

FY 2022-23 Budget Amendments as Voted on by Council - May 11, 2022

Mayor Ted Wheeler

1) Motion to allocate \$34,798,724 of General Fund resources from the April Forecast into Bureau Program Budgets: Moved by Hardesty and seconded by Wheeler. (Y-5)

Reduce Unrestricted General Fund Contingency by \$17,398,724 and reduce General Fund Policy Set Aside for Major Maintenance by \$17,400,000 within funds management in order to allocate the following to bureau program expenses:

- A) Allocate \$300,000 in one-time General Fund resources for external materials and services in Special Appropriations General Fund for an indigenous people's waterfront legacy project. Funds are intended to support a study to identify land adjacent to the Willamette or Columbia River to dedicate to the project.
- B) Allocate \$450,000 in one-time General Fund resources to support personnel and associated materials and services costs of 3 limited duration employees within the Office of Equity and Human Rights General Fund to establish performance and accountability systems for city policies and programs targeting equity. Add 2.0 Analyst II limited term positions and 1.0 Administrative Specialist II limited term position to the bureau to conduct this work.
- C) Allocate \$1,000,000 in one-time General Fund resources towards bureau program expenses in Prosper Portland General Fund to support an East Portland Investment Strategy. This is intended to fund a two-year commitment to provide a broad strategy to ensure inclusive housing and economic opportunities as the area grows and changes.
- D) Allocate \$800,000 in one-time General Fund resources to external materials and services in Special Appropriations General Fund to go towards the Albina Vision Trust for master plan development and land banking for future development.
- E) Allocate \$450,000 in one-time General Fund resources to support personnel and associated materials and services costs of 3 limited duration employees

within the Bureau of Planning and Sustainability General Fund to augment the work of the Chief Sustainability Officer and establish performance and accountability systems for the City's climate action and sustainability plans. Add 2.0 Analyst II limited term positions and 1.0 Administrative Specialist II limited term position to the bureau conduct this work.

- F) Allocate \$935,720 in one-time General Fund resources to program expenses in the Bureau of Planning and Sustainability to support climate emergency and climate resiliency work. This includes allocating \$678,320 in one-time resources and 2.0 limited term positions to support climate resilience work and \$275,400 in one-time resources to support climate emergency work as requested by the Bureau in their FY 2022-23 Requested Budget.
- G) Allocate \$1,200,000 in one-time General Fund resources in the Bureau of Planning and Sustainability's General Fund to support a Community Safety Dashboarding pilot. This includes:
 - a. Allocating \$355,000 towards personnel and materials and services costs and adding one limited duration Coordinator III and one limited duration Analyst two within the Bureau of Planning and Sustainability's General Fund, Smart Cities program;
 - b. Allocating \$245,000 in the Bureau of Planning and Sustainability General Fund towards interagency costs for services in the Bureau of Technology Services;
 - c. Increasing Technology Services Fund interagency revenues by \$245,000 in the Bureau of Technology Services for personnel and materials and services costs and adding one limited duration Information Systems Manager (Principal Information System Analyst in the Bureau of Technology Services) within the Office of Management and Finance;
 - d. Allocating \$600,000 towards Bureau of Planning and Sustainability General Fund contingency to support second year costs associated with this pilot.
- H) Allocate \$800,000 in one-time General Fund resources to program expenses in the Chief Administrative Officer's Office within the Office of Management and Finance, General Fund account. This funding will be used to expand the capacity for coordination of strategic planning processes within the divisions of the Office of Management and Finance.

- I) Allocate \$1,600,000 in one-time General Fund resources to program expenses within the Portland Police Bureau General Fund to support investigation capacity expansion and car theft pilots, as follows:
 - a. \$1,322,000 for personnel expenses to support overtime costs to help with the criminal investigation backlog;
 - b. \$250,000 for materials and services costs to provide targeted outreach for reducing car theft by educating Portlanders on the makes and models of most commonly stolen vehicles and providing coupons for car clubs to prevent theft; and
 - c. \$28,000 for materials and services costs to fund mechanic shops in underserved neighborhoods to provide catalytic converter tagging and identification procedures to prevent theft.
- J) Allocate \$3,911,373 in one-time General Fund resources toward bureau program expenses to expand the public safety support specialist program within the Portland Police Bureau General Fund. Add 28.0 limited duration Public Safety Support Specialists positions, 1.0 limited duration Manager I, and 2.0 limited duration Supervisor I, and 1.0 limited duration Administrative Specialist I.
- K) Allocate \$847,231 in one-time General Fund resources to the Emergency Communications Fund to support the Bureau of Emergency Communications call-taking and ability to address increases in call volume. Add 5.0 limited duration FTE for two years.
- L) Allocate \$1,000,000 in one-time General Fund resources to external materials and services within the Office of Management and Finance, Community Safety Division General Fund to curb and mitigate gun violence across the city in partnership with existing city programming and community-based organizations.
- M) Allocate \$375,400 in one-time General Fund resources as a cash transfer to the Portland Housing Bureau Housing Investment Fund for bureau program expenses to fund the costs of converting and preparing two City surplus properties for affordable housing.
- N) Allocate \$1,250,000 in one-time General Fund resources to support citywide neighborhood coordination around trash abatement. Funding will increase bureau program expenses within the Facilities Fund in the Office of Management and Finance, Chief Administrative Officer's office.

- O) Allocate \$750,000 in one-time General Fund resources to bureau program expenses within the Special Appropriation budget for Venture Portland to increase capacity for citywide marketing focused on generating additional foot traffic to locally owned small businesses.
- P) Allocate \$250,000 in one-time General Fund resources to bureau program expenses within Prosper Portland General Fund to fund a study to examine opportunities for a long-term brick and mortar downtown location for My People's Market.
- Q) Allocate \$165,000 in one-time General Fund resources for personnel and associated materials and services costs and add 1.0 limited duration Coordinator III in Special Appropriations General Fund to evaluate the City's long-term art and culture programs and policies.
- R) Allocate \$350,000 in one-time General Fund resources to support the Portland's art and cultural institutions. Funding will increase external materials and services within Special Appropriations General Fund and go to support rental rates recovery to resident companies and non-profits.
- S) Allocate \$250,000 in one-time General Fund resources to external materials and services within the Water Fund of the Portland Water Bureau to fund a third-party study to evaluate the integrity of the Mt. Tabor Reservoir infrastructure and identify opportunities for future use.
- T) Allocate \$150,000 in one-time General Fund resources and bureau program expenses in the Office of Management & Finance in Division of Asset Management for third party study of city owned properties for affordable housing opportunities.
- U) Allocate \$600,000 in one-time General Fund resources to bureau program expenses in Prosper Portland General Fund for repair grants to help small businesses fix broken windows and other damaged caused by vandalism and attempted theft.
- V) Allocate \$9,200,000 in one-time General Fund resources to bureau program expenses within Portland Parks and Recreation Parks Construction Fund to fund needed repairs at the Mt. Scott Community Center and to fund progress in the redevelopment of O'Bryant Square.
- W) Allocate \$3,500,000 in one-time General Fund resources to bureau program expenses within Prosper Portland General Fund to fund demolition of the current Broadway Corridor for site prep for an affordable housing project.

X) Allocate \$4,664,000 in one-time General Fund resources to the Transportation Operating Fund within the Bureau of Transportation to repave SE Division while TriMet does roadway work for the bus transit project. The project will address current erosion and maintenance issues to mitigate long term costs, and this shovel-ready project will be completed by TriMet contractor.

In addition, the Adopted Budget Ordinance shall include the directive stating that the Council is waiving binding City Financial Policy 2.03 as the ordinance does not allocate 50% of one-time available General Fund discretionary resource for infrastructure maintenance and replacement as outlined in FIN-2.03.

Update Attachments B, C, D, and E as needed to reflect this change.

2) Motion to allocate \$50,000,000 as a technical accounting adjustment to recognize the repayment of a one-day interfund loan supporting grant programs: Moved by Hardesty and seconded by Wheeler. (Y-5)

Annually, the City budgets a one-day loan to the Grants Fund from June 30 to July 1 to prevent the Grants Fund from experiencing a negative cash position between fiscal years. This amendment budgets the repayment of that loan in FY 2022-23. In the Grants Fund, increase beginning fund balance by \$50.0 million and balance by allocating \$50.0 million in internal loan remittance expenditures. In the Transportation Operating Fund recognize \$25.0 million in loan repayment revenue and increase contingency expenses to offset this change. In the Parks Construction Fund recognize \$25.0 million in loan repayment revenue and increase contingency expenses to offset this change. Update exhibits B, C and D as needed to reflect this change.

3) Motion to realign resources and positions from the Portland Police Bureau and the Bureau of Emergency Communications to the Office of Management and Finance, Community Safety Division: Moved by Hardesty and seconded by Ryan. (Y-5)

Reduce General Fund ongoing discretionary resources in the Portland Police Bureau, associated bureau program expenses, and 17.0 FTE totaling \$2,445,260. Increase General Fund ongoing discretionary, program expenses in the Office of Management and Finance Community Safety Division by \$2,445,260 and increase permanent position authority by 18.0 FTE, which includes the 17.0 FTE from the Portland Police Bureau and 1 FTE for the Community Safety Transition

Director who is currently in a limited term position. Update exhibits B, C and D as needed to reflect this change.

In the bureau of Emergency Communications, reduce bureau program expenses, 3.0 FTE, and the General Fund transfer of resources to the Emergency Communications fund by \$500,411. Increase ongoing General Fund discretionary resources, program expenses, and add 3.0 FTE to the Office of Management and Finance Community Safety Division totaling \$500,411. Update exhibits B, C and D as needed to reflect this change.

4) Motion to add a Budget Note directing the Office of Community and Civic Life, Community Safety Program and the Office of Violence Prevention in Special Appropriations to coordinate with the Office of Management and Finance, Community Safety Division (CSD) to develop a transition plan for program staff and resources to realign to the CSD: Moved by Hardesty and seconded by Rubio. (Y-5)

The Office of Community and Civic Life Community Safety Program and the Office of Management and Finance Community Safety Division (CSD) are directed to develop a staff and program transition plan to realign resources and positions in the Community Safety Program to the CSD. This specific transition plan should be complete in advance of the FY 2023-24 Requested Budget submission. The Office of Violence Prevention will realign program staff to the home organization unit of OMF-CSD until future determination for continuity of operations is agreed up between the Office of Violence and Prevention, Grants Management, and the CSD. Update Exhibit D to reflect this change.

5) Motion to reduce General Fund contingency in the Portland Police Bureau by \$505,763 and realign resources in the Community Safety Division of the Office of Management and Finance to support the City transition to the new Police oversight board: Moved by Hardesty and seconded by Wheeler. (Y-5)

Reduce General Fund one-time discretionary resources and contingency in the Portland Police Bureau by \$505,763. Increase General Fund one-time discretionary and bureau program expenses, by \$505,763 and 1.0 Limited Term Coordinator I in the Community Safety Division of the Office of Management and Finance. This resource reduces available one-time funding for police over-hire authority. The Police Bureau may bring a request in the Fall or Spring

Supplemental Budget Monitoring Process to refill the contingency account.
Update exhibits B, C and D as needed to reflect this change.

Commissioner JoAnn Hardesty

1) Motion to allocate resources to the Sellwood Moreland Improvement League (SMILE) for SMILE Station Building Rehabilitation: Moved by Hardesty and seconded by Wheeler. (Y-5)

Allocate \$250,000 of one-time General Fund as bureau expenses in Special Appropriations Fund 100 for SMILE Station Building Rehabilitation needs.

Funding for this allocation is provided through a reduction in one-time Office of Community and Civic Life graffiti carryover in the General Fund. Update Attachments B, C, D, and E as needed to reflect this change.

2) Motion to amend Budget Note: Set Aside Returning TIF Resources from the Five-Year Financial Forecast to include the following additional language: Moved by Hardesty and seconded by Wheeler. (Y-5)

Original -

Set Aside Returning TIF Resources from the Five-Year Financial Forecast

This budget note directs the City Economist to set aside \$20 million in ongoing resources from expected returning Tax Increment Finance (TIF) revenues beginning in FY 2024-25 as part of the five-year financial forecast that will be issued in December 2022. The City Budget Office is directed to place \$8 million – or 25% of the total forecasted returning TIF resources as of February 2022 - in a policy set-aside for Portland Housing Bureau, and \$8 million – or 25% of the total forecasted returning TIF resources as of February 2022 – to Prosper Portland, and \$4 million for Portland Harbor remediation work.

Add – Prior to any allocation of funding to Prosper Portland and the Housing Bureau in FY 2024-25, they are directed to engage in and complete a 3rd party evaluation of all TIF districts associated with expected returning TIF revenues in order for Council to better understand how outcomes aligned with the original intent of district creation. This study should incorporate census data, wherever possible, to understanding changing demographics in neighborhoods, and compare and contrast outcomes with other parts of the City that have experienced displacement and gentrification outside of a TIF district. This work

should be completed by June 30, 2023 to inform FY 2024-25 budget development. Prosper and PHB are further directed to return to Council in the FY 2022-23 Fall BMP to request one-time resources for this evaluation if needed. Update exhibit D to reflect this change.

3) Motion to add Budget Note: PPB Body Camera Staffing Policy: Moved by Hardesty and seconded by Wheeler. (Y-Hardesty, Rubio; N-Ryan, Mapps, Wheeler). Motion failed to pass.

The Portland Police Bureau is directed to work with the Community Safety Division Director to discuss a staffing plan in conjunction with the adoption of a body worn camera policy. This staffing plan should outline realigning staff associated with body camera data collection, analysis, interpretation, and data management, from the Police Bureau to the Community Safety Division. Update exhibit D to reflect this change.

4) Motion to add Budget Note: PPB PS3 3rd Party Program Evaluation: Moved by Hardesty and seconded by Wheeler. (Y-Ryan, Hardesty, Rubio, Wheeler; N-Mapps)

The Portland Police Bureau is directed to engage in a third-party program evaluation similar to the one completed by Portland Street Response prior to Council authorizing any additional permanent positions in future budgets. Council has gained a wealth of knowledge from the program evaluation of Portland Street Response, which should serve as a best practice for studying new evolutions to our community safety system as they are being piloted and implemented. This evaluation should also consider expanded responsibilities of the positions beyond the work they are currently assigned. This initial evaluation should be completed and presented to Council by February 28, 2023 to inform FY 2023-24 budget development. Update exhibit D to reflect this change.

5) Motion to include new language regarding December 31, 2022 report to Council in proposed amendment No. 5: Moved by Hardesty and seconded by Ryan. (Y-Ryan, Hardesty, Rubio, Wheeler; N-Mapps)

Motion to add Budget Note: PPB Policy Creation in Response to Intelligence-Gathering and Surveillance Audit as amended by friendly amendment from Rubio and new language regarding December 31, 2022 report to Council: Moved by Hardesty and seconded by Rubio. (Y-Ryan, Hardesty, Rubio, Wheeler; N-Mapps)

On April 6, 2022 the City Auditor published an audit, *Police Intelligence-Gathering and Surveillance: Better management needed to protect civil rights*. The audit found that PPB did not provide guidance for officers at protests about what information they could collect and that the Criminal Intelligence Unit did not limit access to its reports and kept them past their retention schedule. As noted in the audit:

Collecting information that involves Constitutionally protected speech comes with risks. Surveillance and intelligence-gathering without safeguards can:

- Stifle free speech and association;
- Create irrelevant information and harm innocent people;
- Generate of a sense of vulnerability;
- Allow for abuse; and,
- Make communities less safe.

Therefore, PPB will consult and coordinate with BPS's Smart City PDX program and the Office of Equity and Human Rights on these surveillance privacy protections as part of Smart City PDX's citywide surveillance policy development. PPB is directed to return to Council by December 31, 2022 with a report describing progress on draft policies on surveillance privacy protections in that will respond to each of the following audit recommendations:

To improve the quality of information gathered and trust with Portlanders, the Police Commissioner and Chief should:

1. Adopt a directive related to investigating First Amendment activity that provides guidance for the appropriate collection of information to protect people's civil rights.
2. Create a procedure that limits access to sensitive information and promotes compliance with state law about collecting and maintaining political, religious, and social information that is not associated with criminal activity.
3. Adopt a technology directive that includes Council authorization of surveillance technology, advice from a privacy commission, and requirements for policies and reporting.

4. Add to the social media directive guidance for its use for investigations and a requirement to document the law enforcement purpose for searching individuals and groups.
5. Publish public reports on the Bureau's use of surveillance technology to ease the public's concerns about inappropriate intelligence-gathering and how devices are managed to prevent it.

Update exhibit D to reflect this change.

CITY BUDGET OFFICE

Ted Wheeler, Mayor
Dan Ryan, Commissioner
Carmen Rubio, Commissioner
Mingus Mapps, Commissioner
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CITY OF PORTLAND, OREGON

TO: Mayor Ted Wheeler
Commissioner Dan Ryan
Commissioner Carmen Rubio
Commissioner Mingus Mapps
Commissioner Jo Ann Hardesty
City Auditor Mary Hull Caballero

FROM: Jessica Kinard, City Budget Director 

DATE: May 3, 2022

SUBJECT: Approval of the FY 2022-23 Budget for the City of Portland

With this memo, the City Budget Office conveys a package of information to aid the Council in considering changes to the Proposed Budget and moving to an Approved Budget for submittal to the Tax Supervising and Conservation Commission (TSCC). Attached to this memo are the following documents:

- **Attachment A:** A step-by-step description of the process for consideration of and deliberation on changes to the FY 2022-23 Proposed Budget at the May 11th Budget Committee meeting
- **Attachment B:** List of all adjustments to the FY 2022-23 Proposed Budget
- **Attachment C:** Summary of adjustments by fund and major object category
- **Attachment D:** Budget Notes as Proposed for the Approved
- **Attachment E:** Tax increment collections planned for the City's Urban Renewal Districts.

The City Budget Office will present these adjustments and budget notes to be incorporated into the Approved Budget subject to the vote of the Budget Committee on Wednesday, May 11, 2022. **Because of the short timeframe for voting on the Approved Budget, the City Budget Office would appreciate receiving any contemplated amendments by end of business day of May 9, 2022.** This will allow staff to be adequately prepared for Council discussion and action. The Council will have the opportunity to make further amendments to the budget as part of the Adopted Budget process scheduled for first reading on June 8, 2022.