

FINANCIAL IMPACT STATEMENT For Council Action Items

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

1. Name of Initiator Jeramy Patton		2. Telephone No. 823-6961	3. Bureau/Office/Dept. OMF / Financial Planning Division
4a. To be filed (date) May 19, 2011	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: N/A

1) Legislation Title:

Approval of the FY 2011-12 Budget for the City of Portland (Report)

2) Purpose of the Proposed Legislation:

The report includes changes to the FY 2011-12 Proposed Budget which must be approved by the City of Portland Budget Committee.

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.

The action of the Budget Committee does not directly generate revenues.

4) Expense:

What are the costs to the City as a result of this legislation? (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)

The action of the Budget Committee (as requested in this report) will increase total requirements in various funds by \$16,099,816 from the FY 2011-12 Proposed Budget.

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.)

The changes outlined in the report will create, eliminate, and reclassify positions. In total, a net of 5.00 positions are added in the FY 2011-12 Approved Budget.

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

No

7) Change in Appropriations

None

Rich Goward, Jr., CFO

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Sam Adams, Mayor
Ken Rust, Chief Administrative Officer

Bureau of Financial Services
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DATE: May 19, 2011
TO: Mayor Sam Adams
FROM: Andrew Scott, Financial Planning Manager *AS*
RE: Approval of the FY 2011-12 Budget for the City of Portland

1. **INTENDED THURSDAY FILING DATE:** May 19, 2011
2. **REQUESTED COUNCIL AGENDA DATE:** May 25, 2011, 9:45 Time Certain
3. **CONTACT NAME & NUMBER:** Jeramy Patton, 3-6961
4. **PLACE ON:** ☐ **CONSENT** ☒ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **X** ☐ **Y** ☐ **N** ☐ **N/A**
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☐ **Yes** ☐ **No** ☒ **X** ☐ **N/A**

7. BACKGROUND/ANALYSIS

Change memo and related reports for the FY 2011-12 Approved Budget.

8. FINANCIAL IMPACT

Makes changes in multiple funds as described in the attachments.

9. RECOMMENDATION/ACTION REQUESTED

The Office of Management and Finance requests that Mayor Adams introduce the report and place it on the Council Calendar for May 25, 2011.

From: Ames, Betsy
Sent: Wednesday, May 25, 2011 11:37 AM
To: Moore-Love, Karla; Scott, Andrew; Schmanski, Sonia
Subject: Fish Budget Note Amendment

General Fund target adjustments for FY 2012-13

Council directs the Office of Management and Finance to increase General Fund current appropriation level targets for the following bureaus in FY 2012-13:

- Bureau of Emergency Communications - \$1,052,692 for additional costs to operate and maintain the new Computer Aided Dispatch system.
- Multiple bureaus – Out-year increases in all approved labor contracts.
- Portland Police Bureau - \$1,785,000 for ten consecutive years for the repayment of a \$15,000,000 bond to support the construction of a public safety training center. OMF, Portland Police Bureau, and Portland Parks & Recreation are directed to return to Council in the Fall BMP with the refined project timeline, cost estimates, comprehensive financing strategies, and a report on the prospects for private/public partnerships for this project.

Betsy Ames
Chief of Staff for Commissioner Nick Fish
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Commissioner Fish's Website: www.portlandoregon.gov/fish

SALTZMAN Amendments

Bureau of Development Services FY 2011-12 Budget Amendment

Amend item # 508, Approval of the FY 2011-12 Budget for the City of Portland by allocating \$372,327 from the General Fund's Contingency –Operating & Reserve line item to the Bureau of Development Services' Enforcement Program in order to create three full time Housing Inspector positions. This is a one-time allocation.

Bureau of Environmental Services Budget Note

The City Auditor's December 2010 audit of the \$19 million interagency agreement, in which the Bureau of Transportation provides sewer maintenance services for BES, suggests the possibility of a first-year savings to ratepayers of \$1.7 million and \$1 million a year following if those maintenance services are performed in-house at BES.

City Council directs the Bureau of Environmental Services, the Bureau of Transportation, and the Office of Management and Finance to retain an independent consultant during the 2011 calendar year that will recommend efficiencies to the interagency agreement.

Portland Fire and Rescue Budget Note

The Office of Management & Finance working with Portland Fire and Rescue (PF&R) shall hire an independent expert consultant to prepare a report for Council consideration comparing PF&R staffing and deployment levels to like metropolitan fire and rescue departments. Particularly, the report shall address efficient and innovative methods of recognized service delivery.

The report shall also provide data to assist Council in determining whether the new response vehicles being purchased with funds from the 2010 Fire Bond shall be staffed utilizing existing or new personnel. The report shall be prepared and presented to Council within six months of the budget adoption in a Council Work Session.

Portland Water Bureau

City Council directs the Portland Water Bureau to comply with the Federal Environmental Protection Agency's (EPA) Long Term 2 (LT2) enhanced treatment rule regarding open reservoirs and to pursue a variance with the Oregon Department of Environmental Quality and EPA for treating Bull Run Watershed for Cryptosporidium under the LT2 rule. **Council directs PWB and Portland Parks & Recreation to conduct an open public process to plan desired uses of the reservoirs if it is decided to have them taken off line.**

Reasoning: Except for the Variance, it is redundant to other Council Actions

Portland Water Bureau

The City shall through work sessions and public hearings process in year 2011, evaluate alternatives to timeline, storage options, and treatment related to the LT2 compliance and determine if it is possible to pursue variances to treatment, storage and if necessary an extended timeline for meeting LT2 compliance. Any net monetary savings attributed to changes in the LT2 requirements will be placed in the Rate Stabilization Fund and distributed in the following year(s) for rate reduction to Portland Water Users."

Reasoning: Except for the Variance, it is redundant to other Council Actions

Community Development

Office of Cable Communications and Franchise Management

~~Council directs the Office of Management and Finance to move the Portland Community Media contract and appropriation from the Office of Cable Communications and Franchise Management to a Special Appropriation for FY 2012-13. The contract will continue to be managed by the Office of Cable Communications and Franchise Management.~~

Reasoning: No reason to make any changes to the current location and management of the contract.

General Fund target adjustments for FY 2012-13

Council directs the Office of Management and Finance to increase General Fund current appropriation level targets for the following bureaus in FY 2012-13:

- ☐ Bureau of Emergency Communications - \$1,052,692 for additional costs to operate and maintain the new Computer Aided Dispatch system.
- ☐ Multiple bureaus - Out-year increases in all approved labor contracts.
- ☐ Portland Police Bureau – **Council will conduct a public process to discuss funding of \$1,785,000 for ten consecutive years for the repayment of a \$15,000,000 bond to support the construction of a public safety training center.**

Reasoning: Need to have complete discussion on this topic prior to assigning funds.

Office of Management and Finance (Capital Budgeting Process)

Council directs the Office of Management and Finance to establish a taskforce to review the Portland Water Bureau (PWB) and Bureau of Environmental Services (BES) Capital Improvement Project (CIP) budget documents and processes. The taskforce will generate recommendations to improve the public transparency and accountability of the CIP documents and process. The taskforce will include members of the Financial Planning Division, Public Utilities Review Board, PWB's and BES's Budget Advisory Committees, the Auditor's Office, PWB staff, BES staff, **1 representative from PIAC** and other bureau staff as needed. A report is due back to Council by November 1, 2011, so that changes can be incorporated into the FY 12-13 budget process.

Reasoning: PIAC provides an overview of feedback on public involvement processes associated with items of this magnitude.