

Office of Mayor Sam Adams City of Portland

INTRODUCTION

This is the third budget that I have the privilege of presenting as Mayor. The City is beginning its recovery from the worst global recession in more than a generation. Job creation is accelerating, and business activity is increasing. Unemployment is still high, but trending downward. This budget remains focused on our top priority: returning the City to full prosperity and making strategic investments that will result in a stronger, more resilient City. At the same time, my budget continues to support the most vulnerable in our community through investments in housing, homelessness prevention, mental health, and addiction services. And I have increased the City's focus on equity to ensure that every Portlander has access to the most equal of opportunities. Finally, I have surveyed citizens to identify neighborhood nuisances and livability issues, and I will hold City bureaus accountable for addressing them. Taken as a whole, this budget will make Portland's economy stronger and more resilient, our streets safer, our communities more equitable, and our government more responsive.

Early, Decisive Action

Starting in late 2008, it was clear that our City was going to face the worst recession in decades. In addition to declining business license and other local revenues, the City had many ongoing programs and positions that were being funded with one-time revenue, creating a "shadow obligation" for the City to fund in the future. Considering these risks and factors, we started preparing early:

- As Mayor-elect, I worked with the City Council to make mid-year reductions in fall 2008 in anticipation of declining revenues.
- In FY 2009-10, we asked bureaus to propose programmatic reductions of up to five percent. And during the year, we continuously monitored and adjusted bureau spending based on the latest available data, allowing us to stay ahead of the financial crisis and avoid deeper, more damaging cuts. In April 2010, I implemented a citywide hiring freeze, directed bureaus to slow down all discretionary spending, and asked bureaus to find additional personnel savings by holding positions vacant.
- In FY 2010-11, I asked public safety bureaus to prepare two percent reductions, and non-public safety bureaus to prepare four percent reductions. These reductions produced enough savings to balance the General Fund and create one-time resources that were reinvested in the City's highest priorities.

For the FY 2011-12 budget process, even though City revenues were recovering, I asked for modest program and administrative reductions, and asked bureaus to be creative in terms of realignments and efficiencies that could save money without reducing services. The actions in this budget and over the last two years have kept Portland ahead of the recession, and prepared to move into the future.

MAYOR'S APPROACH

In building the FY 2011-12 budget, I had five key goals:

1. Return the City to full prosperity and invest in a stronger, more resilient City.
2. Help those hit hardest by the recession and provide support to the most vulnerable in our community.
3. Protect public safety services.
4. Increase the City's focus on equity to ensure that every Portlander has access to the most equal of opportunities.
5. Identify neighborhood nuisances and ensure more responsive City services.

Investing in a Stronger, More Resilient City

For the first time in 15 years, Portland has a tight focus on the key areas where our city and region can outcompete others. Though we have more work to do, Portland is already ahead of the curve when it comes to competing globally, and I am focused on maintaining that advantage. My budget contains the following investments that will strengthen our local economy:

- \$3.2 million for programs that grow local businesses in neighborhoods and in high-growth, cluster, and traded sector industries, restoring previous reductions to the Portland Development Commission's budget.
 - \$205,000 for International Business Development
 - \$500,000 to continue Neighborhood Main Streets and almost \$250,000 for the new Partners in Prosperity initiative. The budget also includes \$600,000 for technical assistance and \$200,000 for working capital assistance for small businesses.
 - Funding for programs that foster high-growth, export-oriented businesses totals more than \$1.4 million: the Seed Fund is increased by \$500,000; and other cluster initiatives and targeted recruitment funding totals almost \$1 million.
- \$635,000 to complete the Portland Plan and continue progress on the state mandated Comprehensive Plan.
- \$235,000 for Cradle to Career, a key initiative aimed at strengthening the education system for all youth.
- \$500,000 in scholarships for Portland Community College students, an investment in our local talent pool to prepare students for competitive and growing job sectors.
- \$50,000 to support The Right Brain Initiative and arts integrated learning for K-8 students through the collaboration of teachers and artists.
- \$100,000 to the Oregon Food Bank as they work to combat our region's record level of hunger and food insecurity.

Helping Those Hit Hardest by the Recession

My proposed budget helps those most in need during this economic crisis, which has been brutal for far too many Portlanders. This proposed budget:

- Invests General Fund resources in housing, including \$4.2 million for shelter services, rent assistance, and access services, including:
 - \$1.7 million to continue critical emergency and shelter services
 - \$1.4 million to continue rent assistance to prevent homelessness and rapidly re-house those that have become homeless
 - Nearly \$500,000 for housing access services
 - \$250,000 to help homeowners avoid foreclosure and keep their homes

- \$390,000 to support new programming at the Bud Clark Commons housing resource access center, opening up at the end of FY 2010-11.
- Provides \$600,000 in ongoing operational funding for the City-County Crisis Assessment and Treatment Center, which will serve individuals experiencing a mental health crisis.
- Budgets over \$3 million in comprehensive responses to the addiction and mental health issues that impact the livability of our community and the work of our Police staff.
- Continues funding for the Service Coordination Team (\$1.9 million)
- Continues funding for the CHIERS van and Hooper sobering station (\$1 million)
- Extends the Central Precinct mental health staff ride along program (\$100,000)

Protecting Public Safety Services

Public Safety is the most basic of City services. My proposed budget keeps our police sworn staff at full strength, restores a fire bureau medical rescue unit, and continues programs that keep our streets safe. My proposed budget:

- Ensures that all existing fire stations remain open, keeps the Rescue 11-Lents medical rescue unit running, and restores into operation the Rescue 19-Mt. Tabor medical rescue unit.
- Provides a 4.6 percent increase in overall public safety general fund spending, including a 6.9 percent increase for police.
- Maintains Portland Police Bureau sworn staff strength by making \$1 million in administrative cuts.
- Increases funding for Police Bureau equipment and training by \$2 million so that staff is adequately supported in their work.
- Continues funding for programs against human trafficking.
- Allocates \$250,000 to continue progress on the Police Bureau training facility.
- Funds Parks Teen Programs at current levels to allow continued programming at five locations throughout Portland.
- Provides \$30,000 for the Police Activities League, to fund programs that engage youth in healthy activities that keep them off of the streets.
- Grants \$65,000 for the Outside In needle exchange harm reduction program.

Creating a Fair and Equitable Portland

In Portland, inequities exist across racial, geographic, and socio-economic lines. We need to address this, and ensure that all Portlanders have access to equal opportunity. My proposed budget addresses these inequities by providing over \$1 million to create an Office of Equity, and continuing funding for programs that support education and academic achievement:

- \$373,000 to fund the first phase of the citywide compliance assessment project related to the Americans with Disabilities Act. This package will be overseen by the new Office of Equity.
- \$279,692 in funding for the East Portland Action Plan.
- \$500,000 to develop and improve parks east of I-205. Funding will be used as leverage to begin outreach to individuals and business partners so that donors know their contributions are going directly to building new amenities.

- Funding to implement zoning changes along NE 122nd to encourage the development of 20 minute neighborhoods.
- \$100,000 to fund a Portland SUN School at David Douglas High School, the Portland high school with the highest percentage of low-income students
- Continued funding to fill the gap in the school districts' Summer Lunch Program
- \$75,000 grant to CASH Oregon to fund tax preparation programs for low-income families, helping them capture tax credits and refunds.

Ensuring More Responsive Neighborhood City Services

As part of this year's budget, I directed staff to create a survey asking Portlanders to report specific nuisances, irritations, or infrastructure issues in their neighborhoods and throughout the City. More than 5,000 responded. My budget uses one-time resources to fund some of these high priority annoyances, and I have asked City bureaus to address the most critical needs. Highlights include:

- Portlanders reported nearly 1,800 potholes in need of repair. Bureau of Transportation staff are currently reviewing all responses to eliminate those already reported or repaired. All remaining potholes on the list will be repaired by the end of the 2011 calendar year.
- The Bureau of Development Services will address the 130 Priority 1 or 2 complaints received, which include imminent health and safety hazards, serious code violations, environmental protection, and violations adversely impacting quality of life.
- Nearly 20 percent of respondents requested additional restroom availability. The Bureau of Parks and Recreation will leave existing restrooms open longer by 30 days in the following parks: Wilshire, Mt Scott, Rose City, Alberta, Berkeley, Glenhaven, Fernhill, Irving, Custer, and Wallace. The Parks Bureau will also add portable ADA accessible restrooms to sites like Linnton/Kingsley, Flavel, Sewallcrest, Portsmouth, Piccolo, Harrison, O'Bryant, Forest Park, and Council Crest for 6 to 9 months.
- Of the 1,110 graffiti reports, the Office of Neighborhood Involvement will utilize \$447,332 in additional funding proposed for graffiti abatement to address complaints with verifiable locations by the end of the fiscal year.
- Over 16 percent of respondents cited "more or better community gardens" as a high priority Parks improvement. The proposed budget invests in the construction of up to 10 additional Community Gardens to meet the City's Climate Action goals of 1,000 new garden plots by the end of 2012. These new gardens will create over 300 additional plots.

The budget also includes bureau Service and Performance Improvement plans, which list three key areas each bureau has identified that need improvement, and outlines how those improvements will be realized. This is the third year for this requirement, and bureaus are required to show progress against last year's plan.

CONCLUSION

I want to commend all the Portlanders who participated in our budget process, through community budget forums, service on a bureau or citywide budget advisory committee, or filling out a Curbsider survey. With your input and feedback, we have been able to focus this budget on the programs and services that matter most to you.

While other cities are raising taxes, laying off key public safety employees, cutting essential services, or reaching into their reserves, the City of Portland is in strong financial shape. We took early, aggressive action when revenues started declining in order to weather the economic storm

and emerge a stronger, more vibrant community. This budget continues to make investments in economic development, core City services, and livability.

In these uncertain times, this is a budget that gets to the heart of equity. It is a budget guided by both empathy and common sense. We are looking out for our most vulnerable neighbors—resident, business owner, or student. These basic needs are at the core of this budget.

Thank you,



Sam Adams
Mayor

Agenda No.
REPORT NO.
Title

Mayor's Message to Budget Committee (Report) Mayor convenes Council as the Budget Committee)

INTRODUCED BY Commissioner/Auditor: Mayor Adams	CLERK USE: DATE FILED <u>MAY 13 2011</u>
COMMISSIONER APPROVAL	LaVonne Griffin-Valade Auditor of the City of Portland By: <u>[Signature]</u> Deputy ACTION TAKEN: MAY 18 2011 PLACED ON FILE
Mayor—Finance and Administration - Adams	
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
BUREAU APPROVAL	
Bureau: Management & Finance Bureau Head: Rich Goward, Jr. <u>[Signature]</u>	
Prepared by: Jeramy Patton Date Prepared: May 11, 2011	
Financial Impact Statement Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input checked="" type="checkbox"/>	
Council Meeting Date May 18, 2011	
City Attorney Approval	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> Start time: <u>9:30 AM</u>
Total amount of time needed: 15 minutes (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz	
2. Fish	2. Fish	
3. Saltzman	3. Saltzman	
4. Leonard	4. Leonard	
Adams	Adams	