

REPORT TO CITIZENS

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CITY OF
PORTLAND, OREGON
OFFICE OF CITY AUDITOR

September 1995

1 COSTS

2 RESULTS

3 FINANCIAL HEALTH

Dear Portland Citizen,

Government has an obligation to be accountable. Citizens have a duty to be informed about how their government performs. To help fulfill these responsibilities, my office has prepared this report. It contains factual information on City of Portland spending, financial condition, and, most importantly, service results.

This is the first time we have prepared a report like this. It summarizes data from several more detailed documents. My audit staff and the accounting firm of Coopers and Lybrand have independently reviewed and audited the source data.

Please tell me what you think of this report. Is it useful? Does it contain the information you need? Please write or call me with your comments. If you like the report, we will continue to issue it in the future.

I look forward to hearing from you.

Sincerely,

Barbara Clark

Barbara Clark, CPA
City Auditor

FOR MORE INFORMATION

General City Information
823-4000

Budgets
823-5288

Audit Reports
823-4005

Mayor Katz
823-4120

Commissioner Blumenauer
823-3589

Commissioner Hales
823-4682

Commissioner Kafoury
823-4151

Commissioner Lindberg
823-4145

Auditor Barbara Clark
823-4078

HOW TO EVALUATE YOUR CITY

Answers to some basic questions will help you understand City government performance:

- Where did my tax dollars go?
- How much did each service cost?
- How well do programs achieve goals and produce desired results?
- How satisfied are citizens with services?
- Is the budget balanced? Are the bills paid?
- Does the City take care of its assets?
- Is there too much debt?

This report can help answer some of these questions. Call the information numbers at the left for help in learning more about your City government.

COSTS

Your City provides services in seven major program areas. **Public Safety** includes police and fire services. This is the most costly service area and is paid for by local taxes.

Enterprise Operations such as water and sewer utilities and golf courses is the second most costly service area. This program is supported entirely by customer user charges.

Housing and Community Development provides housing, improves neighborhoods, and regulates building and development in the City. This program is paid for by federal grants, local taxes, and permit fees for development and construction.

Streets and Traffic services, funded mostly by state gasoline taxes, maintain our streets and regulate traffic.

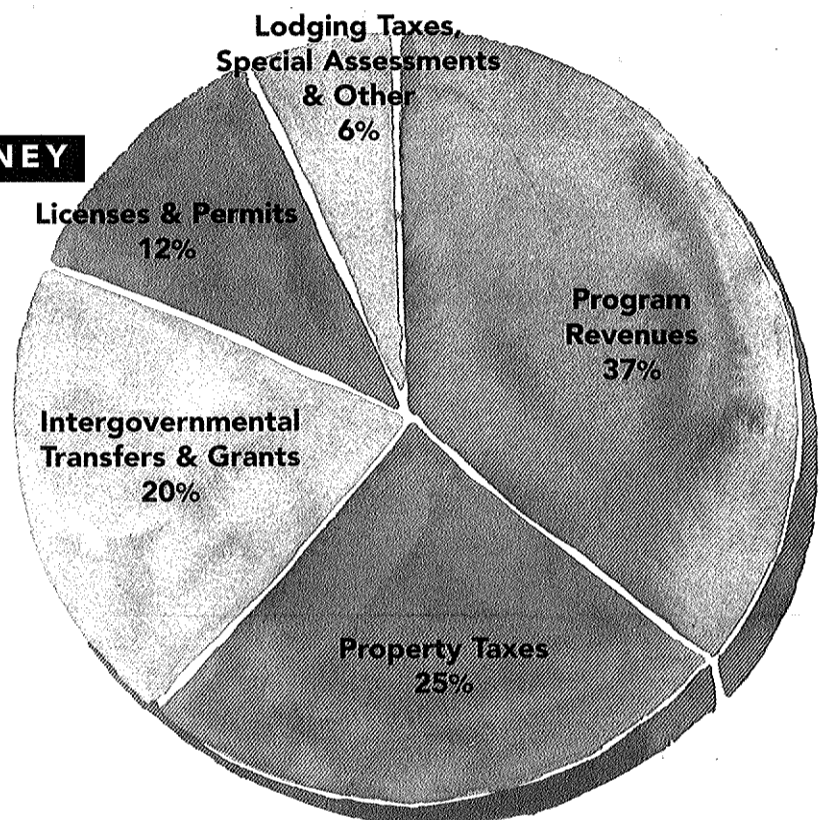
Parks and Recreation services are supported by both local taxes and user fees.

The City spends the least on **Administration & Legislation** and **Human Services**.

COST OF SERVICES

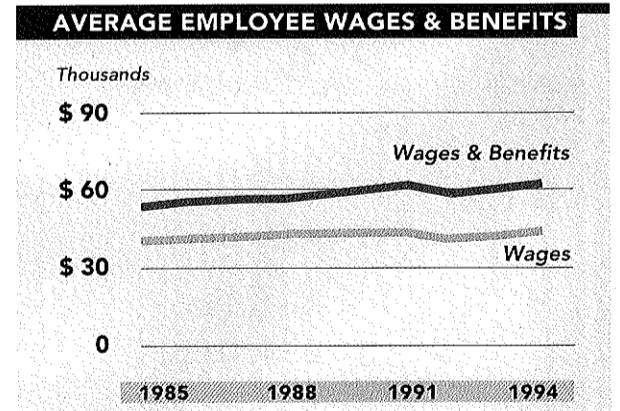
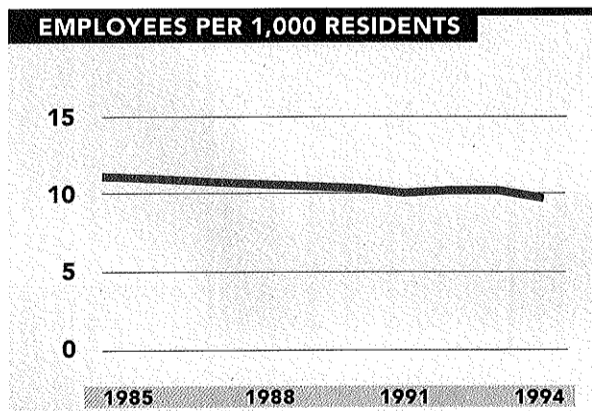
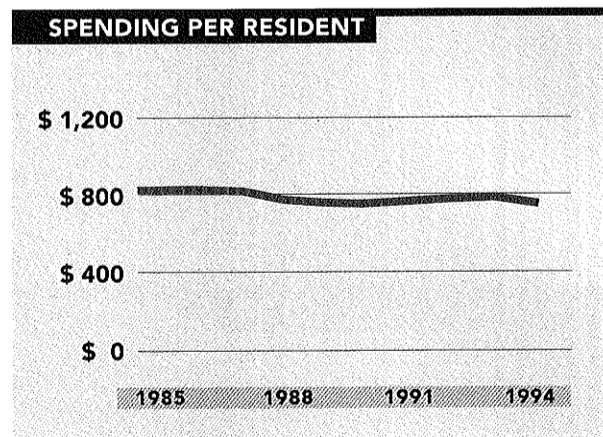
Millions	1992	1993	1994
Public Safety	214.5	234.1	226.0
Enterprise Operations	73.6	121.0	124.4
Housing & Community Development	52.5	56.1	86.1
Streets & Traffic	81.5	110.2	81.3
Parks & Recreation	33.2	30.4	31.5
Administration & Legislation	14.4	15.5	19.6
Human Services	3.3	3.5	3.0
Total Cost of Services	473.0	570.8	571.9
Less Program Revenues	156.0	190.2	211.3
NET COST OF SERVICES	\$317.0	\$380.6	\$360.6

WHERE THE MONEY COMES FROM



SPENDING TRENDS

Over the last ten years City spending and employees per capita have declined — a favorable trend. However, employee compensation has grown slightly faster than inflation, with benefits growing the most.



Portland's Police and Fire spending per capita is more than the average of six other cities partly due to higher pension and disability costs. Portland's Parks and Water utility spending is below average.

However, Sewer costs are higher than the average because of major spending to improve water quality in the region.

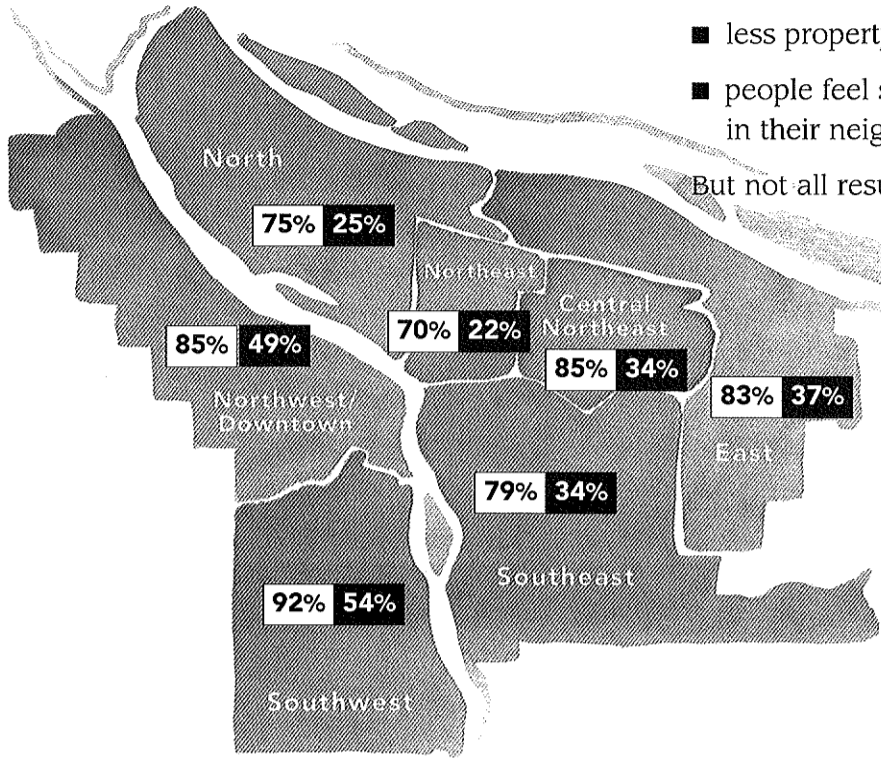
CITY SPENDING COMPARISON • Dollars per capita

	FIRE	POLICE	PARKS	WATER	SEWER
Charlotte	82	125	27	37	67
Cincinnati	143	196	70	52	81
Denver	124	205	46	59	59
Kansas City	109	199	38	84	35
Sacramento	95	203	76	48	98
Seattle	142	210	75	25	149
6 City Average	116	190	55	51	81
Portland	\$ 143	\$ 198	\$ 52	\$ 46	\$ 109

RESULTS

PUBLIC SAFETY

Percent of residents rating their neighborhood "safe" or "very safe" during the day **night**



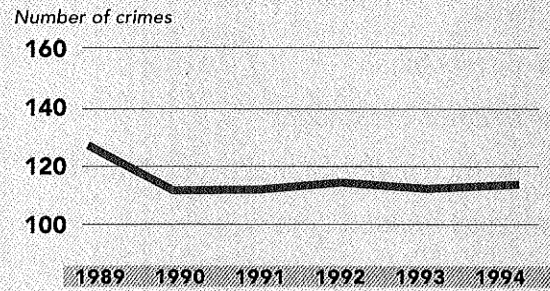
Fire and Police services have helped make our City safer.

- major crimes have declined by 11% since 1989
- structural fires have dropped 27%
- less property is lost due to fires
- people feel safer walking in their neighborhoods

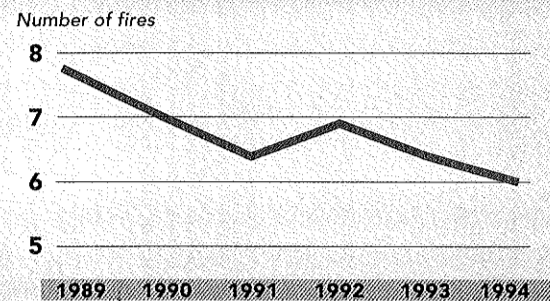
But not all results are positive.

- residents in the North and Northeast experience more crime and fires than other neighborhoods
- travel time to fires is longer
- most people don't know their neighborhood police officer
- a majority of Portlanders do not know how to sustain themselves in the event of a major disaster

CRIMES PER 1,000 RESIDENTS



FIRES PER 1,000 RESIDENTS



FEELING SAFE

Percent of residents feeling "safe" or "very safe" walking alone during the day

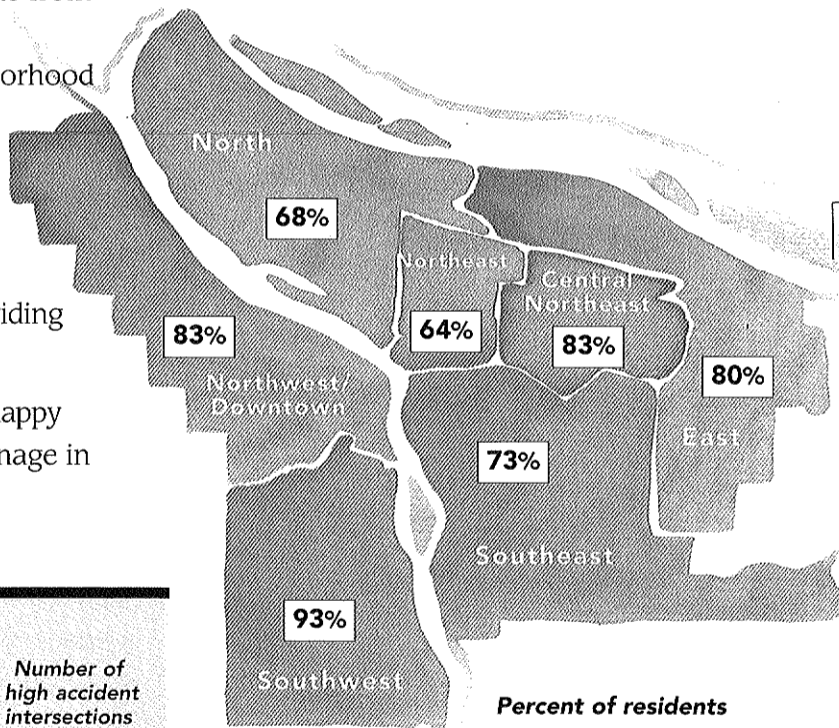
	NEIGHBORHOOD	PARK	DOWNTOWN
1991	77%	57%	57%
1992	81%	61%	58%
1993	80%	60%	54%
1994	82%	63%	60%

LIVABILITY

Citizen survey results from 1994 showed that 78% of Portlanders believe their neighborhood livability is good or very good. In addition, residents believe:

- parks are well-maintained and safe
- streets are clean and smooth riding

However, many residents are unhappy with traffic safety and storm drainage in their neighborhoods.



Percent of residents rating their neighborhood livability "good" or "very good"

CLEAN ENVIRONMENT

City Water and Sewer efforts have:

- reduced the number of unsewered properties by 27% over the past five years
- diverted over 34% of home solid waste from landfills through recycling
- met 100% of federal water quality standards

However, these results come with a price. Over the last five years, monthly water and sewer bills have increased by 6% and 47% respectively.

STREETS / TRAFFIC

	Percent of streets in good condition	Number of high accident intersections
1990	65%	266
1991	62%	260
1992	62%	255
1993	63%	261
1994	60%	240

CITIZEN SURVEY RESULTS

	Percent of residents rating overall quality "good" or "very good"			
	1991	1992	1993	1994
Fire	88%	88%	89%	89%
Parks	72%	77%	75%	77%
Recycling	-	72%	74%	76%
Police	60%	63%	68%	70%
Recreation	59%	63%	62%	68%
Water	68%	57%	65%	67%
Street lighting	-	61%	61%	60%
Sewers	38%	41%	42%	51%
Street maintenance	45%	50%	49%	50%
Storm drainage	33%	37%	36%	42%
Traffic management	-	43%	40%	40%

MONTHLY WATER AND SEWER BILLS

	WATER	SEWER
1990	\$ 11.91	\$ 11.97
1991	11.60	12.74
1992	12.09	15.16
1993	12.36	17.74
1994	12.62	17.59

FINANCIAL HEALTH

The City of Portland is fiscally sound. Increases in assets over liabilities reflect a strong financial position which enables the City to:

- pay its bills
- balance the budget
- finance major capital expenditures
- repay bonded debt
- meet other long-term obligations

Portland's municipal bonds are rated Aaa by Moody's Investors Service.

Economic trends are positive and the regional economy is strong. Since 1985:

- real income per capita is up 10%
- unemployment is down 45%
- total retail sales grew 37%
- number of employers increased 23%

CITY OF PORTLAND • COMBINED BALANCE SHEET

Millions

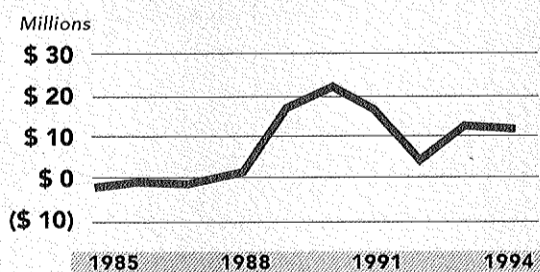
	1992	1993	1994
ASSETS			
Cash and Investments	338.8	398.0	413.1
Receivables	186.3	213.7	235.7
Inventories	3.4	3.6	3.5
Other Current Assets	18.1	14.4	9.2
Total Current Assets	546.6	629.6	661.5
Fixed Assets — Net	950.9	1,096.9	1,242.4
TOTAL ASSETS	\$1,497.5	\$1,726.5	\$1,903.9
LIABILITIES			
Warrants and Accounts Payable	22.6	39.9	38.3
Accrued Salaries and Other	66.8	144.1	163.6
Customer Deposits and Advances	69.3	75.4	84.6
Deferred Revenue	40.4	40.4	44.3
Total Current Liabilities	199.1	299.8	330.8
Employee Retirement Obligations	78.4	119.6	160.6
Bonded and Contractual Obligations	469.2	545.1	646.2
TOTAL LIABILITIES	\$746.7	\$964.5	\$1,137.6
ASSETS LESS LIABILITIES	\$750.8	\$763.0	\$766.3

FINANCIAL TRENDS

Trends indicate the City is in good financial health. Revenues have grown and the City has controlled expenditures. Rather than spend the surpluses, the City used them to maintain a healthy cash position, pay down debt, and increase funds available for emergencies.

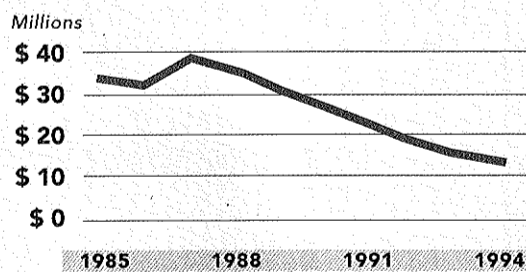
There are also some areas that bear watching or they may become tomorrow's problems.

OPERATING SURPLUSES



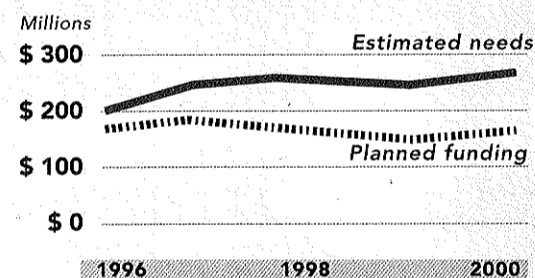
- The City had **operating surpluses** in each of the past seven years.

LONG-TERM DEBT



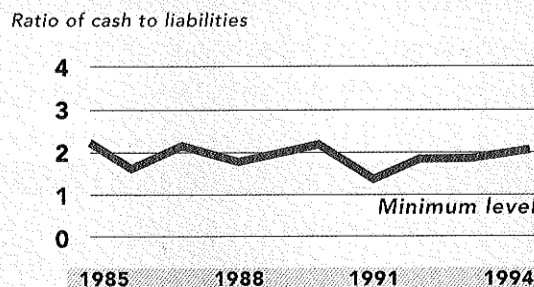
- **Long-term debt** from general obligation bonds has declined steadily over the last seven years.

ESTIMATED CAPITAL NEEDS



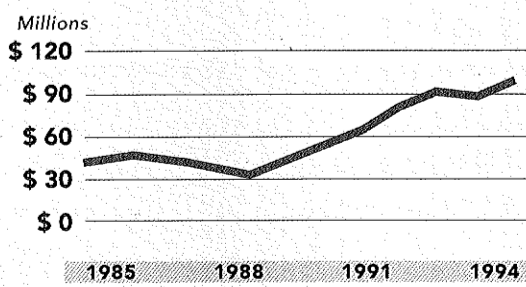
- **Capital improvement and replacement needs** are estimated to grow faster than funding.

LIQUIDITY



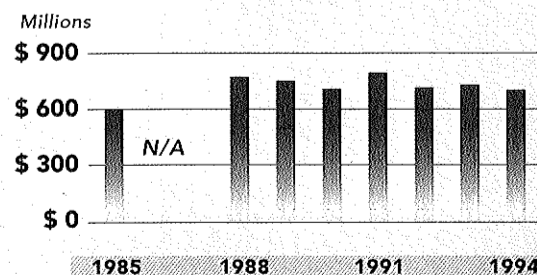
- **Liquidity** has stayed above the minimum level of 1 to 1.

FUND BALANCES



- **Unreserved fund balances** show a favorable increase after several years of decline.

PUBLIC SAFETY/PENSION LIABILITIES



- **Public safety pension liability** has declined but it still remains at a high level.

Data Sources:

- City Auditor
 - Financial Trends 1985-1994
 - Service Efforts and Accomplishments, 1992-93, 1993-94
- City Office of Finance & Administration
 - Comprehensive Annual Financial Report
 - Consolidated Financial Statements

Note: All amounts adjusted to 1994 dollars.

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