

5/20/10
Commissioner
FISH

SPRING BUMP

I have a change to the Spring BuMP that my office has discussed with financial planning and the Mayor's office.

The Council has approved the acquisition of several parks properties including Gilbert Heights and Terrace Trails/Play Haven and Parks requested this year's O&M for these properties per policy. Because OMF wasn't able to get final confirmation last week prior to "lockdown" of the Spring BMP, I was informed we would need to add the pro-rated O&M costs at this session.

I've been told OMF is prepared with the appropriate documentation for this change. **I move that we amend the Spring BMP to include \$34,761 for Parks O&M.**

Thank you.



CITY OF
PORTLAND, OREGON

BUREAU OF WATER WORKS

Randy Leonard, Commissioner
David G. Shaff, Water Administrator
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Date: May 20, 2010

To: Mayor Sam Adams
Commissioner Amanda Fritz
Commissioner Dan Saltzman
Commission Nick Fish
City Auditor LaVonne Griffin-Valade

From: Commissioner Randy Leonard

Subject: FY 2009-10 Spring BuMP Amendment

183795

This is an amendment to the Water Bureau's Spring BuMP submission. Funds will not be transferred to purchase property for the Westside Staging project. Savings will be transferred to Bureau contingency.

Exhibit #1: The Bureau Program Expenses is reduced by another \$9.5 million and increases Contingency by another \$9.5 million.

Bureau Program Expenses	Fund Requirements			Total Change in Appropriation
	Contingency	Interfund Cash Transfers	Debt Retirement	
Portland Water Bureau				
Grants Fund	26,628	0	0	26,628
Hydroelectric Power Operating Fund	0	0	0	0
Water Construction Fund	0	37,845	0	37,845
Water Fund	(16,467,000)	17,186,500	0	719,500
Total Portland Water Bureau	(16,440,372)	17,224,345	0	783,973

Exhibit #2: Total adjustments to Capital expenses are reduced by another \$9.5 million and increasing Contingency by another \$9.5 million.

	FY 2009-10 Revised Budget	Total Adjustments	New Revised Budget
Fund - 602 - Water Fund			
EXPENSES			
Personal Services	56,683,779	1,500,000	58,183,779
External Materials and Services	34,339,881	(3,424,400)	30,915,481
Internal Materials and Services	20,379,075	(47,600)	20,331,475
Capital Expenses	37,003,322	(14,495,000)	22,508,322
Bond Expenses	3,831,202	0	3,831,202
Fund Transfers - Expense	40,649,249	0	40,649,249
Contingency	30,549,564	17,186,500	47,736,064
	223,436,072	719,500	224,155,572

cc: Financial Planning
David Shaff, Water Bureau Administrator

FINANCIAL IMPACT STATEMENT

183795

For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Claudio Campuzano		2. Telephone No. (503) 823 6848	3. Bureau/Office/Dept. OMF-FPD
4a. To be filed (date) May 13, 2010	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: May 13, 2010

1) Legislation Title:

* Adopt budget adjustment recommendations and the Supplemental Budget for the FY 2009-10 Spring Supplemental Budget process and make budget adjustments in various funds. (Ordinance)

2) Purpose of the Proposed Legislation:

In the Spring Budget Monitoring Process (BMP), City bureaus report on financial and program performance and request adjustments to the current fiscal year's budget. The Spring Budget Monitoring Process and Supplemental Budget ordinance adopts recommended adjustments.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

This ordinance will not generate additional revenue. However, it does affect the budgeted revenues for several funds (including the General Fund) and bureaus to reflect better estimates of available resources.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

This ordinance adjusts net expenditures in 34 funds by a total of \$77,769,564, including a total of \$2,846,127 in new expenditures (including contingency) in the General Fund.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

There are no position changes in the Spring BMP.

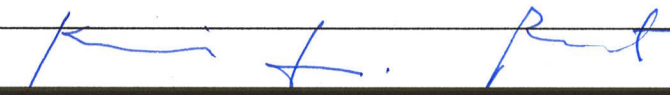
6) Will positions be created or eliminated in future years as a result of this legislation?

No.

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)

N/A See Exhibit 1.

Ken Rust, CAO 

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Kenneth L. Rust, Chief Administrative Officer
Richard F. Goward, Jr., Chief Financial Officer

Andrew Scott, Manager
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May 12, 2010

183795

To: Mayor Sam Adams
Commissioner Amanda Fritz
Commissioner Dan Saltzman
Commissioner Nick Fish
Commissioner Randy Leonard
City Auditor LaVonne Griffin-Valade

From: Andrew Scott, Manager *AS*
Financial Planning Division

Subject: FY 2009-10 Spring Budget Monitoring Process (BMP) and Supplemental Budget

Financial Planning has reviewed the FY 2009-10 Spring Budget Monitoring Process (BMP) and Supplemental Budget submissions. There was a Council worksession on May 11th, 2010 at which point members of Council requested several changes. The significant issues addressed in the BMP are discussed briefly below. Further detail is available in the FPD review packet that was circulated prior to the worksession. The FY 2009-10 Spring BMP and Supplemental Budget will be heard by Council on May 20, 2010. If there are any questions regarding the attached analysis, please contact me at extension 3-6845.

In the Spring BMP, City bureaus report on financial and program performance through the first nine months of the fiscal year, request adjustments to the current fiscal year budget, and project year-end balance. The Financial Planning Division (FPD) has prepared this document to summarize the highlights of bureau submissions for the Spring BMP and Supplemental Budget.

General Fund Discretionary

- *Carryover*: There are several General Fund carryovers included in the Spring BMP totaling \$286,634. Council has expressed its desire to exempt these carryovers from the general prohibition. This amount will be reduced from bureau budgets and set aside for possible allocation in the FY 2010-11 budget. If ending balance does not meet projections, however, carryover is not guaranteed. Carryover in the Spring BMP includes:
 - \$82,134 of donations and other restricted revenues in the Portland Police Bureau (PPB)
 - \$22,000 in the Office of Human Relations for a contract for training and capacity building for the Human Rights Commission
 - \$181,500 for the Office of Cable Communications and Franchise Management (Cable) for the revolving audit fund and franchise fee litigation, both of which are revenue generating activities
- *Contingency Requests*: Requests totaling \$342,059 are recommended for approval, including:
 - \$215,034 for the Office of Management and Finance (OMF): \$150,000 for new budget publishing software due to the fact that the current software is no longer supported, \$55,034 to carry over liquidated damages funding from FY 2008-09, and \$10,000 to fund a consultant review of the

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

Bureau of Development Services (BDS) financial forecast

- Special appropriations totaling \$119,525: \$75,000 to support the Rose Festival in the current year, \$33,005 to fund professional services contracts for the Steel Bridge skate park, and \$11,520 for Last Thursday.
- \$7,500 for a local grant match for the Design Excellence Initiative.
- \$400,000 is reserved for balancing the FY 2010-11 budget
- \$12,000 is added to contingency reflecting an increase in Utility License Fee paid by Bureau of Technology Services (BTS) for IRNE
- *Compensation Set-Aside:* Bureaus have requested a total of \$7 million in compensation set-aside in order to fully fund cost of living adjustments (COLA) within their bureaus. PPB has requested \$5.2 million, Portland Fire & Rescue (Fire) has requested \$1.1 million, and Portland Parks & Recreation (Parks) Parks has requested \$500,000. For a full list see the attached General Fund summary. COLA is typically funded by vacancy savings. Compensation set-aside is available to bureaus that are fully staffed throughout the year and do not generate vacancy savings. This year, the compensation set-aside is needed to balance the FY 2010-11 budget. Therefore, bureaus using the set-aside will need to take equivalent one-time cuts over the next one or two fiscal years.
- *Technical Adjustments:* There are four technical adjustments recommended in the Spring BMP
 - Shift \$140,000 from OMF to the Mayor's Office to cover a technical error in the development of Mayor's Office budget
 - Shift \$250,000 from the Portland Housing Bureau (PHB) to the Portland Development Commission (PDC) special appropriation for business finance
 - Move \$329,593 from the BTS General Fund budget to a cash transfer with the Technology Services Fund to carry over funding for the Public Safety Systems Revitalization Program (PSSRP)
 - Move funding for the Portland Center for the Performing Arts to a special appropriation from the Spectator Facilities Fund which has, up until this change, received funding via cash transfer.
 - Move \$15,000 of underspending from the Community Gardens special appropriation to Parks for the Playground Program. Parks anticipates refunding the special appropriation in FY 2010-11 through IA savings with the Commissioner's Office
- *Items Not Recommended:* As noted above, General Fund carryover is not recommended. Additionally, Portland Parks & Recreation (Parks) requested \$47,710 for new operations and maintenance costs resulting from new acquisitions and new parks coming on online.

General Fund Non-Discretionary

- *Intergovernmental Revenues:* A total of \$1.5 million in new intergovernmental revenue is budgeted, including \$1.2 million in the PPB for pass-through revenues from TriMet for transit police services.
- *Miscellaneous Revenues:* A total of \$582,584 in new miscellaneous revenue, including \$471,727 in Fire for insurance reimbursement for an engine that was destroyed as a result of starter malfunction.
- *Charges for Services:* A total of \$291,660 in new charges for service, primarily in Parks and the Office of Neighborhood Involvement.
- *Interagency Revenue:* A total of \$336,425 is reduced in interagency revenues. This is primarily the result of two changes in the Fire: a) a \$440,000 decrease in revenue from the Fire & Police Disability and Retirement Fund (FPD&R) for reimbursement of return-to-work salaries and pension contributions, and b) an increase of \$80,000 from the GO (General Obligation) Bond Fund to reimburse the bureau for project management costs.
- *Cash Transfers:* A total of \$812,000 is being transferred to the General Fund. Of this \$800,000 is from the Portland Bureau of Transportation (PBOT) to implement the Clean Energy Works program. For more detail, see the 'Non-General Fund' section below.

Non-General Fund

- *Local Improvement District (LID) Fund:* The BMP includes an increase of cash transfers expenses to

Bureau of Environmental Services (BES) and the Water Bureau of \$1.5 million for bond proceeds received for assessment contracts sold, and \$3.8 million of additional debt payments.

- *Bureau of Planning & Sustainability (BPS)*: The BMP includes a cash transfer of \$800,000 from PBOT to fund the implementation of Clean Energy Works Portland. In exchange, \$1.7 million in stimulus energy block grant funds for energy efficiency work have been reassigned to PBOT as the lead bureau for work on LED lighting.
- *PBOT*: PBOT is upgrading their outdated work order and inventory/stores system Maximo with \$600,000 in state resources.
- *Grants Fund*: Appropriations in the Grants Fund are reduced by \$6.1 million, primarily budgeted in the Portland Office of Emergency Management (POEM). These reductions are mostly related to carryover that will be budgeted in the FY 2010-11 Adopted Budget.
- *HOME Fund*: Appropriation in this fund is increased by \$400,000, budgeting available grant allocation to fund housing development.
- *Housing Community Development Fund*: Appropriation is reduced by \$4.2 million for carryover that will be budgeted in the FY 2010-11 Adopted Budget.
- *Housing Investment Fund*: \$1.6 million is appropriated for Section 108 loan proceeds and \$500,000 is reduced for carryover to be budgeted in the FY 2010-11 budget for homeownership programs.
- *Sewer System Construction Fund*: The BMP includes an increase in appropriations of \$65,950,000 for BES bond proceeds and issuance costs for a larger sale than originally budgeted.

RECOMMENDATION

Financial Planning recommends Council approval of the spring budget adjustment ordinance.