

Portland, Oregon

## FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Sara Lowe		2. Telephone No. (503) 823-6963	3. Bureau/Office/Dept. City Budget Office
4a. To be filed (hearing date):  January 16, 2013	4b. Calendar (Check One)  Regular    Consent    4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and City Budget Office: January 10, 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

**1) Legislation Title:**

\* Adopt budget adjustments and establish appropriation authority for the Arts Education and Access Fund and Private For-Hire Transportation program reforms. (Ordinance)

**2) Purpose of the Proposed Legislation:**

The Supplemental Budget Ordinance adjusts appropriations within the Office of Management and Finance - Revenue Bureau, including establishing an appropriation for the Arts Education and Access Fund and Private For-Hire Transportation program reforms.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |  |                                    |                                    |                                |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast             | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                  |                                    |                                    |                                |

**FINANCIAL IMPACT****4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This ordinance appropriates \$9,040,841 in new spending within OMF, supported by new revenues that will be simultaneously budgeted. The Arts Education and Access Income Tax is expected to generate \$8,994,387 in the current year. Increased Private For-Hire Transportation regulatory revenues are expected to generate \$46,454 in the current year.

**5) 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 year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

The Office of Management and Finance is directed to administer the Arts Education and Access Income Tax. Bureau program expenses total \$762,500 and will fund 4.5 FTEs and expenditures associated with implementing the new tax. Remaining revenues, \$8,231,887, will be appropriated in contingency. The revenues will be held in contingency until distribution decisions are finalized.

Private For-Hire Transportation regulatory revenues totaling \$46,454 will be used to fund two new FTEs to implement newly approved program reforms.

**6) Staffing Requirements:**

- **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.)*

Yes. A total of 6.5 new, permanent FTE will be created in OMF through this ordinance.

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

Yes. The regular positions created as part of the ordinance will continue into FY 2013-14 budget development.

*(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 Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
100000	MFRB000004	511100	LARETX00000000GL	NON-PROGRAM		NOT-RELEVANT	30,420
100000	MFRB000004	514100	LARETX00000000GL	NON-PROGRAM		NOT-RELEVANT	16,034
100000	MFRB000004	429100	LARETX00000000GL	NON-PROGRAM		NOT-RELEVANT	(46,454)
100000	MFRB000001	511100	LARCLTAT000000GL	NON-PROGRAM		NOT-RELEVANT	114,862
100000	MFRB000001	514100	LARCLTAT000000GL	NON-PROGRAM		NOT-RELEVANT	68,329
100000	MFRB000001	521000	LARCLTAT000000GL	NON-PROGRAM		NOT-RELEVANT	120,613
100000	MFRB000001	651210	LARCLTAT000000GL	3MFPD2MF01		NOT-RELEVANT	360,000

100000	MFRB000001	651530	LARCLTAT000000GL	3MFTS2MF01		NOT-RELEVANT	98,696
100000	MFRB000001	601020	LARCLTAT000000GL	7MF2MF001		NOT-RELEVANT	(762,500)
223000	MFRB000001	415000	LARCLTAT000000GL	NON-PROGRAM		NOT-RELEVANT	(8,994,387)
223000	MFRB000001	571100	LARCLTAT000000GL	NON-PROGRAM		NOT-RELEVANT	8,231,887
223000	MFRB000001	601020	LARCLTAT000000GL	7MF2MF001		NOT-RELEVANT	762,500

**[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]**  
**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

- ☐ **YES:** Please proceed to Question #9.  
☒ **NO:** Please, explain why below; and proceed to Question #10.

**9) If “YES,” please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?**

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

**c) How did public involvement shape the outcome of this Council item?**

**d) Who designed and implemented the public involvement related to this Council item?**

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

**10) Is any future public involvement anticipated or necessary for this Council item? Please**

**describe why or why not.**

The publicly noticed hearing of this ordinance serves as the sole element of public involvement. This is a small part of the much larger budget process; the rest of the budget process is subject to extensive public outreach in the form of public meetings, public hearings, Council worksessions, requests and analysis provided online, and the inclusion of public budget advisors.



APPROPRIATION UNIT HEAD (Typed name and signature)

## CITY BUDGET OFFICE

Charlie Hales, Mayor  
Nick Fish, Commissioner  
Amanda Fritz, Commissioner  
Steve Novick, Commissioner  
Dan Saltzman, Commissioner  
LaVonne Griffin-Valade, Auditor



Andrew Scott, Director

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CITY OF PORTLAND, OREGON

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TO: Mayor Charlie Hales  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman  
City Auditor LaVonne Griffin-Valade

FROM: Andrew Scott, City Budget Director

DATE: January 10, 2013

SUBJECT: FY 2012-13 Supplemental Budget Ordinance

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This memo details bureau appropriation level adjustments included in the FY 2012-13 Supplemental Budget Ordinance. Typically, adjustments to appropriation levels are accomplished through the Budget Monitoring Process; however, the emergent need of the items outlined below requires immediate action.

**Arts Education and Access Tax**

In the spring of 2012, Council approved Resolution #36939 to refer an Arts Education and Access Income Tax to voters. Portland voters approved the tax in the November 6, 2012 General Election, and in doing so established the Arts Education and Access Fund. The purpose of this fund is to distribute net revenues to school districts and the Regional Arts and Culture Council.

The Office of Management and Finance - Revenue Bureau is directed to implement the tax and manage the Arts Education and Access Fund. Planning efforts are already underway and it is imperative that the bureau be granted authority to hire the staff necessary to manage and administer the tax.

The supplemental budget ordinance recognizes newly generated Arts Education and Access Fund revenues totaling \$9.0 million. The revenues will fund Office of Management and Finance program expenses totaling \$762,500 and include FTEs, one-time program implementation costs, and ongoing expenditures. Remaining revenues, \$8.2 million, will be appropriated in contingency. The revenues will be held in contingency until distribution decisions are finalized.

Additionally, the supplemental budget ordinance authorizes five new regular positions in the Revenue Bureau (4.5 FTE), of which four are full-time Revenue and Taxation Specialist II's and one is a part-time Revenue Auditor.

This request is consistent with the original estimate provided at the time of passage.

**Private for Hire Transportation Reforms**

Council recently approved ordinance #185723 to establish reforms in the Private For-Hire Transportation

program and increase taxi company and vehicle fees via ordinance #185721.

185859

The Office of Management and Finance - Revenue Bureau will require additional staff to implement the reforms. The supplemental budget ordinance recognizes new regulatory program revenues totaling \$46,000 and authorizes two regular Regulatory Program Specialist positions (2.0 FTE).

Please let us know if you have any questions or require further information.

Attachments.