor Tom Potter, Commissioner-in-Charge

Timothy Grewe, Chief Administrative Officer

Percent of General Fund

Spec App = \$24.1 Million



General Fund = \$469.7 Million

Bureau Overview

Expenditures	Revised FY 2005-06	Adopted FY 2006-07	Change from Prior Year	Percent Change
Operating	20,354,535	24,095,405	3,740,870	18.4%
Capital	0	0	0	0.0%
Total Expenditures	\$ 20,354,535	\$ 24,095,405	\$ 3,740,870	\$ 18.4%

Bureau Summary

BUREAU OVERVIEW

Special appropriations provide Citywide benefits.

Special appropriations are primarily used for General Fund expenditures that are not specific to a bureau and often provide Citywide benefit. These include payments to non-City agencies, funding for some City programs, and some City set-asides. Some special appropriations are one-time allocations, while others are ongoing.

BUDGET NOTES

Regional Arts & Culture Council (RACC)

RACC serves as Council's designated administrator of, and grantor for, area arts and culture programs. Council staff and RACC will work to amend the current RACC contract to further empower RACC to make decisions on behalf of Council and to entrust RACC with the responsibility of comprehensive support for, and communication with, the city's vibrant and diverse arts and culture community. Council will no longer consider stand-alone requests for funding from arts and culture organizations. The \$300,000 ongoing additional funding will allow RACC to expand the diversity of grant programs, offering new grant opportunities throughout the year outside existing granting cycles. These new grant opportunities shall include a citizen-advisory process in crafting guidelines and selecting recipients. The \$300,000 ongoing additional funding may be disbursed to RACC upon Council approval of the amended contract. RACC shall also develop a report to Council on the year-to-year needs of our arts and culture nonprofits and identify options beyond existing City resources for supporting them.

Funding for Jail Beds & Treatment Services

The City and Multnomah County share a joint responsibility to properly fund and manage the public safety system. The FY 2006-07 City budget sets aside continued funding of \$500,000 for voluntary substance abuse treatment (VSAT) programs. In addition, the FY 2006-07 City budget includes \$1.3 million to support the City's P57 Program to purchase the use of 57 jail beds from Multnomah County. These funds will be allocated after considering the county's funding level for the broad spectrum of public safety programs. Some or all of the \$1.3 million may be redesignated to fund public safety programs if county funding is eliminated. Programs receiving funds will identify performance indicators to track the impact of any City investment.

Portland Development Commission (PDC)

The City General Fund will provide \$50,000 in a one-time appropriation to the Portland Development Commission (PDC) for direct support to the law clinic for small business through Lewis & Clark School of Law. PDC has agreed to provide the clinic with office space and tenant improvements.

Overview of Programs

PUBLIC SAFETY SERVICE AREA

Multnomah County Jail Beds	\$1,095,000	This appropriation provides one-time funding to Multnomah County for the reservation of jail beds and inmate treatment services. This appropriation will be administered by the Mayor's office.
City/County Public Safety Coordination	\$150,000	This is the second year of a one-time special appropriation created in FY 2005-06 to fund an effort to eliminate duplication of public safety services between the City and other jurisdictions in Multnomah County. In the first year, the City and county hired a consulting firm, the Public Strategies Group (PSG), to draft an "outcome/indicator" map of the public safety system, which visually depicts desired public safety outcomes, the factors that impact those outcomes, and indicators that can be used to gauge progress toward those outcomes. The City and county formed three charter teams, which explored three collaboration opportunities in greater depth with the assistance of PSG. These projects, and perhaps others, may continue in FY 2006-07. This appropriation will be administered by the Mayor's office.

PARKS, RECREATION, AND CULTURE SERVICE AREA

Regional Arts and Culture Council	\$2,640,410	This special appropriation provides funds for the RACC, an independent nonprofit agency. The appropriation includes ongoing resources to support RACC's base budget, as well as \$300,000 in additional ongoing resources which will allow RACC to make all arts funding decisions on behalf of Council and to entrust RACC with the responsibility of comprehensive support for and communication with the city's vibrant and diverse arts and culture community. This appropriation will be administered by Commissioner Adams' office.
Cleveland and Wilson Track Projects	\$300,000	This special appropriation provides \$150,000 each for Wilson High School and Cleveland High School to make track and field improvements. This appropriation will be administered by Commissioner Saltzman's office.
MERC/PCPA	\$689,082	Per the recommendation of the City and the Metro Facilities Consolidation Committee, this appropriation supports the Portland Center for the Performing Arts' tenant relief, capital maintenance, and improvement efforts. The appropriation is part of a larger Visitors Facilities intergovernmental agreement signed by the City of Portland, Multnomah County, and Metro. This appropriation will be administered by Commissioner Sten's office.

Clean and Safe \$17,980

This special appropriation funds the City's share of the downtown Business Improvement District. This special appropriation will supplement charges to downtown property owners. The funds are used to support guides, marketing strategies, enhanced security, and street cleaning services in the downtown area. This appropriation will be administered by the Mayor's office.

CIP O&M Set-Aside \$105,600

These are funds set aside in the General Fund for additional operation and maintenance costs associated with capital projects in the Parks bureau. Specifically, funds are set aside for the following projects that are expected to be completed sometime in FY 2006-07:

- ◆ Earl Boyles Park
- ◆ Lents Park
- ◆ Patton Square Park

COMMUNITY DEVELOPMENT SERVICE AREA

Downtown Marketing \$400,000

This special appropriation funds the City's advertising campaign to attract people to downtown shops, restaurants, and events. The General Fund contribution for FY 2006-07 is \$300,000 and is combined with a \$100,000 contribution from the Parking Facilities Fund. This special appropriation will be administered by PDC in FY 2006-07.

Downtown Services \$854,233

This special appropriation supports services to keep downtown Portland a safe and attractive center for people and businesses. Contracted services include bicycle patrol and public restroom cleaning in the downtown parks, and security for Pioneer Courthouse Square. The appropriation also funds an interagency with the Parks bureau for flower pots along the transit mall and light rail corridor. This appropriation is in addition to the Clean and Safe special appropriation. This appropriation will be administered by the Mayor's office.

Economic Development/PDC \$1,122,950

The General Fund support for PDC economic development activities continues at the prior year's level, adjusted for inflationary costs and then decreased by 3%. That total for FY 2006-07 is \$872,950. The appropriation includes an additional \$50,000 in General Fund one-time support for a small business legal clinic, for which PDC will provide office space. In addition, \$200,000 has been added to support a small business grant program at PDC. This appropriation will be administered by the Mayor's office.

Ball Elementary School \$1,400,000

This special appropriation provides one-time funds to support the development of the new Ball Elementary school in North Portland. This appropriation will be administered by the Mayor's office.

Portland Schools \$10,000,000

This special appropriation is established to transfer funds in FY 2006-07 to public school districts within the Portland city limits. This appropriation will be administered by the Mayor’s office.

LEGISLATIVE, ADMINISTRATION, AND SUPPORT SERVICE AREA

City Membership and Dues \$244,048

This special appropriation funds the costs related to the City's memberships in various organizations to which the City subscribes as a municipality. This appropriation will be administered by OMF.

Leaders Roundtable \$13,626

This special appropriation is the City's share of support for an advisory group of community leaders that are convened to coordinate and improve interrelated services, attended by staff from the Mayor's Office. This appropriation will be administered by the Mayor’s office.

Council Emergency Fund \$5,313

This is a fixed, annual appropriation for use by the Mayor and Commissioners as specified in the City Charter. This appropriation will be administered by the Mayor’s office.

COPPEA Training Fund \$125,000

This is a fixed special appropriation to maintain a training set-aside in accordance with the City's labor agreement with the City of Portland Professional Employee Association (COPPEA). This appropriation will be administered by OMF - Human Resources.

Bureau Innovation Project \$112,220

This special appropriation will continue funding the Mayor's Bureau Innovation Project during FY 2006-07, for the same amount as the prior year. This appropriation will be administered by the Mayor’s office.

Compensation Set-Aside \$4,559,943

This special appropriation is a set-aside for General Fund adjustments to salaries for City employees, based on projected inflation. These funds are distributed as necessary to bureaus during the spring budget monitoring process each fiscal year.

Charter Review This special appropriation provides additional one-time funding for FY 2006-07 to continue the comprehensive study of the City Charter. This appropriation will be administered by the Mayor’s office.

Independent Audit of IPR \$60,000

This provides one-time General Fund support in FY 2006-07 to fund an outside review of the City Auditor’s Independent Police Review division. The funds were included in last year’s Adopted Budget but were never utilized. This appropriation will be administered by the Mayor’s office.

Special Appropriations

SUMMARY OF BUREAU BUDGET

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
EXPENDITURES					
Operating Budget					
Personal Services	0	0	0	0	0
External Materials and Services	5,650,267	7,570,126	19,984,315	23,655,055	23,875,055
Internal Materials and Services	93,149	194,605	370,220	220,350	220,350
Minor Capital Outlay	0	0	0	0	0
Total Operating Budget	5,743,416	7,765,232	20,354,535	23,875,405	24,095,405
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 5,743,416	\$ 7,764,731	\$ 20,354,535	\$ 23,875,405	\$ 24,095,405
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	5,743,416	7,765,232	20,354,535	23,875,405	24,095,405
RESOURCES					
Discretionary Revenue	5,320,937	7,515,241	19,904,939	23,519,070	23,739,070
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	184,945	7,355	215,881	111,132	111,132
Interfund Cash Transfers	100,000	100,000	100,000	100,000	100,000
Program Revenue	0	0	0	0	0
Overhead Recovery	137,534	142,135	133,715	145,203	145,203
Total Non-Discretionary Revenues	422,479	249,490	449,596	356,335	356,335
TOTAL GENERAL FUND RESOURCES	\$ 5,743,416	\$ 7,764,731	\$ 20,354,535	\$ 23,875,405	\$ 24,095,405
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					

SPECIAL APPROPRIATIONS BY SERVICE AREA

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
SPECIAL APPROPRIATIONS					
Parks, Recreation, and Culture	2,654,859	3,960,774	3,286,733	4,729,492	5,029,492
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Public Safety	0	4,567	2,125,687	1,785,000	1,245,000
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Community Development	1,996,154	3,324,170	2,935,252	12,195,163	12,455,163
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Transportation	132,293	213,671	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Legislative, Administration, and Support	960,110	261,549	12,006,863	5,165,750	5,365,750
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 5,743,416	\$ 7,764,731	\$ 20,354,535	\$ 23,875,405	\$ 24,095,405
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

Special Appropriations

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2006-07	11,543,780	0	11,543,780	0.0	FY 2006-07 Current Service Level Estimate
CAL Adjustments	0	0	0	0.0	None
Mayor's Proposed Budget Decisions					
300,000	0	0	300,000	0.0	RACC increase
0	1,400,000	0	1,400,000	0.0	Ball School
16,263	0	0	16,263	0.0	City memberships increase
3,830	0	0	3,830	0.0	Leaders Roundtable increase
10,000,000	0	0	10,000,000	0.0	Transfer to Portland Schools
160,000	0	0	160,000	0.0	Multijurisdictional gang reduction
(26,448)	0	0	(26,448)	0.0	Move LPSCC to Mayor's Office
(1,569,088)	0	0	(1,569,088)	0.0	Reduce comp. set-aside
0	105,600	0	105,600	0.0	Parks O&M set-aside
(6,834)	0	0	(6,834)	0.0	MERC 3% reduction
(3,008)	0	0	(3,008)	0.0	Workforce Dev. 3% reduction
(97,242)	0	0	(97,242)	0.0	Workforce Dev. to BHCD
150,000	150,000	0	300,000	0.0	Downtown Marketing
(26,998)	0	0	(26,998)	0.0	PDC 3% reduction
0	50,000	0	50,000	0.0	PDC add one-time
(25,307)	0	0	(25,307)	0.0	Downtown Services 3% reduction
0	1,475,000	0	1,475,000	0.0	Jail Beds
0	112,220	0	112,220	0.0	Bureau Innovation Project
0	150,000	0	150,000	0.0	Countywide Public Safety
(231)	0	0	(231)	0.0	COPPEA training
0	13,868	0	13,868	0.0	COPPEA training GF contribution
Approved Budget Additions and Reductions					
0	300,000	0	300,000	0.0	Cleveland and Wilson Track & Field Projects
Adopted Budget Additions and Reductions					
0	200,000	0	200,000	0.0	Charter Review
0	60,000	0	60,000	0.0	Independent Audit of IPR
0	(380,000)	0	(380,000)	0.0	Move treatment services funding BHCD
200,000	0	0	200,000	0.0	Add to PDC for small business grants
(160,000)	0	0	(160,000)	0.0	Move gang reduction efforts to Mayor's Office
0	0	0	0	0.0	
8,914,937	3,636,688	0	12,551,625	0.0	Total FY 2006-07 Decision Packages
			\$ 24,095,405	0.0	Total Adopted Budget

Glossary

2040 PLAN: A planning guide for regional growth in the Portland metropolitan area over the next 35 to 50 years. The plan was produced by Metro, the regional governing body for the Portland metropolitan area.

ACCOUNT: The classification of appropriation by type of expenditure (see Line Item).

ACCOUNTING PERIOD: The fiscal year is divided into 13 accounting periods. Each accounting period is generally four weeks long and includes two bi-weekly payrolls.

APPROPRIATION: The legal authority to spend funds designated for a specific purpose.

APPROPRIATION UNIT (AU): The highest level of organizational unit (usually a bureau or office) at which the City tracks revenues and expenditures within a fund.

BALANCED BUDGET: Oregon Administrative Rule 150-294.352(1)-(B), relating to Local Budget Law, states that the City “must construct its budget in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund” and “The total of all resources of the district must equal the total of all expenditures and all requirements for the district.”

BALLOT MEASURE 37: A measure approved by Oregon voters in the November 2004 election. The measure requires state and local governments to reimburse property owners for reduced property values attributable to government regulation, or to waive the applicable regulations.

BALLOT MEASURE 47: A property tax limitation measure approved by Oregon voters in the November 1996 election.

BALLOT MEASURE 50: A property tax limitation measure referred by the Oregon Legislature to voters as a replacement for Ballot Measure 47. Measure 50 was approved by voters in the May 1997 election.

BEGINNING BALANCE: Net resources (cash and non-cash) available in a fund at the beginning of a fiscal year, carried over from the prior fiscal year.

BRASS: The Budget Reporting and Analysis Support System is the City’s budget software system, used to develop and track the City’s budget. It replaces the Integrated Business Information System (IBIS) budget module. Other IBIS modules are still in use.

BRIDGE FUNDING: Temporary funds intended to provide for services during a period of transition or downsizing. Funds are generally appropriated from reserves.

BUDGET: A financial, operating, and management plan for the provision of services. A budget provides for the receipt of revenues and establishes annual appropriations in accordance with all relevant legal requirements.

BUDGET CALENDAR: The schedule of major events in the budget process.

BUDGET COMMITTEE: A special committee required under Oregon Local Budget Law. The committee, which in Portland’s case is identical in composition to the City Council, reviews the Mayor’s Proposed Budget and votes to approve the budget.

BUDGET MESSAGE: A written explanation of the budget and the City’s financial plan and priorities presented to the Budget Committee (City Council) by the Mayor. The budget message is a requirement of Oregon Local Budget Law.

BUDGET MONITORING PROCESS (BuMP): A report submitted by bureaus three times each year, after the end of accounting periods 3, 6, and 10. The report compares planned and actual expenditures, revenues, and performance measure data. Bureaus can also request appropriation changes through the BuMP processes.

BUDGET NOTES: A listing of policy or programmatic issues that the Council has determined require further study, analysis, or action.

BUDGET PHASES: The following are the major versions of the budget. Each corresponds with a different phase of the budget process.

- ◆ **REQUESTED:** A bureau’s requested appropriation as submitted to the Financial Planning Division and the City Council.
- ◆ **PROPOSED:** The Mayor’s recommended budget as presented to the Budget Committee.
- ◆ **APPROVED:** The budget as approved by the Budget Committee and subsequently reviewed and certified by the Multnomah County Tax Supervising and Conservation Commission.

◆ **ADOPTED:** The budget as adopted by City Council after certification by the Multnomah County Tax Supervising and Conservation Commission. It is the Adopted Budget from which the City operates during the fiscal year.

◆ **REVISED:** The budget as amended by ordinances adopted by City Council throughout the fiscal year.

BUREAU ADVISORY COMMITTEE (BAC): A committee, specific to a particular bureau, consisting of community members appointed by the Commissioner-in-Charge to advise the bureau on its budget requests and to make recommendations to Council.

BUREAU GOAL: A specific statement of results that a bureau plans to achieve to meet an identified community need.

CAPITAL BUDGET: The expenditures scheduled for the first year of the five-year Capital Improvement Plan.

CAPITAL EQUIPMENT: Machinery, vehicles, furniture, etc. with a unit cost in excess of \$5,000 and an expected life of one year or more.

CAPITAL IMPROVEMENT: An expenditure that adds to the City's fixed assets, has a life expectancy of ten years or more, and requires expenditures of more than \$10,000 for personal services, materials and services, and equipment, or is a piece of major equipment with a purchase price of \$50,000 or more.

CAPITAL IMPROVEMENT PLAN (CIP): A multi-year plan approved by the Council that lists capital improvement projects, costs, and schedules for completion.

CAPITAL OUTLAY: A major expenditure category that includes land purchase, buildings (purchase or construction), improvements other than buildings (purchase or construction), and equipment and furniture with a unit cost in excess of \$5,000.

CAPITAL REVIEW COMMITTEE (CRC): A committee comprised of representatives from the General Fund bureaus submitting capital budget requests. The committee makes recommendations on capital budget requests.

CITY AND NEIGHBORHOOD PLANNING: The regulation of development patterns through permitting and zoning.

COMBINED SEWER OVERFLOW (CSO): Flows from a sewer system that contain both sanitary sewage and stormwater that are discharged directly, without treatment, to a receiving waterway during periods of high flows.

DESTINATION FUND: A fund receiving transferred dollars from another fund (the "source fund").

EXPENSES:

◆ **BUREAU EXPENSES:** Requirements of the programs or services provided by the City's bureaus. The major expense categories are personal services, internal and external materials and services, and capital outlay.

◆ **FUND EXPENSES:** Requirements of a fund for providing programs and services, including both operating and capital requirements. Examples of fund expenses are contingency, debt retirement, and interfund transfers.

ENTERPRISE BUSINESS SYSTEM (EBS): The financial software system that will replace the City's current financial software (the Integrated Business Information System, or IBIS) and other "shadow" financial software programs used throughout the City.

EXPENDITURE: The actual outlay of, or obligation to pay, cash. This does not include encumbrances. Expenditures exclude fund-level requirements such as contingency and cash transfers.

FINANCIAL OUTLOOK: Report on the General Fund's current financial condition. The report is used by Council and produced 13 times per year, once each accounting period.

FINANCIAL PLANNING DIVISION: The unit within the Office of Management and Finance that plans and administers the budget process for the City. This includes the issuance of instructions to bureaus, analysis of requests, preparation of the Mayor's Proposed Budget document, and preparation of the Adopted Budget document.

FISCAL YEAR (FY): The twelve-month period beginning July 1 and ending June 30.

FUND: A budgetary and fiscal accounting mechanism for designating a sum of money or other resources for a particular purpose. Fund categories include governmental, proprietary, and fiduciary. Funds are established in accordance with state and local laws, regulations, and other limitations. Each fund constitutes an independent budgetary, fiscal, and accounting entity. All appropriation units are within one and only one fund.

◆ **CAPITAL PROJECTS FUNDS:** These funds are dedicated to the acquisition, construction, or improvement of capital assets. Construction funds for the bureaus of Environmental Services and Water Works are considered enterprise funds.

◆ **DEBT SERVICE FUNDS:** These funds account for the payment of debt service on general obligation, revenue, assessment, improvement, and urban renewal tax increment bonds.

◆ **ENTERPRISE FUNDS:** These funds are used to account for activities that render services on a user fee basis and are expected to function without General Fund resources. Enterprise funds include the Hydroelectric Power Operating, Water, Sewer System Operating, Solid Waste Management, Golf, and Parking Facilities Funds.

◆ **FIDUCIARY FUNDS:** The City has three funds for the retirement or disability of police and fire personnel. Revenues for the main fund, the Fire & Police Disability & Retirement (FPD&R) Fund, are received from a property tax levy authorized by Portland voters in 1948. Other City employees are covered by PERS.

◆ **GENERAL FUND:** The General Fund includes resources for all general purpose activities of the City that are supported by property taxes and other non-dedicated revenues. Bureaus supported by the General Fund include the Bureaus of Fire, Rescue, and Emergency Services; Police; Parks; Planning; and Housing and Community Development; and the Offices of the Mayor and the City Council, Auditor, Management and Finance, Attorney, Neighborhood Involvement, Sustainable Development, Emergency Management, Government Relations, and Cable Communications.

◆ **GOVERNMENTAL FUNDS:** These funds support the general government activities of the City. The largest and most visible operating fund is the General Fund, which supports police, fire, parks, and other services. The Transportation Operating Fund is the other major governmental fund. Capital projects, debt services, permanent, and special revenue funds are also governmental funds.

◆ **INTERNAL SERVICE FUNDS:** Internal service funds provide central services such as fleet maintenance and printing to other bureaus and agencies. They operate almost solely with revenues received from the agencies using their services.

◆ **PERMANENT FUNDS:** The City occasionally creates accounts for gifts or bequests that are legally restricted to the extent that only earnings and no principal may be used as designated by the donor. Currently, the City has only one fund of this type, the Parks Endowment Fund.

◆ **PROPRIETARY FUNDS:** These funds include enterprise, or business activity, funds and internal service funds.

◆ **RESERVE FUNDS:** Reserve funds are established to provide a holding place for emergency and counter-cyclical reserve monies. Dollars must be transferred from reserve funds to operating funds to be expended. Transfers are only permitted under circumstances that are clearly specified when the fund is created. Examples include the General Reserve and Transportation Reserve Funds. Reserve funds are special revenue funds.

◆ **SPECIAL REVENUE FUNDS:** Revenue funds receive money from specific sources that can be used only for specific purposes. Reserve funds hold resources for future use in countering recessionary trends and mitigating mid-year economic downturns or other financial emergencies.

GENERAL OBLIGATION (GO) BONDS: Voter-approved bonds backed by the full faith and credit and taxing authority of the City. These bonds are typically paid from a property tax levied upon all taxable property within the City. GO bonds are used to finance a wide range of capital projects.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) DISTINGUISHED BUDGET

AWARD: The highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and a communication device.

GRANT: Grant is a generic term that means donated financial assistance received from either state, federal, or other third-party sources.

◆ **FEDERAL FINANCIAL ASSISTANCE:** Assistance provided by a federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriation to individuals. It includes awards received directly from federal agencies, or indirectly through other units of state and local government.

INTEGRATED BUSINESS INFORMATION SYSTEM (IBIS): The City's central financial system, including general ledger, accounts payable, accounts receivable, payroll, and other modules. IBIS is no longer used to develop the City budget (see BRASS).

INTERAGENCY AGREEMENT (IA): An agreement for provision and receipt of services between City bureaus or funds. IAs establish a mutually agreed upon budget amount for anticipated services to be provided and received.

INTERNAL SERVICE BUREAUS: Bureaus that exist to provide services to other City bureaus. These services include fleet, printing and distribution, facilities management, risk management (insurance), and technology services.

LINE ITEM: The lowest level expenditure classification. Line items are detail accounts within major object codes. For example, utilities and local travel are line items within the external materials and services major object category.

LOCAL BUDGET LAW: Oregon Revised Statutes, Chapter 294, which prescribes budgeting practices for municipalities within Oregon.

MAJOR OBJECT CODES: Broad categories of expenditures such as personal services, external and internal materials and services, capital outlay, fund transfers, contingency, etc. (See Account or Line Item.)

MAJOR SUPPLEMENTAL BUDGET: The interim budget modification process that must be followed to make budgetary changes that cannot legally be made through ordinary Council action. A major supplemental budget is required by Oregon Local Budget Law when the estimated expenditures for a fund increase by more than 10%, or when more than 15% of a fund's appropriation is transferred from contingency. A Tax Supervising and Conservation Commission (TSCC) public hearing must be conducted for a major supplemental budget.

MISSION: A statement of an organization's overall purpose.

OBJECTIVE: A desired result, established for a group of related activities performed by a bureau. The achievement of an objective satisfies part or all of a bureau goal.

OFFICE OF MANAGEMENT AND FINANCE (OMF): The organizational unit that includes many of the City's central administrative functions such as human resources, accounting, treasury, and debt management, as well as the internal service bureaus. Included is the Financial Planning Division, which is responsible for planning and administering the budget process.

ONE-TIME EXPENDITURES: These are expenditures for one-time projects or services. After the project or service is completed, expenditures are terminated, and funds are no longer appropriated. One-time expenditures are not considered part of normal capital or operating costs.

ONGOING EXPENDITURES: Continuing expenditures that maintain established levels of service (as compared to one-time expenditures).

OREGON REVISED STATUTES (ORS): The laws of the State of Oregon.

OVERHEAD: An amount assessed, usually at the fund level, to support administrative and other services.

PORTLAND DEVELOPMENT COMMISSION (PDC): The Portland Development Commission is the City of Portland's urban renewal agency and is responsible for economic development and housing.

PERFORMANCE MEASURE: An indicator that measures the degree of accomplishment of an objective. The major types are as follows:

- ◆ **BENCHMARK:** A measure of system-wide effectiveness or efficiency. For example, the public safety system consists of police, corrections, prosecution, legal defense, adjudication, and other related systems. A benchmark should be designed to measure or track the performance of the overall system.
- ◆ **EFFECTIVENESS MEASURE:** A qualitative and/or quantitative measure of the extent to which the performance of related tasks achieve a desired result or objective.
- ◆ **EFFICIENCY MEASURE:** The extent to which the process utilized by an organization to produce goods and/or services minimizes the use of resources.

◆ **WORKLOAD MEASURE:** A quantity of work performed.

PERFORMANCE OBJECTIVE: Goals that establish direction for bureau work plans. Performance objectives are intended to communicate to the public and policy makers what is being accomplished with public dollars.

PORTLAND/MULTNOMAH PROGRESS BOARD: A community-wide committee responsible for developing community benchmarks (see Benchmark).

PORTLAND UTILITIES REVIEW BOARD (PURB): An appointed body of nine citizens that provides independent and representative customer review of water, sewer, and solid waste financial plans and rates. This board operates in an advisory capacity to the City Council.

PROGRAM: A set of activities and projects that seek to accomplish a common specific objective. Programs are typically considered subdivisions of a bureau.

PUBLIC FACILITIES PLAN: A document that supports the City of Portland's Comprehensive Plan and Capital Improvement Plan. The facilities plan describes significant projects that will support land uses in the City's Comprehensive Plan and other projects, divided into short-term (five years) and long-term (6-20 years) bureau needs. There are two classes of public facilities:

- ◆ Significant facilities necessary to support land uses designated in the Comprehensive Plan and
- ◆ All other facilities with a projected value of more than \$10,000, including buildings, structures, or equipment incidental to the direct operation of the significant facilities listed above.

REGIONAL WATER SUPPLY PLAN: A long-range plan for the water supply of 28 suppliers in the greater Portland area.

REQUIREMENTS: Budgeted expenditures plus ending fund balance. Requirements include bureau expenditures, contingencies, interfund cash transfers, debt service, and ending fund balance.

RESERVES: Resources set aside for emergency expenses, downturns in the economy, or other unforeseen needs (see Reserve Funds).

RESOURCES: Revenue and other monies that a bureau has or expects to receive. Resources include estimated revenues and beginning fund balance.

REVENUE: Money received into a fund from outside the fund.

SOURCE FUND: A fund transferring dollars to another fund (the "destination fund").

SPECIAL APPROPRIATION: Special appropriations are used for special projects, programs, fees, etc. that provide Citywide benefit and are not part of any particular bureau's operating budget.

SERVICE EFFORTS & ACCOMPLISHMENTS (SEA) REPORT : A report issued by the Office of the City Auditor that identifies workload and performance trends for each of the City's public services.

TAX SUPERVISING & CONSERVATION COMMISSION (TSCC): The state-authorized body that reviews the budgets of all government entities within Multnomah County prior to adoption by those entities' elected officials. TSCC certifies that the budget is in compliance with Local Budget Law.

UTILITY LICENSE FEE: A percentage of utility revenues that are transferred to the City's General Fund as a payment for the utilities' use of public rights-of-way.

Acronyms

The following are acronyms and terms commonly used by the City of Portland.

AA	Affirmative Action	CSO	Combined Sewer Overflow
AP	Accounting Period	DCTU	District Council of Trade Unions
AU	Appropriation Unit	DEQ	(Oregon) Department of Environmental Quality
BAC	Budget Advisory Committee	EPA	U.S. Environmental Protection Agency
BDS	Bureau of Development Services	ESA	Endangered Species Act
BES	Bureau of Environmental Services	ESB	Emerging Small Business
BGS	Bureau of General Services within OMF	FEMA	Federal Emergency Management Administration
BHCD	Bureau of Housing and Community Development	FPD	Financial Planning Division within OMF
BHR	Bureau of Human Resources	FPD&R	Fire & Police Disability & Retirement
BOD	Biochemical Oxygen Demand (a strength measure of sewage)	FTE	Full-Time Equivalent Employees
BOEC	Bureau of Emergency Communications	FY	Fiscal Year
BRASS	Portland's Budgeting Software	GAAP	Generally Accepted Accounting Principles
BTS	Bureau of Technology Services within OMF	GFOA	Government Finance Officers Association
BuMP	Budget Monitoring Process	GIS	Geographic Information System
CAFR	Comprehensive Annual Financial Report	GO Bond	General Obligation Bond
CAL	Current Appropriation Level	GTR	General Transportation Revenues
CAO	Chief Administrative Officer (in OMF)	HR	Human Resources
CC	Accounting Center Code	IA	Interagency Agreements
CFO	Chief Financial Officer (in OMF)	IBIS	Integrated Business Information System (Accounting System)
CIP	Capital Improvement Plan	IGA	Intergovernmental Agreement
CIS	Customer Information System (Portland's Utility Billing System)	LCDC	(State) Land Conservation and Development Commission
COPPEA	City of Portland Professional Employees Association	LID	Local Improvement District
CPI	Consumer Price Index	LUBA	Land Use Board of Appeals
CRC	Capital Review Committee	M&S	Materials & Services
CRP	Clean River Plan	M/W/ESB	Minority/Women-owned/Emerging Small Business
CSL	Current Service Level		

Metro	Portland Metropolitan Regional Government	SEA	Service Efforts and Accomplishments
NMFS	National Marine Fisheries Service	TAN	Tax Anticipation Note
NOAA Fisheries	National Oceanic & Atmospheric Administration—National Marine Fisheries Service	TMDL	Total Maximum Daily Loads
NPDES	National Pollutant Discharge Elimination System	TSCC	Tax Supervising & Conservation Commission
O&M	Operation & Maintenance	UASI	Urban Area Security Initiative (Homeland Security grants)
OAR	Oregon Administrative Rules	UGB	Urban Growth Boundary
ODOT	Oregon Department of Transportation		
OMF	Office of Management & Finance		
ONI	Office of Neighborhood Involvement		
OPUC or PUC	Oregon Public Utility Commission		
ORS	Oregon Revised Statutes		
OSD	Office of Sustainable Development		
PDC	Portland Development Commission		
PDOT	Portland Office of Transportation		
PERS	Public Employees Retirement System		
PF&R	Portland Fire & Rescue		
PFFA	Portland Fire Fighters Association		
POEM	Portland Office of Emergency Management		
PP&R	Portland Parks & Recreation		
PPA	Portland Police Association		
PPCOA	Portland Police Commanding Officers Association		
PPI	Producer Price Index		
PURB	Portland Utility Review Board		
RACC	Regional Arts & Culture Council		
RFP	Request for Proposal		
ROW	Right-of-Way		
RWSP	Regional Water Supply Plan		
SDC	System Development Charge		