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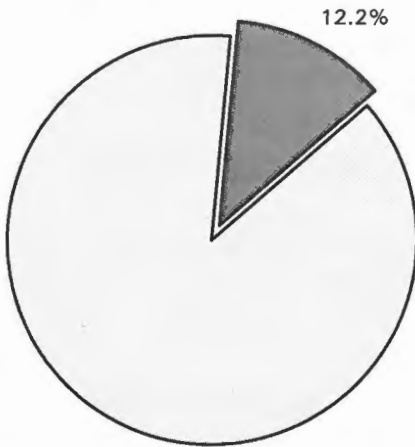


Transportation and Parking

Office of Transportation

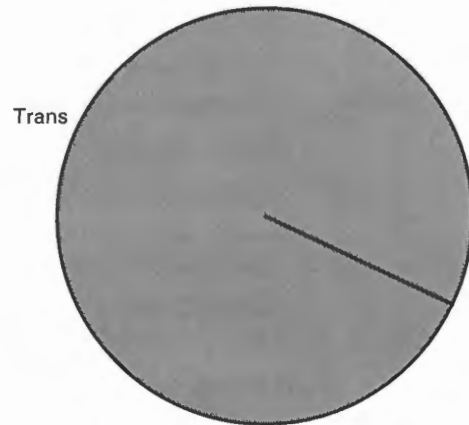
Percent of City Budget

Trans Parking = \$172.7 Million



City Budget = \$1.42 Billion

Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	97,931,622	93,580,369	-4,351,253	-4.4%
Capital	60,734,155	79,114,879	18,380,724	30.3%
Total Expenditures	\$ 158,665,777	\$ 172,695,248	\$ 14,029,471	\$ 8.8%
Authorized Positions	768.78	753.25	-15.53	-2.0%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Service Area Highlights

DESCRIPTION

Transportation

The Transportation and Parking service area includes those funds and bureaus that plan, build, manage, maintain, and facilitate an effective and safe transportation system and provide access and mobility throughout the city.

The service area includes the Office of Transportation (PDOT) and its related funds: Transportation Operating Fund, Transportation Reserve Fund, and Gas Tax Bond Redemption Fund.

The Office of Transportation includes the bureaus of Maintenance, Transportation Systems Management, Transportation Engineering and Development, and the Office of the Director.

Street Lighting

Portland's Office of Transportation provides street lighting to all improved public streets according to City standards. Through a contract, Portland General Electric provides electricity for the street lights and maintenance for 81% of the City-owned street lights. Transportation staff maintain about 16% of the system. The rest of the system is maintained by the Oregon Department of Transportation.

Parking

This service area includes the Parking Facilities Fund and the Parking Facilities Debt Redemption Fund, both managed by the Bureau of General Services (BGS) with oversight from Debt Management.

The Parking Facilities Fund accounts for the operation and maintenance of six City-owned parking garages in downtown Portland, comprising the Smart Park system. The six garages are the Third & Alder garage (Morrison Park East), the Tenth & Yamhill garage (Morrison Park West), the Fourth & Yamhill garage, the Naito & Davis (Old Town) garage, the O'Bryant Square garage, and the First & Jefferson garage.

The Parking Facilities Debt Redemption Fund serves to achieve a proper matching of revenues with debt service expenditures of the Parking System Revenue Refunding Bonds, 2001 Series A, and the Limited Tax Revenue Bonds (Central City Streetcar Project), 1999 Series A.

MAJOR THEMES

Portland Office of Transportation

Increase funding for Maintenance

The FY 2005-06 Adopted Budget includes decisions to redirect \$1.2 million from indirect services to the Street Preservation program. According to Transportation's five-year financial forecast, a funding gap will reemerge in FY 2006-07 and continue through FY 2009-10.

General Fund Support

In FY 2005-06, the General Fund transfer to the Office of Transportation for the Streetlight Program will be reduced by \$500,000. PDOT will use General Transportation Revenue to backfill the above reduction. The total General Fund transfer to Transportation is \$5,989,552.

Parking Facilities

The Parking Operations program supports the operations and maintenance of the City-owned Smart Park Garages, a parking system of currently 3,825 parking spaces established to provide convenient and economical short-term parking in the downtown area. In addition, the Parking Facilities Fund provides funding for:

- ◆ The Special Appropriation for Downtown Marketing
- ◆ The Office of Transportation for Downtown Streetcar debt

The Parking Facilities Fund's FY 2005-06 Adopted Budget includes projected costs and reimbursements associated with the operation of the new Station Place Garage near Union Station in the Pearl District. In December 2004, BGS entered into an intergovernmental agreement with the Portland Development Commission, for the Parking Facilities Fund to manage the operation of the facility.



Office of Transportation

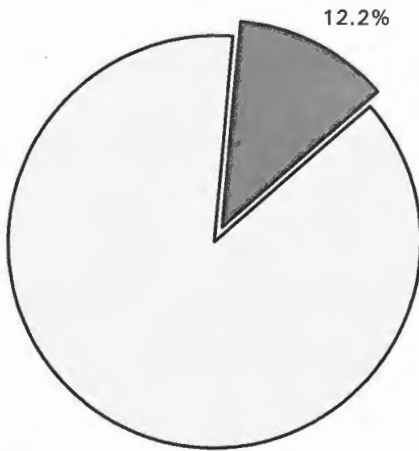
Transportation and Parking Service Area

Sam Adams, Commissioner-in-Charge

Sue Keil, Interim Director

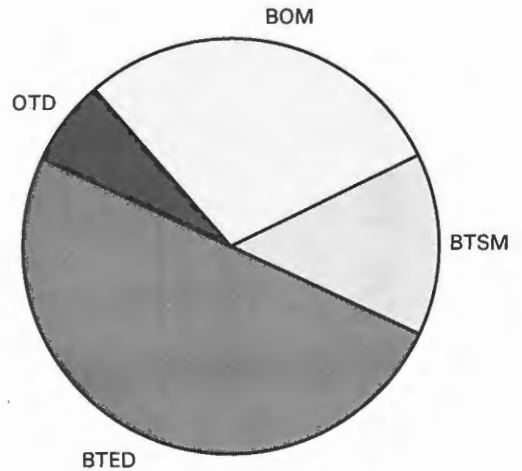
Percent of City Budget

Trans = \$172.7 Million



City Budget = \$1.42 Billion

Bureau Divisions

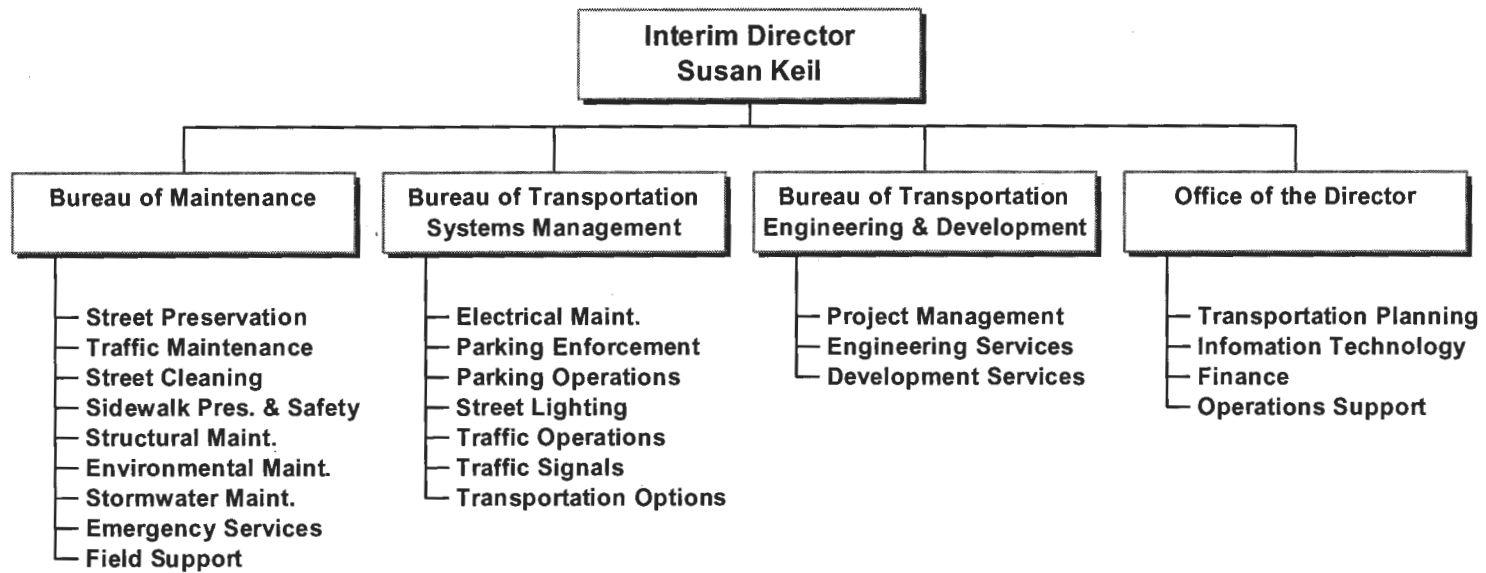


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	97,931,622	93,593,466	-4,338,156	-4.4%
Capital	60,734,155	79,101,782	18,367,627	30.2%
Total Expenditures	\$ 158,665,777	\$ 172,695,248	\$ 14,029,471	\$ 8.8%
Authorized Positions	762.89	752.99	-9.9	-1.3%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus. Capital costs presented above do not include bureau overhead.

PORTLAND OFFICE OF TRANSPORTATION



Bureau Summary

BUREAU MISSION

The Portland Office of Transportation is the steward of the City's transportation system, and a community partner in shaping a livable city. We plan, build, manage, maintain, and advocate for an effective and safe transportation system that provides access and mobility.

VISION AND VALUES

Vision for the Future The Portland Office of Transportation (PDOT)'s vision for transportation in Portland is:

Portland will have a sustainable transportation system that balances social, economic, and environmental values. Our system will provide safe access and mobility for residents, workers, and visitors, and will provide for the efficient movement of goods. Individuals will have a broad range of safe and convenient transportation options by which to frequently walk, bicycle, carpool, or ride public transit. Streets are a resource that will also serve other public uses and gatherings. This transportation system will provide for a vibrant central city, thriving commercial and industrial districts, and safe and diverse neighborhoods where Portland residents will want to live and work. The system will be maintained and preserved to support these uses, and to protect the investment made by Portland citizens in the City's transportation infrastructure.

This community vision will be achieved with a solid commitment by citizens, businesses, and elected officials, and strong leadership and dedicated staff within the Portland Office of Transportation. PDOT must commit to a high set of ideals and standards by which to operate, as described in the following vision for the organization:

PDOT will be one of the world's best-run transportation agencies. Our stewardship of the transportation system will include life cycle management and the use of the best technologies and practices. We will cultivate teamwork and effective communication, inside and outside of our organization. Our employee training and development programs will be consistently applied to ensure a highly trained workforce that represents the diversity of our community. A strong public confidence in our management and performance will support entrepreneurial efforts, and result in sustainable funding for the transportation system.

Vision Goals

Vision goals:

- ◆ Public investment is preserved at a sustainable level.
- ◆ Use of current transportation system is optimized.
- ◆ Community goals are realized through system improvements.

Values

As a framework for decision making on behalf of the public, employees, and partners, we value:

- ◆ Excellent public service;
- ◆ A safe, reliable, and well-maintained transportation system;
- ◆ Transportation choices for everyone via a transportation system that supports a healthy economy and a livable community;
- ◆ Design, construction, and maintenance practices that protect the environment and result in a sustainable infrastructure;
- ◆ Community involvement;
- ◆ The management of the publicly owned right-of-way to achieve a quality community, and good urban design that balances and links land use and transportation;
- ◆ A safe and supportive work environment for all employees that encourages innovation, flexibility, professional growth, teamwork, respect, reasonable risk-taking, and a “can-do” attitude;
- ◆ A diverse and inclusive workforce;
- ◆ Stewardship of the financial, physical, and human resources that we manage on behalf of the public;
- ◆ A collaborative approach that fosters communication, partnerships, and teamwork, both inside and outside our organization.

BUREAU OVERVIEW

Portland Office of Transportation

The Portland Office of Transportation is organized into four bureaus. The functions and services performed by each bureau are described below, along with their operating requirements.

Bureau of Maintenance

The Bureau of Maintenance (BOM) is charged with the responsibility of preserving the public investment of over \$6.4 billion in transportation facilities and \$1.5 billion in sewer and stormwater infrastructure by inspecting, cleaning, maintaining, and repairing all transportation and sewer-related infrastructure within the city of Portland. BOM’s responsibilities include maintaining the:

- ◆ Street system
- ◆ Sewer and stormwater collection system
- ◆ Traffic signals
- ◆ Traffic control devices
- ◆ Bridges
- ◆ Intersections
- ◆ Sidewalks, curbs, and corners
- ◆ Retaining walls, guardrails, and stairways, and
- ◆ Parking meters.

In addition, the bureau performs around-the-clock response to emergencies such as storms, floods, and other incidents that inhibit safe transportation. BOM’s Adopted Budget is \$50.5 million and 416 FTE.

**Bureau of
Transportation
Systems Management**

The Bureau of Transportation Systems Management (BTSM) manages and operates the transportation, traffic signal, parking, and street lighting systems of the City of Portland. BTSM's Adopted Budget is \$24.5 million and 151 FTE. BTSM's responsibilities include:

- ◆ Maintaining and improving safety for the traveling public;
- ◆ Reducing the number of traffic accidents;
- ◆ Optimizing the efficiency of the transportation system and facilitating alternatives to single-occupancy vehicle travel;
- ◆ Protecting the livability of the city's residential areas while accommodating economic development;
- ◆ Managing and maintaining street lights;
- ◆ Maintaining and improving on-street paid parking to facilitate economic growth.

**Bureau of
Transportation
Engineering and
Development**

The Bureau of Transportation Engineering and Development (BTED) is the capital investment and development service arm of the Portland Office of Transportation. Responsibilities include developing and managing a variety of transportation capital projects that are multi-modal and responsive to the requirements of land use and urban design objectives in the community. Capital projects are organized in seven categories:

- ◆ Centers and Main Streets
- ◆ Freight and Industrial Area Streets
- ◆ Local Development
- ◆ Neighborhood Livability
- ◆ Preservation and Rehabilitation
- ◆ Safety and Congestion Management
- ◆ Special Projects

The bureau facilitates public and private development of job opportunities, which leads to jobs creation, housing construction, and enhanced neighborhood livability through oversight of private development activities. The bureau provides survey, design, inspection, construction management, and technical support for capital improvement projects. The bureau also ensures the safety and serviceability of the City's bridges. BTED's Adopted Budget is \$86.2 million and 138 FTE.

**Office of the
Transportation
Director**

The Office of the Transportation Director (OTD) provides overall administrative, financial, and planning guidance and support for the Portland Office of Transportation. Responsibilities include development and implementation of transportation policies, participation in local and regional planning for transportation projects, and advocacy for City of Portland interests. OTD's Adopted Budget is \$11.5 million and 48 FTE.

**Summary of
Requirements**

PDOT's Adopted Budget for FY 2005-06 is \$172.7 million. Of this amount, \$93.6 million is for operating programs while \$79.1 million is for capital improvement.

Cost increases in FY 2005-06 are driven by the two factors: inflation and new requirements. Key inflation factors for PDOT include:

- ◆ Inflation for most goods and services range from 2.8% to 3%;
- ◆ Employee health benefits inflation is 5.7%;
- ◆ Energy costs are rising faster than general inflation and are a critical component in the costs of asphalt and street lighting.

Cost increases from new requirements include:

- ◆ PDOT's share of the Enterprise Business System project (\$280,000/year)
- ◆ The Transit Mall project (\$185,000 startup costs)
- ◆ The City's portion of tram operations and maintenance (\$150,000)
- ◆ Bond payments on the expanded Sunderland Yard facility (\$150,000)
- ◆ Measure 37 impacts
- ◆ General Fund overhead increases

Summary of Resources Projected revenue for the Office of Transportation in FY 2005-06 is \$172.7 million. Gas taxes, parking revenue, and citations provide the largest segment, about 40% of the total. These revenue sources together represent the General Transportation Revenue (GTR) available for maintenance and operation of the transportation system (with a small portion, about \$2 million, set-aside for capital). The remaining funding is provided by a variety of customers that purchase Office of Transportation services, such as other City bureaus, or is obtained by the Office of Transportation, in the form of grants for specific projects and purposes.

Capital Improvement Plan PDOT's 2005-10 Capital Improvement Plan (CIP) request directs \$156 million of investment into Portland's transportation infrastructure, about \$79 million of this amount in FY 2005-06. Projects in the Center and Main Streets program total \$45 million, or 58% of the FY 2005-06 CIP total. Preservation and Rehabilitation projects account for nearly \$14 million. Freight projects total \$8 million, or just over 10%, followed by Neighborhood Livability (\$6 million), Local Street Development (\$2 million), Special Projects (\$1.8 million), and Safety and Congestion projects (\$345,000).

While PDOT's resources are limited, it has leveraged the contributions of several funding partners to focus the investments on those areas that will have the greatest impact on our system. PDOT's principal CIP funding partners include: the Portland Development Commission, the Oregon Department of Transportation, the U.S. Department of Transportation, and the Local Improvement District Fund.

As outside sources have increased, internal funding has diminished. Discretionary funds have declined from \$8 million in 1998 to about \$2 million in FY 2005-06. This limits the level of discretion that PDOT, and to some extent the City, has to say about where transportation improvements occur. Many areas of the city and some assets in need of help do not receive funding because there is so little discretionary capital funding available.

Key projects for FY2005-06 include:

- ◆ NE 33rd over Lombard & Union Pacific Railroad
- ◆ Burgard Road Over Abandoned Railroad
- ◆ Naito Parkway: Market to Davis
- ◆ South Waterfront: Tram
- ◆ Gateway: 102nd Ave NE
- ◆ Downtown Mall Light Rail
- ◆ NE Columbia/Killingsworth East Connector
- ◆ St Johns Truck Strategy
- ◆ 148th Avenue Local Improvement District

SUMMARY OF BUDGET DECISIONS

Decision Packages

1. General Fund transfer reduction for Street Lighting Operations

The General Fund will reduce its ongoing transfer to Transportation by \$500,000. This reduces General Fund support for Street Lighting Operating. General Transportation Revenue (GTR) will be reprogrammed to backfill this reduction.

2. General Fund transfer for Sustainability Initiatives

The General Fund will increase its ongoing transfer to Transportation by \$85,000 for Sustainability Initiatives.

3. General Fund transfer for Street Lighting CIP

The General Fund will transfer \$400,000 in one-time CIP funds to Transportation for Street Lighting capital improvements.

4. Public Information Officer position support

\$31,261 in GTR will be reprogrammed from other services to fund PDOT's share of the Citywide Public Information Officer position.

5. Reprogramming of funds

The FY 2005-06 budget includes a series of cuts, principally to administration and support functions, of \$1.7 million, detailed below. These funds will be used to pay for the Street Preservation enhancements, Street Lighting backfill, and PIO position packages.

These cuts include:

Operations Support Cuts

Communications program - \$100,000

Diversity initiative - \$130,000

Sustainability initiative - \$85,000 (backfilled by General Fund)

Central Services interagency reductions - \$446,658

OMF interagency reductions - \$38,195

Finance Program Cuts

Financial services - \$208,005

Information Technology Program Cuts

Information Technology management - \$270,000

Parking Operations Program Cuts

Parking Operations - \$133,000

Maintenance Cuts

Paving management - \$100,000

Maintenance director assistant - \$110,000

Fund level Cuts

Debt service reduction - \$36,345

Contingency reduction - \$89,058

6. Street Preservation Program increase

\$1,215,000 will be redirected to the Street Preservation program to help alleviate the increasing backlog of street repairs.

7. Bureau of Environmental Services interagency reduction

The Bureau of Environmental Services (BES) is reducing their support of the Stormwater Maintenance operating program by \$390,000, a cut of about 5%.

Strategic Direction

SIGNIFICANT ISSUES

Flat Revenues PDOT's primary source of discretionary operating revenue is the State Highway Trust Fund. The main components of Highway Trust Fund revenue are gas tax revenue, vehicle registration fees, and titling fees. Since none of these sources are indexed to inflation, discretionary revenues are projected to be relatively flat in coming years.

Costs Increasing Meanwhile, infrastructure maintenance costs are increasing due to the age, complexity, and growth of the assets in the City's transportation system.

Aging infrastructure

The condition and trends in the City's transportation infrastructure have a direct bearing on the long-term condition of the transportation fund. The City's transportation infrastructure is deteriorating due to age and heavy use. Much of the transportation infrastructure is past its original useful life. Moreover, inventories have increased dramatically in the last 20 years due to annexation and development. Budgets have not kept up with inflation, leading to cutbacks and an increasing backlog of replacement and repair.

Transportation manages 30 groups of assets worth a total of \$6.4 billion. The five most critical elements of the infrastructure are streets, the street light system, traffic signals, bridges, and sidewalks. Each of these areas presents pressing needs requiring significantly greater resources to protect the citizens' investment. For example:

- ◆ The street paving backlog has reached 586 miles, more than twice the target of 250 miles needed for efficient paving program management.
- ◆ The condition of street lights has declined significantly: 94% of street lights were rated "good" in 1994 and only 2% "poor"; in 2004, only 22% were rated "good" and 10% "poor."
- ◆ Condition of signals has declined from 66% "good" in 1985 to 29% in 2004.
- ◆ The bridge inventory has increased 138% in the last 15 years, and conditions have deteriorated from 86% "good" to 64%, with 35 bridges listed as weight-limited.
- ◆ On sidewalks: 27,741 corners need ramps to comply with Americans with Disabilities Act (ADA) standards.

As documented in our asset management plans in each of these areas, PDOT estimates that additional investments of \$17 to 25 million per year are required to halt the decline in system condition. \$25 to \$34 million would be required annually to maintain the system at sustainable levels.

New Commitments

Furthermore, new and ongoing commitments increase PDOT's funding requirements, such as:

- ◆ ADA requirements
- ◆ Operations and maintenance impacts of new development
- ◆ Energy and health benefit cost inflation
- ◆ Environmental protection requirements, such as sweeper debris cost increases

- ◆ Measure 37 impacts
- ◆ Sustainability initiative

Despite reduced staffing in Transportation Planning, PDOT also has been designated as either the lead or a key participant in development and implementation of plans to encourage economic redevelopment, such as:

- ◆ Freeway Loop Study
- ◆ Freight Master Plan
- ◆ I-5 Trade and Transportation Study
- ◆ South Corridor, Transit Mall, and South Waterfront projects
- ◆ Transportation-related elements of PDC's Economic Development Strategy

Out-year Imbalances

Due to one-time funding, which PDOT used to partially restore prior service cuts, PDOT's budget is balanced in FY 2005-06. However, beginning in FY 2006-07, deficits emerge and jump to approximately \$6 million annually unless new revenue is found or service levels are reduced.

The gap between requirements and resources is not new, and simply reallocating resources will not close it. After several years of funding shortages, the City is investing far below the sustainable level in infrastructure maintenance and has implemented cuts in services and deferred of much-needed work, such as:

- ◆ Road reconstruction
- ◆ Street preservation
- ◆ New street lights and street light maintenance
- ◆ Signal maintenance
- ◆ Street area landscaping

Fund Balance and Reserves

PDOT forecasts a small positive balance (about \$1 million) in FY 2005-06. PDOT recommends holding this balance in reserve to apply to future anticipated deficits. Current estimates forecast an annual gap between expenses and revenues of approximately \$6 million per year by FY 2007-08.

The Transportation Reserve Fund is currently at only 11% of target level (\$705,000 vs. \$6.6 million). This is inadequate given PDOT's fiscal condition. Because of the low level of reserve, PDOT cannot rely on reserves to fund its forecasted short-term budget gaps. Moreover, this amount of reserves provides no cash-flow shelter against a total budget of \$172.7 million and \$6.4 billion in assets. Without sufficient reserves and contingency, PDOT may be required to incur short-term financing costs for cash-flow purposes.

System Development Charge

The System Development Charge (SDC) for Transportation funds about \$6 million in capital improvements in each of FY 2005-06 and FY 2006-07. SDC funds are collected annually but accounted for separately from other bureau program revenues and allocated to the operating budget as qualifying projects are initiated.

The SDC project list, passed by Council in 1997, expires in July 2007. All currently projected funds are committed to qualifying projects. In order for SDC funding to continue to fund transportation projects, Council must approve a new SDC project list. If Council does not adopt a new SDC project list, the City will need to choose between replacing it with another funding source, or foregoing the work required to keep up with growth.

Indirect Cost Recovery Frequently, PDOT performs work as a service provider to other agencies and bills out actual project costs. Full project cost reimbursement would include both direct and indirect costs such as overhead or other costs. Due to commitments of existing contracts, PDOT has not been able to recover all indirect costs associated with some projects. Indirect costs not recovered from a funding partner must be absorbed by PDOT's discretionary funding, GTR.

PDOT's goal is full cost recovery of indirect costs wherever feasible. Existing contractual agreements limit the short-term amount to about \$500,000 per year until those contracts expire and are renewed or replaced with new contracts.

MANAGEMENT GOALS & OBJECTIVES

Strategic Plan PDOT's strategic plan lays out five specific Strategies for Action, or "Five4Five" goals, for the next five years. PDOT is working to align its available resources to achieve these strategic plan goals as well as maintain core ongoing services.

While many of PDOT's programs serve multiple Council goals, its goals and programs primarily support the goal to operate and maintain an effective and safe transportation system. The bureau goals in support of this objective and the programs supporting each goal are listed below.

PDOT Goal: Operate and maintain an effective, safe, multi-modal transportation system.

Programs supporting this goal:

- ◆ Traffic Maintenance
- ◆ Traffic Operations
- ◆ Street Cleaning
- ◆ Traffic Signals
- ◆ Sidewalk Preservation and Safety
- ◆ Street Lighting
- ◆ Structural Maintenance
- ◆ Electrical Maintenance
- ◆ Emergency Services
- ◆ Transportation Options
- ◆ Environmental Maintenance
- ◆ Parking Enforcement
- ◆ Stormwater Maintenance
- ◆ Parking Operations
- ◆ Field Support (BOM)
- ◆ Operations Support
- ◆ Information Management

PDOT Goal: Build and operate the transportation system to last. :

Programs supporting this goal:

- ◆ Street Preservation
- ◆ Preservation and Rehabilitation capital program
- ◆ Engineering Services

- ◆ Local Street Development capital program
- ◆ Development Services Program

PDOT Goal: Establish sustainable funding for a sustainable infrastructure.

Program supporting this goal:

- ◆ Transportation Finance

PDOT Goal: Deliver projects for people, jobs, and neighborhoods.

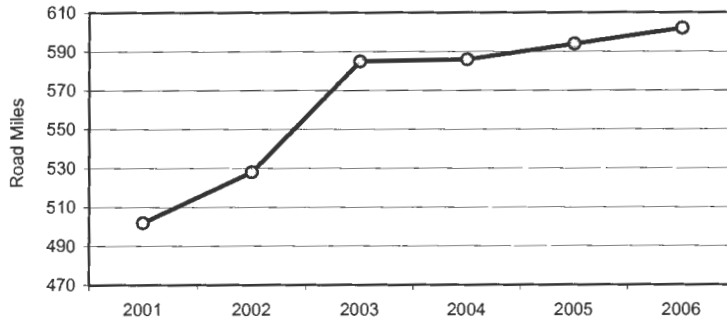
Programs supporting this goal:

- ◆ Project Management
- ◆ Freight capital program
- ◆ Transportation Planning
- ◆ Safety and Congestion capital program
- ◆ Neighborhood Livability capital program
- ◆ Special Projects capital program
- ◆ Centers and Main Streets capital program

Performance Measures

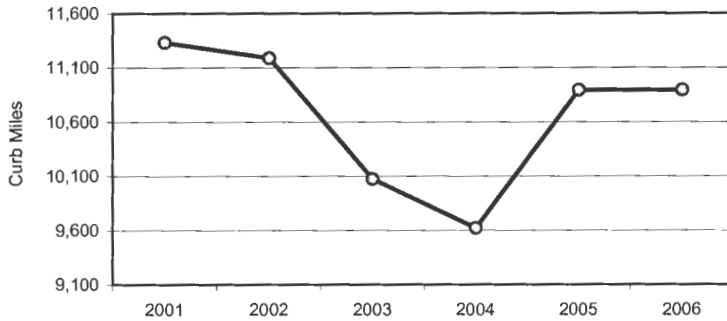
Road Miles

- ◆ The backlog is increasing due to insufficient funding.



Curb Miles

- ◆ Streets in the Central Business District are cleaned six nights a week. The Downtown Mall is flushed six nights per week. Rails and adjoining sidewalks are flushed several times per year.



	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	45,014,608	44,200,365	48,576,442	48,583,632	48,583,632
External Materials and Services	18,011,716	19,185,466	27,900,681	27,423,249	27,153,175
Internal Materials and Services	15,763,189	16,434,640	18,312,607	17,603,811	17,640,076
Minor Capital Outlay	1,394,423	1,042,943	1,822,449	203,486	216,583
Equipment Cash Transfers	385,308	474,310	1,319,443	0	0
Total Operating Budget	80,569,244	81,337,724	97,931,622	93,814,178	93,593,466
Capital Improvements	33,701,290	25,513,580	60,734,155	75,860,457	79,101,782
TOTAL BUREAU EXPENDITURES	\$ 114,270,534	\$ 106,851,304	\$ 158,665,777	\$ 169,674,635	\$ 172,695,248
Allocated Overhead	2,186,515	2,588,334	2,670,467	2,800,378	3,038,669
Total Cost with Allocated Overhead	116,457,049	109,439,638	161,336,244	172,475,013	175,733,917
RESOURCES					
Discretionary Revenues					
General Transportation Revenues	51,459,664	53,221,044	66,294,196	62,709,483	62,355,674
General Fund	6,480,151	3,955,201	7,891,039	5,904,552	5,989,552
Total Discretionary Revenues	57,939,815	57,176,245	74,185,235	68,614,035	68,345,226
Non-Discretionary Revenues					
Grants & Donations	5,577,456	6,289,347	6,685,593	18,699,386	21,953,808
Contract Revenues	21,597,221	16,768,903	29,952,705	33,951,231	33,951,231
Interagency Revenues	18,425,752	17,145,283	27,544,402	31,405,001	31,405,001
Bureau Program Revenues	10,730,290	9,471,526	20,297,842	17,004,982	17,039,982
Total Non-Discretionary Revenues	56,330,719	49,675,059	84,480,542	101,060,600	104,350,022
TOTAL RESOURCES	\$ 114,270,534	\$ 106,851,304	\$ 158,665,777	\$ 169,674,635	\$ 172,695,248
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
DIVISIONS					
Bureau of Maintenance	43,637,826	43,334,514	53,341,093	50,469,050	50,469,050
<i>Positions</i>	<i>402.00</i>	<i>403.00</i>	<i>421.64</i>	<i>416.14</i>	<i>416.14</i>
Bureau of Transportation Systems	23,057,121	23,410,556	27,837,253	24,726,166	24,456,092
<i>Positions</i>	<i>133.00</i>	<i>134.00</i>	<i>148.93</i>	<i>150.52</i>	<i>150.52</i>
Office of Transportation Director	10,974,988	11,473,648	12,406,405	11,485,012	11,521,277
<i>Positions</i>	<i>47.00</i>	<i>49.00</i>	<i>50.65</i>	<i>47.85</i>	<i>47.85</i>
Bureau of Trans Engineering &	436,600,599	28,632,586	65,081,026	82,994,407	86,248,829
<i>Positions</i>	<i>120.00</i>	<i>122.00</i>	<i>141.67</i>	<i>138.48</i>	<i>138.48</i>
TOTAL DIVISIONS	\$ 114,270,534	\$ 106,851,304	\$ 158,665,777	\$ 169,674,635	\$ 172,695,248
<i>Positions</i>	<i>702.00</i>	<i>708.00</i>	<i>762.89</i>	<i>752.99</i>	<i>752.99</i>

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
PROGRAMS					
BUREAU OF MAINTENANCE					
Street Preservation	11,072,575	11,015,751	14,721,610	15,215,605	15,215,605
<i>Positions</i>	87.00	88.00	96.00	90.38	90.38
Traffic Maintenance	4,107,017	4,256,362	4,583,820	4,692,401	4,692,401
<i>Positions</i>	43.00	41.00	41.50	41.05	41.05
Street Cleaning	6,290,655	5,131,483	6,351,261	6,419,967	6,419,967
<i>Positions</i>	51.00	48.00	59.00	51.14	51.14
Sidewalk Preservation & Safety	2,717,756	2,628,247	2,936,751	3,085,750	3,085,750
<i>Positions</i>	28.00	28.00	28.50	28.91	28.91
Structural Maintenance	2,251,486	2,312,769	2,581,787	2,527,372	2,527,372
<i>Positions</i>	27.00	27.00	26.00	26.71	26.71
Emergency Services	430,469	2,826,356	786,473	303,240	303,240
<i>Positions</i>	1.00	2.00	0.00	1.66	1.66
Environmental Maintenance	8,262,252	8,340,523	7,907,413	8,130,270	8,130,270
<i>Positions</i>	87.00	86.00	104.00	87.67	87.67
Stormwater Maintenance	2,847,595	2,513,793	4,033,307	4,038,391	4,038,391
<i>Positions</i>	36.00	39.00	16.00	33.36	33.36
Field Support	4,652,853	3,615,702	8,772,643	5,399,648	5,399,648
<i>Positions</i>	35.00	37.00	43.64	48.34	48.34
Operations Support	1,005,168	693,528	666,028	656,406	656,406
<i>Positions</i>	7.00	7.00	7.00	7.00	7.00
TOTAL PROGRAMS	\$ 43,637,826	\$ 43,334,514	\$ 53,341,093	\$ 50,469,050	\$ 50,469,050
<i>Positions</i>	402.00	403.00	421.64	416.14	416.14
BUREAU OF TRANSPORTATION SYS-					
Parking Enforcement	3,296,657	3,188,512	3,652,442	3,766,686	3,766,686
<i>Positions</i>	53.00	54.00	55.26	55.26	55.26
Electrical Maintenance	2,936,466	3,510,201	3,481,008	3,863,148	3,863,148
<i>Positions</i>	26.00	25.00	26.00	26.00	26.00
Traffic Operations	1,652,301	1,645,249	5,312,209	2,709,136	2,709,136
<i>Positions</i>	15.00	15.00	19.33	18.07	18.07
Transportation Options	1,622,293	1,668,959	2,744,800	1,799,380	1,799,380
<i>Positions</i>	6.00	6.00	10.00	11.49	11.49
Signals	3,657,621	3,469,181	2,832,103	2,617,659	2,262,585
<i>Positions</i>	14.00	15.00	16.58	18.00	18.00
Street Lighting	4,051,831	4,874,168	5,367,031	5,446,730	5,446,730
<i>Positions</i>	2.00	2.00	1.00	0.00	0.00
Parking Operations	4,829,051	4,292,685	3,708,579	3,834,062	3,834,062
<i>Positions</i>	9.00	9.00	12.76	13.77	13.77
Operations Support	1,010,901	761,601	739,081	689,365	774,365
<i>Positions</i>	8.00	8.00	8.00	7.00	7.00
TOTAL PROGRAMS	\$ 23,057,121	\$ 23,410,556	\$ 27,837,253	\$ 24,726,166	\$ 24,456,092
<i>Positions</i>	133.00	134.00	148.93	150.52	150.52
OFFICE OF TRANSPORTATION DIREC-					
Transportation Planning	1,990,598	1,899,915	1,692,723	1,544,743	1,544,743
<i>Positions</i>	15.00	15.00	16.00	16.00	16.00
Information Technology	4,492,125	4,031,723	4,767,626	4,444,252	4,444,252
<i>Positions</i>	13.00	14.00	12.00	11.85	11.85
Transportation Finance	1,594,887	1,477,881	1,551,635	1,465,179	1,465,179
<i>Positions</i>	17.00	18.00	18.65	17.00	17.00
Operations Support	2,897,378	4,064,129	4,394,421	4,030,838	4,067,103
<i>Positions</i>	2.00	2.00	4.00	3.00	3.00
TOTAL PROGRAMS	\$ 10,974,988	\$ 11,473,648	\$ 12,406,405	\$ 11,485,012	\$ 11,521,277
<i>Positions</i>	47.00	49.00	50.65	47.85	47.85
BUREAU OF TRANS ENGINEERING &					
Project Management	19,453,580	18,008,602	49,577,522	64,095,203	67,349,625
<i>Positions</i>	21.00	21.00	24.40	25.31	25.31
Development Services	3,365,214	3,383,584	4,683,225	4,526,246	4,526,246
<i>Positions</i>	40.00	42.00	50.95	46.25	46.25
Engineering Services	13,051,449	6,685,974	10,498,686	14,045,274	14,045,274
<i>Positions</i>	57.00	57.00	63.72	65.26	65.26
Operations Support	730,356	554,426	321,593	327,684	327,684

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
PROGRAMS					
<i>Positions</i>	2.00	2.00	2.60	2.60	2.60
TOTAL PROGRAMS	\$ 36,600,599	\$ 28,632,586	\$ 65,081,026	\$ 82,994,407	\$ 86,248,829
<i>Positions</i>	120.00	122.00	141.67	138.48	138.48

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	169,845,826	0	169,845,826	765.14	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	(210,000)	0	(210,000)	0.00	Reduce General Fund Transfer for CSTSP
	210,000	0	210,000	0.00	Increase Cost Recovery Revenue for CSTSP
Mayor's Proposed Budget Decisions					
	1,215,000	0	1,215,000	0.00	Add Street Preservation Services
	500,000	0	500,000	0.00	Add GTR Funding for Streetlight Operations
	31,261	0	31,261	0.00	Add Partial Funding for Public Info Officer
	(100,000)	0	(100,000)	-1.00	Cut Communications Program
	(130,000)	0	(130,000)	-1.00	Cut Diversity Initiative
	(85,000)	0	(85,000)	0.00	Cut Sustainability Initiative
	(446,658)	0	(446,658)	0.00	Cut Central Servies Interagencies
	(38,195)	0	(38,195)	0.00	Cut Human Resources/ Debt Interagencies
	(208,005)	0	(208,005)	-2.00	Cut Financial Services
	(270,000)	0	(270,000)	-1.00	Cut Information Technology Services
	(133,000)	0	(133,000)	-1.00	Cut Parking Initiatives
	(100,000)	0	(100,000)	-1.00	Cut Paving Management Support
	(110,000)	0	(110,000)	-1.00	Cut Maintenance Director Asst
	(36,345)	0	(36,345)	0.00	Cut Debt Service
	(39,192)	0	(39,192)	0.00	Cut Temporary Part-time GIS Tech
	39,192	0	39,192	0.85	Add Permanent Part-time GIS Tech
	(253,080)	0	(253,080)	-2.00	Cut Development Services support
	253,080	0	253,080	0.00	Add Contingency to Offset Dev Svcs cut
	(57,797)	0	(57,797)	0.00	Cut Contingency to Offset Central IA cut
	(31,261)	0	(31,261)	0.00	Cut Contingency to Offset PIO Position add
	0	400,000	400,000	0.00	Add CRC Funding for Streetlighting CIP
	(500,000)	0	(500,000)	0.00	Reduce G F Transfer for Streetlighting Operations
	(390,000)	0	(390,000)	-3.00	Reduce Environmental Services Interagency
Approved Budget Additions and Reductions					
	0	230,000	230,000	0.00	Holly Farm Park
	0	85,000	85,000	0.00	Sustainability Initiative
	0	3,254,422	3,254,422	0.00	Interfund Loan from BES
	0	20,265	20,265	0.00	COPPEEA - Professional Development
	0	16,000	16,000	0.00	Measure 37
	0	(355,074)	(355,074)	0.00	Transfer to Debt Service
	318,809	0	318,809	0.00	Increase Contingency
Adopted Budget Additions and Reductions					
	0	(230,000)	(230,000)	0.00	Transfer funding for Holly Farm to Parks
	(571,191)	3,420,613	2,849,422	-12.15	Total FY 2005-06 Decision Packages
			\$ 172,695,248	752.99	Total Adopted Budget

Bureau of Maintenance

OVERVIEW

The Bureau of Maintenance is charged with the responsibility of preserving the public investment of over \$6.4 billion in transportation facilities and \$1.5 billion in sewer and stormwater infrastructure by inspecting, cleaning, maintaining, and repairing all transportation and sewer related infrastructure within Portland. The infrastructure consists of the street system, the sewer and stormwater collection system, traffic signals, traffic control devices, bridges, sidewalks, curbs, intersections, sidewalk corners, retaining walls, guardrails, stairways, and parking meters. In addition, the bureau performs around-the-clock response to emergencies such as storms, floods, and other incidents that inhibit safe transportation.

The bureau is currently organized into nine programs:

- ◆ Street Preservation
- ◆ Traffic Maintenance
- ◆ Street Cleaning
- ◆ Sidewalk Preservation and Safety
- ◆ Structural Maintenance
- ◆ Emergency Services
- ◆ Environmental Maintenance
- ◆ Stormwater Maintenance
- ◆ Field Support

Overview of Programs

STREET PRESERVATION

Description	The Street Preservation program maintains local and arterial streets. Pavement maintenance includes patching, repair, and paving services. The Pavement Management System (PMS) identifies and prioritizes street maintenance projects based on visual inspection and structural testing. PMS helps identify the most cost-effective maintenance technique for each street based on its pavement condition. These techniques range from sealing cracks and patching holes to base repair and asphalt overlay. The Street Preservation program also investigates pavement problems and prepares and administers contracts for paving services.
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to build and operate the transportation system that last.
Performance	Paving backlog in miles was 586 miles as of July 2004 and is projected to grow to 603 miles by July 2005.
Changes to Services and Activities	<p>The FY 2005-06 budget includes a decision to redirect \$1.2 million from other services to this program to alleviate annual increases in the maintenance backlog, particularly in arterial overlay and grinding.</p> <p>A vacant position will be eliminated in the area of Paving Management, saving \$100,000, to help pay for the increase to direct paving services.</p> <p>PDOT will spend the \$1.2 million to fund an additional 6 to 7 miles (120 to 140 blocks) of arterial structural overlays. The funds for the additional 6 to 7 miles of structural overlays will be allocated throughout the entire City based upon the existing maintenance needs in the paving backlog. When transportation funding stabilizes, PDOT will use this \$1.2 million to fund a mix of annual arterial street maintenance and bonding arterial street reconstruction.</p>

TRAFFIC MAINTENANCE

Description	<p>The Traffic Maintenance program maintains pavement markings, painted lines, and legends on the street surface at intersections, crosswalks, and other locations. It also maintains traffic control signs, parking control signs, and street name signs, as well as parking meters and pay stations.</p> <p>Pavement Marking designs, lays out, applies, repairs, and maintains pavement markings using various materials on the pavement surface to denote lane lines, edge lines, bike lanes, center lines, and word/symbol messages. Sign Maintenance inspects, repairs, and maintains existing traffic regulatory, warning, parking, street name, and informational sign inventories. Meter Maintenance provides installation, field repair, shop repair, testing, and reconditioning for parking meters and paystations.</p>
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to operate and maintain an effective, safe, and multi-modal transportation system.

Performance Life-cycle cost of pavement striping declines annually.

Changes to Services and Activities No significant changes to services and activities.

STREET CLEANING

Description The Street Cleaning program provides regularly scheduled mechanical cleaning of residential and arterial streets and the Central Business District. This program also regularly cleans pedestrian ways and subways, stairways, bicycle lanes, and trash receptacles.

This program provides District Leaf Removal, Leaf Disposal Depots, Northwest and Northeast Clean Sweeps, cleanup after the Rose Festival parades, and Street Area Landscaping services throughout the city.

Relationship to Goals This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to operate and maintain an effective, safe, and multi-modal transportation system.

Performance Central Business District curb miles swept were 9,623 in FY 2003-04. PDOT expects to sweep 10,892 miles in FY 2005-06.

Changes to Services and Activities No significant changes to services and activities.

SIDEWALK PRESERVATION & SAFETY

Description The Sidewalk Preservation and Safety program oversees the maintenance of sidewalks, curbs, and corners. The City Charter assigns responsibility for the maintenance of sidewalks to the owner of the abutting property. Transportation inspects the sidewalks, notifies the property owner of needed repairs, and assists property owners with the repair process. This program also upgrades existing corners to meet Americans with Disabilities Act requirements. In addition, this program also maintains the street brick and granite on the South Bus Mall and along the MAX light rail route in the Central Business District.

Relationship to Goals This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to operate and maintain an effective, safe, and multi-modal transportation system.

Performance Performance measures are being developed at this time and are expected for the FY 2006-07 budget.

Changes to Services and Activities No significant changes to services and activities.

STRUCTURAL MAINTENANCE

Description	<p>The Structural Maintenance program maintains vehicle and pedestrian structures in the City's right-of-way system. These structures include major and minor bridges, stairways, retaining walls, the Willamette River harbor wall, guardrails, tunnels, and fencing. The maintenance controls the deterioration of these structures to ensure public safety and keep them in working condition.</p> <ul style="list-style-type: none"> ◆ Bridge and structural maintenance includes the restoration, cleaning, and maintenance of bridges and bridge parts to ensure public safety, minimize damage, extend service life, and restore structural integrity. ◆ Stairway maintenance involves installing, repairing, or replacing damaged or deteriorated stairways and components to protect structural integrity. ◆ Guardrail maintenance involves repairing damaged or deteriorated guardrails and components. New guardrails are installed, as needed, to assure roadway safety. ◆ Fence maintenance involves repairing or replacing deteriorated or damaged wood, chain link, or ornamental iron fences to provide security and pedestrian safety and to restore fences to serviceable condition.
Relationship to Goals	<p>This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to operate and maintain an effective, safe, and multi-modal transportation system.</p>
Performance	<p>Performance measures are being developed at this time and are expected for the FY 2006-07 budget.</p>
Changes to Services and Activities	<p>No significant changes to services and activities.</p>

EMERGENCY SERVICES

Description	<p>The Emergency Services program provides around-the-clock response to emergencies that threaten public safety or inhibit safe transportation. These include snow/ice events, windstorms, floods, mudslides, and other weather conditions; hazardous materials incidents; cleanup following certain police or fire actions; and other incidents.</p> <p>During emergency operations, the Bureau of Maintenance is reorganized, and all personnel are available to make up the emergency crews.</p>
Relationship to Goals	<p>This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to operate and maintain an effective, safe, and multi-modal transportation system.</p>
Performance	<p>Performance measures are being developed at this time and are expected for the FY 2006-07 budget.</p>
Changes to Services and Activities	<p>No significant changes to services and activities.</p>

ENVIRONMENTAL MAINTENANCE

Description	The Environmental Maintenance program inspects and cleans the sewer system. This program investigates customer problems and repairs and reconstructs damaged, broken, or deteriorated sewers. This program was established in cooperation with the Bureau of Environmental Services, which funds the program through an interagency agreement. Sewer Repair ensures the continued integrity of the sewer collection system while meeting or exceeding established standards at the optimum cost. Sewer Cleaning collects infrastructure data, investigates system problems, and cleans the collection system in the sewer facilities.
Relationship to Goals	This program supports Council's goal to protect and enhance the natural and built environment and PDOT's goal to operate and maintain an effective, safe, and multi-modal transportation system.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	No significant changes to services and activities.

STORMWATER MAINTENANCE

Description	The Stormwater Maintenance program maintains the surface stormwater conveyance systems within the City of Portland. A comprehensive stormwater conveyance system has been developed to comply with the regulations and guidelines set forth by a variety of federal, state, and local agencies. The Clean Water Act of 1972 established the City's responsibility for the quality of the outflow from the City's sewer and drainage systems. This program works in conjunction with BES, which partially funds this program through an interagency agreement.
Relationship to Goals	This program supports both Council's goals to operate and maintain an effective and safe transportation system; and to protect and enhance the natural and built environment.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	The FY 2005-06 budget includes a reduction of \$390,000 to the interagency agreement with the Bureau of Environmental Services.

FIELD SUPPORT

Description	The Field Support program provides specialized direct support services to other maintenance programs to maximize the efficiency and effectiveness of field operations. These services include equipment management, materials handling, communication and radio dispatch, recycling, public information, facilities maintenance, training, loss control, and program management.
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Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to operate and maintain an effective, safe, and multi-modal transportation system.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget
Changes to Services and Activities	<p>The FY 2005-06 Adopted Budget includes the following changes to this program:</p> <ul style="list-style-type: none">◆ A reduction in the interagency with Cityfleet by \$311,526. This is part of the overall OMF interagency reductions. This reduction results from change in Cityfleet's billing process for repair and maintenance services. Repair and maintenance billings are now on actual costs as opposed to a rate basis. For FY 2004-05, PDOT projected approximately \$300,000 in savings in its repair and maintenance budget. This projection is the basis for the FY 2005-06 budget reduction.◆ A vacant position, Maintenance Director Assistant, will be eliminated, saving \$110,000. The impact will be to reduce the overall management effectiveness of the bureau operations.

Bureau of Maintenance AU 159

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF TRANSPORTATION						
Bureau of Maintenance						
Street Preservation						
Workload						
Paving Backlog (Road Miles)	502	528	585	586	594	602
Traffic Maintenance						
Efficiency						
Traffic Signs Maintained (Cost per Location)	39.00	40.63	23.56	41.14	45.00	35.00
Street Cleaning						
Workload						
Central Business District Sweeping (Curb Miles)	11,331	11,189	10,074	9,623	10,892	10,892
Transportation Planning						
Effectiveness						
Planning Projects Leading to a Planning Commission or City Council Decision	0.0%	0.0%	0.0%	0.0%	11.1%	11.1%

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SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	25,291,826	25,376,361	27,298,133	27,917,396	27,917,396
External Materials and Services	6,774,962	7,805,840	11,619,161	12,966,797	12,966,797
Internal Materials and Services	8,339,549	8,388,587	9,058,954	8,614,648	8,614,648
Minor Capital Outlay	1,175,515	515,036	308,589	188,000	188,000
Equipment Cash Transfers	343,518	474,310	1,288,893	0	0
Total Operating Budget	41,925,370	42,560,134	49,573,730	49,686,841	49,686,841
Capital Improvements	1,712,456	774,380	3,767,363	782,209	782,209
TOTAL BUREAU EXPENDITURES	\$ 43,637,826	\$ 43,334,514	\$ 53,341,093	\$ 50,469,050	\$ 50,469,050
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	43,637,826	43,334,514	53,341,093	50,469,050	50,469,050
RESOURCES					
Transportation Operating Fund	43,637,826	43,334,514	53,341,093	50,469,050	50,469,050
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Street Preservation	11,072,575	11,015,751	14,721,610	15,215,605	15,215,605
<i>Positions</i>	<i>87.00</i>	<i>88.00</i>	<i>96.00</i>	<i>90.38</i>	<i>90.38</i>
Traffic Maintenance	4,107,017	4,256,362	4,583,820	4,692,401	4,692,401
<i>Positions</i>	<i>43.00</i>	<i>41.00</i>	<i>41.50</i>	<i>41.05</i>	<i>41.05</i>
Street Cleaning	6,290,655	5,131,483	6,351,261	6,419,967	6,419,967
<i>Positions</i>	<i>51.00</i>	<i>48.00</i>	<i>59.00</i>	<i>51.14</i>	<i>51.14</i>
Sidewalk Preservation & Safety	2,717,756	2,628,247	2,936,751	3,085,750	3,085,750
<i>Positions</i>	<i>28.00</i>	<i>28.00</i>	<i>28.50</i>	<i>28.91</i>	<i>28.91</i>
Structural Maintenance	2,251,486	2,312,769	2,581,787	2,527,372	2,527,372
<i>Positions</i>	<i>27.00</i>	<i>27.00</i>	<i>26.00</i>	<i>26.71</i>	<i>26.71</i>
Emergency Services	430,469	2,826,356	786,473	303,240	303,240
<i>Positions</i>	<i>1.00</i>	<i>2.00</i>	<i>0.00</i>	<i>1.66</i>	<i>1.66</i>
Environmental Maintenance	8,262,252	8,340,523	7,907,413	8,130,270	8,130,270
<i>Positions</i>	<i>87.00</i>	<i>86.00</i>	<i>104.00</i>	<i>87.67</i>	<i>87.67</i>
Stormwater Maintenance	2,847,595	2,513,793	4,033,307	4,038,391	4,038,391
<i>Positions</i>	<i>36.00</i>	<i>39.00</i>	<i>16.00</i>	<i>33.36</i>	<i>33.36</i>
Field Support	4,652,853	3,615,702	8,772,643	5,399,648	5,399,648
<i>Positions</i>	<i>35.00</i>	<i>37.00</i>	<i>43.64</i>	<i>48.34</i>	<i>48.34</i>
BOM Operations Support	1,005,168	693,528	666,028	656,406	656,406
<i>Positions</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>
TOTAL PROGRAMS	\$ 43,637,826	\$ 43,334,514	\$ 53,341,093	\$ 50,469,050	\$ 50,469,050
<i>Positions</i>	<i>402.00</i>	<i>403.00</i>	<i>421.64</i>	<i>416.14</i>	<i>416.14</i>

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FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	3.00	3.00	3.00	103,875	3.00	109,371	3.00	109,371
0104	Office Supp Spec III	2.00	2.00	2.00	88,608	2.00	88,944	2.00	88,944
7196	Sec & Emerg Mgmt Program Mgr	0.00	0.00	1.00	56,868	1.00	57,084	1.00	57,084
0310	Service Dispatcher	3.00	3.00	3.00	108,008	3.00	114,276	3.00	114,276
0311	Service Dispatcher Lead	1.00	1.00	1.00	35,175	1.00	39,162	1.00	39,162
0406	Storekeeper/Acq Specialist II	4.00	4.00	4.00	180,192	4.00	180,912	4.00	180,912
0408	Storekeeper/Acq Specialist III	2.00	2.00	2.00	103,464	2.00	103,848	2.00	103,848
0819	Administrative Assistant	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	0.00	1.00	1.00	40,080	1.00	41,587	1.00	41,587
0926	Administrative Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senio	0.00	0.00	1.00	35,844	1.00	35,976	1.00	35,976
0922	Administrative Supervisor II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7107	Administrative Supervisor II	0.00	1.00	1.00	53,184	1.00	55,368	1.00	55,368
1225	Asphalt Raker	11.00	11.00	12.00	476,620	12.00	484,328	12.00	484,328
1311	Automotive Equipment Operator I	55.00	54.00	55.00	2,199,444	55.00	2,277,710	55.00	2,277,710
1312	Automotive Equipment Operator II	8.00	7.00	8.00	349,080	8.00	350,400	8.00	350,400
1313	Automotive Equipment Operator II	15.00	15.00	16.00	695,514	16.00	714,660	16.00	714,660
1314	Automotive Equipment Operator II	0.00	1.00	2.00	84,666	2.00	89,496	2.00	89,496
7112	Business Operations Manager	0.00	1.00	1.00	85,464	1.00	85,464	1.00	85,464
6033	CAD Technician III	0.00	1.00	1.00	65,856	1.00	66,108	1.00	66,108
1420	Carpenter	6.00	7.00	7.00	325,910	7.00	335,412	7.00	335,412
1419	Carpenter, Apprentice	1.00	1.00	1.00	28,644	1.00	28,752	1.00	28,752
1410	Concrete Finisher	12.00	12.00	12.00	572,832	12.00	574,992	12.00	574,992
1315	Construction Equipment Operator	17.00	18.00	20.00	888,900	18.00	845,232	18.00	845,232
7650	Engineer, Senior	0.00	1.00	1.00	80,148	1.00	80,448	1.00	80,448
7651	Engineer, Supervising	0.00	1.00	1.00	79,579	1.00	82,830	1.00	82,830
6021	Engineering Technician I	0.00	5.00	9.00	324,684	9.00	335,860	9.00	335,860
6022	Engineering Technician II	0.00	1.00	2.00	108,288	2.00	108,696	2.00	108,696
7607	Environmental Program Specialist	0.00	1.00	1.00	60,384	1.00	61,637	1.00	61,637
1230	Environmental Systems Crew Leade	10.00	10.00	10.00	474,998	10.00	480,348	10.00	480,348
1229	Environmental Systems Maint Tech	7.00	7.00	9.00	420,792	9.00	423,036	9.00	423,036
1524	General Mechanic	3.00	3.00	3.00	144,648	3.00	145,188	3.00	145,188
0812	Intergovernmental Program Coord	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1960	Maintenance Director	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7056	Maintenance Director	0.00	1.00	1.00	97,740	1.00	100,078	1.00	100,078
7132	Management Analyst, Senior	0.00	1.00	0.75	54,864	0.75	54,864	0.75	54,864
1443	Painter	1.00	1.00	1.00	47,736	1.00	47,916	1.00	47,916
1250	Parking Meter Technician	6.00	6.00	6.00	258,173	6.00	267,784	6.00	267,784
1251	Parking Meter Technician, Lead	1.00	1.00	1.00	43,824	1.00	43,992	1.00	43,992
7652	Principal Engineer	0.00	1.00	1.00	90,960	1.00	94,684	1.00	94,684
3169	Principal Engineer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0966	Program Coordinator	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0968	Program Manager I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7153	Program Specialist	0.00	1.00	1.00	62,688	1.00	62,688	1.00	62,688
7555	Public Works Division Manager	0.00	4.00	4.00	340,116	3.00	270,456	3.00	270,456
3150	Public Works Inspector	1.00	1.00	1.00	55,512	1.00	55,728	1.00	55,728
1952	Public Works Manager	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1950	Public Works Supervisor	21.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7553	Public Works Supervisor II	0.00	24.00	27.00	1,596,579	26.00	1,573,414	26.00	1,573,414
7554	Public Works Supervisor, Senior	0.00	6.00	6.00	435,038	6.00	439,004	6.00	439,004
7185	Risk Specialist	0.00	1.00	1.00	60,636	1.00	62,532	1.00	62,532
7193	Safety and Risk Officer II	0.00	1.00	1.00	77,520	1.00	80,448	1.00	80,448
0816	Senior Administrative Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3166	Senior Engineer	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6111	Senior Engineering Associate	0.00	1.00	1.00	65,856	0.00	0	0.00	0
3163	Senior Engineering Associate	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1956	Senior Public Works Manager	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0414	Senior Stores System Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2250	Sidewalk Inspector	4.00	4.00	4.00	193,166	4.00	196,848	4.00	196,848
1224	Sign Maker	1.00	1.00	1.00	47,736	1.00	47,916	1.00	47,916
1226	Street Maintenance Crew Leader	8.00	8.00	6.00	286,368	6.00	287,424	6.00	287,424
3107	Technician I	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3108	Technician II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3109	Technician III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1227	Traffic Crew Leader	9.00	8.00	7.00	327,473	7.00	332,220	7.00	332,220
1210	Utility Worker I	25.00	25.00	20.00	742,798	20.00	748,056	20.00	748,056
1211	Utility Worker II	131.00	131.00	132.50	5,227,566	132.50	5,294,780	132.50	5,294,780
1510	Welder	2.00	2.00	2.00	95,472	2.00	95,832	2.00	95,832

Bureau of Maintenance AU 159

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
TOTAL FULL-TIME POSITIONS		402.00	403.00	415.25	\$ 18,479,570	410.25	\$ 18,553,789	410.25	\$ 18,553,789
7142	Environmental Policy Analyst	0.00	0.00	1.00	54,144	1.00	54,348	1.00	54,348
0310	Service Dispatcher	0.00	0.00	3.53	116,077	3.53	123,473	3.53	123,473
7133	Principal Management Analyst	0.00	0.00	0.86	73,716	0.86	73,776	0.86	73,776
2250	Sidewalk Inspector	0.00	0.00	0.50	24,516	0.50	24,612	0.50	24,612
TOTAL PART-TIME POSITIONS		0.00	0.00	5.89	\$ 268,453	5.89	\$ 276,209	5.89	\$ 276,209
7103	Administrative Assistant	0.00	0.00	1.00	48,420	0.17	8,236	0.17	8,236
7121	Business Systems Analyst	0.00	0.00	1.00	65,400	0.08	5,471	0.08	5,471
7552	Public Works Supervisor I	0.00	0.00	0.50	19,248	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	0.00	2.50	\$ 133,068	0.25	\$ 13,707	0.25	\$ 13,707

Bureau of Transportation Engineering & Development

OVERVIEW

The Bureau of Transportation Engineering and Development is the capital investment and development service arm of the Portland Office of Transportation. The bureau's work is distributed among three programs: Project Management, Engineering Services, and Development Services.

Overview of Programs

PROJECT MANAGEMENT

Description

The Project Management program develops and manages a variety of multi-modal transportation projects. The program is also responsive to the requirements of land use and urban design objectives in the community. Project managers have the overall responsibility to guide a project through design and construction while managing scope, cost, and customer expectations. The projects are organized around the following key project types:

Town Centers and Main Streets

Project managers develop and construct projects in the high-priority areas of the Region 2040 Growth Concept. These areas require the highest level of urban design and integration with adjacent development.

Freight

These projects support freight operation in and around the City of Portland. They also focus on maintaining Portland's livability and safety by helping minimize truck impact in neighborhoods, and provide for industrial and commercial access projects, as well as those that maximize regional economic growth and freight mobility along regional traffic ways.

Local Street Development

These projects improve the local street network through permits for privately constructed streets, publicly contracted improvements, and projects using LID financing. They respond to new development and redevelopment throughout the city by providing multi-modal access improvements to individual properties, subdivisions, and sub-areas.

Neighborhood Livability

These projects enhance neighborhood livability by providing safer local, collector, and minor transit streets that improve accessibility to neighborhood destinations such as schools, parks, transit stops, and local commercial areas. They also promote walking and bicycling as alternatives to the automobile for local destinations.

Preservation & Rehabilitation

These projects provide for maintenance and rehabilitation of existing transportation assets.

Special Projects

These projects provide project management for large-scale projects and system improvements to projects that benefit a specific geographical area or transportation objective, or have regional transportation significance, for example, the South Corridor Light Rail project.

Relationship to Goals

This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to deliver projects for people, jobs, and neighborhoods.

Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	As projects are initiated, progress, and are completed, associated budgetary changes are reflected in PDOT's CIP. PDOT's FY 2005-06 CIP is approximately \$19 million higher than FY 2004-05 due to the presence of several large projects, such as: <ul style="list-style-type: none"> ◆ Transit Mall redevelopment ◆ Streetcar extensions ◆ South Waterfront development ◆ Killingsworth East Connector

ENGINEERING SERVICES

Description	The Engineering Services program provides survey, design, inspection, construction management, and technical support for a variety of PDOT's capital improvement projects. The program also ensures safety and serviceability of the city's bridges. This program is composed of five sections: Survey, Bridges and Structures, Construction Inspection, Civil Design, and Traffic Design.
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to build and operate the transportation system that last.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	No significant changes to services and activities.

DEVELOPMENT SERVICES

Description	The Development Services program facilitates public and private development of job opportunities, which leads to jobs creation, housing construction, and enhanced neighborhood livability through oversight of private development activities. These outcomes in turn affect the transportation system, expansion and management of the pedestrian system, and regulation of private use of the street right-of-way. <p>This program consists of four sections:</p> <ul style="list-style-type: none"> ◆ Street Systems Management ◆ Development Review ◆ Right-of-Way Acquisition ◆ Permit Engineering
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and PDOT's goal to build and operate the transportation system that last.

Performance

Performance measures are being developed at this time and are expected for the FY 2006-07 budget.

Changes to Services and Activities

Two vacant positions, an engineering technician and a development review manager are eliminated. One vacant position, a principal engineer, is transferred to the Office of the Director.

Bureau of Transportation Engineering & Development AU 159 SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	6,219,127	5,872,368	6,075,580	5,994,811	5,994,811
External Materials and Services	2,756,439	3,022,765	3,798,535	4,704,901	4,704,901
Internal Materials and Services	841,415	741,196	539,164	487,221	487,221
Minor Capital Outlay	6,398	118,075	1,403,860	15,486	15,486
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	9,823,379	9,754,404	11,817,139	11,202,419	11,202,419
Capital Improvements	26,777,220	18,878,182	53,263,887	71,791,988	75,046,410
TOTAL BUREAU EXPENDITURES	\$ 36,600,599	\$ 28,632,586	\$ 65,081,026	\$ 82,994,407	\$ 86,248,829
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	36,600,599	28,632,586	65,081,026	82,994,407	86,248,829
RESOURCES					
Transportation Operating Fund	36,600,599	28,632,586	65,081,026	82,994,407	86,248,829
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Project Management	19,453,580	18,008,602	49,577,522	64,095,203	67,349,625
<i>Positions</i>	<i>21.00</i>	<i>21.00</i>	<i>24.40</i>	<i>24.38</i>	<i>24.38</i>
Development Services	3,365,214	3,383,584	4,683,225	4,526,246	4,526,246
<i>Positions</i>	<i>40.00</i>	<i>42.00</i>	<i>50.95</i>	<i>46.25</i>	<i>46.25</i>
Engineering Services	13,051,449	6,685,974	10,498,686	14,045,274	14,045,274
<i>Positions</i>	<i>57.00</i>	<i>57.00</i>	<i>63.72</i>	<i>65.25</i>	<i>65.25</i>
Operations Support	730,356	554,426	321,593	327,684	327,684
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>2.60</i>	<i>2.60</i>	<i>2.60</i>
TOTAL PROGRAMS	\$ 36,600,599	\$ 28,632,586	\$ 65,081,026	\$ 82,994,407	\$ 86,248,829
<i>Positions</i>	<i>120.00</i>	<i>122.00</i>	<i>141.67</i>	<i>138.48</i>	<i>138.48</i>

Bureau of Transportation Engineering & Development AU 159

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05	Amount	FY 2005-06	Amount	FY 2005-06	Amount
		No.	No.	No.		No.		No.	
0104	Office Supp Spec III	4.00	3.00	3.00	132,912	3.00	133,416	3.00	133,416
7579	Portland Streetcar Maint. Supv	0.00	0.00	1.00	60,636	1.00	62,085	1.00	62,085
7102	Administrative Specialist, Senio	0.00	1.00	1.00	50,400	1.00	52,292	1.00	52,292
7106	Administrative Supervisor I	0.00	1.00	1.00	58,716	1.00	61,128	1.00	61,128
3228	Associate Planner	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6034	CAD Analyst	0.00	1.00	1.00	65,856	1.00	66,108	1.00	66,108
6032	CAD Technician II	0.00	3.00	3.00	144,322	3.00	147,264	3.00	147,264
6141	Capital Project Manager I	0.00	0.00	3.00	160,346	3.00	168,408	3.00	168,408
7656	Capital Project Manager II	0.00	4.00	5.00	364,112	5.00	371,110	5.00	371,110
7657	Capital Projects Manager III	0.00	6.00	6.00	467,808	6.00	473,796	6.00	473,796
3171	Chief Engineer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3173	City Engineer	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6133	City Planner II	0.00	1.00	1.00	57,300	1.00	57,528	1.00	57,528
7765	Development Review Manager	0.00	0.00	1.00	64,152	0.00	0.00	0.00	0.00
7768	Development Services Manager	0.00	0.00	1.00	77,268	1.00	79,644	1.00	79,644
6041	Development Services Technician	0.00	1.00	2.00	74,112	2.00	75,588	2.00	75,588
6042	Development Services Technician	0.00	0.00	1.00	42,778	1.00	45,066	1.00	45,066
6043	Development Services Technician	0.00	1.00	0.80	47,760	1.00	63,000	1.00	63,000
7767	Development Supervisor	0.00	3.00	3.00	191,451	3.00	194,611	3.00	194,611
6112	Engineer	0.00	5.00	5.00	351,286	5.00	355,995	5.00	355,995
3164	Engineer	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7653	Engineer, Chief	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7650	Engineer, Senior	0.00	5.00	4.80	370,452	5.00	389,159	5.00	389,159
7651	Engineer, Supervising	0.00	5.00	5.00	389,104	5.00	396,481	5.00	396,481
3153	Engineering Associate	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6110	Engineering Associate	0.00	4.00	2.00	108,804	2.00	111,672	2.00	111,672
7673	Engineering Survey Manager	0.00	1.00	1.00	79,020	1.00	79,853	1.00	79,853
3165	Engineering Surveying Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6021	Engineering Technician I	0.00	2.00	1.00	31,680	1.00	31,800	1.00	31,800
6022	Engineering Technician II	0.00	9.00	10.00	472,284	10.00	488,190	10.00	488,190
6023	Engineering Technician III	0.00	4.00	4.00	217,382	3.00	172,322	3.00	172,322
7609	Environmental Program Manager	0.00	0.00	1.00	56,868	1.00	57,084	1.00	57,084
2032	Environmental Resources Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6026	Mapping Data Technician	0.00	2.00	2.00	93,552	2.00	98,592	2.00	98,592
7576	Portland Streetcar Maintenance M	0.00	1.00	1.00	76,104	1.00	76,404	1.00	76,404
7575	Portland Streetcar Operations Ma	0.00	1.00	1.00	69,852	1.00	72,708	1.00	72,708
7652	Principal Engineer	0.00	2.00	2.00	161,560	1.00	91,000	1.00	91,000
3169	Principal Engineer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0966	Program Coordinator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0968	Program Manager I	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0970	Program Manager II	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0972	Program Manager IV	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3152	Public Works Const/Inspect Supvr	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7662	Public Works Inspection Supervis	0.00	2.00	3.00	207,656	3.00	210,818	3.00	210,818
3150	Public Works Inspector	7.00	7.00	8.00	430,890	7.33	400,784	7.33	400,784
3151	Public Works Inspector, Senior	6.00	4.00	4.00	239,954	4.00	249,312	4.00	249,312
3359	Public Works Project Manager	9.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7675	Right of Way Acquisition Supervi	0.00	1.00	1.00	63,216	1.00	65,808	1.00	65,808
6081	Right of Way Agent I	0.00	0.00	1.00	31,680	1.00	31,800	1.00	31,800
6082	Right of Way Agent II	0.00	2.00	2.00	96,576	2.00	96,948	2.00	96,948
6083	Right of Way Agent III	0.00	1.00	1.00	53,927	1.00	56,878	1.00	56,878
3217	Right-of-Way Agent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3219	Right-of-Way Services Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6134	Senior City Planner	0.00	1.00	1.00	59,700	1.00	63,000	1.00	63,000
3166	Senior Engineer	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6111	Senior Engineering Associate	0.00	10.00	13.90	883,242	14.00	898,507	14.00	898,507
3163	Senior Engineering Associate	12.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
3167	Supervising Engineer	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3120	Surveying Aide I	2.00	1.00	1.00	34,562	1.00	37,134	1.00	37,134
3121	Surveying Aide II	9.00	8.00	7.00	276,772	7.00	279,132	7.00	279,132
7670	Surveying Supervisor	0.00	1.00	1.00	58,179	1.00	60,564	1.00	60,564
3124	Surveying Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3122	Surveyor I	5.00	4.00	4.00	203,082	4.00	204,384	4.00	204,384
3123	Surveyor II	2.00	2.00	2.00	108,240	2.00	109,368	2.00	109,368
3107	Technician I	7.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
3108	Technician II	14.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
3109	Technician III	8.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7578	Transportation Division Manager	0.00	1.00	2.00	187,488	2.00	190,599	2.00	190,599
7052	Transportation Engineering & Dev	0.00	0.00	1.00	107,220	1.00	109,789	1.00	109,789

Bureau of Transportation Engineering & Development AU 159

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
1210	Utility Worker I	0.00	0.00	1.90	66,720	2.00	72,096	2.00	72,096
TOTAL FULL-TIME POSITIONS		120.00	122.00	128.40	\$ 7,646,981	125.33	\$ 7,609,225	125.33	\$ 7,609,225
7656	Capital Project Manager II	0.00	0.00	0.50	33,548	0.38	26,540	0.38	26,540
6041	Development Services Technician	0.00	0.00	0.50	21,216	0.50	21,300	0.50	21,300
7130	Management Assistant	0.00	0.00	0.60	35,592	0.60	35,724	0.60	35,724
6082	Right of Way Agent II	0.00	0.00	0.75	31,824	0.75	33,254	0.75	33,254
TOTAL PART-TIME POSITIONS		0.00	0.00	2.35	\$ 122,180	2.23	\$ 116,818	2.23	\$ 116,818
0100	Office Supp Spec I	0.00	0.00	0.89	25,596	0.00	0.00	0.00	0.00
7656	Capital Project Manager II	0.00	0.00	0.92	63,382	1.00	70,796	1.00	70,796
7650	Engineer, Senior	0.00	0.00	2.58	154,101	3.00	179,640	3.00	179,640
6026	Mapping Data Technician	0.00	0.00	1.00	43,470	1.00	45,822	1.00	45,822
3150	Public Works Inspector	0.00	0.00	2.00	104,178	1.67	90,756	1.67	90,756
6111	Senior Engineering Associate	0.00	0.00	1.92	109,043	2.00	119,386	2.00	119,386
3120	Surveying Aide I	0.00	0.00	1.00	33,859	0.59	20,951	0.59	20,951
3121	Surveying Aide II	0.00	0.00	1.50	54,026	1.67	65,756	1.67	65,756
TOTAL LIMITED TERM POSITIONS		0.00	0.00	11.81	\$ 587,655	10.93	\$ 593,107	10.93	\$ 593,107

Bureau of Transportation Systems Management

OVERVIEW

The Bureau of Transportation Systems Management is the City agency responsible for operating and managing the City's transportation, traffic signal, parking, and street lighting systems. This bureau is charged with the following responsibilities:

- ◆ Maintaining and improving the safety of these systems
- ◆ Reducing the number of traffic accidents
- ◆ Optimizing the efficiency of the transportation system and facilitating alternatives to single-occupancy vehicle travel
- ◆ Protecting the livability of the city's residential areas while accommodating economic development
- ◆ Maintaining and improving on-street paid parking to facilitate economic growth. This also provides a source of discretionary revenue for the Office of Transportation.

BTSM is currently organized into seven programs:

- ◆ Electrical Maintenance
- ◆ Parking Enforcement
- ◆ Parking Operations
- ◆ Street Lighting
- ◆ Traffic Operations
- ◆ Traffic Signals
- ◆ Transportation Options

Overview of Programs

ELECTRICAL MAINTENANCE

Description	The Electrical Maintenance program maintains the City's traffic signals and streetlights. Field maintenance activities include inspection and periodic maintenance, responding to street light outage calls and traffic signal trouble calls, and upgrading traffic signals in response to safety and congestion concern.
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and the PDOT goal to operate and maintain a safe, effective, and multi-modal transportation system.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	No significant changes to services and activities.

PARKING ENFORCEMENT

Description	<p>The Parking Enforcement program enforces parking rules and regulations to maintain safe and continuous traffic flow, support retail and commercial businesses, and help ensure neighborhood livability. This program issues citations for parking violations; enforces neighborhood parking; clears obstructions from intersections, crosswalks, and sidewalks; and removes dangerous or abandoned vehicles from the right-of-way.</p> <p>Parking enforcement deputies operate on foot, on bicycles, in parking scooters, and in automobiles, serving downtown, the Lloyd District, the area parking permit neighborhoods, and all areas of the city. They annually respond to approximately 11,000 calls from citizens requesting enforcement. Parking Enforcement annually issues approximately 320,000 parking citations. This program is currently implementing new electronic hand-held citation writing equipment to further improve service efficiency.</p>
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and the PDOT goal to operate and maintain a safe, effective, and multi-modal transportation system.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	No significant changes to services and activities.

PARKING OPERATIONS

Description	<p>The Meter District section of this program manages the on-street parking system, including revenue security and control, and system components including central paystations (SmartMeters), short- and long-term single-space meters, truck loading zones, and parking signs and control systems. This program also manages special parking permit areas and works with business operators to ensure that parking meets the needs of their business.</p> <p>The Parking Control section coordinates the location of meters, paystations, parking zones, parking signs and other parking control devices throughout the city to promote safe and efficient parking. The Parking Permits section coordinates the use of special parking permits for commercial, government, and nonprofit users, and the development and operation of area parking permit programs.</p>
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and the PDOT goal to operate and maintain a safe, effective, and multi-modal transportation system.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	The FY 2005-06 budget includes a reduction of \$133,000 to help fund enhancements to the Street Preservation program. A vacant Program Manager position is eliminated.

STREET LIGHTING

Description	The Street Lighting program manages the City's street lighting system. This program promotes pedestrian, bicyclist, and motorist safety and mobility through the efficient operation of street lights. This program responds to citizen requests for new lights in unlit or underlit areas, reviews and approves the installation of street lights in response to development and redevelopment, reviews utility and maintenance costs, and maintains existing street lights.
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and the PDOT goal to operate and maintain a safe, effective, and multi-modal transportation system.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	<p>The General Fund will reduce its ongoing transfer in support of this program by \$500,000. General Transportation Revenues will be redirected from other programs to backfill this cut.</p> <p>The General Fund will transfer \$400,000 of one-time CIP money for street lighting repairs. This will help address the backlog of underground cable requiring replacement.</p>

TRAFFIC OPERATIONS

Description	The Traffic Operations program promotes safe and efficient traffic flow and livable neighborhoods through the Community and Schools Traffic Safety Partnership and by providing traffic control via signs and pavement marking systems. This program provides leadership in coordinating multi-agency traffic safety services, integrating engineering, education, and enforcement services, under the guidance of the Portland Traffic Safety Coordinating Council. Other services include neighborhood traffic engineering services, collection and analysis of traffic data, monitoring of traffic safety and capacity improvements, and traffic control plan review for special events/runs.
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and the PDOT goal to operate and maintain a safe, effective, and multi-modal transportation system.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	No significant changes to services and activities.

SIGNALS

Description	The Traffic Signals program promotes pedestrian, bicyclist, and motorist safety and mobility through the efficient operation, monitoring, and improvements to the traffic signal system. It provides for monitoring, reviewing, and ordering of modifications to each system; participating in regional traffic control efforts that divert drivers to alternate routes to alleviate congestion and improve traffic safety, and monitoring external power and maintenance costs and utility rate developments. The program also includes the planning, design, construction review, and monitoring of capital improvements.
Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and the PDOT goal to operate and maintain a safe, effective, and multi-modal transportation system.
Performance	Keep signal hardware rating at or above 29% good, 35% fair.
Changes to Services and Activities	No significant changes to services and activities.

TRANSPORTATION OPTIONS

Description	The Transportation Options program works to create a balanced transportation system by developing and encouraging alternatives to single-occupancy vehicles. Programs and activities are designed to remove barriers and provide incentives for people to choose to walk, bike, carpool, travel by transit, and encourage smart use of the car. Outreach and educational efforts are designed to educate the public regarding the benefits of these modal choices including but not limited to safety, health, air quality, and sustainability.
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Relationship to Goals	This program supports Council's goal to operate and maintain an effective and safe transportation system and the PDOT goal to operate and maintain a safe, effective, and multi-modal transportation system.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	The General Fund will transfer \$85,000 to this program to fund Sustainability Initiatives.

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	9,066,914	8,917,845	10,828,394	10,479,636	10,479,636
External Materials and Services	7,461,402	7,295,331	11,443,809	9,407,534	9,137,460
Internal Materials and Services	1,474,364	1,432,676	1,982,111	1,696,444	1,696,444
Minor Capital Outlay	212,510	403,782	0	0	0
Equipment Cash Transfers	41,790	0	20,750	0	0
Total Operating Budget	18,256,980	18,049,634	24,275,064	21,583,614	21,313,540
Capital Improvements	4,800,141	5,360,922	3,562,189	3,142,552	3,142,552
TOTAL BUREAU EXPENDITURES	\$ 23,057,121	\$ 23,410,556	\$ 27,837,253	\$ 24,726,166	\$ 24,456,092
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	23,057,121	23,410,556	27,837,253	24,726,166	24,456,092
RESOURCES					
Transportation Operating Fund	23,057,121	23,410,556	27,837,253	24,726,166	24,456,092
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Parking Enforcement	3,296,657	3,188,512	3,652,442	3,766,686	3,766,686
<i>Positions</i>	<i>53.00</i>	<i>54.00</i>	<i>55.26</i>	<i>55.26</i>	<i>55.26</i>
Electrical Maintenance	2,936,466	3,510,201	3,481,008	3,863,148	3,863,148
<i>Positions</i>	<i>26.00</i>	<i>25.00</i>	<i>26.00</i>	<i>26.00</i>	<i>26.00</i>
Traffic Operations	1,652,301	1,645,249	5,312,209	2,709,136	2,709,136
<i>Positions</i>	<i>15.00</i>	<i>15.00</i>	<i>19.33</i>	<i>19.00</i>	<i>19.00</i>
Transportation Options	1,622,293	1,668,959	2,744,800	1,799,380	1,799,380
<i>Positions</i>	<i>6.00</i>	<i>6.00</i>	<i>10.00</i>	<i>11.50</i>	<i>11.50</i>
Signals	3,657,621	3,469,181	2,832,103	2,617,659	2,262,585
<i>Positions</i>	<i>14.00</i>	<i>15.00</i>	<i>16.58</i>	<i>18.00</i>	<i>18.00</i>
Street Lighting	4,051,831	4,874,168	5,367,031	5,446,730	5,446,730
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>1.00</i>	<i>0.00</i>	<i>0.00</i>
Parking Operations	4,829,051	4,292,685	3,708,579	3,834,062	3,834,062
<i>Positions</i>	<i>9.00</i>	<i>9.00</i>	<i>12.76</i>	<i>13.76</i>	<i>13.76</i>
BTSM Operations Support	1,010,901	761,601	739,081	689,365	774,365
<i>Positions</i>	<i>8.00</i>	<i>8.00</i>	<i>8.00</i>	<i>7.00</i>	<i>7.00</i>
TOTAL PROGRAMS	\$ 23,057,121	\$ 23,410,556	\$ 27,837,253	\$ 24,726,166	\$ 24,456,092
<i>Positions</i>	<i>133.00</i>	<i>134.00</i>	<i>148.93</i>	<i>150.52</i>	<i>150.52</i>

Bureau of Transportation Systems Management AU 159

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	4.00	6.00	5.00	172,191	5.00	175,569	5.00	175,569
0104	Office Supp Spec III	4.00	4.00	3.00	128,649	3.00	131,337	3.00	131,337
0819	Administrative Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7106	Administrative Supervisor I	0.00	1.00	2.00	99,096	2.00	103,152	2.00	103,152
1311	Automotive Equipment Operator I	3.00	3.00	3.00	126,792	3.00	127,296	3.00	127,296
6032	CAD Technician II	0.00	2.00	1.00	54,144	1.00	54,348	1.00	54,348
7654	City Traffic Engineer	0.00	1.00	1.00	98,736	1.00	99,120	1.00	99,120
2203	Code Spec II Parking Enforcement	41.00	42.00	42.00	1,666,048	41.00	1,692,552	41.00	1,692,552
2201	Code Specialist I	3.00	4.00	4.00	138,660	4.00	141,000	4.00	141,000
2204	Code Specialist III	1.00	1.00	1.00	49,608	1.00	49,800	1.00	49,800
7686	Communications Engineer, Senior	0.00	1.00	1.00	59,652	1.00	59,880	1.00	59,880
7203	Community Outreach & Information	0.00	1.00	1.00	46,716	1.00	46,896	1.00	46,896
7204	Community Outreach and Informati	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7562	Electrical Supervisor	0.00	1.00	1.00	64,872	1.00	67,314	1.00	67,314
1455	Electrical Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1453	Electrician	18.00	17.00	17.00	1,004,436	17.00	1,008,300	17.00	1,008,300
3251	Electronic Tech II Communication	0.00	0.00	0.00	0.00	1.00	57,996	1.00	57,996
3252	Electronic Tech II Traffic Signl	2.00	2.00	3.00	166,200	3.00	174,636	3.00	174,636
3164	Engineer	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6112	Engineer	0.00	5.00	5.00	362,760	5.00	364,140	5.00	364,140
6110	Engineering Associate	0.00	3.00	4.00	204,692	4.00	208,292	4.00	208,292
3153	Engineering Associate	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6021	Engineering Technician I	0.00	2.00	3.00	117,072	3.00	119,144	3.00	119,144
6022	Engineering Technician II	0.00	5.00	5.00	246,642	5.00	255,687	5.00	255,687
6023	Engineering Technician III	0.00	2.00	2.00	131,712	2.00	132,216	2.00	132,216
6062	GIS Technician II	0.00	0.00	1.00	45,075	1.00	47,541	1.00	47,541
2523	Information Systems Tech II	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2205	Junior Field Representative	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2118	Lighting and Signal Inspector	2.00	2.00	2.00	130,344	2.00	139,344	2.00	139,344
7574	Parking Control Supervisor	0.00	1.00	1.00	70,308	1.00	72,376	1.00	72,376
7571	Parking Enforcement Supervisor I	0.00	2.00	2.00	125,340	2.00	126,868	2.00	126,868
7573	Parking Operations Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7652	Principal Engineer	0.00	1.00	1.00	98,736	1.00	99,120	1.00	99,120
3169	Principal Engineer	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0966	Program Coordinator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7154	Program Coordinator	0.00	3.00	3.00	191,178	3.00	196,458	3.00	196,458
7156	Program Manager	0.00	0.00	1.00	62,436	1.00	65,004	1.00	65,004
0970	Program Manager II	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0971	Program Manager III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0972	Program Manager IV	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0964	Program Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7153	Program Specialist	0.00	0.00	1.00	46,716	1.00	46,896	1.00	46,896
7152	Program Specialist, Assistant	0.00	3.00	3.00	136,968	3.00	138,866	3.00	138,866
3359	Public Works Project Manager	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1950	Public Works Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6134	Senior City Planner	0.00	1.00	1.00	65,856	1.00	66,108	1.00	66,108
3256	Senior Communications Engineer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6111	Senior Engineering Associate	0.00	3.00	5.00	311,820	5.00	315,872	5.00	315,872
3163	Senior Engineering Associate	8.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
3231	Senior Planner	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6170	Signals and Street Lighting Tech	0.00	1.00	1.00	61,230	1.00	64,554	1.00	64,554
7690	Street Lights/Signals Manager	0.00	1.00	1.00	64,152	1.00	64,392	1.00	64,392
3122	Surveyor I	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6092	TDM Specialist II	0.00	3.00	3.50	204,700	6.00	355,530	6.00	355,530
3107	Technician I	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3108	Technician II	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3109	Technician III	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7680	Traffic Investigations Manager	0.00	1.00	1.00	84,156	1.00	84,156	1.00	84,156
0912	Traffic Management Director	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7568	Traffic Signal Maintenance Super	0.00	1.00	1.00	65,400	1.00	65,652	1.00	65,652
7578	Transportation Division Manager	0.00	2.00	3.00	293,424	3.00	279,099	3.00	279,099
7054	Transportation System Management	0.00	1.00	1.00	105,216	1.00	109,530	1.00	109,530
1211	Utility Worker II	2.00	2.00	2.00	80,448	3.00	118,320	3.00	118,320
TOTAL FULL-TIME POSITIONS		133.00	134.00	138.50	\$ 7,182,181	142.00	\$ 7,524,361	142.00	\$ 7,524,361
2203	Code Spec II Parking Enforcement	0.00	0.00	1.26	51,168	1.26	52,680	1.26	52,680
6092	TDM Specialist II	0.00	0.00	0.50	32,928	0.50	33,048	0.50	33,048
TOTAL PART-TIME POSITIONS		0.00	0.00	1.76	\$ 84,096	1.76	\$ 85,728	1.76	\$ 85,728

Bureau of Transportation Systems Management AU 159

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
6032	CAD Technician II	0.00	0.00	0.58	24,752	1.00	43,818	1.00	43,818
3251	Electronic Tech II Communication	0.00	0.00	1.00	57,996	0.00	0.00	0.00	0.00
6021	Engineering Technician I	0.00	0.00	0.33	10,692	0.00	0.00	0.00	0.00
6061	GIS Technician I	0.00	0.00	0.00	0.00	2.00	63,600	2.00	63,600
7569	Parking Collection Technician	0.00	0.00	1.76	42,012	1.76	44,976	1.76	44,976
7156	Program Manager	0.00	0.00	1.00	60,618	0.01	(5)	0.01	(5)
6092	TDM Specialist II	0.00	0.00	3.00	163,830	1.99	103,486	1.99	103,486
TOTAL LIMITED TERM POSITIONS		0.00	0.00	7.67	\$ 359,900	6.76	\$ 255,875	6.76	\$ 255,875

Office of Transportation Director

OVERVIEW

The Office of the Director is responsible for overall administrative, financial, and planning direction for the Portland Office of Transportation. The Director's Office recommends and ensures the implementation of transportation policies approved by City Council, coordinates program development opportunities as requested by the Commissioner-in-Charge, represents the Portland Office of Transportation to both public and private sector agencies, and provides administrative guidance and direction for PDOT.

The bureau is currently organized into four programs:

- ◆ Transportation Planning
- ◆ Information Technology
- ◆ Finance
- ◆ Operations Support

Overview of Programs

TRANSPORTATION PLANNING

Description	The Transportation Planning program provides overall planning direction for the Office of Transportation. This program recommends and ensures the implementation of transportation policies approved by City Council. Transportation Planning coordinates the City's participation in regional transportation policy issues, provides conceptual development for corridor and area-wide capital projects, and prepares transportation studies for development areas. This program is also responsible for ensuring that the needs of all modes of transportation are integrated into planning and engineering projects. These efforts provide a framework for transportation improvements and support the City's interest in housing and employment growth in the city and maintaining established neighborhoods.
Relationship to Goals	This program supports City goal to operate and maintain an effective and safe transportation system and PDOT's goal to deliver projects for people, jobs, and neighborhoods.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	No significant changes to services and activities.

INFORMATION TECHNOLOGY

Description	The Information Technology program provides information technology support for the Office of Transportation. This program coordinates PDOT's Geographic Information System (GIS) and the Infrastructure Management System (IMS), an office-wide project that automates and integrates transportation facility information. This program coordinates IT services with the City's Bureau of Technology Services (BTS).
Relationship to Goals	This program supports City goal to operate and maintain an effective and safe transportation system and PDOT's goal to operate and maintain an effective, safe, multi-modal transportation system.
Performance	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	The FY 2005-06 budget includes a reduction of \$270,000. Two positions will be eliminated and one position reclassified. This cut will reduce the organization's ability to apply technology to solve business problems.

TRANSPORTATION FINANCE

Description	The Finance program provides budgeting, accounting, and financial analysis support for the Office of Transportation. This program provides financial planning and revenue forecasting, budget development and monitoring, grant and cost accounting, accounts payable processing, and accounts receivable processing. This program also coordinates the City's involvement in the regional transportation financing process and analysis and response for local, state, and federal financing issues.
Relationship to Goals	This program supports City goal to operate and maintain an effective and safe transportation system and PDOT's goal to establish sustainable funding for a sustainable infrastructure.
Performance	<p>PDOT has identified two performance measures for this program:</p> <ol style="list-style-type: none"> 1. End-of-fiscal year Transportation reserve fund balance as a percent of GTR. The Transportation reserve policy sets the counter-cyclical and the emergency reserves as equal to 5% each of GTR appropriations, excluding contingency. Due to revenue shortfalls in the Transportation Operating Fund, the Reserve Fund is below its target. 2. Total cost recovery as a percent of billable project/service costs. Transportation's goal is full cost recovery of indirect costs wherever feasible.
Changes to Services and Activities	The FY 2005-06 budget includes a reduction of \$208,005 in this program. Two positions will be eliminated: the Information Technology Manager, and the Street Maintenance and Improvement Fee Administrator.

OPERATIONS SUPPORT

Description	The Operations Support program provides administrative guidance, direction, and support for the Office of Transportation and its bureaus and programs. This program includes services and costs previously budgeted in the BOM, BTSM, BTED, and OTD Management and Support programs.
Relationship to Goals	This program supports PDOT's goal to operate and maintain an effective, safe, multi-modal transportation system.
Performance Measures	Performance measures are being developed at this time and are expected for the FY 2006-07 budget.
Changes to Services and Activities	<p>The FY 2005-06 budget includes the following changes to this program:</p> <ul style="list-style-type: none"> ◆ Transfer \$253,080 and one FTE from Development Services for Diversity Initiative. ◆ \$100,000 reduction in the Communications Program. ◆ \$130,000 reduction in the Diversity Initiative.

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	4,436,741	4,033,791	4,374,335	4,191,789	4,191,789
External Materials and Services	1,018,913	1,061,530	1,039,176	344,017	344,017
Internal Materials and Services	5,107,861	5,872,181	6,732,378	6,805,498	6,841,763
Minor Capital Outlay	0	6,050	110,000	0	0
Equipment Cash Transfers	0	0	9,800	0	0
Total Operating Budget	10,563,515	10,973,552	12,265,689	11,341,304	11,377,569
Capital Improvements	411,473	500,096	140,716	143,708	143,708
TOTAL BUREAU EXPENDITURES	\$ 10,974,988	\$ 11,473,648	\$ 12,406,405	\$ 11,485,012	\$ 11,521,277
Allocated Overhead	2,186,515	2,588,334	2,670,467	2,800,378	3,038,669
Total Cost with Allocated Overhead	13,161,503	14,061,982	15,076,872	14,285,390	14,559,946
RESOURCES					
Transportation Operating Fund	10,974,988	11,473,648	12,406,405	11,485,012	11,521,277
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Transportation Planning	1,990,598	1,899,915	1,692,723	1,544,743	1,544,743
<i>Positions</i>	<i>15.00</i>	<i>15.00</i>	<i>16.00</i>	<i>16.00</i>	<i>16.00</i>
Information Technology	4,492,125	4,031,723	4,767,626	4,444,252	4,444,252
<i>Positions</i>	<i>13.00</i>	<i>14.00</i>	<i>12.00</i>	<i>11.85</i>	<i>11.85</i>
Transportation Finance	1,594,887	1,477,881	1,551,635	1,465,179	1,465,179
<i>Positions</i>	<i>17.00</i>	<i>18.00</i>	<i>18.65</i>	<i>17.00</i>	<i>17.00</i>
Operations Support	2,897,378	4,064,129	4,394,421	4,030,838	4,067,103
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>4.00</i>	<i>3.00</i>	<i>3.00</i>
TOTAL PROGRAMS	\$ 10,974,988	\$ 11,473,648	\$ 12,406,405	\$ 11,485,012	\$ 11,521,277
<i>Positions</i>	<i>47.00</i>	<i>49.00</i>	<i>50.65</i>	<i>47.85</i>	<i>47.85</i>

Office of Transportation Director AU 159

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	3.00	3.00	2.00	76,864	2.00	85,272	2.00	85,272
0515	Accountant II	3.00	3.00	2.00	103,824	2.00	104,232	2.00	104,232
0516	Accountant III	1.00	1.00	1.00	57,144	1.00	57,360	1.00	57,360
0102	Office Supp Spec II	0.00	0.00	0.90	29,589	1.00	35,469	1.00	35,469
0104	Office Supp Spec III	0.00	1.00	1.00	34,428	1.00	34,560	1.00	34,560
7351	Accountant, Assistant Systems	0.00	0.00	1.00	54,516	1.00	56,748	1.00	56,748
0530	Accounting Supervisor I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0926	Administrative Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senio	0.00	0.00	1.00	48,032	1.00	49,996	1.00	49,996
2533	Applications Analyst III	1.00	2.00	1.00	68,388	1.00	71,136	1.00	71,136
2534	Applications Analyst IV	1.00	1.00	1.00	73,158	1.00	74,892	1.00	74,892
7112	Business Operations Manager	0.00	1.00	1.00	85,464	1.00	85,464	1.00	85,464
7113	Business Operations Manager, Sen	0.00	1.00	1.00	101,508	1.00	105,060	1.00	105,060
7110	Business Operations Supervisor	0.00	1.00	1.00	73,596	1.00	76,404	1.00	76,404
7122	Business Systems Analyst, Senior	0.00	0.00	1.00	71,472	1.00	72,382	1.00	72,382
6032	CAD Technician II	0.00	0.00	0.00	0.00	0.00	0	0.00	0
6132	City Planner I	0.00	1.00	1.00	47,925	1.00	50,421	1.00	50,421
6133	City Planner II	0.00	3.00	3.00	164,208	3.00	164,856	3.00	164,856
7203	Community Outreach & Information	0.00	0.00	1.00	46,716	0.00	0	0.00	0
7765	Development Review Manager	0.00	0.00	0.00	0.00	0.00	0	0.00	0
6023	Engineering Technician III	0.00	0.00	0.00	0.00	0.00	0	0.00	0
7376	Financial Analyst	0.00	5.00	5.00	313,357	5.00	319,625	5.00	319,625
0827	Financial Analyst	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6061	GIS Technician I	0.00	0.00	0.00	0.00	0.85	27,036	0.85	27,036
6062	GIS Technician II	0.00	3.00	3.00	153,552	4.00	210,780	4.00	210,780
6063	GIS Technician III	0.00	0.00	1.00	65,856	1.00	66,108	1.00	66,108
6123	Graphics Designer III	0.00	1.00	1.00	59,700	1.00	63,000	1.00	63,000
3271	Graphics Illustrator II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2542	Information Systems Analyst II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2550	Information Systems Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7509	Information Systems Manager	0.00	0.00	0.00	0.00	0.00	0	0.00	0
7510	Information Systems Manager, Sen	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7508	Information Systems Supervisor	0.00	1.00	1.00	85,464	0.00	(4)	0.00	(4)
2546	Information Systems Supervisor	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2523	Information Systems Tech II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0812	Intergovernmental Program Coord	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7131	Management Analyst	0.00	1.00	1.00	58,632	0.00	0	0.00	0
7132	Management Analyst, Senior	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
3229	Planner	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7652	Principal Engineer	0.00	0.00	0.00	0.00	0.00	0	0.00	0
0832	Principal Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7378	Principal Financial Analyst	0.00	1.00	1.00	85,464	1.00	85,800	1.00	85,800
2545	Principal Info Systems Analyst	3.00	2.00	1.00	64,644	1.00	80,612	1.00	80,612
7507	Principal Information Systems An	0.00	1.00	1.00	85,464	1.00	85,800	1.00	85,800
7133	Principal Management Analyst	0.00	0.00	1.00	64,152	1.00	64,392	1.00	64,392
0966	Program Coordinator	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7156	Program Manager	0.00	1.00	1.00	66,916	1.00	69,654	1.00	69,654
0972	Program Manager IV	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7158	Program Manager, Senior	0.00	0.00	1.00	79,020	1.00	81,180	1.00	81,180
7152	Program Specialist, Assistant	0.00	0.00	0.00	0.00	0.00	0	0.00	0
7208	Public Information Manager	0.00	0.00	1.00	59,652	1.00	59,880	1.00	59,880
3359	Public Works Project Manager	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7553	Public Works Supervisor II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0930	Senior Bureau Administrative Mgr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6134	Senior City Planner	0.00	3.00	3.00	181,074	3.00	187,626	3.00	187,626
0952	Senior Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3231	Senior Planner	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7397	Street Main & Improvement Fee Ad	0.00	1.00	1.00	91,872	0.00	0	0.00	0
3107	Technician I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3108	Technician II	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3109	Technician III	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7577	Trans. Director, Assistant	0.00	0.00	1.00	76,104	1.00	76,404	1.00	76,404
0914	Transportation Director	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7050	Transportation Director	0.00	1.00	1.00	115,416	1.00	120,156	1.00	120,156
7782	Transportation Planner, Supervis	0.00	2.00	2.00	170,928	2.00	171,488	2.00	171,488
7780	Transportation Planning Coordina	0.00	2.00	2.00	129,468	2.00	132,216	2.00	132,216
7784	Transportation Planning Manager	0.00	1.00	1.00	93,912	1.00	96,480	1.00	96,480

Office of Transportation Director AU 159

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
TOTAL FULL-TIME POSITIONS		47.00	49.00	49.90	\$ 3,237,479	47.85	\$ 3,122,485	47.85	\$ 3,122,485
7509	Information Systems Manager	0.00	0.00	0.75	68,904	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.75	\$ 68,904	0.00	\$ 0	0.00	\$ 0

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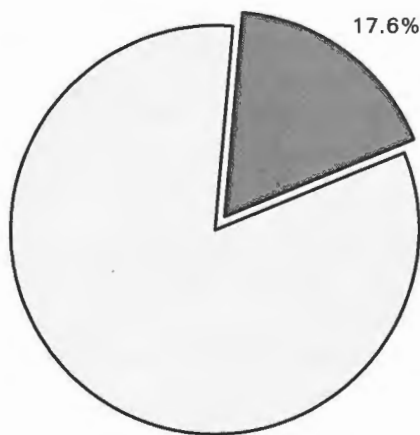
Legislative, Administrative, and Support

Office of the City Attorney
 Office of the City Auditor
 Office of Government Relations
 Bureau of Licenses
 Office of Management and Finance
 Office of the Mayor

Commissioner of Public Affairs
 Commissioner of Public Safety
 Commissioner of Public Utilities
 Commissioner of Public Works
 Special Appropriations

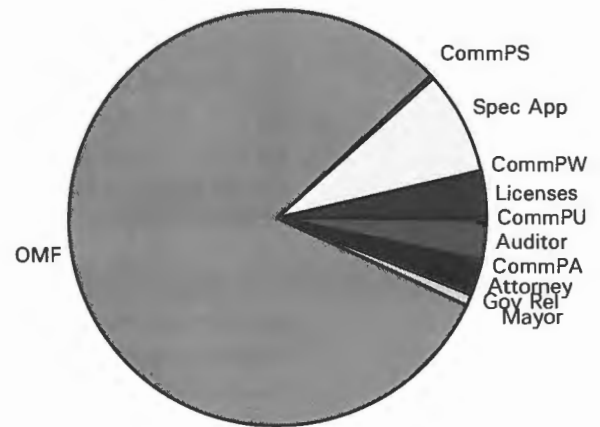
Percent of City Budget

Leg Adm = \$249.5 Million



City Budget = \$1.42 Billion

Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	214,135,050	233,163,610	19,028,560	8.9%
Capital	28,297,034	16,344,260	-11,952,774	-42.2%
Total Expenditures	\$ 242,432,084	\$ 249,507,870	\$ 7,075,786	\$ 2.9%
Authorized Positions	915.85	897.93	-17.92	-2.0%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Service Area Highlights

DESCRIPTION

The Legislative, Administrative, and Support Services service area includes the City's internal support bureaus, the offices of the Mayor, City Auditor, and Commissioners, the Bureau of Licenses, and all Special Appropriations. The internal support bureaus are the Office of the City Attorney, the Office of Government Relations, and the Office of Management and Finance.

MAJOR THEMES

Attorney

The Adopted FY 2005-06 Budget for the City Attorney's Office is \$6,026,174. Major additions include an \$180,579 interagency agreement with the Bureau of Licenses to enhance the collection of delinquent business license accounts and \$162,240 to fund a deputy attorney and half-time legal assistant to work on backlogged labor grievances. The Adopted Budget for the City Attorney also includes a reduction of \$35,871 in external materials and services.

Auditor

The Adopted Budget for the Auditor's Office in FY 2005-06 totals \$7,695,656, an increase of 2.3% over the FY 2004-05 Revised Budget. Additional funding is allocated to continue the intake investigation program and to fund the Officer-Involved Shooting Review study and the neighborhood survey. One new position is added to support the Managing For Results initiative.

Licenses Bureau

In the Mayor's Proposed Budget for FY 2005-06, the Bureau of Licenses became part of the new Revenue Bureau, and was moved organizationally to the Office of Management and Finance. For the Adopted Budget, Council reversed this action, and restored the Bureau of Licenses until further analysis and discussions regarding a revenue bureau could be completed. The Adopted Budget for the Bureau of Licenses includes the addition of four limited term positions and an interagency with the City Attorney's Office to enhance collection of delinquent revenues, as well as reductions of approximately \$180,000 in external materials and services.

Office of Management and Finance

The FY 2005-06 Adopted Budget for the Office of Management and Finance (OMF) totals \$202.1 million. The General Fund portion of OMF's budget equals 23.6% of the bureau's total budget. OMF internal service funds provided rate reductions that resulted in savings to General Fund and non-General Fund bureaus.

Special Appropriations

The FY 2005-06 Adopted Budget reduces all flexible discretionary special appropriations by 5%. All previous Portland Development Commission Special Appropriations are unfunded for FY 2005-06 and appropriation authority is transferred to a General Fund Set-Aside for general city economic development. Twelve new special appropriations were funded with one-time discretionary funding totaling \$5,057,220.

**Mayor and
Commissioner Offices**

The Mayor and four City Commissioner Offices were not exempt from reductions and each took a 2.5% cut from the current appropriation level. Because the largest expense for these offices is personnel, and many materials and services costs are fixed, all offices took a majority of their reduction in personal services.



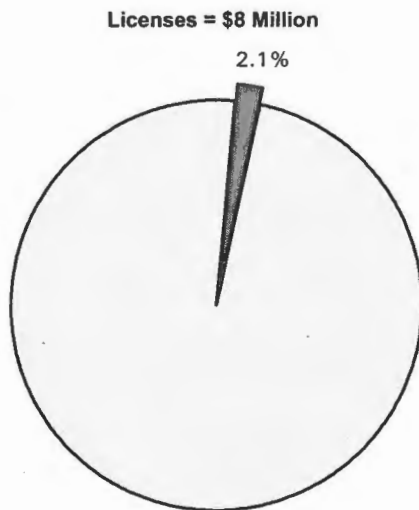
Bureau of Licenses

Legislative, Administrative, and Support Service Area

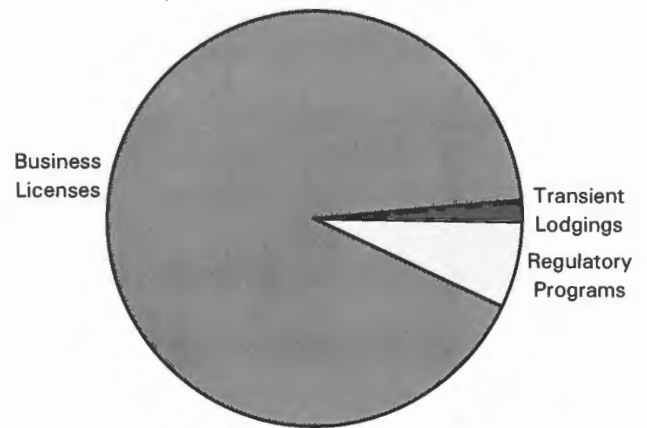
Mayor Tom Potter, Commissioner-in-Charge

Thomas Lannom, Director

Percent of General Fund



Bureau Programs

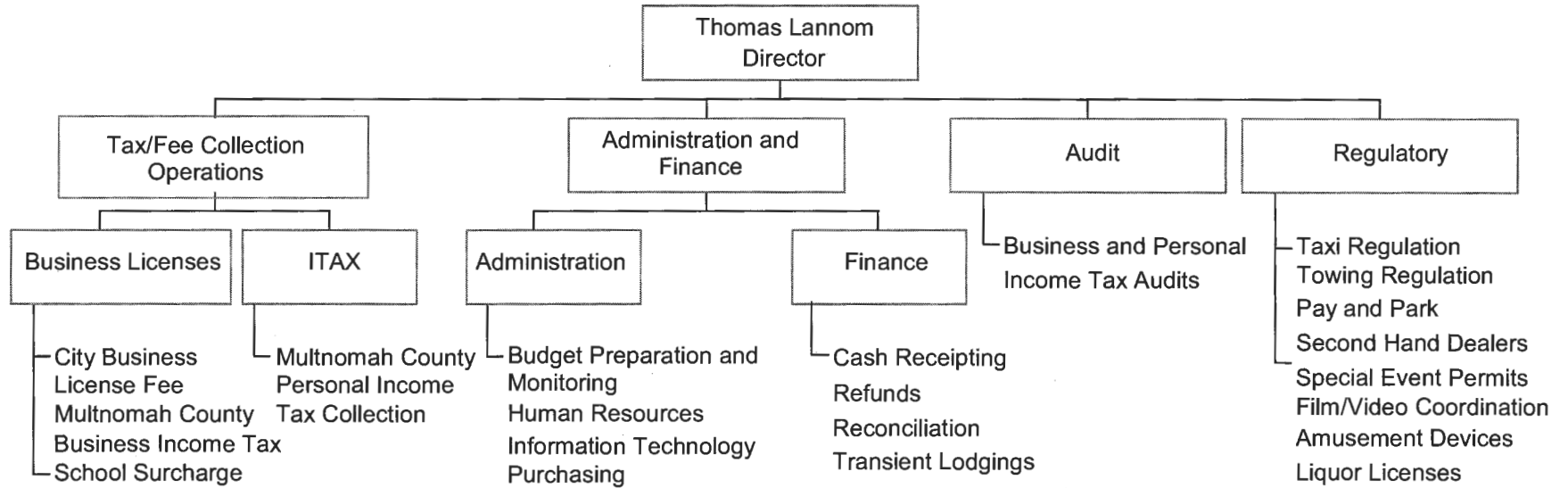


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	7,183,957	7,955,231	771,274	10.7%
Capital	0	0	0	0.0%
Total Expenditures	\$ 7,183,957	\$ 7,955,231	\$ 771,274	\$ 10.7%
Authorized Positions	70.98	61.73	-9.25	-13.0%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau of Licenses



Bureau Summary

BUREAU MISSION

Help create an environment in which people in our neighborhoods, businesses, government, and other agencies work together through common sense licensing, regulation, and revenue collection to promote public safety, support business, and enhance the livability and economic vitality of Portland and surrounding communities.

VISION AND VALUES

Values

The Bureau of Licenses is committed to the following goals related to the Mayor's Bureau Innovation Project:

- ◆ Increasing cultural awareness and diversity of the workforce;
- ◆ Fostering inter-bureau collaboration and working across silos;
- ◆ Enhancing customer service, both internal and external; and
- ◆ Incorporating Managing for Results in bureau operations.

The Bureau of Licenses has established the following values as a means of accomplishing its assigned mission:

- ◆ **Innovation:** Actively seeking better ways to solve problems and provide services.
- ◆ **Flexibility:** Being adaptable to changes in how we do our jobs.
- ◆ **Quality Service:** Being courteous, friendly, caring, accurate, efficient, timely, respectful, and accessible to customers and coworkers.
- ◆ **Diversity:** Being equitable, inclusive, and respectful of different cultures, languages, and the unique nature of individuals.
- ◆ **Professionalism:** Having integrity and honesty, and being well trained, competent, helpful, knowledgeable, respectful, hard working, and conscientious.

BUREAU OVERVIEW

Organizational Description

The bureau has programs in three major areas.

Revenue Collection

The revenue collection program area includes the Business License program through which the consolidated Portland Business License Fee/Multnomah County Business Income Tax is collected. This area also includes the transient lodging tax, business property management license, various regulatory program licenses, and the three-year Multnomah County Personal Income Tax.

Event Coordination

The bureau permits and coordinates with other bureaus, jurisdictions, and agencies on special events such as parades and runs, film and video projects, and other similar types of events within the city limits.

Business Regulation

Licenses administers multiple regulatory programs that regulate towing companies, personal property impounds, for-hire ground transportation companies, pay and park lots, second-hand dealers, and amusement devices.

SUMMARY OF BUDGET DECISIONS

There are two significant changes from the prior year's budget.

Disconnected Youth Employment Program

The City Council passed Resolution No. 36266 on October 27, 2004 which established Council's interest in creating a refundable tax credit program for two tax years to encourage employment of disconnected youth by local businesses. The tax credit program impacts business license net revenues (both revenues and refunds), but is not an expenditure in the Bureau of Licenses budget. The maximum impact in FY 2005-06 is \$100,000.

Enhanced Revenue Collection Capacity Continues

In FY 2002-03, the City Council granted funding for two limited term revenue collection positions. The FY 2005-06 Adopted Budget continues one-time funding for these positions. One-time funding is also provided to continue an interagency agreement with the City Attorney's Office to support one deputy city attorney and one part-time paralegal position to collect chronic delinquent accounts. In addition, the bureau received funding for a one-year data match verification position to find unlicensed businesses in the City of Portland or Multnomah County. Lastly, based on the large number of "prospect" accounts generated by numerous data matches, the Adopted Budget for FY 2005-06 provides one-time funding for 2.0 FTE for the Unlicensed Compliance Team, an increase of 1 FTE. The limited term positions are expected to fund themselves through increased revenue collections.

BUDGET NOTES

The Bureau of Licenses will implement a check-off system that will allow businesses to donate a portion of business license fee refunds to the Regional Arts and Culture Council (RACC) beginning in tax year 2005. The bureau will also amend Administrative Rule 610.93-4 to eliminate the project-by-project apportionment option. Increased revenue resulting from this amendment, estimated at \$200,000 per year, will begin to be collected in FY 2006-07. These increased revenues will be earmarked for matching the donations received through the check-off system for distribution to RACC. The bureau will bring all legal or regulatory amendments required to implement these changes before Council in time for the adjustments to be effective for tax years beginning on or after January 1, 2006.

New license revenues collected through enhanced efforts by the City Attorney's Office and various bureaus will be programmed and tracked separately in the Business License Information System (BLIS). Quarterly reports on the results of the enhanced collection efforts will be submitted as part of the budget monitoring processes.

The Multnomah County Income Tax (ITAX) is scheduled to sunset after the 2006 tax year. The County provides 100% of the funding needed to collect the tax, including funding for some City administrative staff involved in the collection efforts. A financial plan will be submitted during the fall 2005 budget monitoring process that addresses the upcoming loss of these funds. The plan will include an inventory of the ongoing positions currently supported by the County. The plan will also explain how limited term staff assigned to ITAX collection will be phased out.

Strategic Direction

SIGNIFICANT ISSUES

- Business Climate** The biggest challenge facing the Bureau of Licenses in FY 2005-06 will be to improve service levels and revenue collection efficiency and effectiveness for the City and County while working to help facilitate a more business-friendly climate.
- Small Business Support** In cooperation with the Portland Development Commission, City agencies, and members of the business community, the bureau will continue to enhance small business support by advocating for a network of small business liaisons in every bureau in the City. In addition, the bureau will continue to support and participate in the annual Small Business Fair and will provide higher levels of outreach and information to local businesses.
- Workload** The bureau has moved to a seasonal work model that recognizes the three primary annual components of tax collection: tax return processing (April - June), non-filer and delinquent account pursuit (July - February), and new account research and discovery (March). Tax collections staff are closely focused on the seasonality of the work and receive performance feedback tied to seasonal goals. In FY 2004-05, tax collection staff resolved a backlog of 14,000 delinquent and non-filing accounts from tax years 1999 - 2002. In FY 2005-06, only tax year 2004 non-filer and delinquent accounts will require pursuit, enabling bureau collections staff to conduct field surveys in March 2006.
- Refund and credit practices restored.* As a result of accounting changes implemented in 2003 (credits were no longer carried forward), the bureau began processing significant numbers of mandatory tax refunds. This practice was not well received by taxpayers and ceased in 2005.

MANAGEMENT GOALS & OBJECTIVES

The bureau continues to work toward accomplishing the following goals:

- Implement comprehensive e-commerce solutions to decrease collection costs and increase customer service to taxpayers.**
- City Goal: Deliver efficient, effective, and accountable municipal services.**
- Program: Business Licenses**
- The Bureau of Licenses will continue to implement business practices that improve its services to customers and reduce operating costs. Many key initiatives are in the area of e-commerce. Current efforts center on the automation of payment plans, online payments, and online filing. Other efforts include the following:
- ◆ Enhance all staff information technology proficiency, and continue to identify and implement training plans to maintain a highly skilled, technologically proficient, and knowledgeable workforce.
 - ◆ Work with local and regional jurisdictions to identify opportunities for efficiency in the area of revenue collection.
 - ◆ Continue and improve upon a scientific account management model that mirrors the best practices of regional and national tax collection agencies. In particular, the bureau is working to improve automated performance measurement and reporting.
 - ◆ Continue addressing areas for improvement identified in the City audit completed in April 2004.

- ◆ Work with the City Auditor and the Office of Management and Finance to implement Managing for Results.
- ◆ Work with the Office of Management and Finance to successfully establish a Revenue Bureau to centralize cash receipting functions across the City.

**Increase
transportation safety.**

City Goal: Operate and maintain an effective and safe transportation system.

Program: Regulatory

The Bureau of Licenses is responsible for regulating the taxi program for the City, which helps to ensure that safe, reliable transportation services are available to Portland residents and visitors.

Overview of Programs

BUSINESS LICENSES

Description	<p>Through the Business Licenses program, the bureau identifies licensees, processes and validates tax returns, collects fees and tax revenue, and audits a variety of business license fees and taxes paid by businesses in the City of Portland and Multnomah County. The largest of these is the consolidated Portland Business License (BL) / Multnomah County Business Income Tax (MCBIT).</p> <p>Business license revenue is the second largest source of General Fund revenues for the City, with receipts expected to exceed \$44 million in FY 2005-06. An additional \$30 million is anticipated to be collected for the County during the next fiscal year.</p> <p>In addition, this program also includes the Multnomah County Personal Income Tax. In May 2003 the voters of Multnomah County approved a three-year personal income tax to raise approximately \$113,000,000 per year to support funding for schools, public safety, health, and senior and youth programs. The rate for the three tax years is 1.25%. The Bureau of Licenses administers the collection of the tax.</p> <p>For budget purposes, this program also includes the Downtown and Lloyd Property Management programs, which support business improvement districts.</p>
Relationship to Goals	<p>The Business Licenses program is at the core of the mission of the Bureau of Licenses in that it ensures fair and efficient collection of business license revenues for the City's General Fund.</p>
Performance	<p>In FY 2004-05, the Bureau of Licenses initiated focused efforts to identify new businesses, enhanced enforcement efforts to collect license revenues due, and improved use of information technology to make staff work more efficient. The business license fee/tax gap is projected to decline again next year, as are the estimated number of unlicensed businesses. The number of known businesses in compliance is projected to increase.</p>
Changes to Services and Activities	<p>The FY 2005-06 Adopted Budget provides funding to expand the bureau's Unlicensed Compliance Team (from 1.0 FTE to 2.0 FTE) to speed up the identification of unlicensed businesses and the collection of business license revenues from those newly licensed businesses.</p>

REGULATORY PROGRAMS

Description	<p>The Regulatory program involves application issuance, compliance, and regulation of various program permits. Regulatory programs include second-hand dealers, pay and park lots, social games, amusement devices, taxicabs and other for-hire ground transportation, towing, and personal property impounds.</p> <p>Metro is investigating possible regional regulation of all for-hire transportation, which could significantly change this program.</p>
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Regulation of the Liquor Licensing Endorsement program was moved to the Police Bureau and Office of Neighborhood Involvement in FY 2000-01, although the Regulatory program continued to collect the revenue. In FY 2005-06, the Bureau of Licenses will transfer the collection of the license application and renewal fees to the Office of Neighborhood Involvement.

Under intergovernmental agreements, this program also administers contract towing for Portland International Airport and the Multnomah County Sheriff's Office.

Film/video and special event coordination continues as part of the Regulatory program. As smaller events no longer require permits, the bureau will see a decrease in program revenue. The bureau has been directed by Council to pursue a "one stop" film and video permitting process and office.

Relationship to Goals	The different regulatory subprograms managed by the bureau help ensure a safe and livable community. The taxi subprogram directly links to the bureau and City goal of ensuring a safe and efficient transportation system for Portland area citizens and visitors.
Performance	The number of permits issued is growing at a slow rate, and the percent of expenses per permit has remained steady at around .4% for the past few years, despite increases in staff and other operating costs.
Changes to Services and Activities	No significant changes for FY 2005-06.

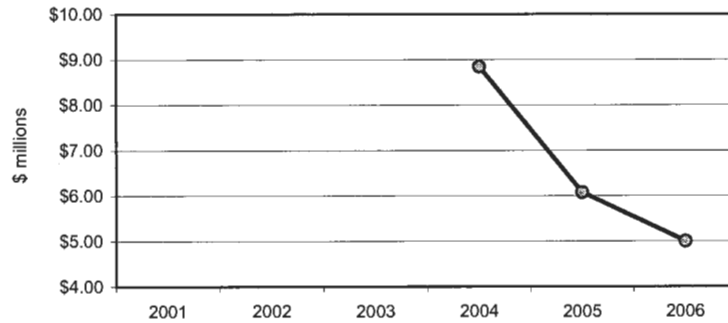
TRANSIENT LODGINGS

Description	<p>The program includes identifying operators subject to the transient lodgings tax, processing and validating tax returns, collecting taxes, auditing accounts for accuracy, maintaining appropriate records, and assisting operators in complying with tax regulations.</p> <p>The bureau continues to collect transient lodging taxes for Multnomah County within the boundaries of Portland. The County added a 2.5% increase to fund the Convention Center expansion, Civic Stadium (PGE Park) renovation, and other projects. The bureau began collecting the increased tax in April 2000.</p> <p>Transient Lodgings tax is the fourth largest source of General Fund revenue for the City, with receipts expected to exceed \$11 million in FY 2005-06. This program also provides approximately \$2.3 million in funding for the Portland Oregon Visitors Association to support tourism activity.</p>
Relationship to Goals	The Transient Lodgings program is part of the bureau's overall mission to efficiently and fairly collect license fees and taxes on behalf of the City of Portland.
Performance	Revenues collected by this program continue to increase at a slow but steady pace, and are estimated at \$25.5 million in FY 2005-06. Relative efficiency (program expenses relative to revenues collected) is projected at 0.7% for next fiscal year.
Changes to Services and Activities	No significant changes for FY 2005-06.

Performance Measures

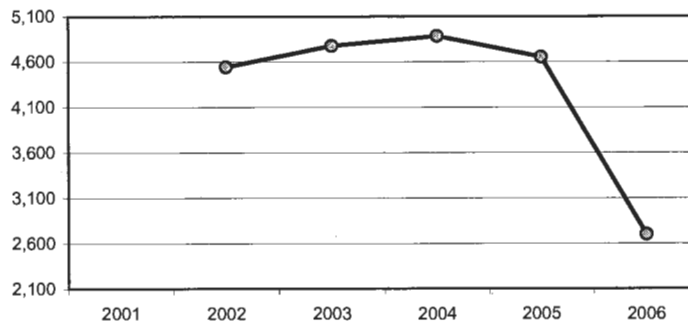
Business License Fee/Tax Gap

- ◆ The "tax gap" is the difference between business licenses and fees owed and the amount paid. This gap is declining due to focused efforts at collection, including legal action.



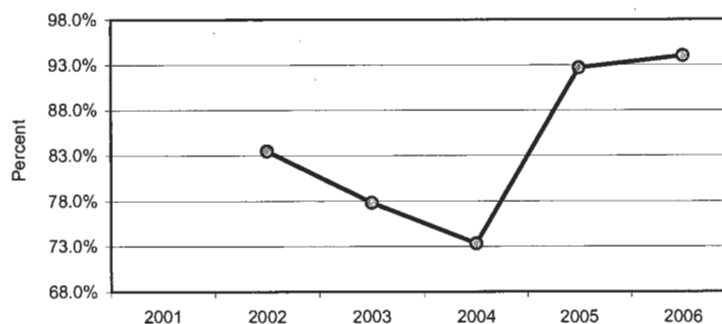
Estimated Number of Unlicensed Businesses

- ◆ The projected decline next fiscal year is due to the fact that City Council has authorized 2.0 FTE to identify unlicensed businesses and bring them into compliance.



Known Businesses in Compliance

- ◆ The projected increase in businesses in compliance with business license regulations is due primarily to focused efforts by the Bureau of Licenses including dedicated staff resources and legal enforcement efforts.



	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF LICENSES						
Business Licenses						
Effectiveness						
Business Licenses - total revenue collected (in millions)	\$99.49	\$80.06	\$71.89	\$77.00	\$62.50	\$69.00
Difference between business taxes and fees paid and owed (in millions)	NA	NA	NA	\$8.85	\$6.07	\$5.00
Percentage of known businesses that comply with City's business license requirements	NA	83.5%	77.8%	73.3%	92.7%	94.0%
Workload						
Income tax revenues collected (in millions)	NA	NA	NA	\$111.00	\$113.00	\$113.00
Tax returns processed	NA	NA	NA	23,270	24,000	24,200
Estimated number of businesses that do not have Portland business licenses	NA	4,542	4,774	4,883	4,652	2,700
Regulatory Programs						
Efficiency						
Regulatory - % of expenses per permit	0.35%	0.36%	0.36%	0.42%	0.41%	0.41%
Workload						
Regulatory permits - no. of permits	1,820	2,055	2,040	2,580	2,604	2,643
Transient Lodgings						
Effectiveness						
Transient lodging tax collected (in millions)	\$25.65	\$23.94	\$23.89	\$24.30	\$25.00	\$25.50
Efficiency						
Transient lodging - % expenses are of revenue	0.55%	0.60%	0.62%	0.73%	0.72%	0.70%

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	2,421,989	3,391,083	5,038,816	4,063,268	4,375,862
External Materials and Services	346,532	934,621	945,205	2,695,190	2,707,190
Internal Materials and Services	893,885	1,662,617	1,185,636	872,179	872,179
Minor Capital Outlay	0	6,995	0	0	0
Equipment Cash Transfers	0	0	14,300	0	0
Total Operating Budget	3,662,406	5,995,316	7,183,957	7,630,637	7,955,231
Capital Improvements	0	159	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 3,662,406	\$ 5,995,475	\$ 7,183,957	\$ 7,630,637	\$ 7,955,231
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	3,662,406	5,995,475	7,183,957	7,630,637	7,955,231
RESOURCES					
Discretionary Revenue	2,371,411	2,353,858	4,243,129	2,539,157	2,851,751
Non-Discretionary Revenues					
Grants & Donations	12,941	0	0	0	0
Contract Revenues	581,181	2,646,559	2,134,996	4,125,246	4,125,246
Interagency Revenues	68,499	364,848	388,436	380,646	438,573
Program Revenue	628,374	630,210	517,396	585,588	539,661
Total Non-Discretionary Revenues	1,290,995	3,641,617	3,040,828	5,091,480	5,103,480
TOTAL GENERAL FUND RESOURCES	\$ 3,662,406	\$ 5,995,475	\$ 7,283,957	\$ 7,630,637	\$ 7,955,231
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Business Licenses	3,140,315	5,275,873	6,493,945	7,069,913	7,299,011
<i>Positions</i>	<i>34.50</i>	<i>56.85</i>	<i>66.48</i>	<i>55.88</i>	<i>55.88</i>
Regulatory Programs	432,804	610,230	611,460	433,889	529,385
<i>Positions</i>	<i>3.50</i>	<i>4.65</i>	<i>4.50</i>	<i>4.40</i>	<i>4.40</i>
Transient Lodgings	89,287	109,372	78,552	126,835	126,835
<i>Positions</i>	<i>0.00</i>	<i>1.50</i>	<i>0.00</i>	<i>1.45</i>	<i>1.45</i>
TOTAL PROGRAMS	\$ 3,662,406	\$ 5,995,475	\$ 7,183,957	\$ 7,630,637	\$ 7,955,231
<i>Positions</i>	<i>38.00</i>	<i>63.00</i>	<i>70.98</i>	<i>61.73</i>	<i>61.73</i>

Bureau of Licenses AU 316

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	10.00	11.00	0.00	0.00	0.00	0.00	0.00	0.00
0104	Office Supp Spec III	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0335	Print & Dist Tech Lead	0.00	0.00	1.00	24,720	1.00	25,308	1.00	25,308
6206	Senior Revenue Auditor	0.00	0.00	3.00	197,784	3.00	205,896	3.00	205,896
7360	Accounting Supervisor	1.00	1.00	1.00	69,468	1.00	69,468	1.00	69,468
7103	Administrative Assistant	0.00	0.00	0.00	0.00	1.00	61,752	1.00	61,752
0926	Administrative Services Manager	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2532	Applications Analyst II	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7112	Business Operations Manager	0.00	0.00	1.00	75,792	1.00	85,464	1.00	85,464
7121	Business Systems Analyst	0.00	3.00	2.00	121,344	1.00	61,836	1.00	61,836
2202	Code Specialist II	6.00	7.00	0.00	0.00	0.00	0.00	0.00	0.00
2207	Code Specialist, Lead	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00
7377	Financial Analyst, Senior	0.00	1.00	1.00	68,448	1.00	71,256	1.00	71,256
7028	License Bureau Director	1.00	1.00	1.00	106,164	1.00	106,572	1.00	106,572
7415	Licensing Division Manager	0.00	2.00	1.00	84,036	1.00	85,653	1.00	85,653
7410	Licensing Operations Supervisor	0.00	1.00	3.00	191,640	2.00	136,393	2.00	136,393
7412	Licensing Services Development C	0.00	1.00	2.00	117,099	1.00	65,538	1.00	65,538
0536	Management Auditor	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7154	Program Coordinator	0.00	0.00	1.00	67,164	1.00	69,012	1.00	69,012
0966	Program Coordinator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7156	Program Manager	0.00	0.00	0.00	0.00	1.00	72,276	1.00	72,276
0964	Program Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2222	Regulatory Program Administrator	3.00	3.00	3.00	187,128	3.00	187,848	3.00	187,848
2221	Regulatory Program Specialist	0.00	0.00	1.00	44,560	1.00	46,668	1.00	46,668
2232	Revenue & Tax Specialist III	0.00	6.00	6.00	255,404	6.00	270,660	6.00	270,660
2234	Revenue & Tax Specialist Lead	0.00	0.00	2.00	82,464	0.00	0	0.00	0
2230	Revenue & Taxation Specialist I	0.00	0.00	3.00	96,249	3.00	106,627	3.00	106,627
2231	Revenue & Taxation Specialist II	0.00	13.00	0.00	0.00	0.00	0.00	0.00	0.00
2233	Revenue & Taxation Specialist IV	0.00	1.00	5.90	280,344	5.90	293,544	5.90	293,544
2235	Revenue & Taxation Specialist V	0.00	2.00	6.00	288,771	6.00	306,906	6.00	306,906
7405	Revenue Audit Supervisor	0.00	1.00	1.00	76,104	1.00	76,379	1.00	76,379
7403	Revenue Auditor, Senior	0.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00
0952	Senior Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0537	Senior Management Auditor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		38.00	63.00	44.90	\$ 2,434,683	41.90	\$ 2,405,056	41.90	\$ 2,405,056
6205	Revenue Auditor	0.00	0.00	1.00	55,032	1.00	56,912	1.00	56,912
7106	Administrative Supervisor I	0.00	0.00	0.00	0.00	1.00	46,716	1.00	46,716
2202	Code Specialist II	0.00	0.00	0.50	19,626	0.00	0.00	0.00	0.00
2232	Revenue & Tax Specialist III	0.00	0.00	7.00	263,654	7.25	300,394	7.25	300,394
2230	Revenue & Taxation Specialist I	0.00	0.00	4.00	127,887	1.33	46,140	1.33	46,140
2231	Revenue & Taxation Specialist II	0.00	0.00	10.00	376,932	5.25	210,091	5.25	210,091
2233	Revenue & Taxation Specialist IV	0.00	0.00	3.58	146,789	4.00	180,156	4.00	180,156
TOTAL LIMITED TERM POSITIONS		0.00	0.00	26.08	\$ 989,920	19.83	\$ 840,409	19.83	\$ 840,409

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	7,671,556	0	7,671,556	60.73	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	0	140,000	140,000	2.00	Cont. 2 ltd term pos to collect delinquent revenue
	0	180,579	180,579	0.00	City Attorney position to collect delinquent revenue
	0	140,000	140,000	2.00	Ltd term data match pos to collect delinquent rev
	(129,004)	0	(129,004)	0.00	5% reduction package
	(59,900)	0	(59,900)	0.00	Additional cut in external m&s
Approved Budget Additions and Reductions					
	12,000	0	12,000	0.00	Transfer from Taxi Fund for administration
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(176,904)	460,579	283,675	1.00	Total FY 2005-06 Decision Packages
			\$ 7,955,231	61.73	Total Adopted Budget

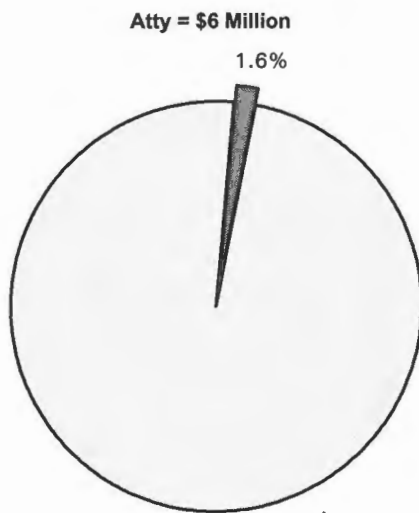
Office of the City Attorney

Legislative, Administrative, and Support Service Area

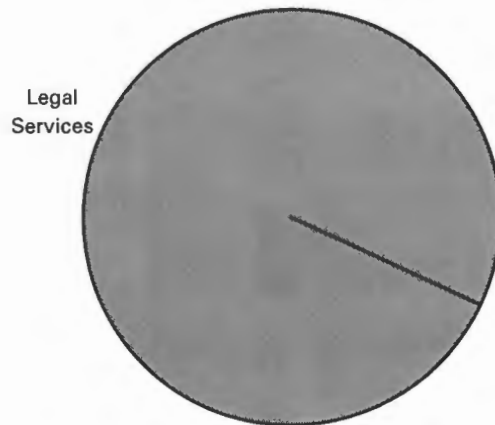
Mayor Tom Potter, Commissioner-in-Charge

Linda Meng, City Attorney

Percent of General Fund



Bureau Programs

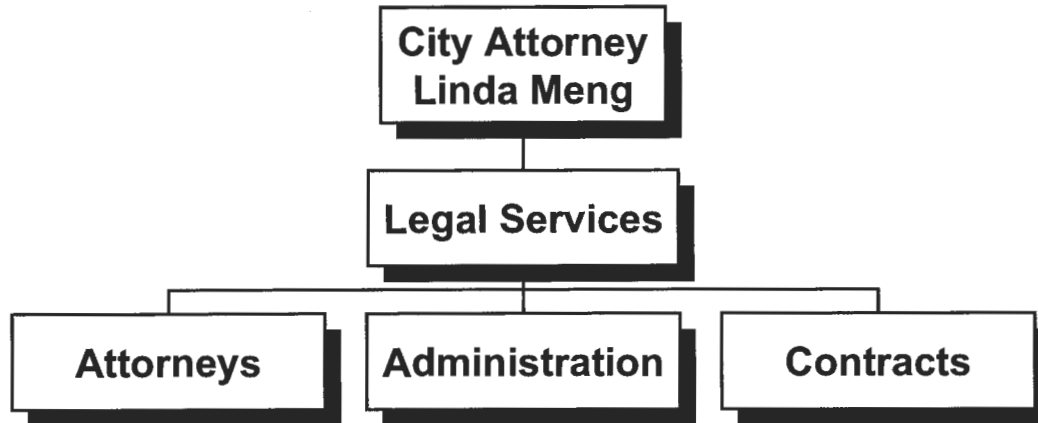


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	5,571,515	6,026,174	454,659	8.2%
Capital	0	0	0	0.0%
Total Expenditures	\$ 5,571,515	\$ 6,026,174	\$ 454,659	\$ 8.2%
Authorized Positions	43.77	46.85	3.08	7.0%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Office of the City Attorney



Bureau Summary

BUREAU MISSION

The mission of the City Attorney's office is to help the City achieve its policy goals in the public interest by providing excellent, objective, timely, and economical legal advice and advocacy unaffected by politics, personalities, or self-interest.

BUREAU OVERVIEW

The office provides many types of legal services.

The City Attorney is appointed by the City Council. The City Attorney's Office provides legal services and programs for its client, the City of Portland.

The office handles work generated by the City Council, City bureaus, employees, and citizens who bring claims or actions against the City. This includes defending the City in court, initiating legal actions when appropriate in the public interest, handling other judicial and quasi-judicial actions, negotiating and reviewing contracts, reviewing policies and programs, providing legal advice and counsel, producing formal opinions, and performing any other legal services needed.

Legal obligations are created by City Code, state statutes, regulations, administrative requirements, and federal law. In addition, the Oregon State Bar establishes ethical professional requirements that govern lawyers and the work performed for the City and City officials.

The office works on a wide range of subjects such as constitutional aspects of municipal legislation, personnel and labor law issues, tort claims, workers' compensation, construction, land use litigation and planning, environmental issues, and code enforcement. The office also works on police and public records issues, fire and safety requirements, telecommunications, utilities and license fees, collecting revenues owed to the City, and franchises and contracts.

Consultive work includes advising, advocating, analyzing and reviewing activities and materials, negotiating agreements, drafting documents and legal instruments, and assisting in policy development and program implementation as requested and needed. Attorneys and paralegals work with City Council members and their staff, officials, and bureaus to find legally acceptable ways to achieve the City's objectives.

Preventive law plays an important part in managing the City's legal needs and avoiding problems. Legal services are affected by decisions made by City government, other municipalities and government entities, and private parties. Legal issues usually originate outside of the office's direct control. The City Attorney's office works with the Council members and bureau managers to resolve any legal issues that may be associated with City projects, and to assist in the successful completion of those projects.

Sources of program funding

The office is supported by General Fund discretionary resources, City overhead revenues, and interagency agreements. These funds support office operations through personnel, materials, services, and overhead expenses. Interagency agreements with selected agencies support additional specialized legal work in specific areas. Over 82% of the City Attorney's costs are for personal services. The office currently has 38.70 authorized full-time positions and a total of 4.15 authorized part-time positions. The office's indirect overhead costs are substantially lower than those in private sector law firms and other law offices.

SUMMARY OF BUDGET DECISIONS

Budget Decisions

The Adopted Budget supports ongoing funding of a deputy attorney and part-time legal assistant to work on issues related to labor arbitration and training. The office has a backlog of cases that are currently being processed, and the Council has requested additional training for bureaus. This total package is \$162,240.

The Adopted Budget approves continuing one-time funding of a full-time deputy city attorney and part-time paralegal assistant to work on delinquent business license accounts. The salaries for the positions, plus material and services, are funded through an interagency with the Bureau of Licenses totaling \$180,579.

Additionally, the Attorney's office is providing legal services to the Fire and Police Disability and Retirement Fund (FPD&R). The 25% of an attorney position and associated materials and services are being funded through an interagency agreement with FPD&R totaling \$51,547.

Budget reduction

The Adopted Budget includes a reduction in external material and services totaling \$35,871. The office is committed to continuing to provide the current level of service.

Revenue

Interagency agreements currently represent 49% of the total operating budget of the City Attorney's Office. The remainder of the Adopted Budget is supported by General Fund discretionary revenue (28%) and General Fund overhead recovery revenue (23%).

The Bureau of Risk Management has agreed to fund one additional FTE through an interagency agreement this coming fiscal year. The position is currently funded through General Fund dollars.

Strategic Direction

SIGNIFICANT ISSUES

A continuing major issue the City Attorney's office faces is adapting to the City's increasing legal needs with limited City resources. The City's legal work is not optional; it must be done as needed. The two options that exist for meeting the City's legal workload include the utilization of City lawyers or more expensive outside counsel.

Cost Control

The City's legal costs have increased in recent years as the City has hired outside firms to handle overflow work. Although there have been large fluctuations in recent years, outside counsel costs are generally following an upward trend.

*Two ways to cut costs:
increase paralegal use and
decrease outside counsel use*

Another effective way to control the City's legal costs is to maximize the use of paralegal assistants and other non-attorney staff. In recent years the office has added paralegals as a more efficient way to handle some legal work.

MANAGEMENT GOALS & OBJECTIVES

Long-Term Goals

The Office of the City Attorney has established six management goals, which support the City goal of delivering efficient, effective, and accountable municipal services.

Program: Legal Services

- ◆ *City Attorney goal 1: Ensure timely and knowledgeable legal advice to council and bureaus.*
 - ❖ This will be achieved by performing top quality and professional work that is unaffected by politics or personalities
- ◆ *City Attorney goal 2: Pursue aggressive cost controls and expenditure restrictions to decrease costs and promote efficiencies.*
 - ❖ This initiative includes reducing reliance on outside counsel services that are more expensive to the City and updating office technology to reduce cost and increase efficiency
- ◆ *City Attorney goal 3: Identify legal risks.*
 - ❖ Identify legal risks and remedy legal problems, while nonetheless encouraging prudent risk taking. When the City encounters legal obstacles, propose alternative, legally acceptable ways to accomplish public objectives
- ◆ *City Attorney goal 4: Promote workplace diversity.*
 - ❖ Provide training and advice to assist in implementation of City policies on workplace diversity, and provide opportunities to increase office diversity as well as provide for office personnel to participate in Citywide diversity and training activities.
- ◆ *City Attorney goal 5: Provide cross training to bureaus.*
 - ❖ Provide cross-bureau training, advice, and legal representation to assure consistent and coordinated City services and management of City operations.
- ◆ *City Attorney goal 6: Provide excellent customer service.*
 - ❖ Provide courteous and timely referrals and response to citizen inquiries

Overview of Programs

LEGAL SERVICES

All bureau staff work within the Legal Services program.

The City Attorney's budget has one budget program that includes personnel, administrative, and overhead costs. The Legal Services program includes the following personnel: the City Attorney, Chief Deputies, Deputy City Attorneys, Paralegal Assistants, Legal Assistants, and Administrative Staff. All provide legal work directly to the City Council, bureaus, agencies, and program managers.

Legal Services represents the City in court litigation, administrative proceedings, appeals, and other judicial processes. This program also provides advice, consultation, and research on issues and questions regarding municipal operations and programs, contract negotiation, and training.

Relationship to Goals

The Legal Services program supports the City goal of delivering efficient, effective, and accountable municipal services.

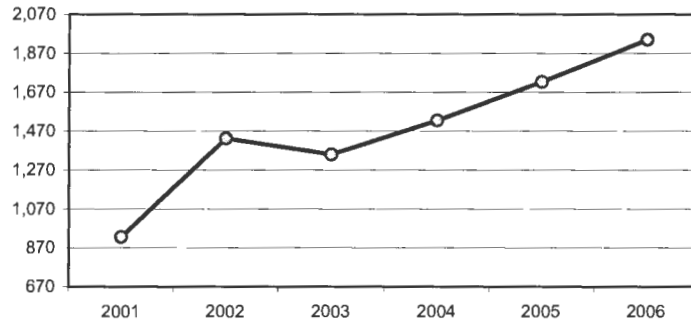
Performance

The cost for legal services in the City Attorney's office remains significantly lower than outside legal services. The total number and complexity of cases in which the City Attorney's office has represented the City continues to increase.

Performance Measures

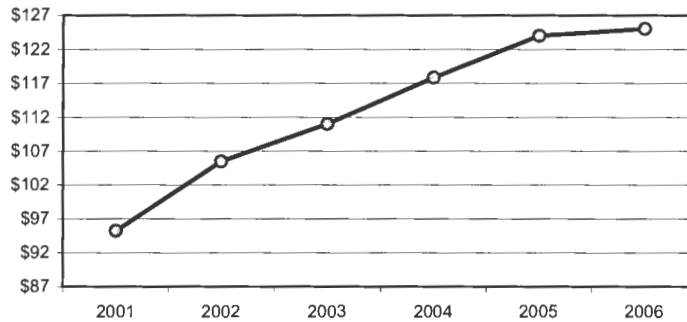
Litigation Cases

- ◆ Numbers, complexity, and cost of litigated cases have increased.



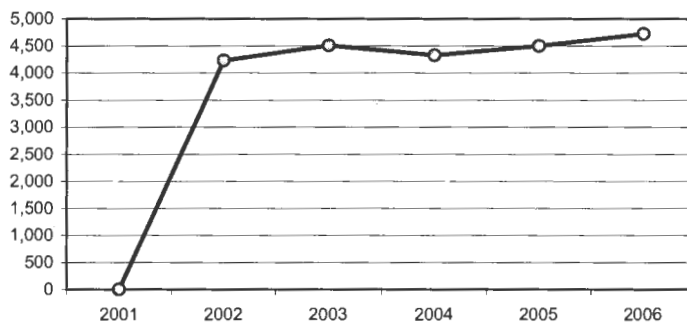
Hourly Rates

- ◆ The office's fully loaded hourly rate includes direct expenses for staff and materials.



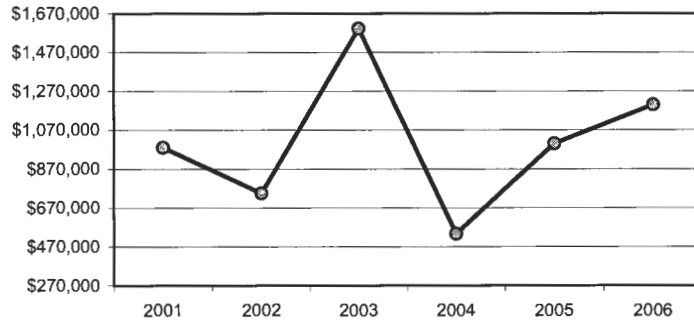
Contracts Reviewed and Approved

- ◆ The City Attorney's Office reviews contracts for accuracy and completeness.



Outside Legal Expense

- ◆ Outside counsel costs increased dramatically in FY 2002-03 and continue to be high.



	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF THE CITY ATTORNEY						
Legal Services						
Workload						
Litigation Cases	925	1,432	1,350	1,525	1,723	1,940
Legal Documents Pages	34,500	26,430	20,370	21,365	22,433	23,500
Hourly Rate	\$95	\$105	\$111	\$118	\$124	\$125
Contracts Review and Approval	NA	4,229	4,505	4,325	4,498	4,723
Outside Legal Expense	\$980,000	\$744,487	\$1,592,000	\$536,802	\$1,000,000	\$1,200,000

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	4,187,510	4,265,615	4,644,407	4,965,703	4,965,703
External Materials and Services	231,392	230,917	351,343	423,931	423,931
Internal Materials and Services	447,570	548,245	566,365	636,540	636,540
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	3,000	0	9,400	0	0
Total Operating Budget	4,869,472	5,044,777	5,571,515	6,026,174	6,026,174
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 4,869,472	\$ 5,044,777	\$ 5,571,515	\$ 6,026,174	\$ 6,026,174
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	4,869,472	5,044,777	5,571,515	6,026,174	6,026,174
RESOURCES					
Discretionary Revenue	1,427,019	1,493,018	1,647,071	1,733,905	1,779,280
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	2,224,942	2,419,227	2,666,344	2,934,149	2,934,149
Program Revenue	10,369	4,565	0	0	0
Overhead Recovery	1,207,142	1,127,967	1,258,100	1,358,120	1,312,745
Total Non-Discretionary Revenues	3,442,453	3,551,759	3,924,444	4,292,269	4,246,894
TOTAL GENERAL FUND RESOURCES	\$ 4,869,472	\$ 5,044,777	\$ 5,571,515	\$ 6,026,174	\$ 6,026,174
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Legal Services	4,869,472	5,044,777	5,571,515	6,026,174	6,026,174
<i>Positions</i>	<i>38.00</i>	<i>37.00</i>	<i>43.77</i>	<i>46.85</i>	<i>46.85</i>
TOTAL PROGRAMS	\$ 4,869,472	\$ 5,044,777	\$ 5,571,515	\$ 6,026,174	\$ 6,026,174
<i>Positions</i>	<i>38.00</i>	<i>37.00</i>	<i>43.77</i>	<i>46.85</i>	<i>46.85</i>

Office of the City Attorney AU 312

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	1.00	1.00	1.00	32,054	1.00	34,344	1.00	34,344
0924	Administrative Supervisor III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0962	Assistant Program Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0714	Chief Deputy City Attorney	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0715	City Attorney	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7030	City Attorney	0.00	1.00	1.00	129,360	1.00	137,949	1.00	137,949
7483	City Attorney, Chief Deputy	0.00	2.00	2.00	233,496	2.00	234,408	2.00	234,408
7481	Deputy City Attorney	0.00	9.00	9.70	843,648	12.70	1,136,913	12.70	1,136,913
0711	Deputy City Attorney II	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0712	Deputy City Attorney III	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7482	Deputy City Attorney, Senior	0.00	11.00	10.70	1,103,160	9.70	1,033,398	9.70	1,033,398
7377	Financial Analyst, Senior	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
2543	Information Systems Analyst III	1.00	1.00	1.00	70,872	1.00	71,796	1.00	71,796
7487	Law Office Administrator	0.00	1.00	1.00	76,104	1.00	76,404	1.00	76,404
7475	Legal Assistant	0.00	5.00	4.50	258,036	5.50	300,870	5.50	300,870
0240	Legal Assistant	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7476	Legal Assistant, Senior	0.00	2.00	2.90	180,168	2.90	177,273	2.90	177,273
7489	Legal Contract Analyst	0.00	1.00	1.00	85,464	1.00	85,800	1.00	85,800
7477	Paralegal	0.00	1.00	1.00	62,292	2.00	93,804	2.00	93,804
0709	Paralegal Assistant	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7478	Paralegal, Senior	0.00	1.00	1.90	127,440	1.90	130,380	1.90	130,380
0971	Program Manager III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0713	Senior Deputy City Attorney	13.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0828	Senior Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		38.00	37.00	38.70	\$ 3,274,370	42.70	\$ 3,585,903	42.70	\$ 3,585,903
0102	Office Supp Spec II	0.00	0.00	0.50	13,778	0.50	15,960	0.50	15,960
7481	Deputy City Attorney	0.00	0.00	0.50	46,980	0.50	49,545	0.50	49,545
7482	Deputy City Attorney, Senior	0.00	0.00	0.80	81,564	0.80	85,260	0.80	85,260
7475	Legal Assistant	0.00	0.00	1.00	38,496	1.00	38,652	1.00	38,652
7478	Paralegal, Senior	0.00	0.00	1.35	86,292	1.35	85,143	1.35	85,143
TOTAL PART-TIME POSITIONS		0.00	0.00	4.15	\$ 267,110	4.15	\$ 274,560	4.15	\$ 274,560
7481	Deputy City Attorney	0.00	0.00	0.92	69,322	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.92	\$ 69,322	0.00	\$ 0	0.00	\$ 0

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

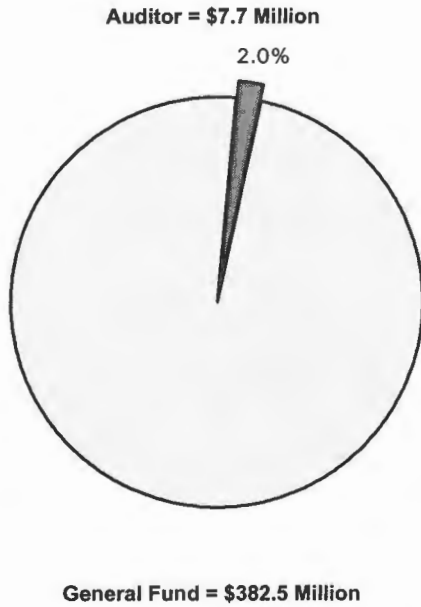
ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	5,590,044	0	5,590,044	43.85	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	15,717	0	15,717	0.00	Discretionary Adj-OMF Interagency Changes
	0	13,233	13,233	0.00	General Fund Overhead Adjustment
	0	(20,123)	(20,123)	0.00	IA Reductions
	0	68,808	68,808	0.00	Adjustment to Risk IA
Adopted Budget Decisions	(35,871)	0	(35,871)	0.00	External Materials and Services Reduction
	0	180,579	180,579	1.50	Positions for Business License Collections
	162,240	0	162,240	1.50	Labor Attorney and Legal Assistant
	0	51,547	51,547	0.00	FPD&R Legal Assistance
Approved Budget Additions and Reductions	0	0	0	0.0	None
Adopted Budget Additions and Reductions	0	0	0	0.0	None
	142,086	294,044	436,130	3.0	Total FY 2005-06 Decision Packages
			\$ 6,026,174	46.85	Total Adopted Budget

Office of the City Auditor

Legislative, Administrative, and Support Service Area

Gary Blackmer, City Auditor

Percent of General Fund



Bureau Programs

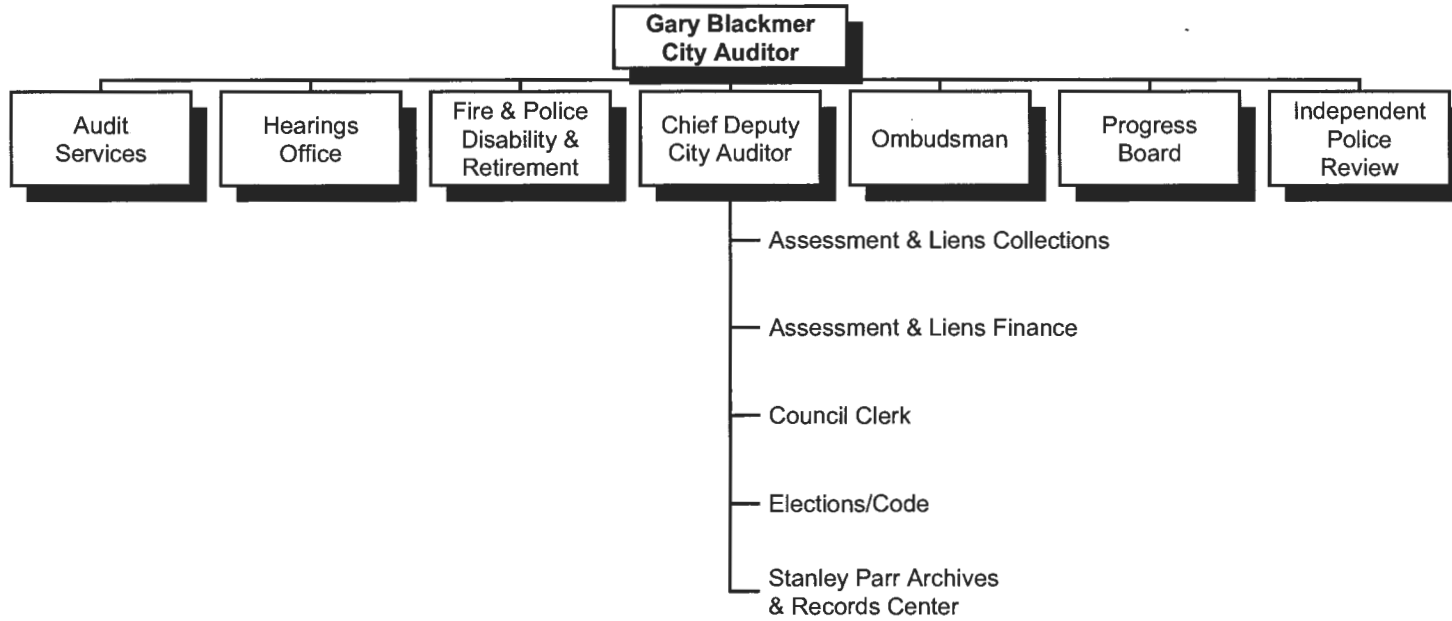


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	7,139,335	7,695,656	556,321	7.8%
Capital	0	0	0	0.0%
Total Expenditures	\$ 7,139,335	\$ 7,695,656	\$ 556,321	\$ 7.8%
Authorized Positions	64.48	67.40	2.92	4.5%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Office of the City Auditor



Bureau Summary

BUREAU MISSION

The mission of the City Auditor's Office is to foster open and accountable government. This is accomplished by providing access to City information, and conducting independent and impartial reviews that promote fair, efficient, and quality services.

VISION AND VALUES

The vision of the Auditor's Office is that citizens will have increased confidence in City government knowing that an independent Auditor's Office is working to improve City services and public access to information. The Auditor's Office has the following values:

- ◆ We value independence, objectivity, and fairness in the Auditor's Office so it can fulfill its important role in the commission form of government.
- ◆ We value professionalism in the quality of our work and our interactions with each other, other bureaus, and the public.
- ◆ We value open and accountable government to achieve continuous improvement in City services to the public.

BUREAU OVERVIEW

Organizational Description

The City Auditor is an elected official of the City of Portland. In the commission form of government, the Auditor provides accountability for the use of public resources and access to information for all Council members and the public. The Auditor is required by City Charter to be professionally certified and is prohibited from running for any other elected City position while in office.

The City Charter assigns the Auditor a variety of responsibilities. These responsibilities include conducting financial and performance audits, supervising City elections, maintaining all official business records of the City, providing official certifications, assessing and collecting liens, and serving as the secretary of the Fire and Police Disability and Retirement (FPD&R) system.

The FY 2005-06 Adopted Budget includes one additional position in the Campaign Finance Fund. This position will be assigned to the Auditor's Office, and funded by the Campaign Finance Fund.

SUMMARY OF BUDGET DECISIONS

FPD&R - Eliminate One Position

The Adopted Budget for FY 2005-06 eliminates one legal advisor position within the Fire and Police Disability and Retirement Fund. The work that was assigned to this position will be performed by the City Attorney's Office through an interagency agreement, and assistance from outside legal counsel. The elimination of this position is reflected in the Auditor's Office budget; the interagency and professional services increase is reflected in the FPD&R budget.

Independent Police Review Program

The Adopted Budget for FY 2005-06 provides sufficient funding for the Auditors' Office to continue managing the intake investigation process. The budget also includes ongoing funding for one full-time clerical position and a half-time assistant IPR manager. These positions were approved in the Auditor's Office FY 2004-05 budget, but were funded with one-time money. With these positions, the intake investigators can keep current with complaints and maintain the timeliness and involvement in investigations.

IPR - Officer-Involved Shooting Review

The City Council requested that the Auditor's Office complete an Officer-Involved Shooting Review on an annual basis. The Adopted Budget includes \$50,200 in ongoing funds for this study and related materials and services costs. This was approved in the Auditor's Office FY 2004-05 budget, but with one-time funds. The report for FY 2005-06 will review 12 to 15 shootings, report any policy recommendations not already identified, and advise on bureau efforts to implement the recommendations.

FPD&R - Add Two Positions

Two new positions for the Fire and Police Disability and Retirement Fund are included in the Adopted Budget. These positions are needed to help manage disability costs and complex monthly claims that involve multiple medical conditions and vocational rehabilitation. This add package is for \$154,272 and is funded with an interagency agreement between the FPD&R Fund and the Auditor's Office.

Audit Services - Add One Position for Managing for Results

To support the Managing for Results responsibilities, the Adopted Budget adds one management auditor to help sustain the Audit Services Division's performance audit duties while other experienced auditors help design and develop guidelines to assist City bureaus implementing and improving performance management and measurement systems. This position is approved in the budget with one-time funds.

Audit Services Neighborhood Survey

For over a decade the Auditor's Office has conducted an annual survey of citizens satisfaction with services, but the sample is not large enough to be of optimal value to the neighborhood associations. By increasing the sample size, bureaus and neighborhood associations can identify needs and priorities and incorporate the results into the Managing for Results initiative. Ongoing funding of \$50,000 is included in the Adopted Budget for added postage, printing, and data entry costs to alternately survey half the neighborhoods each year. An additional \$50,000 in one-time funding is included to provide an initial citywide baseline.

Campaign Finance Reform

The City Council approved Ordinance #179258 which created a voluntary campaign finance system. This Ordinance directs the City Auditor to develop and adopt Administrative Rules to implement the voluntary campaign finance system for the May 2006 primary election starting in September 1, 2005. The Auditor is responsible for disbursing funds to qualifying applicants according to the Code provision and will administer the Campaign Finance Fund for this purpose. This fund has an annual appropriation of \$1,296,000 to disburse funds to qualifying applicants and pay for associated administrative costs.

BUDGET NOTES

Council requests that the Auditor's Office assess whether the Managing for Results management auditor position is needed primarily for implementation of improved performance measures or for ongoing performance measure audits. Council requests a report from the Auditor's Office on this issue by December 2005. The position is funded with one-time monies in the FY 2005-06 Adopted Budget and will be reevaluated for FY 2006-07 funding based on Council priorities.

Strategic Direction

SIGNIFICANT ISSUES

- Accountability** Public distrust and dissatisfaction with government is a frequently expressed sentiment. Portland has long been a leader in accountability, in part through the efforts of the Auditor's Office.
- Managing Wisely** The City of Portland faces challenging times: growing resource constraints, changing public demands, and increasing government complexity. Working in partnership with the Bureau of Planning, Office of Management and Finance, and other City bureaus, the Auditor's Office will provide technical advice and assistance to implement Managing for Results.
- Space Shortage at SPARC** The Stanley Parr Archives and Records Center (SPARC) is approximately 99.5% full and requires constant space monitoring. The e-files system at SPARC has a space management component that has assisted with this challenge. However, this system will only partially address future storage demands, which are affected by internal and external factors like decreasing storage space in bureau offices and changes in local, state, and federal record keeping requirements. The Auditor's Office will begin exploring options for additional storage in FY 2005-06.
- Rising Public Expectations for Access to City Information** The increased popularity of the internet is creating a public expectation of access to City information through that medium. The Auditor's Office has expanded its use of the internet to reduce printing and mailing costs and to distribute information such as the City Charter and Code, Portland policy documents, elections information, Council agendas, ordinances, records requests, and audit reports.
- Successful School Efforts** A well-educated public is key to a fulfilled citizenry, civic engagement, economic development, and healthy families. Deep cuts in state funding for schools require that public resources be wisely allocated. Portland and Multnomah County leaders helped schools overcome a funding shortfall in the short term, but continued attention is necessary.
- The Portland Multnomah Progress Board monitors key indicators of community well-being and is also a census affiliate, helping City, County, and school managers understand demographic impacts on housing needs, transportation patterns, park and recreation activities, foreign language needs, economic development opportunities, and other services affected by demographic shifts. The staff have also been assisting the Leaders Roundtable and school principals to improve third grade reading scores.
- A three-year tax increase approved in the May 2003 election included funds for the Multnomah County Auditor and Portland Auditor to review school district efforts. Funding provides for two additional audit staff located in the County Auditor's Office. The two elected auditors will continue to supervise audits of school district activities to identify improvements.
- Lien Accounting System Migration** The Auditor's Office Lien Accounting System is over 10 years old. The office will prepare a plan to migrate the system to a different platform during the next fiscal year.

MANAGEMENT GOALS & OBJECTIVES

City and Auditor's Office Goals

The Auditor's Office has established five management goals to support the City goal of delivering efficient, effective, and accountable municipal services. The Auditor's Office has established two management goals to support the City goal to improve the quality of life in neighborhoods.

City Goal:

Deliver efficient, effective, and accountable municipal services.

Program: Audit Services

Bureau Goal: To improve City accountability and performance, we report our independent and impartial reviews, conclusions, and recommendations.

Major Initiative: Implement Managing for Results system

Audit Services will be helping the City to implement a Managing for Results system by offering training and data verification of performance measures. Additional one-time funding was provided to conduct satisfaction surveys at a neighborhood association level, and to hire an auditor to assist in the implementation of Managing for Results.

Program: Independent Police Review

Major Initiative: A formal review of the system

The Independent Police Review division will utilize the results of an expert review to enhance its efforts.

Program: City Recorder

Bureau Goals: 1) Ensure open and transparent City Council deliberations by preparing fair and impartial agendas, adequately notifying the public, advising on proper proceedings, and producing a clear and accurate record. 2) Provide accountability by ensuring public access to the City's records in compliance with the law. 3) To limit City liability by reviewing each bureau contract for conformance with code and charter requirements before certifying the contract is legally binding.

Major Initiative: Implement E-Files system

The Archives and Records Management division will begin implementing the E-Files (an electronic records management system) on a Citywide basis. In addition, the public will receive online access to the City's archives.

Major Initiative: Public access

The Council division will explore and develop a means for public online access to documentation about weekly agenda items.

Program: Hearings Office

Major Initiative: City Code rewrite

The Hearings Office will be revising the appeals and hearings processes to be more uniform and easy to apply.

Program: Ombudsman Office

Major Initiative: Inclusion in the City Charter

Charter authority for the Ombudsman would assist in protecting and preserving this independent function for accountability.

Program: Portland Multnomah County Progress Board

Major Initiative: Develop the City's strategic plan

The Portland Multnomah Progress Board will assist the team developing the City's vision and strategic plan, provide liaison with other jurisdictions and the business community, and the various efforts to enhance the tracking of economic indicators.

Program: Management Services

Major Initiative: Campaign Finance System and all Auditor's Office program initiatives

The City Council passed Ordinance #179258 establishing a voluntary campaign finance system for Auditor, City Commissioner, and Mayoral elections. The Management Services Program is responsible for implementing this new program. The Management Services Program also guides and supports all the other program initiatives in the Auditor's Office.

City Goal

To improve the quality of life in the neighborhoods

Program: Liens and Assessments

Bureau Goal: To promote neighborhood livability, we assess liens on property to finance improvements, and penalize code violations, collect and record lien payments owed to the City, and provide timely responses to delinquencies and lien information requests.

Overview of Programs

OMBUDSMAN OFFICE

The Office of the Ombudsman is an independent, impartial office that investigates the administrative acts of City agencies in a non-adversarial manner. When warranted, the office recommends appropriate changes to promote higher standards of competency, efficiency, and justice in the provision of City services. The Ombudsman has access to all public records, but has no authority to issue a directive or reverse a decision.

The Ombudsman's job is to investigate complaints and determine whether the City has acted fairly and efficiently. If a complaint is justified, staff will work with the citizen and the agency to find a fair solution and may recommend changes in policies or procedures to avoid subsequent problems. If a complaint is not justified, the office will explain the reasoning and the public interest implications to the citizen. This helps protect employees from unfounded criticism. The Ombudsman plays a significant role in making sure citizen concerns are addressed, and helps avoid more costly conflicts. The office is committed to increasing trust in local government.

Relationship to Goals The Ombudsman Office supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance, by reporting its independent and impartial reviews, conclusions, and recommendations.

Performance The Ombudsman Office opened 300 complaints in FY 2003-04 and project that the office will receive 350 complaints in FY 2005-06. In FY 2003-04, 67% of citizens were satisfied with a timely response to their complaint; the goal for FY 2005-06 is 80%. In FY 2003-04 70% of citizens were satisfied with the service they received; the goal for FY 2005-06 is 80%.

Changes to Services No significant changes for FY 2005-06.

INDEPENDENT POLICE REVIEW

The Independent Police Review program was established January 1, 2002. The mission of the division is to improve police accountability to the public and to provide the opportunity for a fair resolution of complaints about the police. The program works with the Citizen Review Committee and the Police Bureau to ensure that proper actions are taken to address complaints about police activities, that the complainants and officers have an opportunity for a fair appeal of the results, and that preventable problems are identified and addressed through well-researched recommendations for improvement.

While the Police Bureau retains primary authority for investigating complaints, the staff of the IPR receives the initial complaints, reviews police investigative findings, monitors and reports on complaint status, and conducts independent investigations where warranted. A Citizen Review Committee, appointed by City Council, reviews and rules on citizen appeals of investigation findings. The committee also reviews complaint trends and works with IPR to advise the Police Bureau on ways to improve practices that contribute to citizen complaints.

The program has the authority to initiate independent investigations using staff or contract employees if the director believes that the Police Bureau investigation might not be timely, thorough, complete, or sufficiently fair. IPR prepares frequent public reports on the status and resolution of citizen complaints. Currently, IPR is implementing an ongoing outreach program to inform citizens and police officers about the complaint-handling system. Evaluation surveys are distributed regularly to monitor customer service goals. After receiving City Council approval, the Auditor hired an outside expert to review officer-involved shootings and deaths of persons in custody and to make policy recommendations.

Relationship to Goals The Independent Police Review program supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance by reporting its independent and impartial reviews, conclusions, and recommendations.

Performance In FY 2003-04, this program received 809 citizen complaints; it is projected that the program will receive 800 complaints in FY 2005-06. In FY 2003-04, this division completed 60% of the intake investigations within 14 days; this is the goal for FY 2005-06. In FY 2003-04, 55% of the complainants were satisfied with the explanations on how the complaint process works; the satisfaction rate is projected at 51% for FY 2005-06.

Changes to Services In FY 2004-05, this division received one-time funds for one full-time clerical position and one half-time assistant IPR manager position. These positions were approved in FY 2005-06 with ongoing funds. In FY 2004-05, one-time funds were approved for the annual Officer-Involved Shooting Review; this contract is funded with ongoing funds in the FY 2005-06 Adopted Budget.

AUDIT SERVICES

The mission of the Audit Services program is to promote honest, efficient, effective, and fully accountable City government. The program conducts independent audits and analyses that provide objective information to City officials, City managers, and the public. The program also prepares the annual Service Efforts and Accomplishments report, which includes the City Auditor's Citizen Survey.

Performance and financial audit reports identify savings and revenue enhancements, strengthen management controls, and improve the efficiency and effectiveness of City government operations. Since 1985, the Audit Services program has issued over 149 reports and identified over \$18.1 million in measurable financial benefits to the City. Bureaus have implemented, or are in the process of implementing, over 80% of audit report recommendations.

Relationship to Goals Audit Services supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance by reporting its independent and impartial reviews, conclusions, and recommendations.

Performance This division completed seven audits in FY 2003-04 that helped improve the City's public accountability and identified opportunities for increased efficiency and effectiveness. The goal for FY 2005-06 is the completion of nine audits.

In FY 2003-04, Audit Services was able to keep the full cost per audit hour at less than \$80. In FY 2005-06, the cost per audit hour is projected to be \$85.

At least 80% of the audit report recommendations were implemented in FY 2003-04; the goal for FY 2005-06 is 90%.

Changes to Services and Activities

One full-time Management Auditor position is added with one-time funds to help sustain the Audit Services program's performance audit duties while other experienced auditors help design and develop guidelines to assist City bureaus implementing and improving performance management and measurement systems.

CITY RECORDER

The City Recorder develops, maintains, and provides accurate and objective documentation of City business and acts as an information clearinghouse for the Council, bureaus, and the public. This program has implemented an electronic records management program that allows simplified access to Citywide information.

Council Clerk/Contracts

As Clerk of the Council, the City Recorder program is responsible for preparing the Council agenda, processing City ordinances and resolutions, and transcribing the official summary minutes of Council meetings. The clerk maintains the official copy of the Portland City Code, City Charter, and Portland Policy Repository, and coordinates the publishing of the City Code on paper, CD ROM, and online. The City Recorder program also receives accounting documents, contracts, and data from other bureaus and provides this information to the public and other City bureaus as requested. Through this program, the City Auditor gives final approval to all claims for payment against the City, disburses payments, and maintains current files of all City contracts.

Archives and Records Management

The Archives and Records Management program is responsible for records storage, confidential destruction of records, preservation of historical records, and provision of reference and retrieval services for the general public and City employees at the Stanley Parr Archives and Records Center (SPARC). The program develops and distributes retention and disposal schedules for all City agencies and negotiates retention periods and policy disclosure statutes in cooperation with the Oregon State Archives. The program assists the elected officials and bureaus in managing their public records legally and efficiently, and is committed to documenting and preserving evidence of City actions and City government history.

Relationship to Goals

The City Recorder program supports the City goal of delivering efficient, effective, and accountable municipal services. This program supports the bureau goals to ensure open and transparent City Council deliberations by preparing fair and impartial agendas; adequately notifying the public; advising on proper proceedings; producing a clear and accurate record; providing accountability by ensuring public access to the City's records in compliance with the law; and limiting City liability by reviewing each bureau contract for conformance with code and charter requirements before certifying the contract is legally binding.

Performance

In FY 2003-04, the Records Center fulfilled 39,156 records requests; the goal for FY 2005-06 is to fulfill 40,000 requests. In FY 2003-04, the program processed 221,065 checks/ deposit advices; the goal for FY 2005-06 is 222,000. In FY 2003-04, the direct cost to retrieve and deliver the record was \$2.90 per request; the goal for FY 2005-06 is \$2.90 per request. In FY 2005-06, the division will track the percent of all records retrievals provided in electronic format.

Changes to Services This program will begin implementing the E-Files system (an electronic records management system) on a Citywide basis. In addition, the public will be provided online access to the City's archives.

LIENS & ASSESSMENTS

The Assessment and Liens program helps plan and finance local improvement projects, assist in code enforcement efforts, and provide low-cost financing to property owners for street, sewer, and sidewalk improvements. This program oversees the LID Construction Fund, the Bancroft Bond Fund, and the Assessment Collection Fund. This program is responsible for the legal lien notifications of all City agencies, maintaining the City's official electronic lien docket as required by state law, and the billing and collection of current and delinquent installment payment assessments.

Program Revenues The program is entirely funded through fees and charges paid by property owners and, to a limited extent, interagency revenues from the Office of Transportation (PDOT), and the Bureau of Environmental Services (BES).

The assessment portfolio includes the PDOT, Parks, and BES system development charges; local improvement district assessments; nuisance abatement, derelict building, code violation, code enforcement, and demolition assessments; sidewalk assessments; and the private plumbing loan program. Also the LID program has been utilized to finance speed bumps, street lighting, and the Portland Streetcar, and various pedestrian access improvements.

Future Issues As the City seeks to implement Metro 2040 goals and address a large backlog of infrastructure needs, there may be greater reliance on the local improvement district process to finance infrastructure development creatively.

Relationship to Goals The Assessment and Liens program supports the City goal of improving the quality of life in neighborhoods and the bureau goals of providing financing; collecting and reporting revenue owed to the City; providing timely responses to delinquencies and lien information requests; and penalizing code violations.

Performance In FY 2003-04, this program assessed 1,434 new liens; the goal for FY 2005-06 is 1,350. In FY 2003-04, there were 529 delinquent loans per staff; the goal for FY 2005-06 is 286 per staff. In FY 2003-04, there were 3,785 delinquent liens; the goal for FY 2005-06 is 2,576.

Changes to Services No significant changes to services.

FIRE & POLICE DISABILITY & RETIREMENT FUND

This program manages the City's Fire and Police Disability and Retirement System, which was authorized by the voters in 1948 and is supported by the proceeds of a continuing property tax levy. Program personnel support the fund's board of trustees, advise and assist members of the retirement system, provide claims management service, and prepare payments for members of the system and their survivors.

Revisions	Changes to FPD&R were authorized by voters in 1989, significantly affecting the way the program does business. The revisions emphasized rehabilitation and reemployment of disabled personnel, limited claims due to stress, and changed the list of work-related injuries. These changes, particularly those affecting disability eligibility and reemployment, required a more active role of investigating and managing claims and greatly increased the need to counsel members on eligibility requirements and program options.
Budgeted Costs	This program includes only the personnel costs of managing the Fire and Police Disability and Retirement System. The Auditor's Office is fully reimbursed for these costs through an interagency service agreement. All other FPD&R costs are budgeted directly in the Fire and Police Disability and Retirement Fund.
Relationship to Goals	The relationship to goals and the performance measurements for this program are reported in the Fire and Police Disability and Retirement Fund budget.

HEARINGS OFFICERS

The Hearings Office program provides a forum for public hearings and renders objective decisions on matters over which City Council has given it jurisdiction. Generally, hearings involve land use and code enforcement. However, City of Portland hearings officers also hear a broad spectrum of cases via contract, ranging from Multnomah County Adult Care Facility appeals to Oregon Department of Transportation and Port of Portland tow appeals.

Land Use	The land use hearings officer is responsible for holding public hearings and allowing or denying land use permits. Public hearing process and timelines for decision making are strictly governed by state law and the City Code. Land use hearings ensure that land use applications are reviewed in a fair and open process and that land use decisions are legally supportable.
City Code	<p>The code hearings officer provides fair and efficient enforcement of City Code requirements. The appeal function of the code hearings officer ensures administrative determinations of the various bureaus are legally supportable, fair, and appropriate by allowing parties an opportunity to obtain an impartial review of those determinations and decisions.</p> <p>The code hearings officer enforces the City Code in proceedings initiated by the Bureau of Development Services (BDS), the Office of Neighborhood Involvement (ONI), the Bureau of Environmental Services, and the Bureau of Fire, Rescue, and Emergency Services. The code hearings officer also hears appeals of code enforcement determinations made by BDS, ONI, the Police Bureau, the Licenses Bureau, and BES and hears appeals of all vehicle tows. Drug-free zone, prostitution-free zone, park exclusions, and adult care facility appeals are also heard by the office.</p>
Program Revenues	The Hearings Office program is partially supported by fees, interagency service agreements, and intergovernmental contracts. Fees are charged for land use hearing services, and the Code Enforcement and Neighborhood Inspections programs of BDS and ONI. Costs for some hearings are recovered either by interagency service agreements or intergovernmental contracts.

- Relationship to Goals** The Hearings Office supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance by reporting its independent and impartial reviews, conclusions, and recommendations.
- Performance** In FY 2003-04, the Hearings Office heard 145 City Code and Land Use appeal hearings; the goal in FY 2005-06 is 150 hearings. In FY 2005-06, the program will track the number of hearings per FTE and the percent of land use decisions that are remanded to the Land Use Board of Appeal for the past three years.
- Changes to Services** No significant changes for FY 2005-06.

MANAGEMENT SERVICES

The Management Services program provides leadership, accountability, and support for all activities of the Auditor's Office. These functions include budgeting, accounting, human resource and payroll matters, purchasing and supplies, and information technology systems. The division monitors problem-solving efforts throughout the office and serves as a contact point for other bureaus and offices in the City.

- Elections and City Code** This program is also responsible for overseeing the election processes for the City and maintaining the City Code and Portland Policy Repository. Staff receive, process, and file all declarations of candidacy for City office; contributions and expenditure reports; initiative, referendum, and recall petitions; and Council-originated ballot measures.
- The division supports all functions of the Auditor's Office to ensure good management of the operational programs.

- Relationship to Goals** Management Services supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to provide leadership and accountability for the Auditor's Office to achieve public and professional expectations.

- Performance** In FY 2003-04 90% of the Auditor's Office performance measures were achieved; the goal for FY 2005-06 is 100%. In FY 2003-04 administrative costs were 8% of the total budget, compared to a goal of 10%; the FY 2005-06 goal is 10%.

- Changes to Services and Activities** There will be a significant increase in workload as this program will implement the Campaign Finance Reform system. This three member staff will be tasked to develop and adopt administrative rules, solicit applications for the Citizen Campaign Commission, recommend commission appointees to the City Council, manage the Campaign Finance Fund, certify candidates, disburse funds, ensure reporting requirements are met, and administer the hearings appeal process.

PROGRESS BOARD

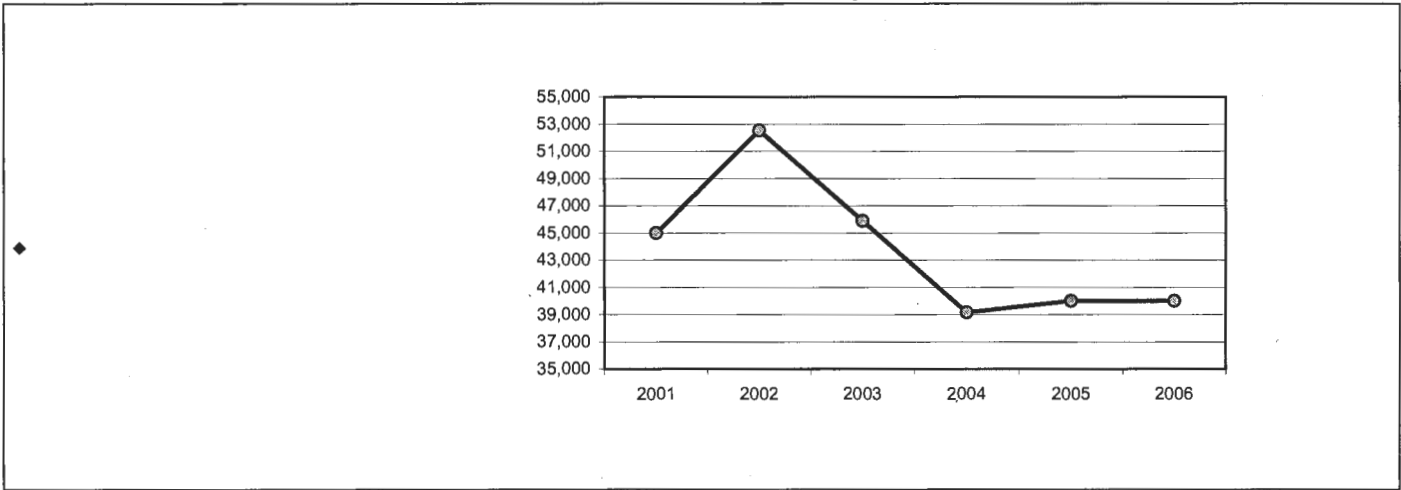
This program provides research and technical assistance to Portland, Multnomah County, and other local governments. The board's two-member staff maintains trend data on over 60 benchmarks and produces in-depth benchmark analyses. The staff also have census affiliate status and provide technical assistance regarding demographic data.

The Portland Multnomah Progress Board was established in 1994 and is funded jointly by the City and Multnomah County to identify and report on indicators (benchmarks) that collectively gauge whether the community is meeting its goals and vision for the future. These benchmarks measure the livability of the community, environmental concerns, education system concerns, and the shift to a global economy. The local government, business, and educational leaders who serve on the board track major trends in the community and act as catalysts for performance improvements as gauged by the benchmarks.

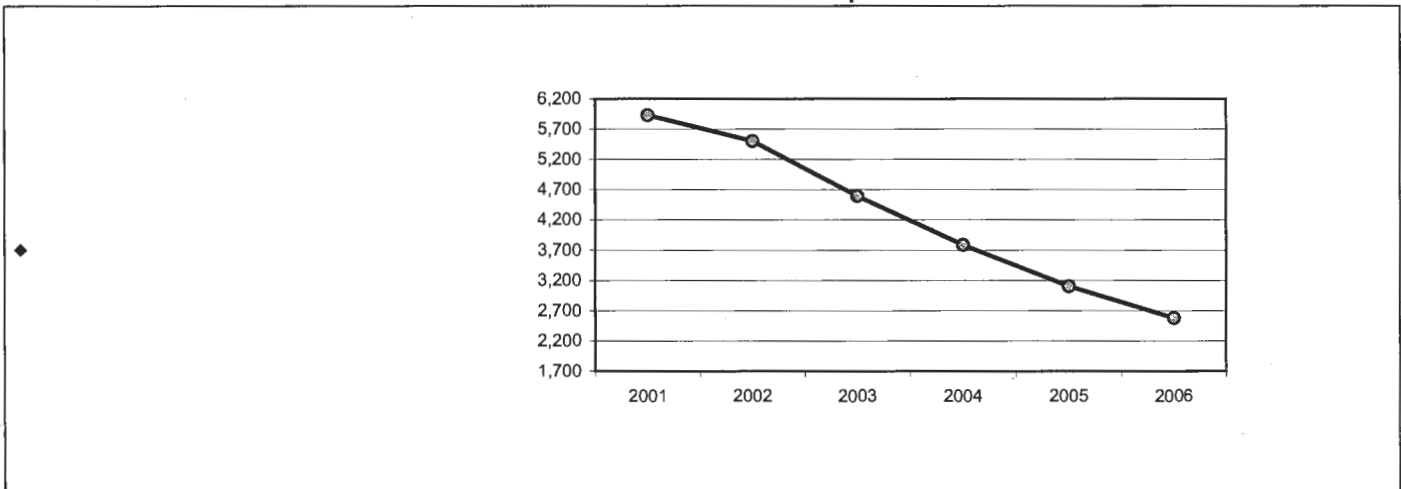
Relationship to Goals	The Portland Multnomah Progress Board supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal to improve City accountability and performance by reporting our independent and impartial reviews, conclusions, and recommendations.
Performance	In FY 2003-04, the Progress Board completed four benchmark projects; the goal for FY 2005-06 is four projects. In FY 2005-06, the program will track the number of requests for assistance, the number of special reports issued per FTE, and the number of agencies linked into multi-agency collaborative efforts to address community problems.
Changes to Services and Activities	No significant changes for FY 2005-06.

Performance Measures

Record & Center Retrieval Requests



Total Number of Liens Delinquent



	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF THE CITY AUDITOR						
Audit Services						
Effectiveness						
Percent of report recommendations implemented -- Goal is 90%	90%	86%	88%	80%	80%	90%
Efficiency						
Full cost per audit hour	\$82	\$79	\$80	\$80	\$80	\$85
Workload						
Number of reports issued	9	7	9	7	7	9
Independent Police Review						
Effectiveness						
Percentage of complainants who were satisfied with the explanations they received on how the complaint process works.	0%	42%	48%	55%	51%	51%
Efficiency						
Percent of intake investigations completed within 14 days.	0%	66%	55%	60%	60%	60%
Workload						
Number of citizen complaints	0	252	634	809	780	800
City Recorder						
Efficiency						
Direct cost per retrieval and delivery of record from Records Center	\$2.73	\$2.75	\$2.28	\$2.90	\$2.90	\$2.90
Workload						
Records & Center retrieval requests	45,000	52,525	45,896	39,156	40,000	40,000
Number of checks/deposit advices processed	223,100	224,118	222,848	221,065	220,000	222,000
Fire & Police Disability & Retirement Fund						
Workload						
Performance measurements are reported in the FPD&R budget	223,100	224,118	222,848	221,065	220,000	222,000
Hearings Officers						
Workload						
Code and appeal hearings	248	194	149	145	227	150
Liens & Assessments						
Effectiveness						
Total # of liens delinquent	5,931	5,504	4,596	3,785	3,104	2,576
Efficiency						
# of delinquent accounts per staff	593	611	510	529	345	286
Workload						
New liens assessed	2,629	3,458	1,960	1,434	1,600	1,350
Ombudsman Office						
Effectiveness						
Percentage of citizens who are satisfied or very satisfied with the service they received. Goal is 70%.	0%	80%	80%	70%	70%	80%
Efficiency						
Percentage of citizens satisfied with a timely response. Goal is 80%.	0%	90%	69%	67%	67%	80%
Workload						
Number of complaints and requests	0	270	382	300	300	350

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
Progress Board						
Workload						
Number of benchmark projects completed	2	2	2	4	4	4
Management Services						
Effectiveness						
Percent of City Auditor performance measures fully achieved -- Goal 100%	100%	95%	90%	90%	90%	90%
Efficiency						
Administrative costs under 10% of total budget	9%	10%	9%	8%	8%	8%

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	4,592,140	4,631,471	4,899,001	5,057,928	5,261,121
External Materials and Services	1,107,785	789,456	1,205,890	1,237,858	1,317,858
Internal Materials and Services	1,167,714	966,501	1,034,444	1,116,677	1,116,677
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	6,867,639	6,387,428	7,139,335	7,412,463	7,695,656
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 6,867,639	\$ 6,387,428	\$ 7,139,335	\$ 7,412,463	\$ 7,695,656
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	6,867,639	6,387,428	7,139,335	7,412,463	7,695,656
RESOURCES					
Discretionary Revenue	2,163,548	2,284,059	2,509,437	2,684,732	2,996,873
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	91,882	78,441	81,825	101,045	181,045
Interagency Revenues	2,625,625	2,329,344	2,521,896	2,399,978	2,603,171
Program Revenue	87,898	110,209	142,478	142,522	142,522
Overhead Recovery	1,898,686	1,585,375	1,883,699	2,084,186	1,772,045
Total Non-Discretionary Revenues	4,704,091	4,103,369	4,629,898	4,727,731	4,698,783
TOTAL GENERAL FUND RESOURCES	\$ 6,867,639	\$ 6,387,428	\$ 7,139,335	\$ 7,412,463	\$ 7,695,656
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Audit Services	1,312,565	1,265,471	1,256,444	1,490,784	1,570,784
<i>Positions</i>	<i>9.00</i>	<i>9.00</i>	<i>9.00</i>	<i>10.00</i>	<i>10.00</i>
Independent Police Review	598,852	688,559	843,835	899,163	899,163
<i>Positions</i>	<i>7.00</i>	<i>7.00</i>	<i>8.58</i>	<i>8.50</i>	<i>8.50</i>
City Recorder	981,574	1,007,782	1,136,763	1,201,552	1,201,552
<i>Positions</i>	<i>12.00</i>	<i>11.00</i>	<i>12.00</i>	<i>11.67</i>	<i>11.67</i>
Fire & Police Disability & Retirement	977,195	982,621	1,041,385	1,089,947	1,089,947
<i>Positions</i>	<i>12.00</i>	<i>13.00</i>	<i>13.40</i>	<i>14.40</i>	<i>14.40</i>
Hearings Officers	478,312	472,989	494,578	526,095	526,095
<i>Positions</i>	<i>5.00</i>	<i>4.00</i>	<i>4.50</i>	<i>4.50</i>	<i>4.50</i>
Liens & Assessments	1,464,957	1,169,478	1,348,496	1,179,166	1,382,359
<i>Positions</i>	<i>12.00</i>	<i>12.00</i>	<i>10.00</i>	<i>10.00</i>	<i>10.00</i>
Ombudsman Office	250,485	257,801	221,385	228,473	228,473
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Progress Board	185,555	200,598	216,608	232,783	232,783
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Management Services	618,144	342,129	579,841	564,500	564,500
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.33</i>	<i>4.33</i>
TOTAL PROGRAMS	\$ 6,867,639	\$ 6,387,428	\$ 7,139,335	\$ 7,412,463	\$ 7,695,656
<i>Positions</i>	<i>65.00</i>	<i>64.00</i>	<i>64.48</i>	<i>66.40</i>	<i>67.40</i>

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	1.00	1.00	1.00	45,360	1.00	45,540	1.00	45,540
0516	Accountant III	1.00	1.00	1.00	57,144	1.00	57,360	1.00	57,360
0003	City Auditor	1.00	1.00	1.00	88,416	1.00	88,764	1.00	88,764
0858	Claims Tech Assistant	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0859	Claims Technician	2.00	2.00	2.90	115,954	2.90	121,320	2.90	121,320
0131	Customer Accts Spec I	5.00	5.00	3.00	108,180	3.00	110,172	3.00	110,172
0245	Hearings Clerk	3.00	3.00	3.00	142,776	3.00	143,316	3.00	143,316
0100	Office Supp Spec I	1.00	3.00	3.00	86,724	2.00	58,716	2.00	58,716
0102	Office Supp Spec II	2.00	1.00	1.00	32,877	3.00	97,197	3.00	97,197
0104	Office Supp Spec III	2.00	2.00	2.00	88,608	2.00	88,944	2.00	88,944
7103	Administrative Assistant	4.00	2.00	2.00	97,260	2.00	100,544	2.00	100,544
7102	Administrative Specialist, Senio	1.00	1.00	1.00	49,908	1.00	51,948	1.00	51,948
7308	Archivist and Records Center Sup	0.00	1.00	1.00	68,748	1.00	68,946	1.00	68,946
7306	Archivist, Assistant	0.00	1.00	1.00	55,680	1.00	57,960	1.00	57,960
7399	Assessments & Liens Supervisor	0.00	1.00	1.00	70,860	1.00	70,860	1.00	70,860
0962	Assistant Program Specialist	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0844	Assistant Risk Specialist	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0928	Bureau Administrative Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7345	City Auditor, Chief Deputy	0.00	1.00	1.00	84,888	1.00	85,648	1.00	85,648
7332	City Ombudsman	0.00	1.00	1.00	75,630	1.00	78,732	1.00	78,732
7310	Clerk to City Council	0.00	1.00	1.00	52,776	1.00	54,936	1.00	54,936
7202	Community Outreach & Information	0.00	1.00	1.00	59,316	1.00	59,525	1.00	59,525
7203	Community Outreach & Information	0.00	1.00	1.00	56,160	1.00	58,471	1.00	58,471
7492	Community Relations Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7330	Complaint Investigator	0.00	4.00	4.00	223,800	4.00	232,434	4.00	232,434
7312	Council Support & Contracts Supe	0.00	1.00	1.00	68,748	1.00	68,902	1.00	68,902
0541	Deputy City Auditor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7326	Director of Audit Services	1.00	1.00	1.00	98,736	1.00	99,024	1.00	99,024
0827	Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7377	Financial Analyst, Senior	0.00	2.00	1.90	126,108	1.90	131,064	1.90	131,064
7395	FPDR Fund Administrator	0.00	1.00	1.00	91,421	1.00	92,232	1.00	92,232
7394	FPDR Fund Administrator, Assista	0.00	1.00	1.00	66,492	1.00	68,772	1.00	68,772
7485	Hearings Officer	2.00	1.00	1.00	98,736	1.00	99,120	1.00	99,120
7335	IPR Program Manager	0.00	1.00	1.00	88,956	1.00	92,232	1.00	92,232
7486	Legal Advisor	1.00	1.00	1.00	106,164	0.00	0	0.00	0
7131	Management Analyst	0.00	3.00	3.00	169,320	3.00	175,864	3.00	175,864
7132	Management Analyst, Senior	0.00	0.00	0.00	0.00	1.00	65,808	1.00	65,808
7130	Management Assistant	1.00	1.00	1.00	59,316	0.00	0.00	1.00	38,652
7322	Management Auditor	3.00	3.00	3.00	181,706	3.00	184,655	3.00	184,655
7323	Management Auditor, Senior	6.00	2.00	1.00	61,548	1.00	64,068	1.00	64,068
7324	Principal Management Auditor	0.00	3.00	4.00	308,460	4.00	320,093	4.00	320,093
7154	Program Coordinator	0.00	1.00	1.00	62,988	0.00	0.00	0.00	0.00
0966	Program Coordinator	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7156	Program Manager	0.00	0.00	0.00	0.00	1.00	72,276	1.00	72,276
0968	Program Manager I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0970	Program Manager II	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0964	Program Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0960	Program Technician	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7340	Progress Board Research Manager	0.00	1.00	1.00	75,696	1.00	76,227	1.00	76,227
7302	Records Center Assistant	2.00	2.00	2.00	70,656	2.00	72,721	2.00	72,721
7304	Records Management Specialist	0.00	1.00	1.00	64,872	1.00	65,392	1.00	65,392
0850	Risk Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7181	Workers Comp/Disability Claims A	0.00	1.00	1.00	56,328	2.00	113,364	2.00	113,364
7182	Workers Compensation Claims Anal	0.00	2.00	2.00	112,200	3.00	177,180	3.00	177,180
TOTAL FULL-TIME POSITIONS		65.00	64.00	61.80	\$ 3,629,516	63.80	\$ 3,770,327	64.80	\$ 3,808,979
7334	Assistant IPR Program Manager	0.00	0.00	0.00	0.00	0.50	35,088	0.50	35,088
7485	Hearings Officer	0.00	0.00	0.50	40,176	0.50	41,135	0.50	41,135
7476	Legal Assistant, Senior	0.00	0.00	0.60	37,380	0.60	37,524	0.60	37,524
TOTAL PART-TIME POSITIONS		0.00	0.00	1.10	\$ 77,556	1.60	\$ 113,747	1.60	\$ 113,747
7334	Assistant IPR Program Manager	0.00	0.00	0.58	34,797	0.00	0.00	0.00	0.00
0102	Office Supp Spec II	0.00	0.00	1.00	27,564	0.00	0.00	0.00	0.00
7322	Management Auditor	0.00	0.00	0.00	0.00	1.00	49,260	1.00	49,260
TOTAL LIMITED TERM POSITIONS		0.00	0.00	1.58	\$ 62,361	1.00	\$ 49,260	1.00	\$ 49,260

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06					
	7,279,467	0	7,279,467	62.90	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	8,427	0	8,427		Allocation for interagency
Mayor's Proposed Budget Decisions					
	(135,122)	0	(135,122)	(1.00)	Eliminate Legal Advisor in FPD&R
	91,284	0	91,284	1.50	Add Intake Investigation & positions
	50,200	0	50,200	0.00	Officer Involved Study
	154,272	0	154,272	2.00	Add positions for disability claims (FPD&R)
	50,000	0	50,000	0.00	Neighborhood survey on going
	0	67,128	67,128	1.00	Management Auditor
	0	50,000	50,000	0.00	Neighborhood survey one-time
	(1,382,359)	0	(1,382,359)	(10.00)	Transfer Liens & Assessments to Revenue Bureau
Approved Budget Additions and Reductions					
	0	0	0	0.00	General Fund Overhead True Up
	0	80,000	80,000	0.00	PDC Audit
	1,382,359	0	1,382,359	10.00	Transfer Liens & Assessments back to Auditor's
Adopted Budget Additions and Reductions					
	0	0	0	1.00	New position in Campaign Finance Fund
	219,061	197,128	416,189	4.50	Total FY 2005-06 Decision Packages
			\$ 7,695,656	67.40	Total Adopted Budget



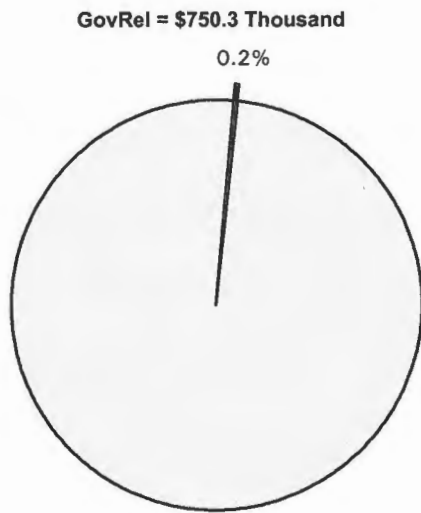
Office of Government Relations

Legislative, Administrative, and Support Service Area

Mayor Tom Potter, Commissioner-in-Charge

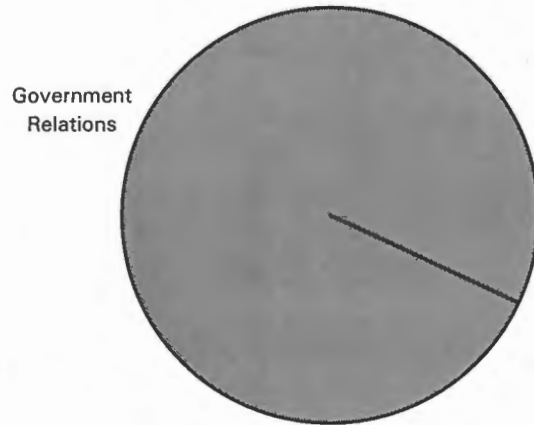
Marge Kafoury, Director

Percent of General Fund



General Fund = \$382.5 Million

Bureau Programs

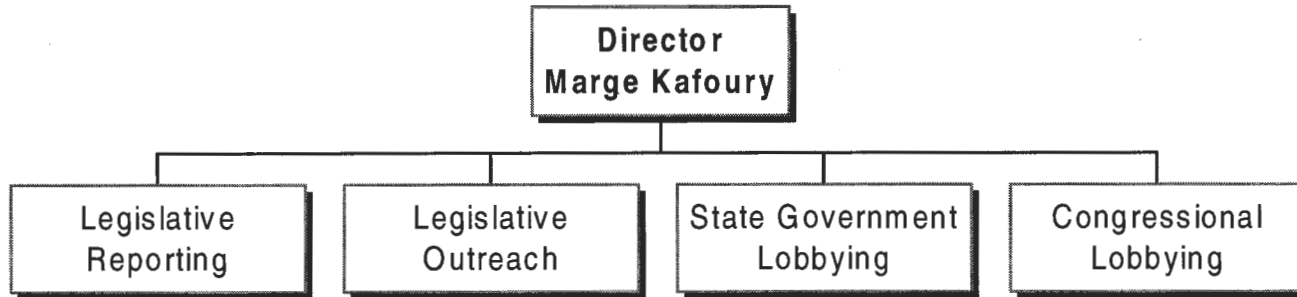


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	815,627	750,347	-65,280	-8.0%
Capital	0	0	0	0.0%
Total Expenditures	\$ 815,627	\$ 750,347	\$ -65,280	\$ -8.0%
Authorized Positions	3.48	4.00	0.52	14.9%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Office Of Government Relations



Bureau Summary

BUREAU MISSION

Government Relations provides government representation for all City bureaus and offices, the Mayor, and members of the City Council in advancing City objectives with the Congress, the State Legislature, and other governments.

BUREAU OVERVIEW

Organizational Description

The Office of Government Relations provides government representation for all City bureaus and offices, the Mayor, and members of the City Council in advancing City objectives with the Congress, the State Legislature, and other governments. The office also provides assistance to City Council members in achieving their outlined goals and objectives.

SUMMARY OF BUDGET DECISIONS

Funding in FY 2005-06 supports staff travel to Washington, D.C. to lobby for increased appropriations to advance the Council's goals. Staff will also be traveling to Salem for interim committee meetings on the City's behalf. Staff will continue regular meetings with the Portland area delegation as well as our Council-approved outreach with legislators outside the Portland metropolitan area.

Reduced funding will decrease the amount of outreach the Office of Government Relations is able to accomplish throughout the state.

Strategic Direction

MANAGEMENT GOALS & OBJECTIVES

The Office of Government Relations provides government representation for all City bureaus and offices, the Mayor, and members of the City Council in advancing City objectives with the Congress, the State Legislature, and other governments, and provides assistance to City Council members in achieving their outlined goals and objectives.

- ◆ City Goal: Deliver efficient, effective, and accountable municipal services
- ◆ Program: Government Relations

Major Initiatives

The Office of Government Relations will continue with the Council Outreach program to establish and enhance working relationships with other jurisdictions located around the state.

Government Relations will continue working with Oregon's Congressional delegation on issues related to the economic vitality of the City of Portland. Government Relations will maintain the City's working relationships with legislators in keeping them apprised of City issues and areas of concern throughout the state.

Overview of Programs

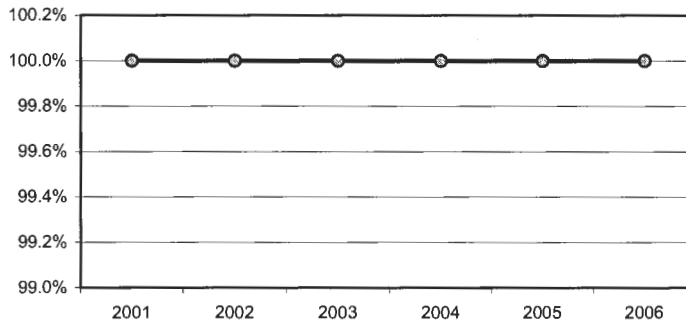
GOVERNMENT RELATIONS

Description	The Office of Government Relations provides government representation for all City bureaus and offices, the Mayor, and members of the City Council in advancing City objectives with the Congress, the State Legislature, and other governments. The office also provides assistance to City Council members in achieving their outlined goals and objectives.
Relationship to Goals	Government Relations supports the City goal of delivering efficient, effective, and accountable municipal services.
Performance	Government Relations will reach 100% in its legislative outreach and reporting performance measures in FY 2005-06.
Changes to Services and Activities	No significant changes for FY 2005-06.

Performance Measures

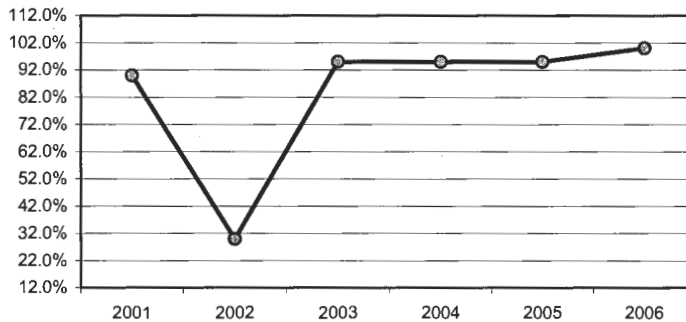
Legislative Package for Congress

- ◆ The Office of Government Relations will produce a Legislative Package before and after the annual legislative session for the City Council.



Legislative Outreach outside of Portland

- ◆ Government Relations will conduct outreach efforts with non-Portland Legislators before, during, and following legislative sessions.



	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF GOVERNMENT RELATIONS						
Government Relations						
Workload						
Legislative Reporting	100%	100%	100%	100%	100%	100%
Legislative Outreach throughout Oregon	90%	30%	95%	95%	95%	100%

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	440,532	434,696	475,044	430,541	430,541
External Materials and Services	184,789	187,363	225,999	223,898	223,898
Internal Materials and Services	110,544	87,981	114,584	95,908	95,908
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	735,865	710,040	815,627	750,347	750,347
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 735,865	\$ 710,040	\$ 815,627	\$ 750,347	\$ 750,347
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	735,865	710,040	815,627	750,347	750,347
RESOURCES					
Discretionary Revenue	284,529	294,247	303,060	298,165	304,939
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	43,390	43,390	49,500	51,976	51,976
Program Revenue	0	0	50,753	0	0
Overhead Recovery	407,946	372,403	412,314	400,206	393,432
Total Non-Discretionary Revenues	451,336	415,793	512,567	452,182	445,408
TOTAL GENERAL FUND RESOURCES	\$ 735,865	\$ 710,040	\$ 815,627	\$ 750,347	\$ 750,347
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Government Relations	735,865	710,040	815,627	750,347	750,347
<i>Positions</i>	<i>6.00</i>	<i>4.00</i>	<i>3.48</i>	<i>4.00</i>	<i>4.00</i>
TOTAL PROGRAMS	\$ 735,865	\$ 710,040	\$ 815,627	\$ 750,347	\$ 750,347
<i>Positions</i>	<i>6.00</i>	<i>4.00</i>	<i>3.48</i>	<i>4.00</i>	<i>4.00</i>

Office of Government Relations AU 303

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7103	Administrative Assistant	0.00	0.00	1.00	62,292	1.00	62,292	1.00	62,292
7105	Director's Executive Assistant	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7020	Government Relations Director	1.00	1.00	1.00	116,748	1.00	117,052	1.00	117,052
7210	Government Relations Lobbyist	2.00	2.00	1.48	118,881	2.00	170,270	2.00	170,270
0900	Staff Assistant	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		6.00	4.00	3.48	\$ 297,921	4.00	\$ 349,614	4.00	\$ 349,614

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	787,103	0	787,103	4.0	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.0	None
Mayor's Proposed Budget Decisions	(36,756)	0	(36,756)	0.0	5% cut - External M&S
Approved Budget Additions and Reductions	0	0	0	0.0	None
Adopted Budget Additions and Reductions	0	0	0	0.0	None
	(36,756)	0	(36,756)	0.0	Total FY 2005-06 Decision Packages
			\$ 750,347	4.0	Total Adopted Budget

Office of Management and Finance

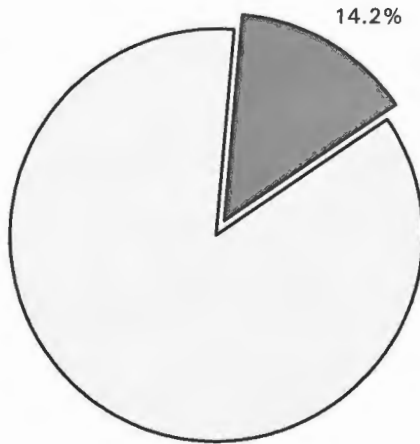
Legislative, Administrative, and Support Service Area

Mayor Tom Potter, Commissioner-in-Charge

Timothy Grewe, Chief Administrative Officer

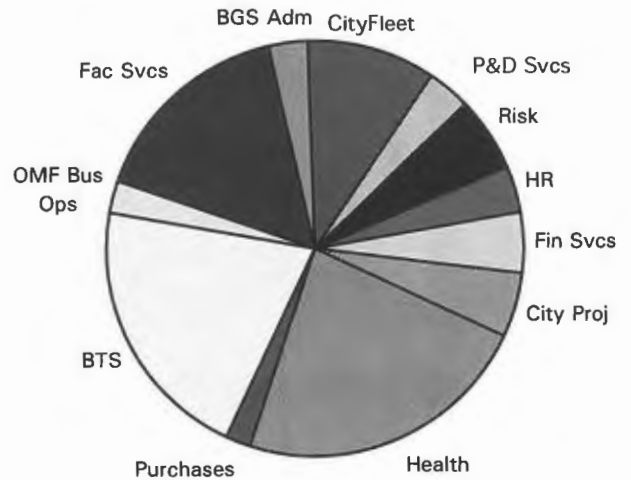
Percent of City Budget

OMF = \$202.1 Million



City Budget = \$1.42 Billion

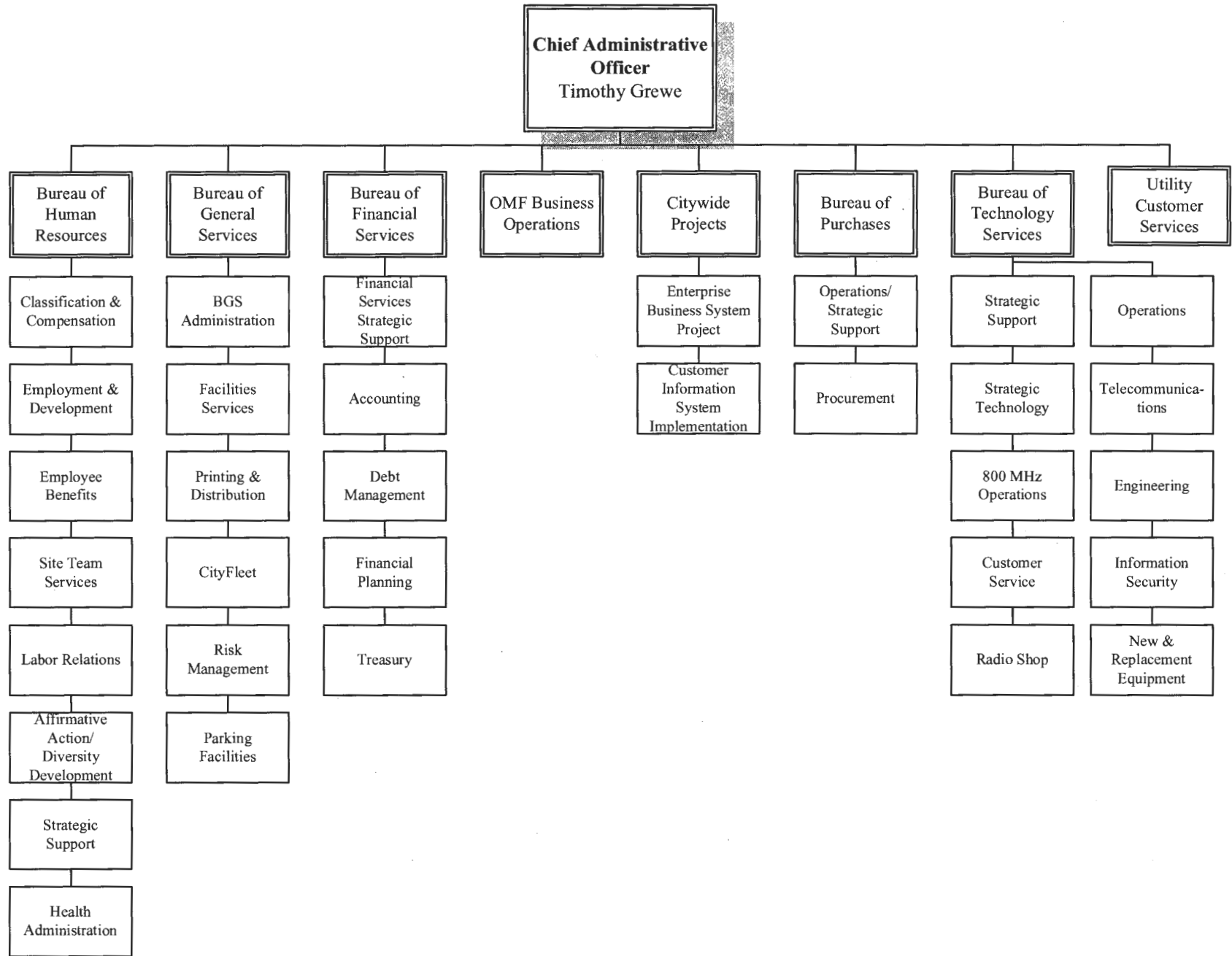
Bureau Divisions



Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	173,734,135	185,786,556	12,052,421	6.9%
Capital	28,297,034	16,344,260	-11,952,774	-42.2%
Total Expenditures	\$ 202,031,169	\$ 202,130,816	\$ 99,647	\$ 0.0%
Authorized Positions	686.73	674.31	-12.42	-1.8%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.



Bureau Summary

BUREAU MISSION

The Office of Management and Finance's mission is:

Leadership, Management, Stewardship: Supporting the administrative and operational needs of the City to enhance quality service delivery to the public.

VISION AND VALUES

The Office of Management and Finance has established the following values:

Customer Focus - We value an effective balance between service provision and regulation. We achieve this balance by striving to know the core business needs of our customers, establishing mutual understandings about our service capacity, and using a problem-solving approach.

Coordination & Partnerships - We value a spirit of collaboration, cooperation, and effective communication in our work within the Office of Management and Finance and among City bureaus, the City Council, other governmental agencies, and the public.

Respect & Integrity - We value and practice personal and organizational integrity, fiscal and operational accountability, inclusiveness and diversity, and protection of the public trust.

Stewardship - We value sound management practices in discharging the responsibilities entrusted to us by City Council, City bureaus, and the public.

Strategic Perspective - We value preparedness coupled with shared recognition of constraints and opportunities. We serve the City best through advance planning and anticipation of issues.

Knowledgeable, Dedicated Workforce - We consider our employees our greatest asset. We strive to maintain a safe and supportive workplace based on principles of accountability and service.

Sustainability - We value and maintain business practices that respect the natural environment and further the City's goals for sustainability.

BUREAU OVERVIEW

Services to City

The Office of Management and Finance (OMF) is the primary provider of central services to City bureaus. These services include financial management, Citywide business systems, utility billing, human resources, technology, public safety radio, procurement, and centralized services including vehicles, facilities, printing and distribution, and risk management. In addition, OMF serves external customers including vendors doing business with the City, applicants for City jobs, and outside users of the public safety radio system.

OMF is composed of the Chief Administrative Officer's (CAO) Office, Business Operations, Technology Services (BTS), General Services (BGS), Financial Services (BFS), Human Resources (HR), Purchases, and Utility Customer Services. The Utility Customer Services division was transferred to OMF from the Water Bureau in February 2005. OMF continues to assess its organizational structure and seek further efficiencies.

Funding Sources

The Office of Management and Finance is funded by a combination of resources. The Bureaus of Financial Services and Purchases primarily receive General Fund overhead and discretionary resources. Business Operations and the Bureaus of General Services, Technology Services, and Human Resources are funded primarily through interagency revenues received from other City bureaus.

SUMMARY OF BUDGET DECISIONS

OMF divisions submitted 5% cut packages plus another \$400,000 cut at the request of Council. The reduction and add packages are summarized below, as well as in the bureau and division sections of the budget.

Business Operations (reductions of \$373,621, and \$85,000 in one-time adds)

OMF Business Operations is significantly reducing its external materials and services budget and cutting one accountant position that supports the Bureau of Technology Services. The reductions in materials and services will reduce OMF's ability to respond to future demands of the Mayor and Council regarding new initiatives and Citywide projects. The elimination of the accountant position will reduce Business Operations' ability to process and reconcile BTS interagency agreement billings.

The Adopted Budget also adds \$10,000 in one-time resources for a span of control study and \$75,000 in one-time resources for a review of the Integrated Regional Network Enterprise (IRNE) system.

Chief Administrative Officer (reductions of \$189,065, and \$189,065 in one-time adds)

The Adopted Budget does not reduce funding for the Chief Administrative Officer's Office. However, it does eliminate ongoing funding for two policy analyst positions that support Council projects such as Managing For Results (MFR), Fire & Police Disability & Retirement (FPD&R) reform, Citywide strategic planning, and other Citywide projects. One-time funding has been added for these positions in FY 2005-06, and Council plans to review ongoing need for these positions in conjunction with the annual review of the OMF work plan.

Bureau of Human Resources (reductions of \$321,935, and \$675,000 in one-time adds)

The Adopted Budget reduces ongoing funding for HR by eliminating almost \$300,000 in cost of living adjustments (COLA) and reducing interagency charges.

One-time funding of \$575,000 has been included to design, develop, and implement Citywide training initiatives related to diversity development, cultural competency, and performance development. HR also received \$100,000 of one-time funding to expand the Summer Youth Employment program.

Bureau of Financial Services (reductions of \$467,830)

Financial Services reductions include \$166,356 in external materials and services and \$301,474 in interagency savings. The reductions will limit Financial Services' ability to respond to future demands of the Mayor and Council regarding new initiatives. The Adopted Budget also reduces the need for City revenues for Debt Management and Treasury's Deferred Compensation program by increasing the amount of outside revenues that these programs collect.

Purchases (reductions of \$177,382)

Purchases accomplished reductions of \$177,382 by decreasing funds for temporary staff, professional services, strategic sourcing research materials, and Business Operations interagency charges.

Utility Customer Service (reductions of \$291,185, and \$500,000 in one-time add)

Utility Customer Service accomplished reductions by eliminating six positions (five customer account specialists and the training and development officer).

One-time money was allocated to provide for possible implementation costs if the City Council decides to move forward with the creation of a Revenue Bureau.

CityFleet (reductions of \$444,088)

CityFleet is eliminating six positions. These positions include mechanics, storekeepers, a welder, and a machinist. Smaller reductions were made to materials and services. These reductions will address a decrease in revenues forecast as a result of more collaborative management of the repair and maintenance of vehicles with customer bureaus.

Printing and Distribution (reductions of \$97,170)

Printing and Distribution (P&D) is reducing rates for duplicating work as a result of reduced costs for the maintenance of equipment. Additionally, P&D is requiring all bureaus to adhere to U.S. mail standards for automated processing to receive postage discounts.

Risk Management (reductions of \$146,215)

Risk is eliminating one clerical position and conducting an in-house audit of medical provider invoices with existing staff instead of contracting out the audit.

Facilities Services (reductions of \$222,407, and additions of \$228,000)

Facilities eliminated a project manager position and an Office Support Specialist III position to achieve reductions. Spectator Facilities reduced materials and services, as did the Fire GO Bond program, due to the delay of Fire Station 21.

Facilities is advancing security at the Portland Building and City Hall with one-time improvements and additional security services. The one-time improvements are funded through the Facilities Services Operating Fund major maintenance program. Additional security services are funded by a rate increase to tenants.

Parking Fund (reductions of \$16,055, and addition of \$33,000)

A reduction of \$5,000 will reduce the annual budgeted amount for special professional services for the Parking Fund. A reduction of \$11,055 was made to the amount of funds used for attendant and revenue control services at City-owned parking facilities. This package will reduce the total number of attendant hours available to the City's off-street parking system.

An add package of \$33,000 allows for a reduction in expenses to the Parking Fund's City-owned parking facilities' operations by spreading a portion of fixed internal costs to the Portland Development Commission (PDC).

Technology Services (reductions of \$1,237,310, TRACS program transfer of \$499,927, and \$512,000 in one-time adds)

BTS reduction packages fall into three categories:

- ◆ Efficiency packages, including savings from cell phone negotiations, transfer of printing work to P&D, and standardization of PC replacement.
- ◆ Service reductions, including eliminating one bureau business representative position, reducing Virtual Private Network (VPN) services, reducing the number of internet service providers, and reducing the number of project managers.
- ◆ Reduced costs of other interagency providers.

BTS will receive one-time money to fund part of a microwave replacement project, and an intelligent repeater site enhancement.

The Adopted Budget also moves the TRACS program from the Bureau of Development Services to BTS.

BUDGET NOTES

800 MHz and Computer-Aided Dispatch Systems

The Office of Management and Finance will develop financial plans for the replacement of the 800 MHz Communications System and the Computer-Aided Dispatch System. These plans will be submitted to Council by December 2005 and include details of any participation of entities outside the City with respect to acquisition, major maintenance, and/or future replacement.

Stakeholder Involvement and Strategic Technology Plans

The Bureau of Technology Services will develop and implement a plan to increase bureau involvement in its budget development, rate setting, and associated financial issues. The bureau will also create a Citywide information technology strategic plan and assist other bureaus with the development of bureau-level information technology strategic plans. The bureau will report to Council on its progress with these issues by December 2005.

Business Operations

The Office of Management and Finance will complete a focused review of the business practices of its Business Operations unit, and report findings and recommendations to Council by December 2005.

Maintenance Consolidation

The Office of Management and Finance will lead a study of the feasibility of consolidating some or all maintenance functions among City bureaus, Portland Public Schools, and Multnomah County. City bureaus to be included in the study are OMF; Bureau of Environmental Services; Portland Parks and Recreation; Bureau of Water Works; Bureau of Fire, Rescue, and Emergency Services; and Bureau of Maintenance. The study will include an assessment of the feasibility of merging maintenance staff and activities, establishing common maintenance sites, and creating neighborhood maintenance facilities focused on activity in geographic regions of the city. A report will be presented to Council by April 1, 2006.

Cayenta System Implementation

A report will be submitted to Council by December 2005 describing the staffing level changes to occur in Customer Services once the Cayenta system is fully implemented.

Summer Youth Employment Program

The Office of Management and Finance, Bureau of Human Resources will increase the participation level for the Summer Youth Employment Program from 35 students to 70 students for the summer of 2005.

Expansion of Low-Income Utility Assistance Program

Utilities Customer Services in the Office of Management and Finance will work with the Bureau of Environmental Services (BES) and the Bureau of Water Works (Water) to develop a pilot project to expand the low-income utility assistance program to residents of nonprofit multi-family rental properties. The pilot project will be implemented in FY 2005-06. In consultation with BES and Water, OMF shall make a recommendation to Council by December 2005 regarding expansion of the pilot project to other multi-family rental properties in FY 2006-07.

Revenue Bureau

Council has expressed general support for the creation of a Revenue Bureau but has deferred a final decision pending further review. The Chief Administrative Officer will convene an internal working group comprised of the directors of the affected bureaus; the American Federation of State, County, and Municipal Employees (AFSCME); the City Auditor; and representatives from the Mayor and Commissioners' offices to resolve the following issues:

- ◆ The overall vision for the new organization, including long-term work plan assumptions and the potential use of one-time funds to speed technology improvements;
- ◆ The organizational location of the new bureau, specifically whether the bureau will be located in OMF or will be a stand-alone bureau;
- ◆ The inclusion of various functions in the new bureau, such as purchasing, local improvement districts (LIDs), and foreclosure work;
- ◆ The extent and timing of position elimination; and
- ◆ Timing and responsibility for implementation.

The internal working group will submit a report to the Mayor. The report will include recommendations for the critical issues outlined above; a recommended interim management team; a summary of FY 2005-06 budget impact; and a summary of forecast out-year efficiencies.

In addition, a second report will be submitted to Council by December 2005 on the possible inclusion of the Police Alarms program in Phase II of Revenue Bureau implementation. The report will include any efficiencies expected from the merger, as well as any costs associated with moving the program.

Strategic Direction

SIGNIFICANT ISSUES

Citywide Initiatives This budget includes several Citywide projects that have the potential to maintain or improve services while reducing costs.

Enterprise Resource Planning System

The Office of Management and Finance was directed by City Council Resolution No. 36246 to procure and implement an Enterprise Resource Planning (ERP) system. All City bureaus were directed to cooperate with this effort.

The Office of Management and Finance has appointed a project director, manager, and contract manager for this initiative, now called the Enterprise Business Systems (EBS) project. Representatives from affected City bureaus have been assigned to the executive and advisory committees. Two project team leaders have been appointed, the project charter has been approved, and the facilities space was identified and procured in March 2005.

The project team, working with quality assurance consultants, released a request for proposals in February 2005 to obtain systems integration and implementation consulting services. The proposals were received and evaluated in March 2005, and an intent to award letter was issued in April 2005. Finalization of the contract is expected by July 2005, with integration services beginning shortly after.

Customer Information System Implementation

The transfer of the Customer Information System implementation staff from the Water Bureau to OMF was completed on July 1, 2004. The implementation of the new Cayenta Customer Information System, which will manage billing, accounting, reporting, and collections for the City's water, sanitary sewer, and stormwater utilities, will be completed in March 2006. This project is managed by OMF with expenses reimbursed completely by the Water Bureau and the Bureau of Environmental Services. The project is expected to be completed within its original project budget of \$11.5 million.

Public Information and Outreach

In response to the FY 2004-05 budget note, the Office of Management and Finance, in partnership with the Planning Bureau, established a pilot project to develop and implement an annual plan to coordinate priority public outreach and involvement projects. Key City bureaus worked together to establish priority projects and identify opportunities for sharing resources to increase efficiency and effectiveness of major outreach efforts. The pilot project has been successful thus far. Continuation of the project is currently being considered as part of the Bureau Innovation Project initiated by the Office of the Mayor. The Office of Management and Finance and the Planning Bureau will report outcomes by June 2006.

Information Technology Improvements

The BTS budget further consolidates information technology staff as recommended by the original Administrative Services Review (ASR). The Tracking, Review, and Construction system (TRACs) program in the Bureau of Development Services, the remaining Water Bureau application staff, and one BES applications analyst will transfer to BTS in FY 2005-06. All transfers will adhere to the management agreement developed between BTS and the affected bureaus. The Storage Area Network (SAN) project, which emerged from efficiencies investigated for the FY 2004-05 budget cycle, will move forward in FY 2005-06 to compile data storage and create ongoing efficiencies.

Strategic Sourcing

The Office of Management and Finance presented the results of Phase I of the Strategic Sourcing initiative to City Council, identifying ten areas in which the City could more effectively procure goods and services and improve the City's buying leverage. Council directed that Phase II of the initiative be implemented in August 2004, at which time the City began procurement changes for goods and services identified in Phase I. Upon completion of Phase II, OMF will present the savings achieved to City Council and request direction regarding implementation of Phase III.

General Approach

The Office of Management and Finance is charged with continuously improving the multiple business systems and tools that support the City's operating bureaus. At the same time, these improvements must be coupled with increased efficiencies and opportunities to contain costs.

Service improvements in each of OMF's operations has been considerable. Both Human Resources and Technology Services systems and staff have been consolidated, with major improvements implemented Citywide. These changes helped significantly with breaking down bureau silos and installing standardized business and management systems. Limiting duplicative software systems, eliminating redundancy, and establishing decision-making and financing plans that can be assessed for Citywide impact are key elements of these changes. Support for Managing for Results has been extensive across OMF, especially in the Financial Planning Division with the introduction of a new software system designed to produce the City's budget at the program level. Major changes in the organizational structure and scope of Risk Management, Facilities, CityFleet, and Purchasing have resulted in a reduction in costs.

Future Focused Reviews

During the past three years, OMF has performed four focused reviews of its operations. These reviews covered Risk Management, CityFleet, the budget process, and the General Fund overhead model.

For FY 2005-06, OMF will perform focused reviews of OMF Business Operations and the Facilities Division. Also during the upcoming fiscal year, OMF will review all human resources and financial policies, the current status of diversity in employment, and the reassessment of the Professional, Technical, and Expert (PTE) contracting procedures. The City Auditor's Office is also performing an audit of centralized information technology services in BTS.

Health Fund Reserves As stated in past Office of Management and Finance financial forecasts, the escalating costs and utilization of employee health benefits are exceeding negotiated bureau contributions to the Health Insurance Fund. Under the current cost trajectory for benefit plans, excess fund reserves currently used to subsidize health plan costs will be depleted in FY 2006-07.

The difference between health plan expenses and total fund resources is projected to result in a net drawdown of \$9.1 million in excess reserves in FY 2005-06. The projected difference may change based upon the final fiscal year self-insured plan rates.

The City Council has adopted the recommendations of the Labor Management Benefits committee and HR to continue covering the employees' responsibility for the gap between contributions and expenses with the Health Fund's unrestricted reserves. The fund's cash balance is sufficient to cover the anticipated subsidy costs for FY 2005-06; however, in FY 2006-07 the fund's unrestricted cash balance will be inadequate to sustain this funding arrangement. The City's policy is to ensure the fund maintains a prudent reserve level to meet large claims and incurred but not reported (IBNR) requirements.

In December 2004, the City Council directed HR to incorporate a new health plan funding model into labor negotiation discussions and to pursue new employee education, wellness, and disease management strategies to moderate plan cost increases.

Replacement of 800 MHz Radio System Equipment and Backbone

The events of September 11, 2001, and the increased concern for homeland security, have focused considerable attention on communication and data systems that support emergency operations and maintain interoperability. The concerns suggest accelerated attention to modernizing the radio system platform to better support interoperability and to provide significantly increased bandwidth in data communications. Federal action to rearrange and increase the radio frequency spectrum for public safety may require significant investments in the radio system to meet frequency realignment requirements. The Federal Communications Commission (FCC) has required Nextel to absorb the costs of interference-related realignment, although there are concerns that Nextel's contribution may not meet the true costs.

Federal grant funds through Homeland Security funding may support spectrum use improvements. Funding through the 2005 Urban Areas Security Initiative (UASI) grants will be used for initial planning for a complete regional plan addressing radio and data interoperability. In order to meet the new demands imposed in the post-9/11 era and to position the City to take advantage of potential federal funds that may require increased regional cooperation, it may be necessary to begin planning for full system replacement earlier than 2013, the current retirement date of the bond debt for the system.

Annual funds collected for radio equipment replacement will remain at approximately the same level over the next five years, with adjustments for inflation each year. No major changes to the 800 MHz system are forecast, although some radios will be replaced as part of the Nextel spectrum reorganization. It is not yet clear which replacements will be funded through Nextel resources; with no replacement by Nextel, the reserve for radio equipment will grow from approximately \$6.8 million to \$7.7 million in FY 2005-06. It is estimated that in FY 2012-13, when the debt on the 800 MHz backbone will be retired, the reserve for radio equipment will have a shortfall of over \$4.8 million, less the cost of the units replaced through Nextel resources.

The 800 MHz system backbone may need to be replaced in the next five years, and BTS is examining several options to fund a replacement system. These include federal appropriations, merging with a regional system, bond measures, debt financing, or a combination of sources. The UASI interoperability study should help explore the options for a regional replacement system. The fund does not currently collect replacement funds for the backbone through its rates.

Information Technology Investment Shortfall

To fully implement the Information Technology strategic plan (which includes a roadmap for providing bureaus with PCs and laptops for staff access applications, servers and electronic storage to support these applications, and data networks to connect these elements), the ongoing funding for equipment replacement must be addressed.

Currently, most bureaus do not have comprehensive replacement programs for their PCs, servers, and laptops. Bureaus may have a budget to replace a certain percentage of equipment each year, or they may fund replacement through savings in other line items as available. Consequently, equipment replacement is not conducted in a consistent manner. To meet their FY 2005-06 reductions, some bureaus reduced or eliminated replacement funds for computer equipment, although BTS recommended that funding for server replacements and switch replacements be set aside. For these bureaus, the reductions will create a significant hole for future replacement. Most bureaus do not have strict replacement programs. Instead, they rely on one-time budget savings, use second-hand equipment, or expect to maintain equipment that no longer meets minimum requirements for security, reliability, or performance. This is especially true for server replacements. While server consolidation may gain some efficiencies, it is still dependent on funding from bureaus.

MANAGEMENT GOALS & OBJECTIVES

The Office of Management and Finance has identified a number of goals for FY 2005-06 and beyond.

The following bureau goals fall under the Citywide goal to deliver efficient, effective, accountable services.

Leadership and Stewardship of Resources

Strengthen the City's human, technological, financial, and capital resources.

- ◆ Undertake a critical evaluation of existing service delivery based on cost effectiveness, quality of service, and accountability in light of OMF's performance over time, as well as comparisons to similar jurisdictions nationwide.
- ◆ Continue the existing competitiveness study for OMF services and establish benchmarks.
- ◆ Incorporate the City's sustainability vision by establishing objectives and implementing a comprehensive sustainability program.
- ◆ Implement education and outreach efforts to increase awareness of OMF's value and role to internal and external customers, users, and stakeholders.

Professional Workforce and Workplace

Continue to recruit and develop an expert workforce and foster a workplace based on accountability, stewardship, inclusion, and service.

- ◆ Continue to foster diversity and inclusion in all aspects of our work, both internally and Citywide.
- ◆ Develop and implement an organization-wide communication plan for timely and relevant communication of information to employees, customers, users, and stakeholders.

- ◆ Utilize one-time money to design, develop, and implement a comprehensive Citywide workforce training and development plan that focuses on workforce diversity and employee improvement.
- ◆ Develop and implement workforce retention and management succession plans.
- ◆ Engage all OMF employees in discussions of the organization's mission, vision, values, and strategic goals.
- ◆ Continue to develop a workplace distinguished by a sense of safety and responsiveness to the needs of our workforce.
- ◆ Recognize the need for employees to balance work and personal life to ensure a healthy workforce.

Management Skills

Enhance the management skill sets necessary to lead the organization.

- ◆ Develop a clear set of management skill sets, competencies, and expectations based on strategic goals and objectives.
- ◆ Develop and implement a comprehensive management training and development program across the organization.
- ◆ Continue the implementation of sound performance management practices that establish clear expectations, provide organizational support for success, and hold individuals at all levels of the organization accountable for results.
- ◆ Continue to build teamwork and the ability of organizational leaders to work together in addressing Citywide issues.

Efficiency through Technology

Maximize the cost-effective use of technology in all aspects of OMF's work.

- ◆ Develop a comprehensive strategic technology plan.
- ◆ Undertake a comprehensive examination of the City's technology infrastructure requirements and develop a technology investment plan.
- ◆ Continue to explore opportunities to use technology, including investing in and promoting the use of e-business, e-commerce, and e-government to improve City and resident access to our services.
- ◆ Continue to develop and implement Citywide technology standards consistent with the core business needs of users.
- ◆ Conduct an assessment of user training needs and provide appropriate support.

The following bureau goal falls under the Citywide goal of promoting economic vitality and opportunity.

Partnerships

Strengthen OMF's collaborative business partnerships with customers, users, and stakeholders.

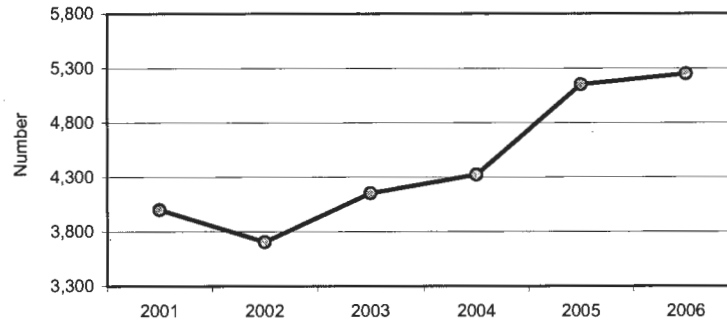
- ◆ Establish customer service standards based on input from customers, users, and stakeholders that balance service delivery with our regulatory mandates and financial constraints.
- ◆ Capitalize on opportunities to partner with other government jurisdictions and appropriate entities to achieve economies of scale in the delivery of cost-effective and quality services.
- ◆ Establish consistent standards of service delivery, including operating policies and procedures, across all OMF bureaus.
- ◆ Establish, administer, and report specific performance measures within all OMF bureaus.

- ◆ Regularly communicate with our customers and stakeholders on projects and issues that impact them.
- ◆ Periodically survey customer satisfaction with our services.

Performance Measures

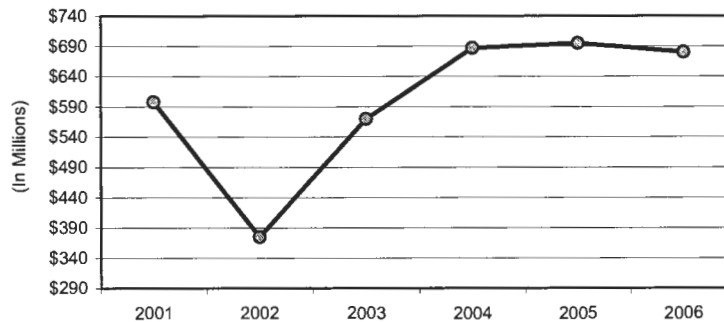
Accounts Receivable Invoices Issued

- ◆ The number of accounts receivable invoices has been on a steady increase since FY 2000-01.



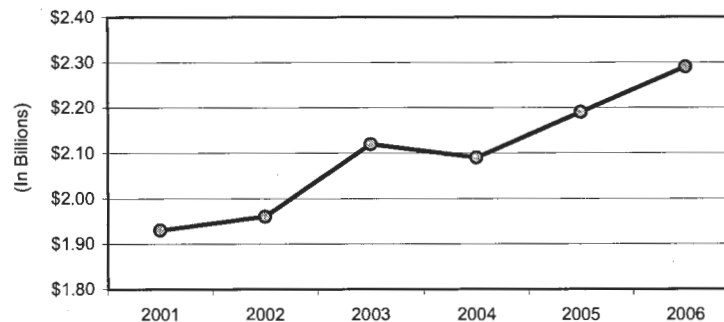
Investment Portfolio

- ◆ The size of the investments managed by the Treasury has grown as a result of growth of City services.



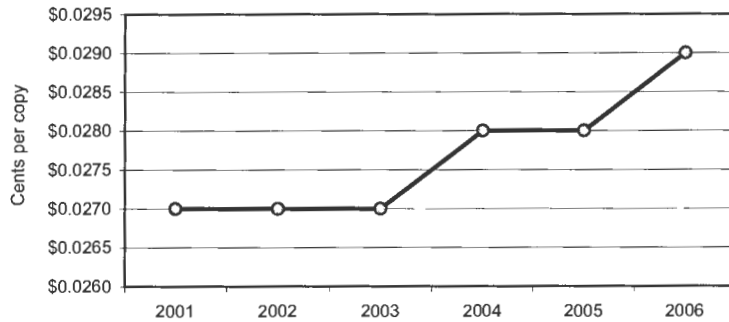
Long-Term Debt Under Management

- ◆ The amount of debt managed by OMF has increased as the City has debt financed large capital projects.



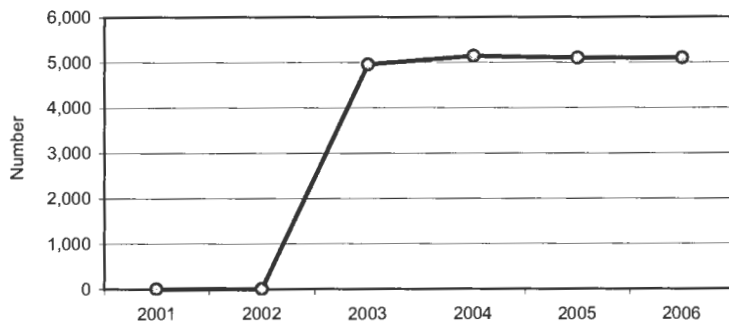
Cents per Copy

- ◆ Through efficiencies and increased volume, Printing and Distribution has increased the basic copy center rate by only \$0.002 in the last four years.



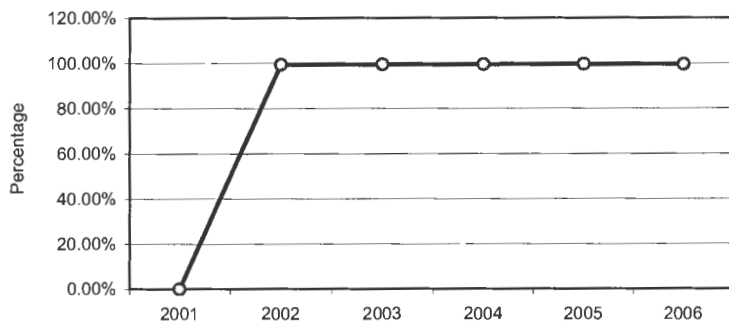
Number of Email Accounts Supported

- ◆ The number of email accounts have increased sharply since FY 2001-02. It is anticipated that the current number of email accounts will remain steady.



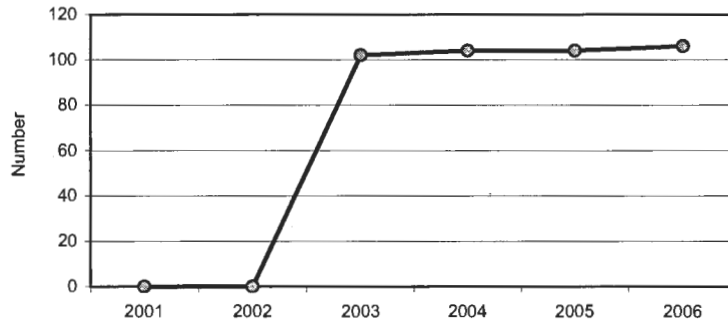
Portland Police Data System Availability

- ◆ Portland Police Data System Availability Percentage (SLA obligation - 99.5%)



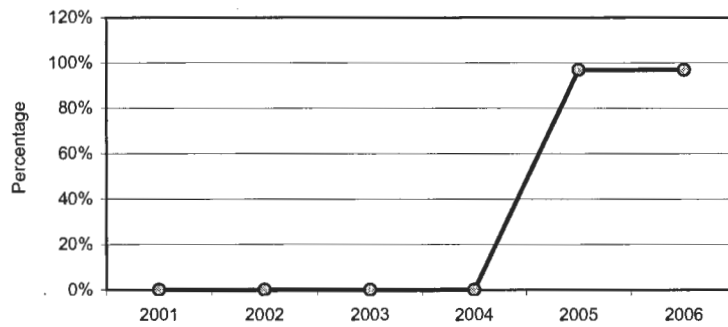
Number of Desktops Supported per Technician

◆ BTS efficiently provides desktop services to City bureaus.



Percentage of B20 Bio-Diesel-Powered Vehicles

◆ The percentage of diesel-powered vehicles using environmentally friendly diesel fuel corresponds with the City's interest in sustainable practices.



Office of Management and Finance

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	38,420,393	38,517,537	47,371,265	54,336,665	54,427,197
External Materials and Services	68,480,080	71,751,326	91,616,102	97,568,638	97,523,455
Internal Materials and Services	16,012,297	18,550,801	22,852,550	29,654,688	29,226,823
Minor Capital Outlay	3,645,319	4,571,530	13,907,844	5,821,249	5,846,249
Equipment Cash Transfers	20,452	42,328	258,025	0	0
Total Operating Budget	126,578,541	133,433,522	176,005,786	187,381,240	187,023,724
Capital Improvements	21,937,738	12,759,589	26,267,883	15,687,092	15,107,092
TOTAL BUREAU EXPENDITURES	\$ 148,516,279	\$ 146,193,111	\$ 202,273,669	\$ 203,068,332	\$ 202,130,816
Allocated Overhead	3,274,177	4,502,940	3,060,624	4,686,664	3,368,826
Total Cost with Allocated Overhead	151,790,456	150,696,051	205,334,293	207,754,996	205,499,642

RESOURCES					
Resources					
BGS-Facilities Services	16,874,284	17,272,615	25,889,254	21,975,169	21,395,358
BGS-Spectator Facilities	1,390,756	1,014,289	2,364,151	1,437,168	1,437,168
BGS-Fire Facilities GO Bond	7,184,188	4,424,035	8,919,855	7,185,378	7,185,378
BGS-Parking Facilities	6,066,610	4,934,920	5,616,980	5,684,504	5,684,504
BGS-Printing & Distribution	5,579,028	5,650,349	6,634,010	6,227,643	6,233,280
BGS-Risk	8,832,347	9,405,947	12,678,556	10,971,458	10,971,458
BGS-CityFleet	15,740,301	15,868,174	25,462,712	18,773,656	18,773,656
Health Insurance - Fund 701	30,573,712	33,929,841	30,123,041	34,976,143	35,083,081
PPA Health Insurance - Fund 721	0	0	7,525,797	8,246,060	8,274,902
Technology Services	34,140,791	29,210,372	40,253,986	39,467,841	39,489,432
Discretionary General Fund	3,785,020	2,969,373	4,785,216	5,550,223	5,319,597
Total Discretionary Revenues	130,167,037	124,679,915	170,253,558	160,495,243	159,847,814
Non-Discretionary Revenues					
Grants and Donations	0	0	0	0	0
Interagency Revenues	11,571,386	14,282,320	23,333,574	34,116,106	34,140,744
Bureau Program Revenues	1,219,305	1,081,335	1,072,603	1,014,321	1,014,321
Overhead Revenues	5,428,247	5,843,558	7,222,245	7,040,859	6,726,134
Contract Revenues	130,304	305,983	391,689	401,803	401,803
Total Non-Discretionary Revenues	18,349,242	21,513,196	32,020,111	42,573,089	42,283,002
Total General Fund Resources					
TOTAL RESOURCES	\$ 148,516,279	\$ 146,193,111	\$ 202,273,669	\$ 203,068,332	\$ 202,130,816

Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.
 Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.

DIVISIONS					
Facilities Services	25,449,228	22,710,938	37,173,260	30,597,715	30,017,904
<i>Positions</i>	<i>35.00</i>	<i>37.00</i>	<i>36.30</i>	<i>36.00</i>	<i>36.00</i>
OMF Business Operations	6,253,021	5,125,493	4,847,601	4,480,196	4,707,020
<i>Positions</i>	<i>34.00</i>	<i>34.60</i>	<i>29.60</i>	<i>27.60</i>	<i>28.60</i>
BGS Administration	6,394,416	5,244,802	5,984,632	5,949,049	5,949,049
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>
Financial Services	6,975,652	8,540,233	9,413,749	9,292,365	9,292,365
<i>Positions</i>	<i>58.00</i>	<i>57.50</i>	<i>58.48</i>	<i>58.88</i>	<i>58.88</i>
Human Resources	5,268,608	5,826,162	6,506,786	6,688,069	6,788,069
<i>Positions</i>	<i>54.00</i>	<i>55.00</i>	<i>56.66</i>	<i>55.00</i>	<i>55.00</i>
Technology Services	34,140,856	29,210,837	40,253,986	39,467,841	39,489,432
<i>Positions</i>	<i>172.00</i>	<i>179.60</i>	<i>194.14</i>	<i>196.43</i>	<i>196.43</i>
Risk Management	8,832,347	9,405,947	12,678,556	10,971,458	10,971,458
<i>Positions</i>	<i>18.00</i>	<i>17.00</i>	<i>23.00</i>	<i>22.00</i>	<i>22.00</i>
Purchases	3,309,110	3,159,972	4,684,573	3,789,836	3,789,836
<i>Positions</i>	<i>27.00</i>	<i>29.50</i>	<i>31.65</i>	<i>31.00</i>	<i>31.00</i>
Printing & Distribution Services	5,579,028	5,650,349	6,634,010	6,227,643	6,233,280
<i>Positions</i>	<i>27.00</i>	<i>26.00</i>	<i>25.50</i>	<i>26.00</i>	<i>26.00</i>
Citywide Projects	0	1,520,363	5,589,466	9,253,587	9,253,587
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>24.00</i>	<i>25.00</i>	<i>25.00</i>
Utility Customer Services	0	0	5,395,500	14,354,714	13,507,177
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>115.40</i>	<i>110.40</i>	<i>109.40</i>

Office of Management and Finance

SUMMARY OF BUREAU BUDGET

DIVISIONS					
Health Administration	30,573,712	33,929,841	37,648,838	43,222,203	43,357,983
<i>Positions</i>	6.00	6.00	7.00	7.00	7.00
CityFleet	15,740,301	15,868,174	25,462,712	18,773,656	18,773,656
<i>Positions</i>	83.00	83.00	82.00	76.00	76.00
TOTAL DIVISIONS	\$ 148,516,279	\$ 146,193,111	\$ 202,273,669	\$ 203,068,332	\$ 202,130,816
<i>Positions</i>	517.00	528.20	686.73	674.31	674.31

OMF Business Operations

OVERVIEW

The Office of Management and Finance provides internal support services that enable City bureaus to fulfill their missions. To that end, the OMF Business Operations program and the Chief Administrative Officer (CAO) program provide an array of financial management, business systems management, support, coordination, policy, and planning services to OMF bureaus, the CAO, the City Council, and other City bureaus.

The CAO reports to the Mayor and the Council and is directly responsible for providing leadership and oversight of all Citywide administrative services. The CAO advises the Mayor, Council, and bureau managers on strategic issues and programs that can affect the City and provides leadership and support for a variety of Citywide projects. The CAO provides leadership and direction for the Office of Management and Finance. The responsibilities of the CAO are outlined in 3.15.030 in the Portland City Code.

Overview of Programs

CAO'S OFFICE

The Chief Administrator's Office manages the Office of Management and Finance, which is directly responsible for implementing Council policies by providing Citywide systems, programs, and processes in the areas of financial management, financial planning, technology services, human resources, revenue, and general services. The CAO also manages and assumes responsibility for Citywide projects initiated by Council, such as the Customer Information System and the Enterprise Business System.

Program objectives include:

- ◆ Seamless delivery of Citywide administrative services that are cost effective and responsive;
- ◆ Ability to continually provide the Mayor and Council with accurate, timely information and analysis;
- ◆ Ensure that the City's Managing for Results (MFR) approach is fully implemented and working; and
- ◆ Ensure that administrative overhead is kept to a minimum and duplication of services in OMF is avoided.

Relationship to Goals

This program specifically supports the Citywide goal of delivering efficient, effective, and accountable municipal services. The program also indirectly supports all of Council's goals by management and oversight throughout the City. In addition, the CAO's program supports the implementation of the new utility billing system, evaluation of potential major utility purchases, and implementation of organizational efficiencies.

As the head of OMF, the CAO has responsibility for ensuring that all of OMF's strategic plan goals are realized.

Performance

Workload and efficiency performance measures for the CAO's Office will be implemented upon completion of the Business Operations strategic plan.

Changes to Services and Activities

The Adopted Budget does not reduce funding for the Chief Administrative Officer's Office. However, it does eliminate ongoing funding for two policy analyst positions that support Council projects such as MFR, Fire & Police Disability & Retirement (FPD&R) reform, Citywide strategic planning, and other Citywide projects. One-time funding has been added for these positions in FY 2005-06, and Council plans to review ongoing need for these positions in conjunction with the annual review of the OMF work plan.

OMF BUSINESS OPERATIONS

OMF Business Operations manages the business systems of the nine OMF funds. Business Operations supports the CAO and all OMF bureaus, and is intended to ensure smooth operation, coordination, and consistency throughout the organization. The program is highly responsive to client demand for services and to changing organizational needs.

OMF Business Operations' major responsibilities are to:

- ◆ Provide management, support, and coordination for all OMF internal business operations;
- ◆ Provide leadership and management oversight of all OMF finances for both the General Fund and internal service funds, including all aspects of budget and rate development, Capital Improvement Plan development, monitoring, business case analyses, and financial project management;
- ◆ Provide support and management for organizational and inter-bureau projects, often of Citywide significance;
- ◆ Represent OMF in Citywide efforts such as improved workforce diversity, sustainability, and expanding internship programs;
- ◆ Manage ongoing endeavors such as the organization's strategic plan, web sites, employee involvement and recognition programs, diversity program, and policy manual;
- ◆ Provide public information and relations services for OMF, Portland Department of Transportation, and the Portland Office of Emergency Management;
- ◆ Ensure comprehensive communications, public involvement and outreach, and strategic planning throughout OMF; and
- ◆ Implement City Council and OMF strategic initiatives.

Relationship to Goals

The primary Citywide goal that Business Operations supports is the goal to deliver efficient, effective, and accountable municipal services. The internal services provided by this program help the City deliver responsive, competitive government services, maintain a healthy City financial condition, and manage to achieve City and OMF goals. Business Operations also provides services to all City bureaus that assist them in delivering direct services to citizens in support of all Citywide goals.

As the central manager, coordinator, and support system for all OMF internal business operations, the Business Operations program performs functions and activities dedicated to achieving the specific goals of each of the five OMF strategic plan directions.

Performance

Workload and efficiency performance measures will be implemented upon completion of the Business Operations strategic plan.

Changes to Services and Activities

OMF Business Operations is significantly reducing its external materials and services budget and cutting one accountant position that supports the Bureau of Technology Services. The reductions in materials and services will reduce OMF's ability to respond to future demands of the Mayor and Council regarding new initiatives and Citywide projects. The elimination of the accountant position will reduce Business Operations' ability to process and reconcile BTS interagency agreement billings.

The Adopted Budget also adds \$10,000 in one-time resources for a span of control study and \$75,000 in one-time resources for a review of the Integrated Regional Network Enterprise (IRNE) system.

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	2,938,958	2,615,393	2,520,306	2,587,981	2,814,805
External Materials and Services	1,345,599	690,172	1,169,181	535,322	535,322
Internal Materials and Services	1,963,420	1,816,428	1,157,289	1,356,893	1,356,893
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	5,044	3,500	825	0	0
Total Operating Budget	6,253,021	5,125,493	4,847,601	4,480,196	4,707,020
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 6,253,021	\$ 5,125,493	\$ 4,847,601	\$ 4,480,196	\$ 4,707,020
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	6,253,021	5,125,493	4,847,601	4,480,196	4,707,020
RESOURCES					
Discretionary Revenue	1,017,317	0	401,067	274,065	274,065
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	5,235,703	5,107,929	4,416,897	4,206,131	4,432,955
Program Revenue	1	17,564	29,637	0	0
Total Non-Discretionary Revenues	5,235,704	5,125,493	4,446,534	4,206,131	4,432,955
TOTAL GENERAL FUND RESOURCES	\$ 6,253,021	\$ 5,125,493	\$ 4,847,601	\$ 4,480,196	\$ 4,707,020
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
CAO's Office	651,122	578,015	443,830	595,038	595,038
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>4.60</i>	<i>4.20</i>	<i>4.20</i>
OMF Business Operations	5,089,886	4,046,592	4,403,771	3,885,158	4,111,982
<i>Positions</i>	<i>25.00</i>	<i>25.60</i>	<i>25.00</i>	<i>23.40</i>	<i>24.40</i>
Citywide Service Improvement Initiative	512,013	500,886	0	0	0
<i>Positions</i>	<i>7.00</i>	<i>7.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 6,253,021	\$ 5,125,493	\$ 4,847,601	\$ 4,480,196	\$ 4,707,020
<i>Positions</i>	<i>34.00</i>	<i>34.60</i>	<i>29.60</i>	<i>27.60</i>	<i>28.60</i>

OMF Business Operations AU 307

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	2.00	2.00	1.00	45,360	1.00	45,540	1.00	45,540
0515	Accountant II	5.00	5.00	6.00	309,732	5.00	260,580	5.00	260,580
0516	Accountant III	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0102	Office Supp Spec II	5.00	5.00	2.00	62,710	2.00	67,536	2.00	67,536
0104	Office Supp Spec III	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
7207	Public Relations/ Info Officer	0.00	0.00	1.00	75,900	1.00	78,490	1.00	78,490
7103	Administrative Assistant	0.00	0.00	1.00	53,520	1.00	55,716	1.00	55,716
7107	Administrative Supervisor II	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7112	Business Operations Manager	2.00	2.00	2.00	163,140	2.00	163,140	2.00	163,140
7113	Business Operations Manager, Sen	1.00	1.00	1.00	106,164	1.00	106,572	1.00	106,572
7121	Business Systems Analyst	1.00	1.00	1.00	63,816	1.00	65,652	1.00	65,652
7001	Chief Administrative Officer	1.00	1.00	1.00	147,780	1.00	148,368	1.00	148,368
7127	Executive Assistant	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7376	Financial Analyst	3.00	3.00	3.00	191,592	3.00	194,636	3.00	194,636
7377	Financial Analyst, Senior	3.00	3.00	5.00	343,008	4.00	285,800	5.00	358,364
7510	Information Systems Manager, Sen	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7132	Management Analyst, Senior	1.00	1.00	1.00	70,092	0.00	0.00	0.00	0.00
7130	Management Assistant	0.00	0.00	1.00	49,568	1.00	51,600	1.00	51,600
7145	Policy Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7378	Principal Financial Analyst	1.00	1.00	1.00	71,196	1.00	74,112	1.00	74,112
7133	Principal Management Analyst	0.00	0.00	0.00	0.00	1.00	76,116	1.00	76,116
7206	Public Information Officer	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7004	Purchasing Director	0.00	0.00	0.00	0.00	0.40	42,624	0.40	42,624
7188	Risk Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		33.00	33.00	27.00	\$ 1,753,578	25.40	\$ 1,716,482	26.40	\$ 1,789,046
7452	Community Service Aide II	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
7145	Policy Analyst	0.00	0.50	0.60	51,078	0.60	53,178	0.60	53,178
7146	Policy Analyst, Senior	1.00	0.60	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PART-TIME POSITIONS		1.00	1.60	0.60	\$ 51,078	0.60	\$ 53,178	0.60	\$ 53,178
7145	Policy Analyst	0.00	0.00	1.00	68,976	1.00	79,788	1.00	79,788
7146	Policy Analyst, Senior	0.00	0.00	1.00	103,524	0.60	63,628	0.60	63,628
TOTAL LIMITED TERM POSITIONS		0.00	0.00	2.00	\$ 172,500	1.60	\$ 143,416	1.60	\$ 143,416

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	4,860,641	0	4,860,641	29.60	FY 2005-06 Current Appropriation Level Estimate
Mayor's Proposed Budget Decisions					
	(215,000)	0	(215,000)	0.00	Reductions in M&S to meet 5% target
	(326,201)	189,065	(137,136)	(1.00)	Cut 1 Accountant pos, reduce M&S
	0	10,000	10,000	0.00	Span of Control Study
	0	75,000	75,000	0.00	IRNE Review
	(91,824)	0	(91,824)	(1.00)	Move Customer Svcs Auditor to Rev Bureau
	(29,792)	0	(29,792)	0.00	OMF IA Savings
	8,307	0	8,307	0.00	Net of IA Adjustments
Approved Budget Additions and Reductions					
	91,824	0	91,824	1.00	Move Customer Svcs Auditor to Bus Ops
Adopted Budget Additions and Reductions					
	135,000	0	135,000	0.00	IA with Spec Approps for PGE staff person
	(427,686)	274,065	(153,621)	(1.00)	Total FY 2005-06 Decision Packages
			\$ 4,707,020	28.60	Total Adopted Budget

Citywide Projects

OVERVIEW

The Chief Administrative Officer and the Office of Management and Finance provide management and oversight for Citywide projects initiated by City Council. OMF Business Operations provides financial management for these projects.

Overview of Programs

EBS PROJECT

The Enterprise Business System (EBS) program is designed to acquire and implement an enterprise resource planning (ERP) system for the City. The current financial system, IBIS, is a 16-year-old system that is no longer able to meet the City's present or future financial and business needs.

The intended outcome of this program is the successful implementation of an EBS system to replace the current financial system and many other "shadow" systems to allow for the Citywide utilization of best practice business processes and standardized financial management.

The City Council directed OMF to implement the EBS program in Resolution No. 36246. The program is in alignment with Council/OMF goals, meets critical financial and business needs, has broad support, will have Citywide financial and operational impact, and will enhance the performance of OMF and other City bureaus.

Relationship to Goals

The EBS program will provide efficiencies and allow for the implementation of best practice business processes in furtherance of all Council goals and priorities. This program will primarily meet the goal of delivering efficient, effective, and accountable municipal services. The program will attempt to improve financial accountability; standardize business and financial practices Citywide; improve efficiency and overall productivity; provide for long-term Citywide savings; and maintain the City's place as an innovator in finance, management, and technology.

This program primarily supports OMF's goal of strengthening organizational leadership and stewardship of the City's human, technological, financial, and capital resources. It also addresses the goals of maximizing the cost-effective use of technology in all aspects of our work; and strengthening our collaborative business partnerships with customers, users, and stakeholders.

Performance

Performance measures are not attached to this program as it is a one-time, capital-intensive project.

CIS IMPLEMENTATION

The City of Portland is replacing its automated customer information system (CIS) for managing billing, accounting, reporting, and collections for its water, sanitary sewer, and storm water utilities.

The process began in 2001 with an assessment of the City's current CIS, and proceeded through identification and analysis of options in response to a competitive request for proposals. In January 2004, a contract for a replacement CIS was awarded to Cayenta Canada. City and Cayenta staff are now configuring, installing, and testing this system to ensure it will function in accordance with City business requirements.

The CAO is the project director, OMF personnel are leading the project, and staff has been transferred from the Water and Environmental Services bureaus to OMF to support project activities. The project has an advisory committee consisting of the Directors of the Water, Environmental Services, and Technology Services Bureaus.

It is expected that implementation of the replacement CIS will be completed during March 2006. The project is expected to come in under the original total project budget of \$11,500,000.

Relationship to Goals

The implementation of a new CIS system is intended to further the Council goal of delivering efficient, effective, and accountable municipal services.

The CIS program will help OMF achieve two of its strategic plan goals:

- ◆ The primary goal is to strengthen our organization's leadership and stewardship of the City's human, technological, financial, and capital resources.
- ◆ Strengthen our collaborative business partnerships with customers, users, and stakeholders.

Performance

Performance measures are not attached to this program as it is a one-time, capital intensive project.

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	0	19,147	1,819,577	1,907,876	1,907,876
External Materials and Services	0	1,401,632	2,429,316	6,105,292	6,091,692
Internal Materials and Services	0	99,584	660,984	440,419	454,019
Minor Capital Outlay	0	0	445,589	800,000	800,000
Equipment Cash Transfers	0	0	234,000	0	0
Total Operating Budget	0	1,520,363	5,589,466	9,253,587	9,253,587
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 0	\$ 1,520,363	\$ 5,589,466	\$ 9,253,587	\$ 9,253,587
Allocated Overhead	0	0	0	0	27,667
Total Cost with Allocated Overhead	0	1,520,363	5,589,466	9,253,587	9,281,254
RESOURCES					
Discretionary Revenue	0	11,199	0	0	0
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	1,509,164	5,589,466	9,253,587	9,253,587
Program Revenue	0	0	0	0	0
Total Non-Discretionary Revenues	0	1,509,164	5,589,466	9,253,587	9,253,587
TOTAL GENERAL FUND RESOURCES	\$ 0	\$ 1,520,363	\$ 5,589,466	\$ 9,253,587	\$ 9,253,587
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
EBS Project	0	0	936,051	4,330,430	4,395,848
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>
CIS Implementation	0	1,520,363	4,653,415	4,923,157	4,857,739
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>20.00</i>	<i>21.00</i>	<i>21.00</i>
TOTAL PROGRAMS	\$ 0	\$ 1,520,363	\$ 5,589,466	\$ 9,253,587	\$ 9,253,587
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>24.00</i>	<i>25.00</i>	<i>25.00</i>

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FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0131	Customer Accts Spec I	0.00	0.00	2.50	96,008	3.00	118,005	3.00	118,005
0132	Customer Accts Spec II	0.00	0.00	1.00	34,428	1.00	34,560	1.00	34,560
7511	Enterprise Bus Sys Proj Mgr	0.00	0.00	1.00	104,708	1.00	106,572	1.00	106,572
7103	Administrative Assistant	0.00	0.00	1.00	38,496	1.00	38,652	1.00	38,652
7102	Administrative Specialist, Senio	0.00	0.00	1.00	55,188	1.00	55,392	1.00	55,392
2533	Applications Analyst III	0.00	0.00	4.00	237,307	4.00	245,374	4.00	245,374
7121	Business Systems Analyst	0.00	0.00	1.00	57,240	1.00	59,396	1.00	59,396
7120	Business Systems Analyst, Assist	0.00	0.00	3.00	140,328	3.00	144,660	3.00	144,660
7133	Principal Management Analyst	0.00	0.00	2.00	144,600	2.00	146,490	2.00	146,490
7158	Program Manager, Senior	0.00	0.00	1.00	76,776	1.00	79,920	1.00	79,920
TOTAL FULL-TIME POSITIONS		0.00	0.00	17.50	\$ 985,079	18.00	\$ 1,029,021	18.00	\$ 1,029,021
7120	Business Systems Analyst, Assist	0.00	0.00	5.50	243,989	6.00	276,765	6.00	276,765
7510	Information Systems Manager, Sen	0.00	0.00	1.00	93,499	1.00	97,184	1.00	97,184
TOTAL LIMITED TERM POSITIONS		0.00	0.00	6.50	\$ 337,488	7.00	\$ 373,949	7.00	\$ 373,949

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	9,253,987	0	9,253,987	25.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	None
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	0	0	0	0.00	Total FY 2005-06 Adjustments
			\$ 9,253,987	25.00	Total Adopted Budget

Financial Services

OVERVIEW

The Bureau of Financial Services is composed of Strategic Support/Office of the Chief Financial Officer, Accounting, Debt Management, Financial Planning, and Treasury. Through these programs, the bureau provides financial management and planning services in a variety of areas, such as financial reporting and planning, investments, debt issuance, and grants management.

Changes to Services and Activities

Financial Services reductions include \$166,356 in external materials and services and \$301,474 in interagency savings. The reductions will limit Financial Services' ability to respond to future demands of the Mayor and Council regarding new initiatives. The Adopted Budget also reduces the need for City resources for Debt Management and Treasury's Deferred Compensation program by increasing the amount of outside revenues that these programs collect.

Overview of Programs

ACCOUNTING

The Accounting program provides accounting, financial reporting, and management of the City's corporate accounting systems and processes. The activities of the program include the following:

- ◆ Ensure accounting operations throughout the City result in accurate, complete, and timely information;
- ◆ Establish and maintain Citywide accounting standards;
- ◆ Review, monitor, and process payments to vendors, billings to City creditors, and employee paychecks;
- ◆ Support the ability of operating bureaus to achieve fiscal compliance, accuracy, and timeliness;
- ◆ Monitor bureau accounting operations to ensure compliance with City, state, and federal regulations and generally accepted accounting principles, and ensure that adequate internal controls are in place;
- ◆ Support preservation of the Aaa credit rating from Moody's Investors Service;
- ◆ Prepare financial reports that comply with current accounting principles and regulatory requirements; and
- ◆ Prepare the Comprehensive Annual Financial Report (CAFR).

Relationship to Goals

Accounting supports the Citywide goal to deliver efficient, effective, and accountable municipal services by maintaining a financially healthy City.

The Accounting program supports the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.

Performance

The performance measures for this program are: number of accounts receivable invoices issued, the percent of accounts receivable invoices collected within 60 days, the turnaround time for accounts payable, the number of manual accounts payable and payroll checks issued, the number of errorless payroll checks, and the percent of payroll checks directly deposited.

FINANCIAL PLANNING

The Financial Planning program includes the City's financial planning and grants administration functions.

Financial Planning analyzes City policies and ordinances for fiscal and policy impacts, coordinates development of the City's budget, creates the City's published budget documents, provides fiduciary oversight of the General Fund, and performs special studies. Financial Planning also monitors bureau expenditures and revenues, coordinates budget amendments, and provides analysis of financial plans and operating and capital budgets. The program provides consultation, training, and technical assistance to City bureaus'

budget staff, hosts community budget forums, and assists the Council with budgetary decision making. The City's FY 2005-06 budget was prepared and adopted within the timelines prescribed by Local Budget Law. Following a pilot project for the FY 2004-05 budget, Financial Planning implemented a new Citywide budget system for preparation of the FY 2005-06 budget.

The grants administration function:

- ◆ minimizes potential financial liability with respect to allowable costs;
- ◆ ensures no or minimal findings by grantors and auditors;
- ◆ maximizes the City's cash flow from grantors, thereby increasing interest earnings;
- ◆ maximizes the potential for receiving new grants by ensuring that applications are well prepared and meet the individual grant application requirements;
- ◆ coordinates and prepares the federally required Single Audit Report;
- ◆ prepares the Federally Approved Indirect Cost Allocation Plan;
- ◆ performs Davis-Bacon file reviews; and
- ◆ distributes U.S. Department of Labor and Bureau of Labor and Industries wage determinations.

The City's grants administration has been recognized as a model for other jurisdictions. Despite increased workload (the number of grants managed has increased from 186 in FY 2002-03 to about 230 in FY 2004-05) grants administration received no findings in the FY 2003-04 audit.

Relationship to Goals The Financial Planning program supports the Citywide goal of delivering efficient, effective, and accountable municipal services.

This program supports the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.

Performance Performance is measured by the accuracy of financial forecasts, the number of active federal grants, and the number of grant audit findings.

DEBT MANAGEMENT

Debt Management Debt Management provides advice and expertise to City bureaus and the Portland Development Commission (PDC) in managing long and short-term capital financing programs. The program's primary activities include debt transaction management, rebate compliance and management, continuing disclosure, issuance of conduit bonds, investor and credit-rating relations, and financial analysis for special projects.

Key objectives for the Debt Management program are to assure timely access to capital markets, low-cost financing, and high credit ratings to ensure that City bureaus have cost-effective funding options available to implement capital programs.

Relationship to Goals Debt Management supports the Citywide goal of delivering efficient, effective, and accountable municipal services by working to ensure timely access to the capital markets while minimizing debt service costs to city taxpayers and ratepayers.

This program supports the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.

Performance The performance measures used for this program are the amount of long-term debt under management, the number of outstanding long-term debt issues, the number of short-term borrowing programs managed, and maintenance of the City's bond rating.

TREASURY

The Treasury program, in practical terms, serves as the City's bank. The program manages the City's investment program, coordinates and reconciles all City cash deposits and disbursements, provides cash and investment accounting, and provides trustee account activities and passport processing functions. In addition, the program is responsible for monitoring the financial activities of the Fire and Police Disability and Retirement Fund and the Public Employees Retirement System, and responding to proposed policy changes to ensure the City's financial liabilities are addressed and planned for proactively.

Treasury's daily activities are critical to the execution of the City's investment policy and strategies, and compliance with applicable Internal Revenue Service arbitrage rebate requirements. Treasury supports all Citywide cash operations and serves as the primary source for reconciling cash for central accounting, outside audit, and investment purposes.

Relationship to Goals The Treasury program supports the Citywide goal to deliver efficient, effective and accountable municipal services by helping to maintain a healthy City financial condition.

Treasury supports the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.

Performance The performance measures used for the Treasury program include: the volume of the investment portfolio, the number of deposit/disbursement transactions processed, the percentage of employees participating in the Deferred Compensation Plan, and the number of passports processed.

CFO OFFICE/STRATEGIC SUPPORT

The Strategic Support program, lead by the Chief Financial Officer (CFO), provides vision, leadership, and management oversight to the programs within the Financial Services Division; communicates complex financial information and policy to elected officials and bureau managers; represents the City in the area of financial management to external parties; and provides support and leadership to professional organizations that represent local governments both in Oregon and across the country. This program monitors, evaluates, and recommends City positions on policy and administrative issues regarding the Public Employees Retirement System and other pension plans, and testifies before boards and legislative bodies on a wide range of complex policy, program, and financial issues with the objective of reducing the City's pension payroll costs. The program oversees the work of retained actuaries and legal staff in analyzing highly detailed and complex policy, benefit, and cost determination proposals and administrative practices that impact retirement benefit scope and cost to the City. This program's major objective is to provide internal financial consulting services in support of City bureau programs and the economic development and housing activities of the Portland Development Commission.

Relationship to Goals This program supports the Citywide goal of delivering efficient, effective, and accountable municipal services by maintaining the financial health of the City.

This program supports the OMF goal of strengthening the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
Financial Services						
Accounting						
Effectiveness						
Number of Payroll Checks Without Error	163,000	163,000	171,563	171,378	171,500	171,500
Percent of Accounts Receivable Invoices Collected Within 60 Days	65%	85%	89%	94%	95%	95%
Efficiency						
Percent of Payroll Checks Direct Deposited	NA	NA	77%	78%	78%	79%
Number of Manual Payroll Checks Issued	NA	NA	1,183	1,114	1,150	1,150
Number of Manual Accounts Payable Checks Issued	162	152	156	91	90	90
Workload						
Number of Accounts Receivable Invoices Issued	4,000	3,705	4,152	4,321	5,150	5,250
Financial Planning						
Effectiveness						
Accuracy of Financial Forecasts (Percent Within Actuals)	1.0%	3.0%	1.0%	1.6%	1.0%	1.0%
Number of Grant Audit Findings	0	0	3	0	0	0
Quality Puppy Time Index	0.76	0.43	0.50	0.67	0.62	0.57
Workload						
Number of Active Federal Grants	160	160	186	231	230	230
Treasury						
Effectiveness						
Percent of Employees Participating in Deferred Compensation Program	59%	59%	57%	56%	55%	60%
Efficiency						
Number of Deposit/Disbursement Transactions Processed	NA	5,148	2,829	10,192	10,390	10,596
Workload						
Investment Portfolio (in millions)	\$598	\$375	\$570	\$687	\$695	\$680
Number of Passports Processed	NA	770	826	918	800	850
Debt Management						
Effectiveness						
City's Unlimited Tax General Obligation Bond Rating (1=Aaa)	1	1	1	1	1	1
Workload						
Long-Term Debt Under Management (in billions)	\$1.93	\$1.96	\$2.12	\$2.09	\$2.19	\$2.29
Number of Long-Term Debt Issues Outstanding	75	74	66	65	69	73
Number of Short-Term Borrowing Programs Managed	15	14	15	9	12	13

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SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	4,608,806	4,288,723	4,559,786	4,808,348	4,808,348
External Materials and Services	544,798	307,090	887,929	1,041,206	1,041,206
Internal Materials and Services	1,814,548	3,944,420	3,966,034	3,442,811	3,442,811
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	7,500	0	0	0	0
Total Operating Budget	6,975,652	8,540,233	9,413,749	9,292,365	9,292,365
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 6,975,652	\$ 8,540,233	\$ 9,413,749	\$ 9,292,365	\$ 9,292,365
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	6,975,652	8,540,233	9,413,749	9,292,365	9,292,365
RESOURCES					
Discretionary Revenue	2,219,347	2,616,036	2,902,402	2,900,560	2,698,173
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	130,304	181,025	156,689	194,103	194,103
Interagency Revenues	581,043	774,314	799,100	806,599	806,599
Program Revenue	837,200	882,130	992,966	1,004,321	1,004,321
Overhead Recovery	3,207,758	4,086,728	4,562,592	4,386,782	4,589,169
Total Non-Discretionary Revenues	4,756,305	5,924,197	6,511,347	6,391,805	6,594,192
TOTAL GENERAL FUND RESOURCES	\$ 6,975,652	\$ 8,540,233	\$ 9,413,749	\$ 9,292,365	\$ 9,292,365
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
CFO Office/Strategic Support	649,274	1,534,039	1,480,414	1,265,780	1,265,780
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Accounting	2,668,798	4,080,942	4,568,007	4,617,000	4,617,000
<i>Positions</i>	<i>29.00</i>	<i>29.00</i>	<i>30.00</i>	<i>30.00</i>	<i>30.00</i>
Personnel	293,581	28,454	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Financial Planning	2,039,458	1,575,741	1,635,273	1,766,261	1,766,261
<i>Positions</i>	<i>15.00</i>	<i>14.00</i>	<i>14.28</i>	<i>14.28</i>	<i>14.28</i>
Treasury	845,210	757,519	1,084,711	1,014,392	1,014,392
<i>Positions</i>	<i>9.00</i>	<i>8.75</i>	<i>8.20</i>	<i>8.60</i>	<i>8.60</i>
Debt Management	487,426	563,538	645,344	628,932	628,932
<i>Positions</i>	<i>3.00</i>	<i>3.75</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>
TOTAL PROGRAMS	\$ 6,975,652	\$ 8,686,398	\$ 9,413,749	\$ 9,867,365	\$ 9,867,365
<i>Positions</i>	<i>58.00</i>	<i>57.50</i>	<i>59.48</i>	<i>58.88</i>	<i>58.88</i>

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FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	7.00	6.00	7.60	333,984	7.60	342,804	7.60	342,804
0515	Accountant II	5.00	5.00	4.60	229,074	5.00	254,336	5.00	254,336
0516	Accountant III	7.00	6.00	6.00	331,848	6.00	339,708	6.00	339,708
7367	Accounting Policy Manager	0.00	0.00	1.00	56,868	1.00	57,084	1.00	57,084
0510	Accounting Technician	2.00	3.00	3.00	102,012	3.00	102,408	3.00	102,408
7365	Controller	0.00	0.00	1.00	79,680	1.00	79,992	1.00	79,992
7366	Controller	0.00	0.00	1.00	92,940	1.00	92,940	1.00	92,940
0100	Office Supp Spec I	1.00	1.00	1.00	34,008	1.00	34,140	1.00	34,140
0102	Office Supp Spec II	4.00	4.00	3.00	106,650	3.00	108,960	3.00	108,960
0104	Office Supp Spec III	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7351	Accountant, Assistant Systems	1.00	1.00	1.00	57,694	1.00	59,257	1.00	59,257
7352	Accountant, Systems	1.00	1.00	1.00	64,896	1.00	65,400	1.00	65,400
7360	Accounting Supervisor	1.00	1.00	1.00	65,004	1.00	66,780	1.00	66,780
7362	Accounting Supervisor I, Senior	2.00	2.00	2.00	144,552	2.00	145,104	2.00	145,104
7363	Accounting Supervisor II, Senior	1.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senior	0.00	0.00	2.00	94,140	2.00	96,394	2.00	96,394
7292	Benefits Specialist	0.00	0.00	1.00	50,628	1.00	52,704	1.00	52,704
7010	Chief Financial Officer	1.00	1.00	1.00	122,616	1.00	127,225	1.00	127,225
7370	City Accounting Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7391	City Treasurer	1.00	1.00	1.00	99,954	1.00	104,052	1.00	104,052
7380	Debt Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7381	Debt Analyst, Senior	1.00	1.00	1.00	69,912	1.00	72,564	1.00	72,564
7384	Debt Manager	1.00	1.00	1.00	96,180	1.00	98,875	1.00	98,875
7388	Economist, City	1.00	1.00	1.00	91,872	1.00	92,112	1.00	92,112
7386	Economist, Senior	1.00	1.00	1.00	74,460	1.00	76,404	1.00	76,404
7376	Financial Analyst	1.00	2.00	1.00	58,596	1.00	60,996	1.00	60,996
7377	Financial Analyst, Senior	9.00	8.00	7.00	423,102	7.00	431,818	7.00	431,818
7379	Financial Planning Division Manager	1.00	1.00	1.00	98,940	1.00	101,644	1.00	101,644
7396	Pension Liability Manager	1.00	1.00	1.00	85,464	1.00	85,800	1.00	85,800
7382	Principal Debt Analyst	0.00	1.00	1.00	77,520	1.00	80,700	1.00	80,700
7378	Principal Financial Analyst	2.00	2.00	2.00	151,032	2.00	156,697	2.00	156,697
7156	Program Manager	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0952	Senior Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7392	Treasury Analyst	0.00	0.00	1.00	60,398	1.00	62,874	1.00	62,874
7390	Treasury Operations Manager	1.00	1.00	1.00	76,104	1.00	76,404	1.00	76,404
TOTAL FULL-TIME POSITIONS		58.00	57.00	57.20	\$ 3,430,128	57.60	\$ 3,526,176	57.60	\$ 3,526,176
0514	Accountant I	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
7376	Financial Analyst	0.00	0.00	0.60	39,240	0.60	39,384	0.60	39,384
7377	Financial Analyst, Senior	0.00	0.00	0.68	48,852	0.68	49,344	0.68	49,344
TOTAL PART-TIME POSITIONS		0.00	0.50	1.28	\$ 88,092	1.28	\$ 88,728	1.28	\$ 88,728

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	9,760,195	0	9,760,195	58.88	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	(33,257)	0	(33,257)	0.00	Reduction in m&s to meet 5% target
	(93,099)	0	(93,099)	0.00	Reduction in m&s to match current spending
	(40,000)	0	(40,000)	0.00	Various reductions in m&s made by FPD
	(17,209)	0	(17,209)	0.00	OMF IA savings
	(284,265)	0	(284,265)	0.00	Reduce internal transfers (Bus Ops)
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(467,830)	0	(467,830)	0.00	Total FY 2005-06 Decision Packages
			\$ 9,292,365	58.88	Total Adopted Budget

Human Resources

OVERVIEW

The Bureau of Human Resources (HR) provides strategic leadership and management of Citywide human resource systems, which link to the overall business strategies of the Council and bureaus. The bureau is responsible for the development, refinement, and oversight of the City's human resources administrative rules and procedures. It is also responsible, through corporate-level activities and site teams, for assisting City bureaus in the recruitment, development, and retention of a competent and high-quality workforce that is representative of the community.

The bureau's work is carried out through seven programs including Operations/Strategic Support, Labor Relations, Class/Compensation, Employment and Development, Diversity Development/Affirmative Action, Benefits, and Site Teams.

Changes to Services and Activities

The Adopted Budget reduces ongoing funding for HR by eliminating almost \$300,000 in cost of living adjustments (COLA) and reducing interagency charges.

One-time funding of \$575,000 has been included for Citywide training initiatives related to diversity development, cultural competency, and performance development.

Overview of Programs

OPERATIONS/STRATEGIC SUPPORT

This program provides management, oversight, and coordination of the City's human resources systems. Strategic Support provides direct operational and program-specific administrative support to recruitment, training, and classification and compensation functional areas. It administers and manages the City's central human resources information systems, provides internal communication with employees and timekeepers on HR-related issues and concerns, maintains central employee personnel records and employment history records, develops and maintains the City's HR Administrative Rules and Policies, and develops and manages the Health Benefits program budget and finances. The program also manages the City's college work study program, the City's Child Development Center and pre-employment medical/medical surveillance/drug and alcohol testing contracts, and coordinates on HR matters internally and externally.

Relationship to Goals This program specifically supports the Citywide goal of delivering efficient, effective, and accountable municipal services by managing the HR system.

This program supports the OMF goal of stewardship of the City's human and financial resources by providing strategic HR consultation to City bureau directors and Council, and by developing solutions to bureaus' HR problems.

Performance The performance measure for this program is the number of personnel action notices processed.

LABOR RELATIONS

Labor Relations (LR) oversees labor negotiations and acts as the official representative of the City in labor negotiations with the City's eight bargaining units. The program assists bureaus in responding to and resolving grievances and other disciplinary matters, and oversees compliance with federal and state labor laws, City policies, and collective bargaining agreements. In addition, Labor Relations provides administrative support to the Civil Service Board.

Relationship to Goals The LR program supports the Citywide goal of delivering efficient, effective, and accountable municipal services by providing the legal framework under which working conditions are specified, and by increasing workforce productivity through LR performance-management efforts.

This program supports the OMF strategic plan goal of recruiting and developing an expert workforce.

Performance The performance measure for this program is the total number of grievances received by the system.

CLASS/COMPENSATION

This program plans, designs, implements, monitors, and maintains Citywide classification and compensation plans, programs, policies, and systems, and supports labor contract negotiations through compensation and labor market analysis.

Relationship to Goals This program specifically supports the Citywide goal of delivering efficient, effective, and accountable municipal services by providing the legal framework for compensation.

This program supports the OMF strategic plan goal of recruiting and developing an expert workforce by developing compensation plans commensurate with market conditions.

Performance The performance measure for this program is the number of annual classification actions.

EMPLOYMENT AND DEVELOPMENT

The Employment and Development program assists in managing the City's recruitment, employee development, injured worker, and layoff activities.

Relationship to Goals This program specifically supports the Citywide goal of delivering efficient, effective, and accountable municipal services by providing high quality candidates who can effectively do the jobs specified by City bureaus.

This program supports the OMF strategic plan goal of recruiting and developing an expert workforce by supporting the recruitment needs of City bureaus.

Performance The performance measures for this program include: the number of employment applications received, the percentage of recruitments meeting original or renegotiated timelines, the number of participant training hours coordinated or presented by HR, and the number of employment exams posted.

DIVERSITY DEVELOPMENT - AFFIRMATIVE ACTION

The Diversity Development/Affirmative Action program supports the development of a diverse workforce, oversees the creation of an inclusive workplace culture, and ensures compliance with Affirmative Action/Equal Employment Opportunity laws, regulations, and guidelines.

Relationship to Goals This program specifically supports the Citywide goal of delivering efficient, effective, and accountable municipal services by educating the workforce to be respectful of diversity and cultural differences, thereby increasing employees' ability to communicate within the community.

This program supports the OMF strategic plan goal of recruiting and developing an expert workforce.

Performance The performance measures used to determine the effectiveness of the program are the number of hours of cultural competency training provided to City managers and supervisors, and the percentage of diverse applicants per recruitment.

BENEFITS

The Benefits program is responsible for the management and administration of the City's employee benefit plans including medical, dental, vision, life, long-term disability, dependent care, medical expense reimbursement, and employee assistance plans.

Relationship to Goals This program specifically supports the Citywide goal of delivering efficient, effective, and accountable municipal services by providing an affordable benefits plan for City employees.

This program supports the OMF goal of strengthening human and financial stewardship by providing support to an affordable City benefit's program.

Performance The performance measure for this program is the number of active participants in the employee benefits plans.

SITE TEAMS

Three site teams provide human resources consultation, services, and training to City bureaus to ensure that bureau directors and managers have immediate access to human resources professionals to support their business needs. Site Team staff facilitate bureaus' use of all HR programs and coordinate a Citywide approach to the application of HR policies and practices.

Relationship to Goals This program supports the Citywide goal of delivering efficient, effective, and accountable municipal services. The site teams also assist bureaus in attracting, managing, developing, and retaining their workforce so that bureau managers have the resources needed to achieve all Citywide goals and priorities.

This program supports the OMF strategic plan goal of recruiting and developing an expert workforce.

Performance The performance measures for this program are the number of City employees per HR employee and the cost of providing services per full-time employee.

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
Human Resources						
Operations/Strategic Support						
Workload						
Personnel Action Notices Processed	13,320	11,181	14,180	12,110	12,544	12,800
Labor Relations						
Workload						
Total Number of Grievances Received by the L/ER System	NA	NA	75	149	179	175
Class/Compensation						
Workload						
Number of Classification Actions Annually	300	1,752	500	566	425	425
Employment and Development						
Effectiveness						
Percentage of Recruitments Meeting Original or Renegotiated Timelines	NA	88%	81%	100%	100%	100%
Workload						
Employment Exams Posted	230	242	0	204	250	300
Number of Participant Training Hours Coordinated or Presented by BHR	NA	1,600	1,894	16,880	6,233	5,092
Number of Employment Applications Received	NA	11,399	16,882	13,083	17,776	16,000
Diversity Devel - Affirmative Action						
Effectiveness						
Percentage of Diverse (Protected Class) Applicants Per Recruitment	NA	NA	16.0%	26.0%	27.0%	28.0%
Workload						
Diversity Development - Number of Hours of Cultural Competency Training Provided to City Managers and Supervisors	3,500	2,800	215	1,168	1,194	1,200
Benefits						
Workload						
Number of Participants in Benefits Program	6,147	6,147	NA	5,289	5,351	5,370
Site Teams						
Efficiency						
City Employees per BHR Employee	NA	108	109	109	109	109
Cost of Providing HR Service per City FTE	NA	\$759	\$770	\$887	\$920	\$973

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SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	4,000,138	4,298,664	4,708,399	4,672,039	4,672,039
External Materials and Services	338,298	431,332	618,526	1,017,836	1,117,836
Internal Materials and Services	930,172	1,096,166	1,179,861	998,194	998,194
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	5,268,608	5,826,162	6,506,786	6,688,069	6,788,069
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 5,268,608	\$ 5,826,162	\$ 6,506,786	\$ 6,688,069	\$ 6,788,069
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	5,268,608	5,826,162	6,506,786	6,688,069	6,788,069
RESOURCES					
Discretionary Revenue	0	0	0	575,000	675,000
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	5,261,244	5,695,884	6,322,836	6,113,069	6,113,069
Program Revenue	7,364	10,143	0	0	0
Total Non-Discretionary Revenues	5,268,608	5,706,027	6,322,836	6,113,069	6,113,069
TOTAL GENERAL FUND RESOURCES	\$ 5,268,608	\$ 5,706,027	\$ 6,322,836	\$ 6,688,069	\$ 6,788,069
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Human Resources	136,661	146,165	0	575,000	575,000
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>1.00</i>	<i>0.00</i>	<i>0.00</i>
Citywide Service Improvement Initiative	512,013	500,886	0	0	0
<i>Positions</i>	<i>7.00</i>	<i>7.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Personnel	293,581	28,454	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Operations/Strategic Support	1,849,458	2,147,055	2,344,578	2,155,268	1,900,659
<i>Positions</i>	<i>17.00</i>	<i>17.00</i>	<i>14.00</i>	<i>14.00</i>	<i>9.00</i>
Labor Relations	414,176	403,827	500,639	469,266	469,266
<i>Positions</i>	<i>6.00</i>	<i>4.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
Class/Compensation	339,824	380,412	475,276	452,949	452,949
<i>Positions</i>	<i>3.00</i>	<i>4.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
Employment and Development	391,820	461,768	827,795	858,772	1,040,379
<i>Positions</i>	<i>4.00</i>	<i>4.00</i>	<i>9.00</i>	<i>9.00</i>	<i>13.00</i>
Diversity Devel - Affirmative Action	312,787	321,970	505,720	459,064	632,066
<i>Positions</i>	<i>5.00</i>	<i>3.00</i>	<i>4.00</i>	<i>4.00</i>	<i>5.00</i>
Benefits	87,921	90,776	100,212	102,201	102,201
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Site Teams	1,727,866	1,874,189	1,752,566	1,615,549	1,615,549
<i>Positions</i>	<i>19.00</i>	<i>23.00</i>	<i>18.66</i>	<i>18.00</i>	<i>18.00</i>
TOTAL PROGRAMS	\$ 6,066,107	\$ 6,355,502	\$ 6,506,786	\$ 6,688,069	\$ 6,788,069
<i>Positions</i>	<i>61.00</i>	<i>62.00</i>	<i>56.66</i>	<i>55.00</i>	<i>55.00</i>

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FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7251	Human Resources Technician	0.00	0.00	7.00	312,564	7.00	324,308	7.00	324,308
0102	Office Supp Spec II	7.00	6.00	5.00	157,788	5.00	171,156	5.00	171,156
0104	Office Supp Spec III	2.00	4.00	2.00	73,083	1.00	40,865	1.00	40,865
7103	Administrative Assistant	4.00	3.00	1.00	58,776	1.00	59,544	1.00	59,544
7102	Administrative Specialist, Senio	3.00	2.00	2.00	85,248	2.00	87,644	2.00	87,644
7106	Administrative Supervisor I	1.00	1.00	1.00	60,690	1.00	62,220	1.00	62,220
7267	Affirmative Action/Diversity Man	1.00	1.00	1.00	85,464	1.00	85,716	1.00	85,716
7112	Business Operations Manager	1.00	1.00	1.00	77,808	1.00	77,808	1.00	77,808
7274	Class/Comp Analyst, Senior	0.00	1.00	2.00	130,608	2.00	131,156	2.00	131,156
7275	Class/Comp Coordinator	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
7276	Class/Comp Manager	1.00	1.00	1.00	91,872	1.00	92,232	1.00	92,232
7225	Conservation Program Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7265	EEO Investigator	1.00	1.00	1.00	65,288	1.00	65,652	1.00	65,652
7259	Emp & Dev Coordinator	1.00	1.00	1.00	71,359	1.00	72,564	1.00	72,564
7260	Emp & Dev Manager	1.00	1.00	1.00	91,872	1.00	92,232	1.00	92,232
7127	Executive Assistant	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7252	Human Resources Analyst	0.00	0.00	1.00	46,716	1.00	48,476	1.00	48,476
7253	Human Resources Analyst, Senior	10.00	9.00	7.00	419,124	7.00	427,697	7.00	427,697
7254	Human Resources Coordinator	9.00	11.00	11.83	785,282	12.00	817,383	12.00	817,383
7008	Human Resources Director	1.00	1.00	1.00	122,616	1.00	126,387	1.00	126,387
7258	Human Resources Operations Manag	1.00	1.00	1.00	106,164	1.00	106,402	1.00	106,402
7256	Human Resources Site Team Manage	4.00	3.00	3.00	260,668	3.00	268,144	3.00	268,144
7280	Labor Relations Coordinator	3.00	3.00	2.00	142,824	2.00	145,064	2.00	145,064
7281	Labor/Employee Relations Manager	1.00	1.00	1.00	87,268	1.00	90,562	1.00	90,562
7154	Program Coordinator	0.00	1.00	1.00	52,068	1.00	54,204	1.00	54,204
TOTAL FULL-TIME POSITIONS		54.00	55.00	55.83	\$ 3,457,426	55.00	\$ 3,519,980	55.00	\$ 3,519,980
7253	Human Resources Analyst, Senior	0.00	0.00	0.83	40,890	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.83	\$ 40,890	0.00	\$ 0	0.00	\$ 0

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	6,435,004	0	6,435,004	55.00	FY 2005-06 Current Appropriation Level Estimate
Mayor's Proposed Budget Decisions					
	(91,379)	0	(91,379)	0.00	Reduce COLA to meet 5% cut target
	(207,209)	0	(207,209)	0.00	Further reduce COLA to meet 5% cut target
	0	575,000	575,000	0.00	Mayor's training initiatives
	(5,262)	0	(5,262)	0.00	OMF IA savings
	(18,085)	0	(18,085)	0.00	Reduce internal transfers (Bus Ops)
Approved Budget Additions and Reductions					
	0	100,000	100,000	0.00	Summer Youth Employment program
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(321,935)	675,000	353,065	0.00	Total FY 2005-06 Decision Packages
			\$ 6,788,069	55.00	Total Adopted Budget

Health Administration

OVERVIEW

Health Administration provides leadership and expertise to the Council and the Labor-Management Benefits Committee in developing strategic direction for the City's benefits programs. Health Administration also oversees the City's self-insured medical plans, CityCore and CityNet.

Overview of Programs

HEALTH INSURANCE

The Health Insurance program is responsible for the management and administration of the City's employee benefits programs and plans. Other responsibilities and activities include:

- ◆ Coordination of the Labor-Management Benefits Committee;
- ◆ Administration of Consolidated Omnibus Budget Reconciliation Act (COBRA) and retiree continuation coverage;
- ◆ Employee education on benefits issues through new employee orientation sessions, annual enrollment forums, and web site articles;
- ◆ Negotiation and management of medical vendor contracts, the flexible spending account administrator, employee assistance program vendor, group life and long-term disability vendor, benefits consultants, and third-party administrator contracts;
- ◆ Administration of the health care continuation component of the Family Medical Leave Act (FMLA);
- ◆ Development and implementation of an employee benefits communication strategy;
- ◆ Management and administration of the City's employee assistance program; and
- ◆ Coordination of health and wellness programs.

Relationship to Goals

The Health Insurance program supports the Council goal of delivering efficient, effective, and accountable municipal services by providing affordable benefits plans for City employees.

The Health Insurance program strengthens human and financial stewardship by providing affordable benefits plans for City employees. This in turn enhances the City's ability to competitively recruit an expert workforce.

Changes to Service and Activities

The Health Insurance program is in the process of developing new initiatives to educate employees about health care costs and wellness. The initiatives are part of a strategy to moderate costs, engage employees in the generation of solutions, and develop shared responsibility for addressing the challenges of affordable benefits provision. For example, wellness and disease management education programs will be undertaken to improve the health of employees with chronic conditions and raise employee awareness of health issues.

The Health Insurance program is also in the process of transitioning most of the City's bargaining units to a new health insurance funding model, although the transition is dependent on the collective bargaining process. The new funding model was endorsed by the Council in December 2004 in response to the upcoming depletion of Health Insurance Fund excess reserves, which have been used to subsidize the City's medical plans. The new model retains a City contribution cap while increasing City and employee contributions.

PPA HEALTH INSURANCE

Prior to FY 2004-05, all resources and requirements associated with the City's self-insured medical plans were located in the Health Insurance Fund. In July 2004 a new benefits plan exclusively for Portland Police Association (PPA) employees, CityNet, was created as the result of interest arbitration between the City and PPA. The PPA Health Insurance Fund was subsequently created to pay medical claims for PPA City employees, dependents, retirees, and other participants. The Health Insurance Fund continues to account for resources and requirements of the City's non-PPA self-insured medical plans. Benefits administration staff and related materials and services are also budgeted in the Health Insurance Fund. The PPA Health Insurance Fund reimburses the Health Insurance Fund for its share of these costs.

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PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
Health Administration						
Health Insurance						
Workload						
Number of Active Plan Participants	0	0	0	5,289	5,351	5,370

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	447,857	462,327	488,395	536,471	536,471
External Materials and Services	29,622,921	32,726,348	36,331,757	41,791,268	41,927,048
Internal Materials and Services	493,959	741,166	828,686	894,464	894,464
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	8,975	0	0	0	0
Total Operating Budget	30,573,712	33,929,841	37,648,838	43,222,203	43,357,983
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 30,573,712	\$ 33,929,841	\$ 37,648,838	\$ 43,222,203	\$ 43,357,983
Allocated Overhead	263,040	229,835	109,603	243,842	229,266
Total Cost with Allocated Overhead	30,836,752	34,159,676	37,758,441	43,466,045	43,587,249
RESOURCES					
Health Insurance Fund	30,573,712	33,929,841	37,648,838	43,222,203	43,357,983
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Health Insurance	30,573,712	33,929,841	30,123,041	34,976,143	35,083,081
<i>Positions</i>	<i>6.00</i>	<i>6.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>
PPA Health Insurance	0	0	7,525,797	8,246,060	8,274,902
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 30,573,712	\$ 33,929,841	\$ 37,648,838	\$ 43,222,203	\$ 43,357,983
<i>Positions</i>	<i>6.00</i>	<i>6.00</i>	<i>7.00</i>	<i>7.00</i>	<i>7.00</i>

Health Administration AU 465, 580

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7251	Human Resources Technician	0.00	0.00	1.00	38,496	1.00	39,366	1.00	39,366
7293	Benefits Analyst	2.00	2.00	2.00	106,368	2.00	110,008	2.00	110,008
7295	Benefits Manager	1.00	1.00	1.00	79,644	1.00	82,908	1.00	82,908
7292	Benefits Specialist	2.00	2.00	2.00	101,256	2.00	105,235	2.00	105,235
7294	Benefits Supervisor	1.00	1.00	1.00	68,748	1.00	68,990	1.00	68,990
TOTAL FULL-TIME POSITIONS		6.00	6.00	7.00	\$ 394,512	7.00	\$ 406,507	7.00	\$ 406,507

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	43,222,203	0	43,222,203	7.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	None
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	135,780	0	135,780	0.00	Increase in Oregon Medical Insurance Pool rates
	135,780	0	135,780	0.00	Total FY 2005-06 Decision Packages
			\$ 43,357,983	7.00	Total Adopted Budget

Purchases

OVERVIEW

The Bureau of Purchases provides leadership and management of the City's procurement and contractor development activities. These activities are undertaken by the bureau's Procurement and Operations/Strategic Support programs.

Changes to Services and Activities

Purchases accomplished reductions of \$69,000 by decreasing funds for temporary staff, professional services, and strategic sourcing research materials.

Overview of Programs

PROCUREMENT

The Procurement program administers the City's competitive bidding and contracting process to acquire goods and services for bureaus and ensures compliance with applicable laws, rules, and regulations. Additionally, the program provides expert consulting services to bureaus with regard to Professional, Technical, and Expert (PTE) contracts and implementation of the strategy to increase minority, women-owned, and emerging small businesses (M/W/ESB) participation in the City's PTE contracting. Procurement also provides the necessary support functions for implementation of the Fair Contracting and Employment Strategy, including project manager training; administration of the Sheltered Market program; technical assistance and outreach for M/W/ESB; and administration of the Workforce Training and Hiring program for both the City and outside public agency partners.

Relationship to Goals

The programs and functions operating within the Procurement program are all mandated by City Code or Council directive, and all meet specific Citywide goals. Overall, the primary City goal of the Procurement program is to deliver efficient, effective, and accountable municipal services while fostering competition to obtain the best value for the City. Through its administration of the Fair Contracting and Employment Strategy guidelines, the program also works toward the City's goal to provide economic vitality and opportunity.

The Procurement program supports the OMF goal of strengthening our organization's leadership and stewardship of the City's human, technological, financial, and capital resources by ensuring that all procurement processes are fair, efficient, effective, and accountable.

Performance

The performance measures for this program include the number of formal and informal construction, PTE, and other contracts processed; the percent of formal contracts awarded to M/W/ESB contractors; the percent of minority and women contractor hours worked on City contracts; and the percent of apprenticeship hours worked on City contracts.

OPERATIONS/STRATEGIC SUPPORT

The Operations/Strategic Support program oversees the bureau's internal business needs, provides front-line customer support, and administers the City's procurement card and travel contracts, the Vendor Equal Employment Opportunity (EEO) Certification requirements, and Contractor Prequalification activities. The Operations/Strategic Support program is responsible for maintaining and upgrading the bureau's data collection technology base. Additionally, the Operations/Strategic Support program develops policy, provides oversight, and reports on the City's sustainable procurement efforts.

Relationship to Goals

The program's primary City goal is to deliver efficient, effective, and accountable municipal services. Technological improvements and utilization, systems monitoring and reporting, budget development and monitoring, and incorporating contract-related product enhancements into Citywide use are all implemented by Operations/Strategic Support. In addition, the City's goal of protecting and enhancing the natural and built environment is realized through oversight of the Sustainable Procurement efforts.

This program supports the OMF goal of strengthening our leadership and stewardship of the City's resources.

Performance

Total procurement card expenditures and the percent of EEO certifications processed online are the performance measures for this program.

Purchases AU 307, 319

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
Purchases						
Procurement						
Effectiveness						
Percent of apprenticeship hours worked on City contracts	18.73%	15.60%	13.33%	12.33%	13.00%	13.30%
Percent of formal prime contracts < \$200,000 awarded to M/W/ESB contractors	7.6%	4.6%	6.4%	4.0%	4.5%	5.0%
Percent of minority/women contractor hours worked on City contracts	33.3%	42.3%	34.3%	21.3%	21.7%	21.9%
Workload						
Number of formal and informal PTE contracts processed	16	174	56	210	235	260
Operations/Strategic Support						
Efficiency						
Total procurement card expenditures (in millions)	\$8.62	\$9.06	\$10.70	\$10.60	\$11.40	\$12.20
Percent of EEO auto-certifications processed online	NA	NA	NA	98%	100%	100%

Purchases AU 307, 319

SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	1,878,596	1,883,999	2,300,548	2,386,193	2,386,193
External Materials and Services	447,075	383,577	1,514,247	627,557	627,557
Internal Materials and Services	983,439	892,396	869,778	776,086	776,086
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	3,309,110	3,159,972	4,684,573	3,789,836	3,789,836
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 3,309,110	\$ 3,159,972	\$ 4,684,573	\$ 3,789,836	\$ 3,789,836
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	3,309,110	3,159,972	4,684,573	3,789,836	3,789,836
RESOURCES					
Discretionary Revenue	548,356	342,138	1,481,747	655,247	1,172,359
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	124,958	235,000	207,700	207,700
Interagency Revenues	165,525	764,548	258,173	262,812	262,812
Program Revenue	374,740	171,498	50,000	10,000	10,000
Overhead Recovery	2,220,489	1,756,830	2,659,653	2,654,077	2,136,965
Total Non-Discretionary Revenues	2,760,754	2,817,834	3,202,826	3,134,589	2,617,477
TOTAL GENERAL FUND RESOURCES	\$ 3,309,110	\$ 3,159,972	\$ 4,684,573	\$ 3,789,836	\$ 3,789,836
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Citywide Airfare	654	0	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Procurement	979,189	1,131,350	3,158,994	2,419,725	2,419,725
<i>Positions</i>	<i>13.00</i>	<i>16.50</i>	<i>25.75</i>	<i>25.50</i>	<i>25.50</i>
Contractor Development	767,290	591,365	19,200	0	0
<i>Positions</i>	<i>9.00</i>	<i>7.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Operations/Strategic Support	1,561,827	1,437,257	1,506,379	1,370,111	1,370,111
<i>Positions</i>	<i>5.00</i>	<i>6.00</i>	<i>5.90</i>	<i>5.50</i>	<i>5.50</i>
Procurement	150	0	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 3,309,110	\$ 3,159,972	\$ 4,684,573	\$ 3,789,836	\$ 3,789,836
<i>Positions</i>	<i>27.00</i>	<i>29.50</i>	<i>31.65</i>	<i>31.00</i>	<i>31.00</i>

Purchases AU 307, 319

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7168	Contractor Dev Supervisor	0.00	0.00	1.00	71,304	1.00	73,977	1.00	73,977
0102	Office Supp Spec II	1.00	1.00	1.00	37,548	1.00	37,692	1.00	37,692
0104	Office Supp Spec III	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0419	Procurement Assistant	3.00	5.00	5.00	190,936	5.00	201,960	5.00	201,960
0420	Procurement Specialist	2.00	2.00	2.00	91,392	2.00	96,702	2.00	96,702
7170	Purchasing Manager	0.00	0.00	1.00	96,468	1.00	96,468	1.00	96,468
0421	Senior Procurement Specialist	5.00	2.00	2.00	108,755	2.00	115,545	2.00	115,545
7103	Administrative Assistant	0.00	1.00	2.00	101,172	2.00	102,244	2.00	102,244
7102	Administrative Specialist, Senio	0.00	1.00	0.90	44,031	0.90	45,837	0.90	45,837
7165	CDD Program Coordinator	4.00	3.00	3.00	191,152	3.00	198,336	3.00	198,336
7167	Contractor Development Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1003	Contractor Development Super.	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7163	Contracts Compliance Specialist	3.00	4.00	4.00	233,817	4.00	241,644	4.00	241,644
1004	Deputy Purchasing Agent	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7127	Executive Assistant	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7166	Procurement Supervisor	0.00	3.00	3.00	189,072	3.00	195,971	3.00	195,971
7154	Program Coordinator	1.00	1.00	1.00	65,412	1.00	67,204	1.00	67,204
7156	Program Manager	0.00	1.00	1.00	67,959	1.00	70,656	1.00	70,656
7152	Program Specialist, Assistant	1.00	1.00	1.00	52,668	1.00	54,824	1.00	54,824
7004	Purchasing Director	1.00	1.00	1.00	106,164	0.60	63,948	0.60	63,948
7169	Purchasing Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		27.00	29.00	28.90	\$ 1,647,850	28.50	\$ 1,663,008	28.50	\$ 1,663,008
0421	Senior Procurement Specialist	0.00	0.50	1.00	47,796	0.50	23,988	0.50	23,988
TOTAL PART-TIME POSITIONS		0.00	0.50	1.00	\$ 47,796	0.50	\$ 23,988	0.50	\$ 23,988
0421	Senior Procurement Specialist	0.00	0.00	1.00	49,531	1.00	56,157	1.00	56,157
7154	Program Coordinator	0.00	0.00	0.75	38,655	1.00	52,948	1.00	52,948
TOTAL LIMITED TERM POSITIONS		0.00	0.00	1.75	\$ 88,186	2.00	\$ 109,105	2.00	\$ 109,105

Purchases AU 307, 319

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	3,967,218	0	3,967,218	31.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	(4,000)	0	(4,000)	0.00	Cut Strategic Sourcing Subscription
	(25,000)	0	(25,000)	0.00	Reduce Professional Services
	(40,000)	0	(40,000)	0.00	Reduce Temp Staffing Funds
	(108,382)	0	(108,382)	0.00	Savings from Bus Ops cuts
Approved Budget Additions and Reductions	0	0	0	0.00	None
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(177,382)	0	(177,382)	0.00	Total FY 2005-06 Decision Packages
			\$ 3,789,836	31.00	Total Adopted Budget

Utility Customer Services

OVERVIEW

Utility Customer Services provides billing and collection services for City water, sewer, and stormwater systems. This function was previously housed in the Bureau of Water Works and was transferred to the Office of Management & Finance beginning in October 2004.

Utility Customer Services AU 390

SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	0	0	2,780,806	6,967,551	6,831,259
External Materials and Services	0	0	637,937	1,888,838	1,640,838
Internal Materials and Services	0	0	1,308,789	5,273,325	4,810,080
Minor Capital Outlay	0	0	140,868	225,000	225,000
Equipment Cash Transfers	0	0	5,100	0	0
Total Operating Budget	0	0	5,153,000	14,354,714	13,507,177
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 0	\$ 0	\$ 5,395,500	\$ 14,354,714	\$ 13,507,177
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	0	0	5,395,500	14,354,714	13,507,177
RESOURCES					
Discretionary Revenue	0	0	0	1,145,351	500,000
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	0	5,395,500	13,209,363	13,007,177
Program Revenue	0	0	0	0	0
Total Non-Discretionary Revenues	0	0	5,395,500	13,209,363	13,007,177
TOTAL GENERAL FUND RESOURCES	\$ 0	\$ 0	\$ 5,395,500	\$ 14,354,714	\$ 13,507,177
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Customer Services	0	0	5,395,500	14,354,714	13,507,177
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>115.40</i>	<i>110.40</i>	<i>109.40</i>
TOTAL PROGRAMS	\$ 0	\$ 0	\$ 5,395,000	\$ 14,354,714	\$ 13,507,177
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>115.40</i>	<i>110.40</i>	<i>109.40</i>

Utility Customer Services AU 390

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0131	Customer Accts Spec I	0.00	0.00	56.00	2,107,230	53.00	2,115,772	53.00	2,115,772
0132	Customer Accts Spec II	0.00	0.00	12.00	463,176	10.00	400,914	10.00	400,914
0100	Office Supp Spec I	0.00	0.00	4.00	119,836	4.00	127,004	4.00	127,004
0102	Office Supp Spec II	0.00	0.00	3.00	82,692	3.00	91,122	3.00	91,122
7103	Administrative Assistant	0.00	0.00	1.00	41,445	1.00	43,143	1.00	43,143
2532	Applications Analyst II	0.00	0.00	1.00	63,756	1.00	64,156	1.00	64,156
7120	Business Systems Analyst, Assist	0.00	0.00	2.00	106,008	2.00	110,352	2.00	110,352
7116	Customer Service Supervisor	0.00	0.00	4.00	270,818	4.00	276,978	4.00	276,978
7117	Customer Services Manager	0.00	0.00	1.00	106,164	1.00	106,164	1.00	106,164
7377	Financial Analyst, Senior	0.00	0.00	0.00	0.00	1.00	72,564	0.00	0.00
7506	Information Systems Analyst IV	0.00	0.00	1.00	76,104	1.00	76,304	1.00	76,304
7132	Management Analyst, Senior	0.00	0.00	1.00	72,276	1.00	72,468	1.00	72,468
7154	Program Coordinator	0.00	0.00	1.00	68,748	1.00	68,924	1.00	68,924
7156	Program Manager	0.00	0.00	1.00	72,180	1.00	72,500	1.00	72,500
6180	Remittance Technician	0.00	0.00	2.00	71,080	2.00	74,860	2.00	74,860
7271	Training and Development Officer	0.00	0.00	1.00	64,512	0.00	0	0.00	0
1700	Water Meter Reader I	0.00	0.00	13.00	471,650	13.00	497,328	13.00	497,328
1701	Water Meter Reader II	0.00	0.00	2.00	80,988	2.00	81,312	2.00	81,312
1705	Water Service Inspector	0.00	0.00	7.00	297,348	7.00	301,452	7.00	301,452
1706	Water Service Inspector II	0.00	0.00	1.00	43,785	1.00	45,816	1.00	45,816
TOTAL FULL-TIME POSITIONS		0.00	0.00	114.00	\$ 4,679,796	109.00	\$ 4,699,133	108.00	\$ 4,626,569
0131	Customer Accts Spec I	0.00	0.00	1.40	52,342	1.40	56,200	1.40	56,200
TOTAL PART-TIME POSITIONS		0.00	0.00	1.40	\$ 52,342	1.40	\$ 56,200	1.40	\$ 56,200

Utility Customer Services AU 390

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	13,070,362	228,000	13,298,362	115.40	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	(227,412)	0	(227,412)	(5.00)	Cut 5 FTE in Utility Billings
	(88,704)	0	(88,704)	(1.00)	Cut training & development position
	161,930	0	161,930	1.00	Create Rev Bureau Director position
	(117,462)	0	(117,462)	(2.00)	Cut Mgmt Analyst & OSS I - Revenue Bureau
	0	1,328,000	1,328,000	0.00	Revenue Bureau implementation costs
	0	0	0	1.00	Move Customer Services Auditor to bureau
Approved Budget Additions and Reductions					
	0	(828,000)	(828,000)	0.00	Reduce Revenue Bureau costs
	(161,930)	0	(161,930)	(1.00)	Eliminate Rev Bureau Director position
	117,462	0	117,462	2.00	Add back Mgmt Analyst & OSS I
	0	0	0	(1.00)	Move Customer Services Auditor to AU 307
Adopted Budget Additions and Reductions					
	24,931	0	24,931	0.00	Increased rent costs (day care and employee
	(291,185)	500,000	208,815	(6.00)	Total FY 2005-06 Decision Packages
			\$ 13,507,177	109.40	Total Adopted Budget

BGS Administration

OVERVIEW

The Bureau of General Services (BGS) Administration provides management and coordination for the Bureau of General Services' divisions.

Overview of Programs

BGS ADMINISTRATION

The BGS Administration program provides management and coordination for the divisions of the organization. These include CityFleet, Facilities Services, Printing and Distribution, and Risk Management. This program also includes management of the City's SmartPark system of garages. The program is funded by interagency agreements with the bureau's divisions and the Parking Fund. The responsibilities of the BGS Administration program and BGS director are outlined in section 3.15.080 of the Portland City Code.

Relationship to Goals The primary Citywide goal that BGS Administration supports is the goal to deliver efficient, effective, and accountable municipal services.

The BGS Administration program assists OMF in achieving three of its goals:

- ◆ Strengthen our organization's leadership and stewardship of the City's human, technological, financial, and capital resources (primary goal).
- ◆ Maximize the cost-effective use of technology in all aspects of our work (secondary goal).
- ◆ Strengthen our collaborative business partnerships with customers, users, and stakeholders (secondary goal).

Performance The efficiency performance measure for this program is total BGS Administration employees as a percentage of all BGS employees.

Changes to Services and Activities Changes to services and activities of the Parking Fund follow. Changes to services and activities to the divisions of BGS are discussed in the individual division narratives.

The Adopted Budget includes a reduction of \$5,000 to the annual budgeted amount for special professional services for the Parking Fund. Budget for special professional services is typically used to hire consultants to examine improvements to customer service, technology, operations, and management. Such funds are also used to perform necessary annual financial and operational audits and periodic business assessments. This package will reduce the amount of funds available to conduct studies aimed at improving the operation and profitability of the City's off-street parking assets.

A reduction of \$11,055 was made to the amount of funds used for attendant and revenue control services at City-owned parking facilities. This package will reduce the total number of attendant hours available to the City's off-street parking system. This will result in longer exit times for parking customers, fewer available attendants to address customer issues/complaints, and fewer hours available for oversight of parking attendants.

An add package of \$33,033 allows for a reduction in expenses to the Parking Fund by allocating a portion of fixed internal costs to the Portland Development Commission (PDC). BGS entered into an intergovernmental agreement with PDC to manage and operate PDC's new parking facility located in the Pearl District. Several categories of fixed costs, such as program management, business operations, and General Fund overhead will be allocated to PDC on a per-space basis as a result of the PDC/BGS Intergovernmental Agreement.

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
BGS Administration						
BGS Administration						
Efficiency						
Business Operations employees as a percent of total BGS employees	NA	NA	NA	NA	1.73%	1.23%

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	295,323	277,963	305,581	325,468	325,468
External Materials and Services	3,660,461	2,535,036	2,906,193	2,825,820	2,825,820
Internal Materials and Services	1,464,288	1,320,979	1,495,958	1,420,264	1,420,264
Minor Capital Outlay	12,000	23,900	0	0	0
Equipment Cash Transfers	413	0	0	0	0
Total Operating Budget	5,432,485	4,157,878	4,707,732	4,571,552	4,571,552
Capital Improvements	961,931	1,086,924	1,276,900	1,377,497	1,377,497
TOTAL BUREAU EXPENDITURES	\$ 6,394,416	\$ 5,244,802	\$ 5,984,632	\$ 5,949,049	\$ 5,949,049
Allocated Overhead	116,241	103,057	77,865	103,922	93,288
Total Cost with Allocated Overhead	6,510,657	5,347,859	6,062,497	6,052,971	6,042,337
RESOURCES					
Resources					
BGS-Parking Facilities	6,066,610	4,934,921	5,616,980	5,684,504	5,684,504
Discretionary General Fund	0	0	0	0	0
Total Discretionary Revenues	6,066,610	4,934,921	5,616,980	5,684,504	5,684,504
Non-Discretionary Revenues					
Interagency Revenues	327,806	309,881	367,652	264,545	264,545
Bureau Program Revenues	0	0	0	0	0
Overhead Revenues	0	0	0	0	0
Total Non-Discretionary Revenues	327,806	309,881	367,652	264,545	264,545
TOTAL RESOURCES	\$ 6,394,416	\$ 5,244,802	\$ 5,984,632	\$ 5,949,049	\$ 5,949,049
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
BGS Administration	327,806	309,881	367,652	264,545	264,545
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Commercial Space	781,988	357,458	702,308	444,187	444,187
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Parking Operations	5,284,622	4,577,463	4,914,672	5,240,317	5,240,317
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>1.00</i>	<i>1.00</i>	<i>1.00</i>
TOTAL PROGRAMS	\$ 6,394,416	\$ 5,244,802	\$ 5,984,632	\$ 5,949,049	\$ 5,949,049
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>

BGS Administration AU 307, 712

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7103	Administrative Assistant	1.00	1.00	1.00	59,316	1.00	59,544	1.00	59,544
7006	General Services Director	1.00	1.00	1.00	112,938	1.00	116,844	1.00	116,844
7156	Program Manager	1.00	1.00	1.00	69,460	1.00	71,944	1.00	71,944
TOTAL FULL-TIME POSITIONS		3.00	3.00	3.00	\$ 241,714	3.00	\$ 248,332	3.00	\$ 248,332

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	5,933,937	0	5,933,937	3.00	FY 2005-06 Current Appropriation Level Estimate
Mayor's Proposed Budget Decisions					
	(1,866)	0	(1,866)	0.00	Decrease overall in interagencies due to rate cuts
	(5,000)	0	(5,000)	0.00	Professional Services reduction
	(11,055)	0	(11,055)	0.00	Garage Attendant services reduction
	33,033	0	33,033	0.00	Increase costs for management of PDC Garage
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	15,112	0	15,112	0.00	Total FY 2005-06 Decision Packages
			\$ 5,949,049	3.00	Total Adopted Budget

CityFleet

OVERVIEW

CityFleet acquires, modifies, services, repairs, and disposes of vehicles and equipment owned, leased, and rented by the City. The division operates seven garages strategically located to serve customer bureaus, a body and paint shop, and a fabrication shop. A downtown vehicle pool provides vehicles on a convenient and short-term basis to meet the business needs of City bureaus located in the downtown area.

The number of City vehicles has grown by over 650 units in the last ten years, with a total fleet size of just under 2,600 vehicles of varying types. Sport utility vehicles comprise less than 5% of this total. The increase in both number and sophistication of the City's fleet improves bureaus' ability to deliver services. CityFleet's budget trends reflect increasing expenditures due to rising costs of vehicles and equipment, fuel, expensive repair and replacement components, test/diagnostic equipment, and increased repair time due to the age of some vehicles that are beyond their normal life cycle.

CityFleet has managed expenditures and limited staff growth by implementing efficiencies, employing technology, and adhering to responsible replacement schedules for equipment and vehicles. In large part, these improvements have been brought about by discussions with CityFleet users and customers through the Service Improvement Plan (SIP) process. The SIP process developed from the focused review that CityFleet undertook as a result of the FY 2002-03 budget process. As a result, CityFleet has been able to maintain a high level of vehicle availability and reliability, while continuing to improve service.

Overview of Programs

LEASE EQUIPMENT

The Lease Equipment program manages the leasing of vehicles for extended use when leasing is deemed to be more cost effective than purchase. This program also manages the rental of large passenger vans, buses, and other atypical vehicles for short-term or seasonal use. In this fiscal year, current leases will be transferred to a less expensive vendor.

Relationship to Goals This program has the following goals:

- ◆ City - Deliver efficient, effective, and accountable municipal services.
- ◆ OMF - Strengthen stewardship of the City's resources.

The primary means of achieving these goals is by reducing rental/lease rates.

Performance The program's performance measure, the percentage of lease vehicles against fleet total, is used to provide information on the effectiveness of maintaining a reasonable ratio between leased and City-owned vehicles.

BODY AND PAINT

The Body and Paint program assists the Maintenance and Repair Program in the preparation of new vehicles, and restoration of damaged City vehicles and equipment.

In the current fiscal year Body and Paint has incorporated the new vehicle outfitting process into the Body and Paint shop. This will continue to bring increased efficiencies in FY 2005-06 due to a reduction in the amount of transport time between repair locations.

Relationship to Goals This program has the following goals:

- ◆ City - Deliver efficient, effective, and accountable municipal services.
- ◆ OMF - Strengthen stewardship of the City's resources.

The primary means of achieving these goals is reducing the hourly shop rate.

Performance This program's performance measure tracks work orders completed to ensure equipment records are updated in a timely manner.

VEHICLE POOL

The Vehicle Pool maintains unassigned vehicles for occasional and short-term use by City bureaus.

The possible elimination of the motor pool activity, or at a minimum, a reduction in total vehicles within the pool program, is being examined. The use of an electronic reservation system to reduce labor costs is also being considered.

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
CityFleet						
Lease Equipment						
Effectiveness						
Percentage of total fleet vehicles that are leased	NA	NA	NA	NA	3%	3%
Body and Paint						
Effectiveness						
Percentage of opened work orders completed	NA	NA	NA	100%	100%	100%
Vehicle Pool						
Efficiency						
Percentage of usage against availability	NA	NA	NA	21%	25%	50%
Maintenance & Repair						
Effectiveness						
Percentage availability of all vehicles	98%	97%	95%	94%	94%	90%
Percentage of scheduled preventative maintenance completed	NA	NA	NA	NA	60%	85%
Percentage of used oil recycled	NA	NA	NA	100%	100%	100%
New & Replacement Equipment						
Effectiveness						
Percentage of replacement vehicles purchased on schedule	NA	NA	NA	30%	70%	90%
Percentage of new vehicles issued within two months of delivery	NA	NA	NA	20%	60%	60%
Parts & Fuel Management						
Effectiveness						
Percentage of diesel-powered vehicles using B20 bio-diesel	0%	0%	0%	0%	97%	97%
Strategic Support						
Effectiveness						
Percentage of quarterly safety inspections completed	NA	NA	NA	100%	100%	100%
Percentage of required training hours completed	NA	NA	NA	96%	97%	97%
Percentage of billing data submitted within 48 hours of AP end	NA	NA	NA	NA	100%	100%

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	4,917,705	5,133,807	5,511,630	5,399,386	5,399,386
External Materials and Services	6,289,825	6,149,636	7,877,429	7,462,569	7,462,569
Internal Materials and Services	1,357,085	1,433,449	1,575,278	1,417,994	1,417,994
Minor Capital Outlay	3,175,474	3,151,056	10,498,375	4,493,707	4,493,707
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	15,740,089	15,867,948	25,462,712	18,773,656	18,773,656
Capital Improvements	212	226	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 15,740,301	\$ 15,868,174	\$ 25,462,712	\$ 18,773,656	\$ 18,773,656
Allocated Overhead	559,066	877,260	609,771	806,069	787,192
Total Cost with Allocated Overhead	16,299,367	16,745,434	26,072,483	19,579,725	19,560,848
RESOURCES					
City Fleet Services Fund	15,740,301	15,868,174	25,462,712	18,773,656	18,773,656
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Operations	0	4,100	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Lease Equipment	962,685	758,269	1,050,286	944,536	944,536
<i>Positions</i>	<i>0.90</i>	<i>0.70</i>	<i>0.00</i>	<i>0.70</i>	<i>0.70</i>
Maintenance & Repair	212	226	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Body and Paint	823,053	700,128	888,588	808,280	808,280
<i>Positions</i>	<i>6.10</i>	<i>6.10</i>	<i>7.00</i>	<i>6.00</i>	<i>6.00</i>
Vehicle Pool	88,571	95,228	177,000	99,254	99,254
<i>Positions</i>	<i>0.52</i>	<i>0.52</i>	<i>0.00</i>	<i>0.50</i>	<i>0.50</i>
Maintenance & Repair	7,389,443	7,325,400	8,524,316	7,754,783	7,754,783
<i>Positions</i>	<i>60.65</i>	<i>60.65</i>	<i>58.00</i>	<i>55.55</i>	<i>55.55</i>
New & Replacement Equipment	3,511,892	3,519,324	10,819,763	4,977,489	4,977,489
<i>Positions</i>	<i>4.23</i>	<i>4.23</i>	<i>0.00</i>	<i>4.55</i>	<i>4.55</i>
Parts & Fuel Management	2,388,845	2,705,001	2,898,469	3,257,559	3,257,559
<i>Positions</i>	<i>6.40</i>	<i>5.40</i>	<i>5.00</i>	<i>5.20</i>	<i>5.20</i>
Strategic Support	575,600	760,498	1,104,290	931,755	931,755
<i>Positions</i>	<i>4.20</i>	<i>5.40</i>	<i>12.00</i>	<i>3.50</i>	<i>3.50</i>
TOTAL PROGRAMS	\$ 15,740,301	\$ 15,868,174	\$ 25,462,712	\$ 18,773,656	\$ 18,773,656
<i>Positions</i>	<i>83.00</i>	<i>83.00</i>	<i>82.00</i>	<i>76.00</i>	<i>76.00</i>

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0100	Office Supp Spec I	1.00	1.00	1.00	34,008	1.00	34,140	1.00	34,140
0102	Office Supp Spec II	1.00	1.00	1.00	37,548	1.00	37,692	1.00	37,692
0407	Storekpr/Acq Spec II-AutoParts	5.00	5.00	5.00	208,026	3.00	135,684	3.00	135,684
0819	Administrative Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	0.00	1.00	1.00	51,420	1.00	53,520	1.00	53,520
0926	Administrative Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0962	Assistant Program Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1516	Auto Body Restorer	5.00	5.00	5.00	237,252	5.00	241,980	5.00	241,980
0929	Bureau Operations Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7121	Business Systems Analyst	0.00	0.00	1.00	59,532	1.00	61,968	1.00	61,968
1520	Industrial Machinist	1.00	1.00	1.00	44,388	0.00	0	0.00	0
2522	Information Systems Tech I	1.00	1.00	1.00	35,136	0.00	0	0.00	0
1200	Maintenance Worker	1.00	1.00	1.00	20,220	1.00	20,292	1.00	20,292
1530	Motorcycle Mechanic	1.00	1.00	1.00	48,216	1.00	48,396	1.00	48,396
0966	Program Coordinator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0413	Stores System Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7161	Stores System Supervisor II	0.00	1.00	1.00	65,400	1.00	65,652	1.00	65,652
1058	Trades Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1054	Trades Supervisor	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1533	Vehicle & Equip Mechanic Lead	2.00	2.00	2.00	101,208	2.00	101,592	2.00	101,592
1532	Vehicle & Equipment Mechanic	47.00	47.00	47.00	2,247,650	46.00	2,222,376	46.00	2,222,376
7703	Vehicle Acquisition Analyst	0.00	2.00	2.00	135,522	2.00	137,760	2.00	137,760
7708	Vehicle Maint Supervisor II	0.00	1.00	1.00	53,664	1.00	55,860	1.00	55,860
7709	Vehicle Maintenance Superintende	0.00	1.00	1.00	81,036	1.00	81,036	1.00	81,036
7707	Vehicle Maintenance Supervisor I	0.00	5.00	4.00	248,424	4.00	250,377	4.00	250,377
7702	Vehicle Program Specialist	0.00	1.00	1.00	59,316	1.00	59,544	1.00	59,544
1060	Vehicle Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7710	Vehicle Services Manager	0.00	1.00	1.00	98,736	1.00	99,056	1.00	99,056
7706	Vehicle Srvcs Ops Supervisor	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1510	Welder	3.00	3.00	3.00	139,404	2.00	95,832	2.00	95,832
1511	Welder, Lead	1.00	1.00	1.00	42,324	1.00	50,316	1.00	50,316
TOTAL FULL-TIME POSITIONS		83.00	83.00	82.00	\$ 4,048,430	76.00	\$ 3,853,073	76.00	\$ 3,853,073

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	19,451,925	0	19,451,925	82.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	(69,302)	0	(69,302)	(1.00)	Reduction in I/S Position to meet CAL
Mayor's Proposed Budget Decisions					
	(65,201)	0	(65,201)	(1.00)	Reduction in Storekeeper Position
	(65,201)	0	(65,201)	(1.00)	Reduction in Storekeeper Position
	(69,146)	0	(69,146)	(1.00)	Reduction in Industrial Machinist Positon
	(68,858)	0	(68,858)	(1.00)	Reduction in Welder Position
	(37,948)	0	(37,948)	0.00	Reduction in Misc Services
	(4,500)	0	(4,500)	0.00	Reduction in Out-of-Town Travel
	(5,000)	0	(5,000)	0.00	Reduction in Education
	(69,146)	0	(69,146)	(1.00)	Reduction in Mechanic Position
	(15,238)	0	(15,238)	0.00	Reduction in IA Savings
	(729)	0	(729)	0.00	Decrease in interagencies due to new rates
	(208,000)	0	(208,000)	0.00	Reduction in Leases for Police
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(678,269)	0	(678,269)	(6.00)	Total FY 2005-06 Adjustments
			\$ 18,773,656	76.00	Total Adopted Budget

Facilities Services

OVERVIEW

The Facilities Services Fund was created to account for all of the facilities-related programs and capital projects managed by the Bureau of General Services. The fund is self-sufficient, requiring no direct General Fund discretionary support. The core service of Facilities Services is the operation and maintenance of City facilities managed by BGS.

Facilities Services receives revenue from various sources. These consist primarily of reimbursements for office and building space rental, building operations and maintenance, interior space remodels and reconfigurations, janitorial services, property management, and capital project management. Other revenue sources are intergovernmental agreements and rents from commercial leases in City-owned buildings. Cash transfers from other funds also cover the cost of some budgeted capital improvement projects. Debt sales have been used in the past as a resource for capital projects, with the resulting principal and interest obligations being incorporated into the rental rates.

Facilities Services provides services to most City facilities, with the exception of buildings owned and operated by the Parks & Recreation and Fire Bureaus. The Bureau of Environmental Services, Office of Transportation (PDOT), and the Water Bureau provide facilities operations and maintenance to some of their own facilities as well.

Facilities Services uses interagency charges to recover costs in two ways: rental rates charged to the occupants of the Portland Building, City Hall, various Police facilities, the Records Center, the Portland Communications Center, the 1900 Building, and two CityFleet facilities; and service agreements with bureaus for the provision of a variety of discretionary facility-related services not covered in rental rates.

Overview of Programs

PROPERTY MANAGEMENT

Description	Property Management is responsible for the City's real properties. The property managers evaluate real property transactions and negotiate the acquisition and disposal of real property. This program manages leases and tenant matters in City-owned commercial property. Property management also conducts research, negotiation, and lease development for bureaus seeking space in privately owned properties. In addition, this program evaluates and disposes of unassigned or surplus property. Another function of this program is to provide advice and technical assistance to other bureaus, such as the Fire Bureau, on real property-related items.
Relationship to Goals	The Property Management program primarily supports the City goal of delivering efficient, effective, and accountable municipal services. This program supports the Office of Management and Finance's goal of strengthening stewardship of the City's resources.
Performance	Measures of workload include: total square footage of facilities managed (both BGS-managed and others), the number of leases managed for City property leased to outside tenants, and the number of leases managed for City bureaus leasing property from external landlords. Efficiency is measured by the total square footage of facilities managed per property management staff person currently at 363,420 square feet per employee.

PROJECT MANAGEMENT

Description	The Project Management program provides project management services for major maintenance projects, Fire General Obligation (GO) Bond renovation and construction projects, parking garage major maintenance projects, and other tenant improvement projects requested by bureaus. Project management includes development of project cost estimates, consultant selection and management, construction planning and management services, space planning, master planning, and management of the public bidding process. Moves are also coordinated through this program. As part of the annual Capital Improvement Plan (CIP) budget process, this program develops the capital project workscopes, schedules, and project budget estimates. In addition, project managers are responsible for recordkeeping for construction and related contract documents.
Relationship to Goals	The Project Management program primarily supports the City goal of delivering efficient, effective, and accountable municipal services. This program also supports the the Office of Management and Finance's goal of strengthening stewardship of the City's resources.
Performance	The performance measure for this program measures the value of capital projects completed, \$15.4 million in capital projects are included in the FY 2005-06 Adopted Budget.

STRATEGIC SUPPORT

Description	<p>Strategic Support provides overall management and support to Facilities Services. This program has overall responsibility for the Facilities Services Fund and the Spectator Facilities Fund, which includes:</p> <ul style="list-style-type: none"> ◆ Overall budget and rate development ◆ Identification of capital project planning ◆ Oversight of major maintenance programs ◆ Organizational development <p>In addition, Strategic Support provides contract processing and procurement services for the other programs in Facilities Services.</p> <p>This program's budget includes interagency service agreements with OMF Business Operations and BGS Business Operations as providers of some administrative and financial services, including rate setting, budgeting, billing, and HR services.</p>
Relationship to Goals	<p>The Strategic Support program primarily supports the City goal of delivering efficient, effective, and accountable municipal services.</p> <p>This program also supports the Office of Management and Finance's goal of strengthening stewardship of the City's resources.</p>
Performance	<p>The Strategic Support program is a new program, and performance measures are currently in development.</p>

SPECTATOR FACILITIES

Description	<p>Spectator Facilities support services are provided through an interagency agreement with Facilities Services. Administrative services for the Spectator Facilities Fund include operations and maintenance planning for the facilities, implementing capital improvements, financial planning for the Spectator Facilities' programs and fund, contract management, special projects, and liaison activities between the City and other governmental agencies and citizen groups.</p>
Relationship to Goals	<p>The program primarily supports the City goal of delivering efficient, effective, and accountable municipal services.</p> <p>This program also supports the Office of Management and Finance's goal of strengthening stewardship of the City's resources.</p>
Performance	<p>Performance measures are currently under development for this program.</p>

OPERATIONS & MAINTENANCE

Description	<p>Operations and maintenance provides a variety of services, the most visible of which is the 24 hour-seven day operation and building maintenance/repair program. This program also provides:</p> <ul style="list-style-type: none"> ◆ Preventative maintenance of building systems, including HVAC, electrical, and plumbing in the various City-owned facilities. ◆ Annual building inspections to protect the City's infrastructure. ◆ Development and implementation of security policies and procedures. ◆ Management of the buildings' Fire/Life/Safety systems. ◆ Management of the operations and maintenance dispatch center, and the facility center work order system. ◆ Monitoring of the custodial contracts, the elevator programs, recycling and waste management services, and landscape services for the various facilities. ◆ Provision of services on a time and materials basis to other bureaus. <p>Operations and Maintenance also manages major maintenance projects and some tenant improvement projects requested by other bureaus.</p>
Relationship to Goals	<p>The Operations and Maintenance program primarily supports the City goal of delivering efficient, effective, and accountable municipal services.</p> <p>This program supports the Office of Management and Finance's goal of strengthening stewardship of the City's resources.</p>
Performance	<p>The performance measures for this program measure the maintenance staff workload, building conditions, and the environmental efficiency of building operations.</p> <p>Measures of workload are the number of work orders completed per year for scheduled maintenance at BGS-managed facilities and the number of work orders completed for customer requests.</p> <p>Efficiency measures for this program is the total square footage of all facilities maintained per maintenance mechanic and the carbon footprint of BGS-managed facilities, which measures the amount of CO2 emissions from facility energy use.</p> <p>An effectiveness measure is the percentage of facilities maintained in good or better condition, which is determined through an annual condition assessment performed by the maintenance mechanics. The goal is to maintain this assessment at 90% of facilities in good or better condition.</p>

PGE PARK PROGRAM

Description	<p>The Civic Stadium (now PGE Park) redevelopment project was a public/private effort to renovate Civic Stadium and create a marketable, self-sustaining facility compatible with its surrounding neighborhood. The stadium, built in 1926, was in need of substantial repairs in order to correct seismic and other structural deficiencies and to address basic facility needs. The City formed a public-private partnership and issued \$35 million in bonds to pay for most of the construction work. The private partner paid the remaining portion of the renovation costs and purchased a minor league baseball and soccer team.</p>
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PGE Park is the home of the Triple-A Baseball Portland Beavers and USL-League Soccer Portland Timbers. PGE Park is also used for Portland State University football, high school football, summer concerts, and other community activities. In addition to the numerous football, baseball, and soccer events taking place at PGE Park, the field is routinely used for local youth soccer and baseball camps and practice.

Relationship to Goals PGE Park aligns with Council goals by providing access to recreation services and delivering efficient, effective, and accountable municipal services.

Since PGE Park is a public/private partnership, it aligns with the OMF goal to strengthen our collaborative business partnerships with customers, users, and stakeholders.

Changes to Services and Activities Changes to the PGE Park program are addressed in the Spectator Facilities Fund narrative in Volume Two of this document.

ROSE QUARTER PROGRAM

Description

The Oregon Arena Corporation (OAC) was created by the Trail Blazers, Incorporated to develop and operate the Oregon Arena Project. In 1992, the City of Portland and the OAC entered into the Development Agreement and leases for the planning, development, and management of the project, now known as the Rose Quarter. The agreements concluded a process that brought to Portland an innovative public/private development and the largest public/private arrangement ever formed in Oregon.

The Rose Quarter includes:

- ◆ A multi-million-dollar, 20,000 seat arena (the Rose Garden), designed for basketball and hockey.
- ◆ An eight-level, 1,060 space-parking garage attached to the Rose Garden.
- ◆ A 62,000 sq. ft. entertainment and office complex that includes a centralized ticket office and a 370-space, two-level parking garage.
- ◆ Two City-owned public parking structures and a surface lot with 1,201 total parking spaces.
- ◆ A public plaza for staging events, located between the Memorial Coliseum and the Rose Garden.

Besides the numerous sporting events and concerts held in the Rose Garden and Memorial Coliseum, the site has been host to a large number of community events since its creation. A vast majority of the community events are not required to pay a rental fee, allowing the event organizers to keep the revenue generated for the benefit of their particular cause. In addition, both the Memorial Coliseum and Rose Garden have played host to several Oregon Scholastic Athletics Association high school championship events each year.

Relationship to Goals The Rose Quarter aligns with the City goal of delivering efficient, effective, and accountable municipal services. Since the Rose Quarter is a public/private partnership, it fits the Office of Management and Finance's goal of strengthening our collaborative business partnerships with customers, users, and stakeholders.

FIRE FACILITIES GO BOND CONSTRUCTION

On November 7, 1998, the citizens of Portland authorized the sale of \$53.8 million in general obligation bonds to support a \$71.7 million program to improve the City's emergency facilities, including:

- ◆ Seismic upgrades to allow firefighters to effectively respond to an earthquake in the metropolitan area.
- ◆ Relocation and construction of new facilities to meet the goal of a four-minute response time to emergency calls.
- ◆ Renovation of facilities to be consistent with the evolving mission of the Fire Bureau. For example, a major portion of the work is emergency medical services, yet few of the facilities were appropriately equipped.
- ◆ Addressing Americans with Disabilities Act accessibility requirements and female firefighter accommodations.
- ◆ Responding to the issue of emergency facilities approaching the end of their useful lives.

Of the total amount allocated to the program, \$68.9 million will be used to improve fire facilities and \$2.8 million to expand the Portland Communications Center.

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
Facilities Services						
Property Management						
Efficiency						
Portfolio management - Total square footage per property management employee	NA	NA	NA	363,420	363,420	363,420
Workload						
Portfolio Size - Total square footage of facilities managed	NA	NA	NA	726,840	726,840	726,840
Number of internal leases	NA	NA	NA	55	55	55
Number of external leases	NA	NA	NA	77	77	77
Project Management						
Workload						
Value of capital projects completed	NA	NA	\$10,534,000	\$5,941,000	\$12,800,000	\$15,400,000
Operations & Maintenance						
Effectiveness						
Percentage of City facilities maintained in good or better condition	90%	90%	90%	90%	90%	90%
Efficiency						
Carbon footprint - CO2 emissions from energy use (tons)	NA	13,180	8,637	8,637	8,637	8,637
Square foot of portfolio per Operations & Maintenance FTE	NA	NA	NA	275,407	275,407	275,407
Workload						
Number of work orders completed for scheduled maintenance	NA	NA	2,754	2,603	2,200	2,800
Number of work orders completed for customer service requests	NA	NA	8,065	7,686	7,000	8,000

Facilities Services AU 203, 732, 735

SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	2,257,818	2,157,026	2,329,438	2,923,459	2,923,459
External Materials and Services	9,276,754	8,632,517	10,468,883	12,820,287	12,820,287
Internal Materials and Services	1,843,857	1,915,225	2,127,812	3,303,824	3,304,013
Minor Capital Outlay	0	26,146	0	0	0
Equipment Cash Transfers	2,343	0	0	0	0
Total Operating Budget	13,380,772	12,730,914	14,926,133	19,047,570	19,047,759
Capital Improvements	12,068,456	9,980,024	22,247,127	11,550,145	10,970,145
TOTAL BUREAU EXPENDITURES	\$ 25,449,228	\$ 22,710,938	\$ 37,173,260	\$ 30,597,715	\$ 30,017,904
Allocated Overhead	1,067,971	1,674,408	1,239,256	1,755,038	976,703
Total Cost with Allocated Overhead	26,517,199	24,385,346	38,412,516	32,352,753	30,994,607
RESOURCES					
Facilities Services Revenues	25,449,228	22,710,938	37,173,260	30,597,715	30,017,904
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
PGE Park Program	471,971	258,158	384,811	258,803	258,803
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Rose Quarter Program	918,785	756,130	1,979,340	1,178,365	1,178,365
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Property Management	1,297,160	1,182,259	187,487	195,726	195,726
<i>Positions</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Project Management	4,467,393	5,120,414	13,444,644	8,552,378	7,972,378
<i>Positions</i>	<i>7.00</i>	<i>7.00</i>	<i>10.00</i>	<i>6.00</i>	<i>6.00</i>
Strategic Support	985,518	907,005	946,876	1,086,549	1,086,549
<i>Positions</i>	<i>1.00</i>	<i>1.00</i>	<i>1.00</i>	<i>3.00</i>	<i>3.00</i>
Spectator Facilities	0	123,399	203,744	201,354	201,354
<i>Positions</i>	<i>0.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Non-Program Transactions	0	0	20,000	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Operations & Maintenance	10,124,213	9,939,538	11,086,503	11,939,162	11,939,351
<i>Positions</i>	<i>25.00</i>	<i>25.00</i>	<i>21.30</i>	<i>23.00</i>	<i>23.00</i>
Fire Facilities GO Bond Construction	7,184,188	4,424,035	8,919,855	7,185,378	7,185,378
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 25,449,228	\$ 22,710,938	\$ 37,173,260	\$ 30,597,715	\$ 30,017,904
<i>Positions</i>	<i>35.00</i>	<i>37.00</i>	<i>36.30</i>	<i>36.00</i>	<i>36.00</i>

Facilities Services AU 203, 732, 735

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0104	Office Supp Spec III	0.00	1.00	1.00	34,428	1.00	34,560	1.00	34,560
0819	Administrative Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7107	Administrative Supervisor II	1.00	1.00	1.00	56,328	1.00	58,632	1.00	58,632
6112	Engineer	1.00	1.00	1.00	65,856	1.00	68,160	1.00	68,160
7726	Facilities Construction Project	6.00	6.00	6.00	389,868	5.00	342,972	5.00	342,972
7727	Facilities Construction Project	1.00	1.00	1.00	83,791	1.00	85,800	1.00	85,800
7725	Facilities Construction Project	0.00	0.00	1.00	62,292	1.00	62,512	1.00	62,512
7136	Facilities Contracts Coordinator	0.00	0.00	1.00	65,400	1.00	65,610	1.00	65,610
7713	Facilities Maint and Access Cont	2.00	2.00	2.00	71,810	2.00	73,411	2.00	73,411
7717	Facilities Maintenance Superviso	1.00	1.00	1.00	62,292	1.00	62,532	1.00	62,532
7718	Facilities Maintenance Superviso	1.00	1.00	0.50	34,368	1.00	68,990	1.00	68,990
1115	Facilities Maintenance Tech	12.00	12.00	11.80	560,650	12.00	580,752	12.00	580,752
1116	Facilities Maintenance Tech Lead	2.00	2.00	2.00	101,208	2.00	101,592	2.00	101,592
7719	Facilities Services Division Man	1.00	1.00	1.00	90,000	1.00	96,884	1.00	96,884
7715	Facilities Services Specialist	4.00	4.00	2.00	121,404	2.00	124,068	2.00	124,068
7376	Financial Analyst	0.00	0.00	1.00	49,404	1.00	51,432	1.00	51,432
7378	Principal Financial Analyst	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7678	Property Acquisition & Services	2.00	2.00	2.00	144,552	2.00	145,128	2.00	145,128
7721	Spectator Facilities Manager	0.00	1.00	1.00	91,872	1.00	92,232	1.00	92,232
TOTAL FULL-TIME POSITIONS		35.00	37.00	36.30	\$ 2,085,523	36.00	\$ 2,115,267	36.00	\$ 2,115,267

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	22,446,824	6,905,379	29,352,203	37.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					None
Mayor's Proposed Budget Decisions					
	(73,272)	0	(73,272)	(1.00)	Facilities Delete 1 project manager position
	0	368,000	368,000	0.00	Security improvements to CH and Portland Building
	228,000	0	228,000	0.00	Increase security services for CH and Portland Bldg
	0	(100,000)	(100,000)	0.00	Decrease CH recarpet project based on new
	0	(174,000)	(174,000)	0.00	Delete Portland Building chiller replacement project
	0	237,000	237,000	0.00	External security improvements at PCC project
	3,385	0	3,385	0.00	Increased costs with OMF IA
	(5,095)	0	(5,095)	0.00	Reduce services at Kenton community center per
	0	580,000	580,000	0.00	Tenant improvement project for revenue bureau
	(11,343)	0	(11,343)	0.00	Savings from internal service fund cut packages Spectator Facilities
	(12,162)	0	(12,162)	0.00	OMF I/A rate cuts benefiting the Spectator Fund
	(75,000)	0	(75,000)	0.00	Professional Svcs reduction for reduced legal costs
	0	0	0	0.00	Fire Facilities GO Bond
	0	(61,531)	(61,531)	0.00	Cancel Station 21 proj and other program changes
	0	(12,604)	(12,604)	0.00	Program changes due to scheduling changes
	0	363,000	363,000	0.00	Increase capital for program schedule changes
	0	(7,060)	(7,060)	0.00	True up IA with Fire as provider
	0	(1,806)	(1,806)	0.00	True up art budget for cancellation of Station 21 proj
Approved Budget Additions and Reductions					
	0	189	189	0.00	COPPEA training
	0	(514,211)	(514,211)	0.00	Delete tenant improvement project for revenue
Adopted Budget Additions and Reductions					
	0	(65,789)	(65,789)	0.00	Technical adjustment to approved budget deletion revenue bureau project to bring total cost to \$580K
	54,513	611,188	665,701	(1.00)	Total FY 2005-06 Adjustments
			\$ 30,017,904	36.00	Total Adopted Budget

Printing & Distribution Services

OVERVIEW

Printing and Distribution (P&D) provides services to City bureaus, Multnomah County, the State of Oregon, and other governmental agencies.

Services include traditional printing and bindery, digital printing and pre-press, variable data printing, microfilming, blueprinting, the purchase and maintenance of copy machines, Citywide paper procurement and management, U.S. mail processing, and delivery of interoffice and U.S. mail and supplies. Most services are provided in house with approximately 30% of reproduction work done by outside vendors.

Competitive rates and quality service have yielded a broader customer base. Productivity gains have been achieved by ongoing investment in new, technologically advanced equipment, while at the same time minimizing rate increases. For example, customers are consuming more of P&D's digital printing services, which results in higher productivity and a better quality product. P&D's rate for basic copy center services has remained relatively flat for the past six years. Over the past 11 years, the rates for all other P&D service elements have increased less than the rate of inflation.

P&D successfully bids to provide services to other local governmental agencies.

P&D has been entrepreneurial as well by securing work from other regional governmental agencies through successful competitive bids. The increased customer base benefits City customers by keeping rates as low as possible.

Overview of Programs

STRATEGIC SUPPORT/OPERATIONS

The Strategic Support/Operations program provides direct management support for all of Printing & Distribution's operations. This support includes:

- ◆ Management direction and service coordination
- ◆ Fund management
- ◆ Rate setting and budgeting
- ◆ Billing
- ◆ Customer service
- ◆ Employee supervision
- ◆ Accounts payable
- ◆ Capital replacement

Relationship to Goals

This program is designed to accomplish the City goals of:

- ◆ Delivering efficient, effective, and accountable municipal services.

While the program's activities aim to fulfill all Office of Management & Finance strategic directions, they most directly:

- ◆ Maximize the cost-effective use of technology in all aspects of our work.

Performance

The performance of the fund's management is essentially measured by its success in maintaining a target fund balance to cover reserves. Some of the major elements of successful management of the Printing & Distribution Fund and the maintenance of an adequate fund balance involve the creation of service rates that recover costs, the resourceful management of production schedules, the control and monitoring of external materials & services costs, and the effective vending of certain services.

COPY SERVICES

The Copy Services program provides copiers and printers for all City bureaus requiring such a device and for a few external governmental agencies. The service includes:

- ◆ Equipment appropriate to each placement
- ◆ Equipment maintenance and repair
- ◆ All consumables including toner and paper
- ◆ Desktop printer audits and workload assessment

Relationship to Goals	<p>The Copy Services program is designed to accomplish the City goal of:</p> <ul style="list-style-type: none"> ◆ Delivering efficient, effective, and accountable municipal services. <p>While the program's activities aim to fulfill all Office of Management & Finance strategic directions, they most directly:</p> <ul style="list-style-type: none"> ◆ Maximize the cost-effective use of technology in all aspects of our work.
Performance	<p>The annual number of copies produced on bureaus' copiers measures the workload of this program.</p>

DUPLICATING

The Duplicating program provides the following services to the City, Multnomah County, the State of Oregon, and other local government agencies:

- ◆ Traditional copying, printing, and bindery services
- ◆ Digital printing, including variable data services
- ◆ Digital pre-press services including graphics, typesetting, and file intervention
- ◆ Digital and traditional official City photography
- ◆ Vended reproduction and bindery
- ◆ A second location to serve customers

The Duplicating program also provides the following services to the City and to the public at the 1900 Building:

- ◆ Traditional copying, printing, and bindery services
- ◆ Digital printing, including variable data services
- ◆ Distribution and copier services to building customers
- ◆ Large format scanning and printing
- ◆ Printing from microfiche
- ◆ Vended reprographics

Relationship to Goals	<p>The Duplicating Program is designed to accomplish the Citywide goals of:</p> <ul style="list-style-type: none"> ◆ Delivering efficient, effective, and accountable municipal services. <p>While Printing & Distribution's activities aim to fulfill all Office of Management & Finance's strategic directions, they most directly:</p> <ul style="list-style-type: none"> ◆ Maximize the cost-effective use of technology in all aspects of our work.
Performance	<p>The Duplicating program evaluates its workload, efficiency, and effectiveness by measures such as the annual number of work orders completed, Copy Center sheets produced, the basic Copy Center rate, and percentage of work shipped on time. This percentage is expected to remain at 98%.</p>

MICROFILM

The Microfilm program provides microfilming services to the City and several outside users. Services include:

- ◆ 16mm and 35mm microfilming
- ◆ Film processing
- ◆ Jacketizing
- ◆ Fiche duplication
- ◆ File maintenance
- ◆ Archival processing

Relationship to Goals

The Microfilm program is designed to accomplish the Citywide goal of:

- ◆ Delivering efficient, effective, and accountable municipal services.

This program's activities aim to fulfill all Office of Management & Finance strategic directions, but they most directly:

- ◆ Maximize the cost-effective use of technology in all aspects of our work.

Performance

One measure of the effectiveness of this program is the percentage of work shipped on time. This percentage is expected to remain at 98%.

DISTRIBUTION

The Distribution program provides for distribution and mailing services to all City bureaus and a few external governmental agencies. Services include:

- ◆ Interoffice mail distribution
- ◆ Outgoing U.S. mail processing
- ◆ Postage management
- ◆ Print order pick-up and delivery
- ◆ Data Center printing delivery
- ◆ Special deliveries to and from the Stanley Parr Archives & Records Center
- ◆ Small volume special deliveries, and office and equipment moves

Relationship to Goals

The Distribution Program is designed to accomplish the City goal of:

- ◆ Delivering efficient, effective, and accountable municipal services.

This program's activities aim to fulfill all Office of Management & Finance strategic directions, but they most directly:

- ◆ Strengthen the organization's leadership and stewardship of the City's human, technological, financial, and capital resources.

Performance

The efficiency of this program is measured by the number of pieces mailed per Distribution Program employee.

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PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
Printing & Distribution Services						
Strategic Support/Operations						
Effectiveness						
Maintain available fund balance to cover reserves	\$0	\$0	\$0	\$914,912	\$900,000	\$900,000
Copy Services						
Workload						
Total number of in-bureau copies	20,133,446	20,610,353	23,031,423	23,294,567	23,016,950	24,000,000
Duplicating						
Effectiveness						
Percentage of work shipped on time	98.1%	98.8%	98.5%	98.5%	99.0%	98.0%
Efficiency						
Basic Copy Center Rate	\$0.0270	\$0.0270	\$0.0270	\$0.0280	\$0.0280	\$0.0290
Workload						
Total number of work orders completed	30,598	29,051	27,719	29,000	27,000	26,500
Total number of copy center sheets	21,612,713	18,266,296	18,266,628	15,418,876	17,000,000	16,000,000
Total number of press impressions	15,913,481	13,526,639	12,545,976	10,378,644	12,500,000	11,000,000
Microfilm						
Effectiveness						
Work shipped on time	100.0%	100.0%	100.0%	98.5%	99.0%	98.0%
Distribution						
Efficiency						
Total number of pieces mailed per distribution employee	754,547	859,638	888,941	841,781	800,000	800,000

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SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	1,664,662	1,574,354	1,686,203	1,753,216	1,753,216
External Materials and Services	3,079,575	3,244,613	3,831,110	3,574,119	3,554,756
Internal Materials and Services	596,517	553,428	642,385	632,766	632,766
Minor Capital Outlay	238,274	277,954	474,312	267,542	292,542
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	5,579,028	5,650,349	6,634,010	6,227,643	6,233,280
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 5,579,028	\$ 5,650,349	\$ 6,634,010	\$ 6,227,643	\$ 6,233,280
Allocated Overhead	251,651	408,436	189,302	305,029	281,162
Total Cost with Allocated Overhead	5,830,679	6,058,785	6,823,312	6,532,672	6,514,442
RESOURCES					
Printing and Distribution Services Fund	5,579,028	5,650,349	6,634,010	6,227,643	6,233,280
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Strategic Support/Operations	807,040	731,201	786,263	767,394	767,394
<i>Positions</i>	<i>2.50</i>	<i>2.55</i>	<i>3.50</i>	<i>2.55</i>	<i>2.55</i>
Copy Services	565,805	545,041	772,790	585,863	610,863
<i>Positions</i>	<i>1.45</i>	<i>0.95</i>	<i>1.00</i>	<i>0.95</i>	<i>0.95</i>
Duplicating	2,303,339	2,493,633	2,975,393	2,889,233	2,869,870
<i>Positions</i>	<i>15.85</i>	<i>14.75</i>	<i>15.00</i>	<i>14.75</i>	<i>14.75</i>
Microfilm	146,029	155,388	203,399	210,966	210,966
<i>Positions</i>	<i>3.10</i>	<i>3.00</i>	<i>2.00</i>	<i>3.00</i>	<i>3.00</i>
Distribution	1,756,815	1,725,086	1,896,165	1,774,187	1,774,187
<i>Positions</i>	<i>4.10</i>	<i>4.75</i>	<i>4.00</i>	<i>4.75</i>	<i>4.75</i>
TOTAL PROGRAMS	\$ 5,579,028	\$ 5,650,349	\$ 6,634,010	\$ 6,227,643	\$ 6,233,280
<i>Positions</i>	<i>27.00</i>	<i>26.00</i>	<i>25.50</i>	<i>26.00</i>	<i>26.00</i>

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FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0515	Accountant II	1.00	1.00	0.50	24,315	1.00	52,116	1.00	52,116
0337	Distribution Tech	4.00	4.00	4.00	160,896	4.00	161,520	4.00	161,520
0339	Distribution Tech Lead	1.00	1.00	1.00	42,240	1.00	42,408	1.00	42,408
0346	Elect Pre-Press Oper Lead	1.00	1.00	1.00	50,592	1.00	50,784	1.00	50,784
0102	Office Supp Spec II	1.00	1.00	1.00	37,548	1.00	37,692	1.00	37,692
0340	P & D Customer Serv Rep	3.00	3.00	2.00	87,816	2.00	88,152	2.00	88,152
0341	P & D Customer Serv Rep Lead	1.00	1.00	1.00	50,592	1.00	50,784	1.00	50,784
0350	Repro Operator I	6.00	6.00	6.00	223,128	6.00	223,992	6.00	223,992
0351	Repro Operator II	3.00	3.00	4.00	168,864	4.00	173,242	4.00	173,242
0353	Repro Operator III	2.00	2.00	2.00	91,008	2.00	91,356	2.00	91,356
0345	Electronic Pre-Press Operator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7730	Mail/Micrographics Supervisor	0.00	1.00	1.00	65,400	1.00	65,631	1.00	65,631
7732	Print Shop Supervisor	0.00	1.00	1.00	68,748	1.00	69,012	1.00	69,012
7734	Printing & Distribution Manager	0.00	1.00	1.00	88,440	1.00	88,788	1.00	88,788
0966	Program Coordinator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0968	Program Manager I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0972	Program Manager IV	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		27.00	26.00	25.50	\$ 1,159,587	26.00	\$ 1,195,477	26.00	\$ 1,195,477

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BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	6,269,220	0	6,269,220	26.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	68,307	0	68,307	0.00	Net increase in M&S due to customer I/A changes
Mayor's Proposed Budget Decisions					
	(12,714)	0	(12,714)	0.00	Decrease over all in interagencies due to rate cuts
	(61,000)	0	(61,000)	0.00	Duplicating rate reduction
	(36,170)	0	(36,170)	0.00	Postage reductions via USPS discount standards
Approved Budget Additions and Reductions					
	0	0	0	0.00	None
Adopted Budget Additions and Reductions					
	(19,363)	0	(19,363)	0.00	BDS Adjustment
	25,000	0	25,000	0.00	BES Adjustment-Cash Transfer for Equip
	(35,940)	0	(35,940)	0.00	Total FY 2005-06 Adjustments
			\$ 6,233,280	26.00	Total Adopted Budget

Risk Management

OVERVIEW

Risk Management's primary objectives are to:

- ◆ Safeguard the City's financial and human resources and capital assets from the adverse impact of actual and potential loss.
- ◆ Compensate, in an expedient and fair manner, individuals who have suffered bodily injury, personal injury, and/or property damage, when the City is found to be responsible.

These objectives are achieved through two separate funds, the Insurance and Claims Fund and the Workers' Compensation Fund.

The Insurance and Claims Fund provides for tort/general and fleet liability claims administration, management of the liability self-insurance program, management of the City's commercial insurance portfolio, and Citywide leadership in loss prevention.

The Workers' Compensation Fund supports the City's self-insured workers' compensation program, including claims administration and Citywide loss prevention activities aimed at minimizing occupational injury and illness.

Overview of Programs

TORT/GENERAL LIABILITY

The Tort/General Liability program manages and administers the City's self-insured tort and general liability operation. Most of this program's budget consists of estimated claims payments, legal assistance (both internal and external), and the cost of the excess liability policy. The focus of the program is to reduce/control the cost of current litigation and potential litigation.

Relationship to Goals The Tort/General Liability program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services and the Office of Management and Finance's goal of strengthening stewardship of the City's resources.

Performance The effectiveness of this program is measured by minimizing the incurred cost of general and fleet liability claims.

WORKERS COMPENSATION ADMINISTRATION AND CLAIMS

The Workers' Compensation program manages and administers the City's self-insured workers' compensation. Most of this program's budget consists of claims payments, legal assistance (both internal and external) and the cost of the workers compensation excess policy. The mission of this program is to provide timely and equitable benefits to injured employees, advise management and employees on workers' compensation issues, and to safeguard City resources. The primary activities of this program are mandated by City Code, Oregon Statute, and Administrative Rules.

Relationship to Goals The Workers' Compensation program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services and the Office of Management and Finance's goal of strengthening stewardship of the City's resources.

Performance The effectiveness of this program is measured by minimizing the incurred cost of workers' compensation claims.

COMMERCIAL INSURANCE

The Commercial Insurance program consists of the marketing, purchasing, and management of all commercial policies other than those for excess workers' compensation and excess liability. These include insurance for all City property, as well as special policies to cover unique requirements of various City departments. Commercial insurance protects City assets and is an integral part of the City's financial portfolio.

Relationship to Goals The Commercial Insurance program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services and the Office of Management and Finance's goal of strengthening stewardship of the City's resources.

Performance The new measure used to gauge the effectiveness of this program is the annual price Risk Management pays for the City's property insurance policy in relation to general market conditions.

OCCUPATIONAL HEALTH/INFECTIOUS DISEASE

The Occupational Health/Infectious Disease program manages:

- ◆ Citywide, bureau-specific occupational infectious disease programs
- ◆ Professional contracts related to responding to incidences of blood-borne pathogen contact
- ◆ City flu vaccination program
- ◆ Respiratory protection
- ◆ Lead surveillance
- ◆ Allergic reaction protocol training
- ◆ Infectious disease training and information distribution

Relationship to Goals The Occupational Health/Infectious Disease program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the Office of Management and Finance's goal of strengthening stewardship of the City's resources.

Performance The workload involved in this program is now measured by the annual number of bodily fluid exposure incidents managed, and the number of employees trained in dealing with blood-borne pathogens.

TORT/GENERAL LIABILITY STRATEGIC SUPPORT

The Strategic Support program in the Insurance and Claims Fund includes support staff services for all of the other programs in the fund.

Relationship to Goals The Strategic Support program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the Office of Management and Finance's goal of strengthening stewardship of the City's resources.

Performance The amount of work required of the clerical support staff is now measured by the number of special projects for which they provide assistance throughout the year in addition to their regular duties.

WORKERS COMPENSATION STRATEGIC SUPPORT

The Strategic Support Program in the Workers' Compensation Fund includes support staff services for all of the other programs in the fund.

Relationship to Goal Risk Management's programs are designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the Office of Management and Finance's goal of strengthening stewardship of the City's resources.

Performance The amount of work required of the clerical support staff can be partially measured by the number of special projects for which they provide assistance throughout the year in addition to their regular duties, and by the annual number of workers' compensation medical provider bills they audit, discount, and pay.

TORT/GENERAL LIABILITY LOSS PREVENTION

The Loss Prevention program for the Insurance and Claims Fund involves Risk Management's leadership and coordination of Citywide efforts to prevent losses due primarily to fleet accidents and general tort liability claims.

Relationship to Goals The Loss Prevention program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the Office of Management and Finance's goal of strengthening stewardship of the City's resources.

Performance The Loss Prevention program's effectiveness is measured by limiting the number of general and fleet liability claims each year.

WORKERS COMPENSATION LOSS PREVENTION

The Loss Prevention program in the Workers' Compensation Fund involves Risk Management's leadership and coordination of Citywide efforts to prevent losses due to workforce injuries.

Relationship to Goals The Loss Prevention program is designed to carry out the City goal of delivering efficient, effective, and accountable municipal services, and the Office of Management and Finance's goal of strengthening stewardship of the City's resources.

Performance The Loss Prevention program's effectiveness is measured by limiting the number of workers' compensation claims each year.

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
Risk Management						
Commercial Insurance						
Effectiveness						
Annual cost of City's property premium based on market conditions	NA	NA	NA	NA	NA	\$108,824
Tort/General Liability						
Effectiveness						
Incurred cost of general liability claims per \$100 payroll	\$1.02	\$0.55	\$0.49	\$0.36	\$0.49	\$0.49
Incurred cost of fleet liability claims per 100,000 miles driven	\$3,538.00	\$3,054.00	\$3,458.00	\$3,687.00	\$3,458.00	\$3,458.00
Tort/General Liability Loss Prevention						
Efficiency						
Number of general liability claims per 200,000 hours worked	11.52	11.18	11.58	12.51	11.58	11.58
Number of fleet liability claims per 100,000 miles driven	1.26	1.16	1.22	1.22	1.22	1.22
Tort/General Liability Strategic Support						
Workload						
Number of special projects for which assistance is provided	0	0	0	0	0	4
Occupational Health/Infectious Disease						
Workload						
Number of bodily fluid exposure incidents managed	0	0	0	0	0	30
Number of employees trained to deal with blood-borne pathogens	0	0	0	0	0	2,000
Workers Compensation Loss Prevention						
Efficiency						
Number of workers compensation claims per 200,000 hours worked	8.52	8.29	7.70	7.43	7.70	7.70
Workers Compensation Strategic Support						
Workload						
Number of special projects for which assistance is provided	0	0	0	0	0	4
Number of Workers Compensation medical provider bills audited, discounted, and paid	0	0	0	0	0	2,700
Workers Compensation Admin/Claims						
Effectiveness						
Incurred cost of workers compensation claims per \$100 payroll	\$0.78	\$1.30	\$0.92	\$0.63	\$0.92	\$0.92

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SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	1,285,562	1,280,302	1,754,091	1,764,310	1,764,310
External Materials and Services	5,381,428	5,891,650	8,856,803	6,956,079	6,956,079
Internal Materials and Services	2,165,357	2,226,445	2,067,662	2,231,069	2,231,069
Minor Capital Outlay	0	0	0	20,000	20,000
Equipment Cash Transfers	0	7,550	0	0	0
Total Operating Budget	8,832,347	9,405,947	12,678,556	10,971,458	10,971,458
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 8,832,347	\$ 9,405,947	\$ 12,678,556	\$ 10,971,458	\$ 10,971,458
Allocated Overhead	169,842	167,224	47,036	132,705	128,953
Total Cost with Allocated Overhead	9,002,189	9,573,171	12,725,592	11,104,163	11,100,411
RESOURCES					
Insurance And Claims Fund	8,832,347	9,405,947	12,678,556	10,971,458	10,971,458
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Commercial Insurance	899,725	1,152,572	0	916,520	961,520
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>1.05</i>	<i>1.05</i>
Tort/General Liability	4,112,309	4,376,699	7,336,185	5,304,672	5,259,672
<i>Positions</i>	<i>9.00</i>	<i>8.00</i>	<i>10.00</i>	<i>6.36</i>	<i>6.36</i>
Tort/General Liability Loss Prevention	0	0	0	247,756	247,756
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2.12</i>	<i>2.12</i>
Tort/General Liability Strategic Support	0	0	0	100,694	100,694
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>1.50</i>	<i>1.50</i>
Occupational Health/Infectious Disease	105,821	116,198	0	150,490	150,490
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>1.00</i>	<i>1.05</i>	<i>1.05</i>
Workers Compensation Loss	0	0	0	248,474	248,474
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2.12</i>	<i>2.12</i>
Workers Compensation Strategic	0	0	0	169,706	172,552
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2.50</i>	<i>2.50</i>
Workers Compensation Admin/Claims	3,714,492	3,760,478	5,342,371	3,833,146	3,830,300
<i>Positions</i>	<i>9.00</i>	<i>9.00</i>	<i>12.00</i>	<i>5.30</i>	<i>5.30</i>
TOTAL PROGRAMS	\$ 8,832,347	\$ 9,405,947	\$ 12,678,556	\$ 10,971,458	\$ 10,971,458
<i>Positions</i>	<i>18.00</i>	<i>17.00</i>	<i>23.00</i>	<i>22.00</i>	<i>22.00</i>

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FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0858	Claims Tech Assistant	2.00	2.00	1.00	33,060	1.00	35,304	1.00	35,304
0859	Claims Technician	3.00	2.00	2.00	84,930	2.00	86,496	2.00	86,496
0102	Office Supp Spec II	0.00	0.00	3.00	102,012	2.00	75,384	2.00	75,384
0104	Office Supp Spec III	0.00	0.00	2.00	86,078	3.00	133,416	3.00	133,416
7107	Administrative Supervisor II	0.00	0.00	1.00	59,964	0.00	(6)	0.00	(6)
0844	Assistant Risk Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0928	Bureau Administrative Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7179	Claims Analyst, Senior	0.00	3.00	3.00	189,236	3.00	197,224	3.00	197,224
7174	Occupational Health Program Nurs	0.00	1.00	1.00	69,072	1.00	71,000	1.00	71,000
0853	Risk Management Director	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7190	Risk Manager	0.00	1.00	1.00	83,724	1.00	86,344	1.00	86,344
0846	Risk Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7185	Risk Specialist	0.00	1.00	1.00	58,632	1.00	61,044	1.00	61,044
7186	Risk Specialist, Senior	0.00	2.00	2.00	137,496	2.00	138,002	2.00	138,002
7188	Risk Supervisor	0.00	2.00	3.00	241,332	3.00	242,244	3.00	242,244
0850	Risk Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0848	Senior Risk Specialist	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7181	Workers Comp/Disability Claims A	0.00	1.00	1.00	56,328	1.00	58,632	1.00	58,632
7182	Workers Compensation Claims Anal	0.00	2.00	2.00	134,856	2.00	137,820	2.00	137,820
TOTAL FULL-TIME POSITIONS		18.00	17.00	23.00	\$ 1,336,720	22.00	\$ 1,322,904	22.00	\$ 1,322,904

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BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	11,131,651	0	11,131,651	23.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.0	None
Mayor's Proposed Budget Decisions	(2,477)	0	(2,477)	0.0	Decrease over all in interagencies due to rate cuts
	(4,421)	0	(4,421)	0.0	Other technical corrections to external M&S
	(64,965)	0	(64,965)	(1.0)	Cut via efficiency in claims processing
	(1,782)	0	(1,782)	0.0	Decrease over all in interagencies due to rate cuts
	(5,298)	0	(5,298)	0.0	Other technical corrections to external M&S
	(81,250)	0	(81,250)	0.0	Cut due to in-house audit/payment of WC medical
Approved Budget Additions and Reductions	0	0	0	0.0	None
Adopted Budget Additions and Reductions	0	0	0	0.0	None
	(160,193)	0	(160,193)	(1.00)	Total FY 2005-06 Adjustments
			\$ 10,971,458	22.00	Total Adopted Budget

Technology Services

OVERVIEW

The Bureau of Technology Services (BTS) provides leadership in strategic planning and management of the City's telecommunications-related and information technology equipment and systems. BTS provides expert telecommunications and information technology services to the City, as well as regional external customers. BTS supports the City's goal to deliver efficient, effective, and accountable municipal services through the efforts of all its programs. In addition, BTS supports the City's goal to ensure a safe and peaceful community, through the support for public safety response that Radio Shop, 800 MHz Operations, Telecommunications, Operations, and Strategic Technology provide.

Through FY 2004-05, Communications & Networking and Information Technology were in two separate funds. For FY 2005-06, however, the funds will be merged to better match the BTS financial structure with its organizational structure.

Overview of Programs

STRATEGIC SUPPORT

Description	The Strategic Support program provides overall strategic management and leadership for the bureau to ensure the effective delivery of Citywide services. The program also is responsible for administration and procurement of all Information Technology (IT) and communications equipment and software, contract management, publication of standards and rules, and all administrative and human resources functions.
Relationship to Goals	City goal: Deliver efficient, effective, and accountable municipal services. OMF goal: Maximize the cost effective use of technology.
Performance	This new program is focusing on the procurement process for IT, both to fully implement IT rules and to maximize the benefits accrued through strategic sourcing. Three performance measures developed for FY 2005-06, two related to procurement (time for minor equipment orders and proportion that utilize the strategic sourcing contracting processes). The third measure is an administrative efficiency measure, measuring the ratio of bureau staff to clerical positions.
Changes to Services and Activities	A major focus is the implementation and fine-tuning of the centralized procurement model for IT equipment to assure full compliance with standards and to maximize the benefit of strategic sourcing.

OPERATIONS

Description	The Operations program is responsible for the daily operations of all networks, servers, and personal computers, supporting all City bureaus. Call center services are provided to offer effective and efficient technical support. Ongoing maintenance and replacement of the City's IT infrastructure is managed to ensure maximum system availability. This includes troubleshooting, repairs, and service restoration. Operations also includes the staff members who support all infrastructure system reengineering, implementation of new network designs, consolidation projects, new infrastructure to support new applications, work with the Information Security program, and implementation of new security measures. Services include management of e-mail, file management, virus and spam protection, and data back-up and recovery.
Relationship to Goals	Citywide goals: Deliver efficient, effective, and accountable municipal services. OMF goals: Maximize the cost effective use of technology.

Performance	Two critical performance measures for this program relate to system availability, one for the availability of the Portland Police Data System (used by multiple law enforcement agencies) and the other for the City's Internet availability (required for citizen access to PortlandOnline, for City employees' access to external resources, and for the delivery of e-mail). The Portland Police Data System is available 99.5% of the time and PortlandOnline 99.9%. Additional measures include an efficiency measure (desktops per technician) and three measures to provide an indication of the problem resolution process through the help desk (percent resolved without dispatch of staff which tracks progress made through training and use of automated tools, and two indicators of resolution time).
Changes to Services and Activities	<p>The implementation of numerous infrastructure changes is the major focus for Operations, including implementation of:</p> <ul style="list-style-type: none"> ◆ The Customer Information System replacement (production environment) ◆ Storage Area Network (SAN) ◆ Consolidated e-mail and files system ◆ Full production use of remote desktop management ◆ Asset management system <p>In addition, this program will work to improve coordination of system work with the Information Security program and to refine operational procedures.</p>

STRATEGIC TECHNOLOGY

Description	The Strategic Technology program manages corporate and bureau business applications to advance e-government initiatives that address specific bureau and citizen needs as well as internal strategic IT planning. The program includes the development and maintenance of all corporate applications, including IBIS (the City's financial and human resources management system), the Corporate Geographic Information System (GIS), BRASS (the City's budgeting system), and PortlandOnline (the City's website). The program also assists with bureau-specific applications, database administration, and services to support additional web-based applications.
Relationship to Goals	<p>Citywide goals: Deliver efficient, effective, and accountable municipal services.</p> <p>OMF goals: Maximize the cost effective use of technology.</p>
Performance	The measures for Strategic Technology focus on application workload (number of development hours billed) and measures to show the utilization of the City's WebPortal, PortlandOnline (90,000 page views per day), and its mapping component, Portland Maps (over 100,000 maps served per day).
Changes to Services and Activities	The Enterprise Business System planning and selection will draw resources from Strategic Technology, involving a number of staff who work with current enterprise applications. A significant GIS software version upgrade is also scheduled. Tuning, refinement, and extension of the PortlandOnline payment gateway to support other online activities in the project pipeline will draw significant resources, as will further integration of the PortlandOnline authentication system for other applications.

The FY 2004-05 Adopted Budget included a budget note for BTS, Bureau of Development Services (BDS), Bureau of Environmental Services, and the Water Bureau to develop a management agreement for the transfer of IT staff to BTS in FY 2005-06. The budget note also called for Tracking Review and Construction System (TRACS) support staff in BDS to transfer to BTS on July 1, 2005. The FY 2005-06 BTS interagency agreements and budget reflect the transfer to BTS of Water application staff and one staff position from BES, as well as the TRACS staff and material and support costs from BDS. In addition, with the transfer of the Customer Services staff to OMF, the responsibility, along with staffing and other resources for the operations of the Open Vision (OV) utility billing system are being transferred to BTS. This unit will be consolidated with the Customer Information System (CIS) technical staff when CIS replaces OV as the customer service and billing system in the spring of 2006.

TELECOMMUNICATIONS

Description	<p>The Telecommunications program provides voice, video, and high-availability data services, including telephone and data network backbones. The program manages Citywide contracts for telephone services, cellular phones, pagers, wiring, and other telecommunications-related services and products. This program configures, manages, and operates voice mail, circuits, and automatic call distribution. It also provides cabling and wiring services, manages customer order fulfillment, and completes assessment and deployment of new technologies to provide access to communications and information systems for remote-deployed workers.</p> <p>The IRNE is a telecommunications provider and broadband data network created by the City for government, educational, and public safety entities in the region. IRNE provides state-of-the-art voice, video, and data communications for the City of Portland and its partners. IRNE partnerships leverage funds, expertise, and infrastructure resources to provide more bandwidth, better reliability, and lower-cost telecommunications services.</p>
Relationship to Goals	<p>Citywide goals: Deliver efficient, effective, and accountable municipal services.</p> <p>OMF goals: Maximize the cost effective use of technology.</p>
Performance	<p>The primary performance indicator for the Telecommunications program is the percent of time the main telephone switch is operational - the goal is for the percentage to remain at 100%. Two other sets of measures are provided, focusing on trouble calls, resolution time, and number of customers problems resolved per technician.</p>

800 MHZ OPERATIONS

Description	<p>The 800 MHz Operations program manages the operations of the regional radio system, including maintaining the backbone equipment (e.g., microwave radio towers that transmit and receive radio signals) and electronic hardware and software that controls the complex network infrastructure. In addition, this program oversees the ongoing major maintenance components of the 800 MHz system that were part of the Public Safety Radio Enhancement Project (PREP) capital improvement plan. Completion of 800 MHz system projects ensures ongoing support for the system's basic infrastructure, as well as system enhancements to further improve service to customers.</p>
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800 MHz Operations supports a radio system that provides service to over 11,000 communication units accessed by over 115 City and non-City agencies. The system fills a need in the greater metropolitan area by providing a service critical to public safety and public service agencies. This exact service is not available from any other provider. The special emphasis on availability (with generator support for critical transmitters), simulcast broadcasting, redundant microwave radio transport, 24 hour-seven day on-call technical staff, and multiple repeater sites result in a service difficult to match with commercial options.

Relationship to Goals Citywide goals: Deliver efficient, effective, and accountable municipal services.
OMF goals: Maximize the cost effective use of technology.

Performance The primary performance measure for the 800 MHz system is an overall system availability indicator, as availability is the most critical variable in the operation of a public safety radio system. Program objectives include the continued maintenance of the system at the standards already in existence to maintain operational levels at 99.9% without system failure. Additional measures are the inventory of devices that the shop is responsible for maintaining (workload), and the number of devices per technician (efficiency).

ENGINEERING

Description The Engineering program provides expert design consultation, project and construction management, and quality assurance for radio and telecommunications projects, such as the IRNE, radio communications, wireless and wireline data transmission, remote control, and television surveillance systems. In addition, Engineering is responsible for managing the radio frequency licensing requirements with the Federal Communications Commission and the Association of Public Safety Communications Officers.

The program provides technical support to other BTS programs, and also uses its expertise to benefit non-City agencies in upgrades to their radio and telecommunications systems. As the IRNE system continues to expand, the Engineering program will play an increasing role in the design and orchestration of this expansion so that the system continues to operate both efficiently and effectively. As it relates to the 800 MHz system, the program will continue to oversee vital improvements to an aging system, and will begin to make plans for the design of next generation wireless systems. Engineering is a critical participant in evaluating and implementing advanced wireless data networks.

Relationship to Goals Citywide goals: Deliver efficient, effective, and accountable municipal services.
OMF goals: Maximize the cost-effective use of technology.

CUSTOMER SERVICE

Description The Customer Service program is responsible for business relationship management. It provides Bureau Business Representatives (BBRs), who act as bureau-specific liaisons to work with customers and BTS divisions on communications, project management/coordination, strategic planning assistance, Service Level Agreements (SLAs), performance monitoring, and problem resolution.

Relationship to Goals	Citywide goals: Deliver efficient, effective, and accountable municipal services. OMF goals: Maximaze the cost-effective use of technology.
Performance	The measure for Customer Service is customer survey data, measuring satisfaction and the degree to which the bureau's service level agreement commitments are being met. The goal is for 90% of BTS customers to agree that the bureau has met or exceeded its SLAs.
Changes to Services and Activities	Bureau Business Representatives are increasingly involved (working with their respective bureaus) in the establishment of the variable cost elements of the IT budgets. A BBR position was eliminated in the FY 2005-06 Adopted Budget.

INFORMATION SECURITY

Description	The Information Security program is responsible for providing expert resources and policy guidance to ensure the integrity of the City's information infrastructure, reduce threats from malicious code or directed attacks at critical infrastructure control and data systems, and ensure appropriate implementation of systems to meet availability requirements. The City acquires, transmits, and maintains data and systems that if disrupted or compromised, could disrupt public services, public safety, privacy, and citizen and business financial security. The information security program works with the other programs within BTS to implement security measures and practices.
Relationship to Goals	Citywide goals: Deliver efficient, effective, and accountable municipal services. OMF goals: Maximize the cost effective use of technology.
Performance	This new program has defined two initial measures that address the City's preparedness for dealing with cyber-security threats. One is a compliance measure, to identify the percentage of desktops that are running the current version of the virus protection engine. The goal for FY 2005-06 is 90%. The second is a measure of the number of desktops that are so old that they are unable to be fixed with critical security patches. The goal is to eliminate these machines by the end of FY 2005-06.
Changes to Services and Activities	The focus in FY 2005-06 will include the implementation of improved processes for user security and improvements in patch management procedures. The realignment of existing and the implementation of new, grant-funded security measures will also be undertaken.

RADIO SHOP

Description	The Radio Shop procures, installs, maintains, and repairs City (and non-City) electronic and communications equipment, video equipment, and fiber optic systems. The Radio Shop maintains all public safety radio equipment and provides other electronic services, including the provision and maintenance of sirens, radar guns, and video security systems.
Relationship to Goals	Citywide goals: Deliver efficient, effective, and accountable municipal services. OMF goals: Maximize the cost effective use of technology.

Performance	The performance measures for the Radio Shop focus on the inventory of devices that the shop maintains (workload), and the number of devices per technician (efficiency). Devices per technician have increased by 200 since FY 2000-01.
Changes to Services and Activities	The receipt of various Homeland Security grants support the implementation of additional video security systems. New procedures for equipping public safety vehicles are being tested with CityFleet to improve efficiency.

NEW AND REPLACEMENT EQUIPMENT

Description	<p>The New and Replacement Equipment program serves two functions. While almost all equipment purchases are "new" even if they are for replacement equipment, new equipment refers to those purchases that increase the existing equipment inventory. This program coordinates the procurement of equipment requested by City bureaus and external agencies, and manages the transfer of funds for payment.</p> <p>The replacement equipment program refers to the coordination of the purchase of replacement equipment and receipt of funds for the future replacement of existing electronic equipment.</p>
Relationship to Goals	<p>Citywide goals: Deliver efficient, effective, and accountable municipal services.</p> <p>OMF goals: Maximize the cost effective use of technology.</p>

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PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF MANAGEMENT AND FINANCE						
Technology Services						
Strategic Support						
Effectiveness						
Percentage of IT equipment procurement via contracts and strategic sourcing agreements	0%	0%	0%	0%	0%	75%
Speed for order processing via Help Desk for minor IT equipment purchases (days)	NA	NA	NA	NA	NA	10
Efficiency						
Number of bureau staff per clerical employee	NA	NA	NA	NA	60	60
Operations						
Effectiveness						
First Call Resolution: Percentage of problems resolved by Help Desk	78%	71%	92%	23%	27%	33%
Resolution Time: Percentage of problems resolved within four hours	98%	89%	97%	55%	56%	60%
Portland Police Data System Availability Percentage	0.00%	99.41%	99.44%	99.53%	99.55%	99.50%
Problem Call Aging: Average elapsed time to resolve (days)	NA	NA	NA	6.40	8.00	6.00
Internet Availability Percentage	NA	NA	NA	99.90%	99.95%	99.90%
Efficiency						
Number of Desktops Supported per Technician	NA	NA	102	104	104	106
Workload						
Number of Email Accounts Supported	NA	NA	4,957	5,144	5,100	5,100
Strategic Technology						
Effectiveness						
Average number of unique visitors per day to PortlandOnline	0	0	0	7,500	9,000	10,000
Average number of page views per day to PortlandOnline	0	0	0	5,500	70,000	90,000
Average number of maps per day served through PortlandMaps	0	0	0	80,000	100,000	120,000
Efficiency						
Total number of content items managed in PortlandOnline	0	0	0	30,000	60,000	70,000
Workload						
Application and Development Hours Billed	17,264	17,049	44,542	44,542	41,130	64,688
Telecommunications						
Effectiveness						
Percent Uptime for Phone Switch	NA	NA	NA	100%	100%	100%
Number of Lines Provided in Service	NA	NA	NA	8,695	9,000	9,000
Average Trouble Ticket Resolution Time in Minutes	NA	NA	NA	63	10	10
Efficiency						
Average Annual Number of Trouble Tickets Resolved per Technician	NA	NA	NA	74	80	80
Workload						
Number of Service Orders Submitted	3,649	3,441	3,588	1,203	1,203	1,203

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
800 MHz Operations						
Effectiveness						
Percentage of time system operated without failure	99.99%	99.99%	99.99%	99.99%	99.98%	99.98%
Efficiency						
Number of pieces of electronic equipment maintained per technician	588	616	622	1,469	1,474	1,474
Workload						
Number of communication units accessing system	6,353	6,654	6,720	6,980	7,000	7,000
Customer Service						
Effectiveness						
Customer Satisfaction Rating: Percentage agreeing BTS met or exceeded SLA	NA	NA	NA	NA	80%	90%
Information Security						
Effectiveness						
Percentage of desktops/servers running current virus protection engine	NA	NA	NA	NA	NA	90%
Efficiency						
Percentage of clients and servers no longer supported for security updates	0%	0%	0%	0%	16%	0%
Radio Shop						
Efficiency						
Number of pieces of electronic equipment maintained per technician	596	609	625	784	784	784
Workload						
Number of pieces of electronic equipment maintained	5,993	6,120	6,277	6,470	6,470	6,470
New and Replacement Equipment						
Effectiveness						
Percentage of servers and network equipment with replacement funding included in capital plan	0%	0%	0%	0%	3%	10%

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FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
3107	Technician I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7530	Telecommunications Manager	0.00	1.00	1.00	74,148	1.00	74,436	1.00	74,436
1054	Trades Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		171.00	178.00	191.88	\$ 12,807,832	194.00	\$ 13,481,479	194.00	\$ 13,481,479
0102	Office Supp Spec II	0.00	0.00	0.80	30,036	0.80	30,156	0.80	30,156
2533	Applications Analyst III	1.00	1.00	0.63	42,744	0.63	44,350	0.63	44,350
TOTAL PART-TIME POSITIONS		1.00	1.00	1.43	\$ 72,780	1.43	\$ 74,506	1.43	\$ 74,506
2522	Information Systems Tech I	0.00	0.00	0.83	30,070	1.00	50,342	1.00	50,342
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.83	\$ 30,070	1.00	\$ 50,342	1.00	\$ 50,342

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BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

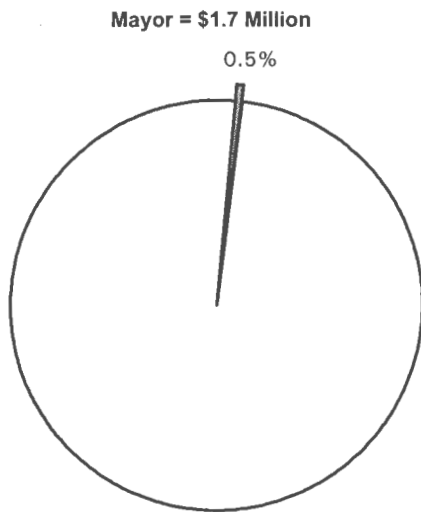
ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	39,371,989	0	39,371,989	194.31	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	533,476	0	533,476	0.0	GIS Intra-agency expense
Mayor's Proposed Budget Decisions					
	(284,269)	0	(284,269)	0.0	Cell Phone Negotiations
	(245,481)	0	(245,481)	0.0	Computer Equipment Costs
	(257,504)	0	(257,504)	0.0	Frame Relay Network Replacement
	(61,787)	0	(61,787)	0.0	Internet Service Provider
	(72,116)	0	(72,116)	0.0	Change method of PC Replacement
	(123,599)	0	(123,599)	(1.0)	Bureau Business Representative
	(55,629)	0	(55,629)	0.0	Reduce VPN Services
	(69,814)	0	(69,814)	0.0	Printing to P&D
	(51,539)	0	(51,539)	0.0	Project Management
	(131,461)	0	(131,461)	(0.9)	Cut one position in support of PDOT
	0	125,000	125,000	0.0	IR site enhancement CIP
	0	312,000	312,000	0.0	Microwave Replacement CIP
	499,927	0	499,927	4.0	Move TRACS program from BDS
	(21,352)	0	(21,352)	0.0	Receiver Bureau IA Reductions
Approved Budget Additions and Reductions					
	21,591	0	21,591	0.0	Adjustment per Accounting
Adopted Budget Additions and Reductions					
	0	0	0	0.0	None
	(319,557)	437,000	117,443	196.43	Total FY 2005-06 Adjustments
			\$ 39,489,432	196.43	Total Adopted Budget

Office of the Mayor

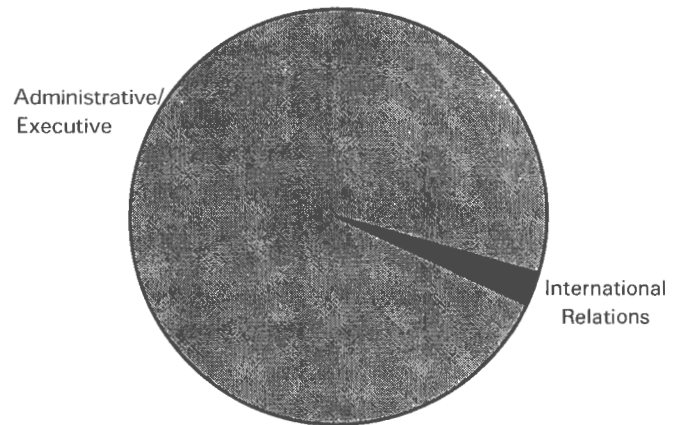
Legislative, Administrative, and Support Service Area

Mayor Tom Potter, Commissioner-in-Charge

Percent of General Fund



Bureau Programs



Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	1,608,911	1,734,575	125,664	7.8%
Capital	0	0	0	0.0%
Total Expenditures	\$ 1,608,911	\$ 1,734,575	\$ 125,664	\$ 7.8%
Authorized Positions	18.00	17.50	-0.50	-2.8%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau Summary

BUREAU OVERVIEW

The Mayor's Office is the central hub for all City business and affairs. The Mayor's Office FY 2005-06 Adopted Budget reflects this through dedicating staff and programs to address Portland residents' concerns, as well as those of City bureaus and other business. The Mayor's Office works to meet the following goals and priorities:

1) Build opportunities for citizens to engage in public service, and improve the exchange of information between residents and their elected representatives through the following:

- ◆ Redefine the role of the Office of Neighborhood Involvement (ONI) to significantly enhance citizen participation throughout Portland and the process of civic governance.
- ◆ Continue the Mayor's goal of spending at least 50% of his time outside of the office, listening to community and business needs and creating opportunities for community partnerships.
- ◆ Facilitate a community visioning process that will engage the entire community in charting a roadmap for the city over the next 30 years.
- ◆ Continue to provide prompt responses to citizen inquiries or concerns.

2) Implement recommendations from the Bureau Innovation Project:

- ◆ Achieve a more diverse workforce, and create greater cultural understanding.
- ◆ Provide greater collaboration among bureaus.
- ◆ Improve public service and employee relations.
- ◆ Be more accountable to the public for performance.

3) Work with the Portland Development Commission (PDC) to provide greater transparency and community involvement in its decision making, and provide closer oversight from City Council.

4) Improve Portland's business climate and strengthen economic development regionally.

5) Integrate arts and culture into all planning and economic development efforts.

6) Strengthen Portland's role in the international marketplace by engaging and enhancing international relations.

7) Work with public safety bureaus to enhance community policing, and create improved efficiencies by working with Multnomah County and the District Attorney.

The Mayor's Office is committed to these goals and priorities and, therefore, dedicates staff to ensure they are met. In order to accommodate these goals, the office has developed interagencies with ONI, PDC, and Police.

Bureau Assignments

Mayor Potter is responsible for the following bureau assignments:

- ◆ Bureau of Planning
- ◆ Bureau of Police
- ◆ Office of Neighborhood Involvement
- ◆ Office of the City Attorney
- ◆ Office of Emergency Management

- ◆ Office of Government Relations
- ◆ Office of International Relations
- ◆ Office of Management and Finance
- ◆ Portland Development Commission

In addition, the Mayor has the following liaison responsibilities:

- ◆ Civil Service Board
- ◆ Design Commission
- ◆ Planning Commission
- ◆ Historic Landmarks Commission
- ◆ Fire and Police Disability and Retirement Board
- ◆ Mayor's Leaders Roundtable
- ◆ Portland/Multnomah Progress Board
- ◆ Local Public Safety Coordinating Council
- ◆ Metro Policy Advisory Committee
- ◆ Film and Video Office
- ◆ League of Oregon Cities
- ◆ Rose Festival Association
- ◆ Business Licenses Board of Appeals
- ◆ Metropolitan Human Rights Center
- ◆ Education Advocate K-12
- ◆ Bureau Innovation Project Recommendations #1-20

SUMMARY OF BUDGET DECISIONS

In keeping with the direction given to all City bureaus, the Mayor's Office reduced its discretionary budget by 2.5%. The FY 2004-05 Revised Budget does not reflect changes in staffing levels that occurred when the former Mayor left office and Mayor Potter took office in January 2005. The FY 2004-05 Revised FTE for Mayor Potter's Office is 18 FTE. The FY 2005-06 Adopted Budget is 17.5 FTE.

While creating efficiencies within the office, citizen advocacy and community outreach have been enhanced. The atmosphere for a more cohesive and collaborative City Council has been created, and greater citizen input into decision making welcomed.

BUDGET NOTES

Council requests that the Office of the Mayor submit an implementation plan for the consolidation of functions assigned to provide public information in City bureaus, as well as a fiscal impact analysis of the consolidation, to Council by December 2005.

The 20 recommendations of the Bureau Innovation Project, the Mayor's initiative to create needed Citywide change, will be further developed by work teams and implemented during FY 2005-06. The progress of the work teams and implementation will be collaboratively discussed at Implementation Team meetings and overseen by the Mayor's Office.

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	1,031,392	946,778	1,134,273	1,216,119	1,254,984
External Materials and Services	29,323	9,971	67,340	186,164	198,235
Internal Materials and Services	397,526	350,314	407,298	281,356	281,356
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	1,458,241	1,307,063	1,608,911	1,683,639	1,734,575
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 1,458,241	\$ 1,307,063	\$ 1,608,911	\$ 1,683,639	\$ 1,734,575
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	1,458,241	1,307,063	1,608,911	1,683,639	1,734,575
RESOURCES					
Discretionary Revenue	563,341	548,608	723,877	545,878	609,242
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	14,346	39,270	39,270
Interagency Revenues	0	0	36,152	369,836	369,836
Program Revenue	87,199	64,128	83,744	0	0
Overhead Recovery	807,701	694,327	750,792	728,655	716,227
Total Non-Discretionary Revenues	894,900	758,455	885,034	1,137,761	1,125,333
TOTAL GENERAL FUND RESOURCES	\$ 1,458,241	\$ 1,307,063	\$ 1,608,911	\$ 1,683,639	\$ 1,734,575
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Administrative/Executive	1,379,613	1,224,785	1,459,015	1,638,508	1,689,444
<i>Positions</i>	<i>15.00</i>	<i>15.00</i>	<i>16.00</i>	<i>16.50</i>	<i>17.00</i>
International Relations	78,628	82,278	83,744	45,131	45,131
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>1.00</i>	<i>0.50</i>	<i>0.50</i>
Not in Use	0	0	66,152	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.58</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 1,458,241	\$ 1,307,063	\$ 1,608,911	\$ 1,683,639	\$ 1,734,575
<i>Positions</i>	<i>15.00</i>	<i>15.00</i>	<i>18.00</i>	<i>17.00</i>	<i>17.50</i>

Office of the Mayor AU 195

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0015	Commissioner's Admin Supp Spec	0.00	0.00	5.50	193,140	6.50	245,448	6.50	245,448
0020	Commissioner's Staff Rep	8.00	8.00	8.50	515,052	7.50	412,380	8.00	446,604
0001	Mayor	1.00	1.00	1.00	105,384	1.00	105,384	1.00	105,384
0032	Mayor's Chief of Staff	1.00	1.00	1.00	90,348	1.00	90,348	1.00	90,348
0030	Mayor's Deputy Chief of Staff	1.00	1.00	1.00	63,588	1.00	69,996	1.00	69,996
0815	Administrative Specialist	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
0900	Staff Assistant	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		15.00	15.00	17.00	\$ 967,512	17.00	\$ 923,556	17.50	\$ 957,780
7156	Program Manager	0.00	0.00	1.00	42,336	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	0.00	1.00	\$ 42,336	0.00	\$ 0	0.00	\$ 0

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	1,750,720	0	1,750,720	18.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	(67,081)	0	(67,081)	(1.00)	5% cut - personnel
Approved Budget Additions and Reductions					
	17,841	0	17,841	0.00	Facilities IA rate increase
	33,095	0	33,095	0.50	Council Offices take average cut of 2.5%
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(16,145)	0	(16,145)	(0.50)	Total FY 2005-06 Decision Packages
			\$ 1,734,575	17.50	Total Adopted Budget

Commissioner of Public Affairs

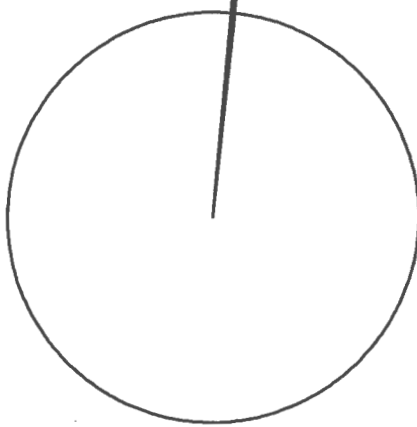
Legislative, Administrative, and Support Service Area

Dan Saltzman, Commissioner-in-Charge

Percent of General Fund

CommPA = \$655.8 Thousand

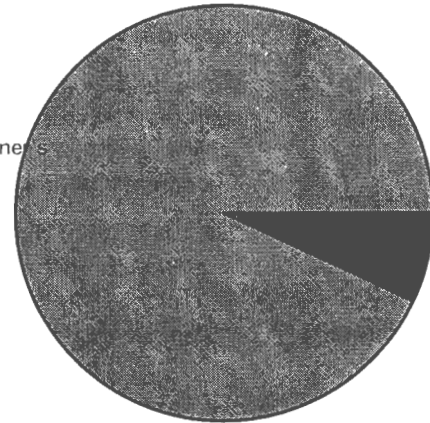
0.2%



General Fund = \$382.5 Million

Bureau Programs

Commissioner's Office



Children's Investment Fund

Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	696,877	655,766	-41,111	-5.9%
Capital	0	0	0	0.0%
Total Expenditures	\$ 696,877	\$ 655,766	\$ -41,111	\$ -5.9%
Authorized Positions	8.00	6.50	-1.50	-18.8%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau Summary

BUREAU OVERVIEW

In formulating a plan to prepare the 2.5% reduction package, the Office of Commissioner Saltzman had limited choices as to where cuts could occur. Budget reductions over the previous five years resulted in a lean organization.

A 2.5% reduction equals \$16,815 and a loss of a partial FTE. With the current cuts, the office's ability to keep up with future needs will be of particular concern.

With little ability to make cuts to materials and services, the bulk of cost cutting had to occur in personal services, where a reduction of 1 FTE was made. A full FTE reduction was needed to absorb increased costs in the office's current appropriation level estimate. In a small office, an FTE is significant. The office has decided to eliminate 1 FTE position that is currently vacant.

Continued erosion of total staff working hours will eat away at the office's ability to maintain its basic function of assisting constituents in a timely manner, forming legislation, initiating policy development, and performing as much citizen outreach as the office would like and the community deserves.

The majority of the work plan will be determined by the needs and challenges of the respective bureaus and overall City goals as established by the City Council.

Bureau Assignments

Commissioner Saltzman is responsible for the following bureaus:

- ◆ Portland Parks & Recreation
- ◆ Office of Sustainable Development
- ◆ Office of Cable Communications
- ◆ Children's Investment Fund

In addition, Commissioner Saltzman has the following liaison responsibilities:

- ◆ Pioneer Courthouse Square
- ◆ Pittock Mansion Advisory Committee
- ◆ Urban Forestry Commission
- ◆ Multnomah County Animal Control
- ◆ Sustainable Development Commission
- ◆ Mt. Hood Cable Regulatory Commission
- ◆ Portland Cable Access Board
- ◆ Metro Solid Waste Advisory Committee
- ◆ Bureau Innovation Project Recommendations #1-20, with special emphasis on #12, 15, 16, and 18.

SUMMARY OF BUDGET DECISIONS

The FY 2005-06 Adopted Budget is \$8,509 less than current appropriation level and has 1.5 FTE less than FY 2004-05.

Commissioner of Public Affairs AU 192

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	577,471	731,371	551,656	501,698	507,734
External Materials and Services	3,031	33,375	17,960	6,881	17,245
Internal Materials and Services	99,397	102,640	127,261	130,787	130,787
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	679,899	867,386	696,877	639,366	655,766
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 679,899	\$ 867,386	\$ 696,877	\$ 639,366	\$ 655,766
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	679,899	867,386	696,877	639,366	655,766
RESOURCES					
Discretionary Revenue	265,899	266,877	273,568	278,859	295,304
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	32,767	262,746	56,610	0	0
Program Revenue	0	0	0	0	0
Overhead Recovery	381,233	337,763	366,699	360,507	360,462
Total Non-Discretionary Revenues	414,000	600,509	423,309	360,507	360,462
TOTAL GENERAL FUND RESOURCES	\$ 679,899	\$ 867,386	\$ 696,877	\$ 639,366	\$ 655,766
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office	673,521	655,418	696,877	594,366	610,766
<i>Positions</i>	<i>7.00</i>	<i>8.00</i>	<i>8.00</i>	<i>6.50</i>	<i>6.50</i>
Children's Investment Fund	6,378	211,968	0	45,000	45,000
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 679,899	\$ 867,386	\$ 696,877	\$ 639,366	\$ 655,766
<i>Positions</i>	<i>7.00</i>	<i>8.00</i>	<i>8.00</i>	<i>6.50</i>	<i>6.50</i>

Commissioner of Public Affairs AU 192

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0002	City Commissioner	1.00	1.00	1.00	88,416	1.00	88,416	1.00	88,416
0015	Commissioner's Admin Supp Spec	1.00	2.00	2.00	76,008	1.50	59,496	1.50	59,496
0022	Commissioner's Chief of Staff	1.00	1.00	1.00	73,008	1.00	73,008	1.00	73,008
0020	Commissioner's Staff Rep	4.00	4.00	4.00	206,424	3.00	156,804	3.00	161,808
TOTAL FULL-TIME POSITIONS		7.00	8.00	8.00	\$ 443,856	6.50	\$ 377,724	6.50	\$ 382,728

Commissioner of Public Affairs AU 192

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	664,275	0	664,275	7.50	FY 2004-05 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	(33,214)	0	(33,214)	(1.00)	5% reduction-personnel
	8,305	0	8,305	0.00	Facilities IA Increase Net Adjustment
Approved Budget Additions and Reductions	16,400	0	16,400	0.00	Council Offices take average cut of 2.5%
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(8,509)	0	(8,509)	(1.00)	Total FY 2005-06 Decision Packages
			\$ 655,766	6.50	Total Adopted Budget



Commissioner of Public Safety

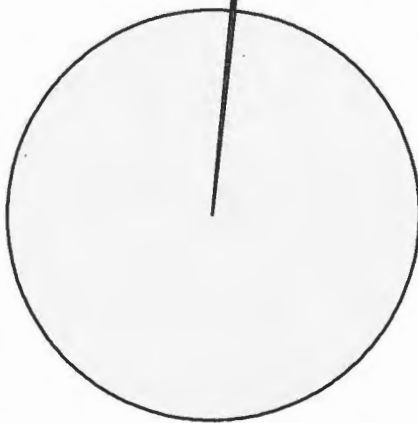
Legislative, Administrative, and Support Service Area

Randy Leonard, Commissioner-in-Charge

Percent of General Fund

CommPS = \$637.8 Thousand

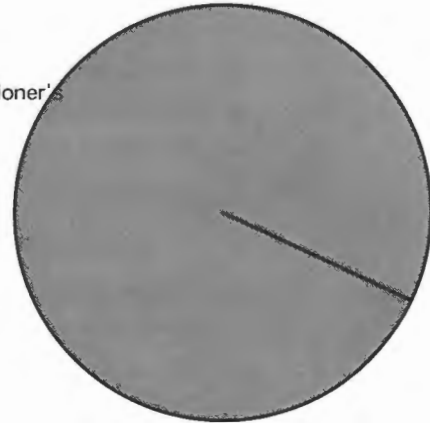
0.2%



General Fund = \$382.5 Million

Bureau Programs

Commissioner's Office



Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	629,420	637,765	8,345	1.3%
Capital	0	0	0	0.0%
Total Expenditures	\$ 629,420	\$ 637,765	\$ 8,345	\$ 1.3%
Authorized Positions	6.63	6.39	-0.24	-3.6%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau Summary

BUREAU OVERVIEW

The Office of the Commissioner of Public Safety is charged with legislative and administrative responsibilities in accordance with the provisions of Chapter 2 of the Portland City Charter. The Commissioner sits as one of five nonpartisan Council members and participates in the enactment and enforcement of City laws and policies to ensure a viable, livable, and sustainable city for its citizens. Additionally, the Commissioner provides leadership and management oversight for a portfolio of City bureaus to ensure the effective delivery of affordable services.

Bureau Assignments

The Commissioner of Public Safety is responsible for the following bureaus:

- ◆ Bureau of Water Works
- ◆ Bureau of Hydroelectric Power
- ◆ Bureau of Emergency Communications
- ◆ Bureau of Development Services

In addition, the Commissioner has the following liaison responsibilities:

- ◆ Regional Water Consortium Board
- ◆ Water Quality Advisory Committee
- ◆ Portland Utility Review Board
- ◆ BOEC Users Group-BOEC Finance Committee
- ◆ Elders in Action
- ◆ Local Public Safety Coordinating Council (with Mayor Potter and Commissioner Adams)
- ◆ Emergency Medical Services Policy Board
- ◆ Adjustment Committee
- ◆ Building Board of Appeals
- ◆ Taxicab Board of Review
- ◆ Towing Board of Review
- ◆ Bureau Innovation Project Recommendations #1-20, with special emphasis on #11, 12, 16, and 19.

SUMMARY OF BUDGET DECISIONS

The FY 2005-06 Adopted Budget reduces the office budget by \$8,782 from the current appropriation level. This requires reductions in personal services and external materials and services.

Commissioner of Public Safety AU 191

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	271,563	459,838	517,917	497,076	513,232
External Materials and Services	4,352	17,964	17,663	11,232	11,050
Internal Materials and Services	100,214	94,996	93,840	113,483	113,483
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	376,129	572,798	629,420	621,791	637,765
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 376,129	\$ 572,798	\$ 629,420	\$ 621,791	\$ 637,765
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	376,129	572,798	629,420	621,791	637,765
RESOURCES					
Discretionary Revenue	154,545	252,823	266,497	265,101	287,212
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	0	0	0	0
Program Revenue	0	0	0	0	0
Overhead Recovery	221,584	319,975	362,923	356,690	350,553
Total Non-Discretionary Revenues	221,584	319,975	362,923	356,690	350,553
TOTAL GENERAL FUND RESOURCES	\$ 376,129	\$ 572,798	\$ 629,420	\$ 621,791	\$ 637,765
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office	376,129	572,798	629,420	621,791	637,765
<i>Positions</i>	<i>4.00</i>	<i>7.00</i>	<i>6.63</i>	<i>6.16</i>	<i>6.39</i>
TOTAL PROGRAMS	\$ 376,129	\$ 572,798	\$ 629,420	\$ 621,791	\$ 637,765
<i>Positions</i>	<i>4.00</i>	<i>7.00</i>	<i>6.63</i>	<i>6.16</i>	<i>6.39</i>

Commissioner of Public Safety AU 191

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0002	City Commissioner	1.00	1.00	1.00	88,416	1.00	88,416	1.00	88,416
0015	Commissioner's Admin Supp Spec	0.00	2.00	1.00	47,964	1.00	47,964	1.00	47,964
0022	Commissioner's Chief of Staff	1.00	1.00	1.00	89,316	1.00	89,316	1.00	89,316
0020	Commissioner's Staff Rep	2.00	2.00	3.00	177,636	2.53	112,692	2.76	124,572
TOTAL FULL-TIME POSITIONS		4.00	6.00	6.00	\$ 403,332	5.53	\$ 338,388	5.76	\$ 350,268
0020	Commissioner's Staff Rep	0.00	0.00	0.63	36,924	0.63	36,924	0.63	36,924
0900	Staff Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PART-TIME POSITIONS		0.00	1.00	0.63	\$ 36,924	0.63	\$ 36,924	0.63	\$ 36,924

Commissioner of Public Safety AU 191

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	646,547	0	646,547	6.63	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	(32,327)	0	(32,327)	(0.47)	5% cut -personnel
	7,571	0	7,571	0.00	Facilities IA Increase Net Adjustment
Approved Budget Additions and Reductions	15,974	0	15,974	0.23	Council Offices take average cut of 2.5%
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(8,782)	0	(8,782)	(0.24)	Total FY 2005-06 Decision Packages
			\$ 637,765	6.39	Total Adopted Budget



Commissioner of Public Utilities

Legislative, Administrative, and Support Service Area

Sam Adams, Commissioner-in-Charge

Percent of General Fund

CommPU = \$644.9 Thousand

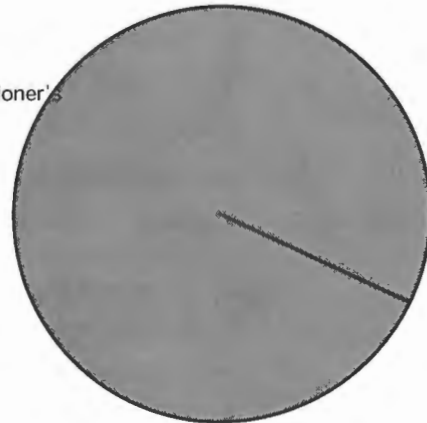
0.2%



General Fund = \$382.5 Million

Bureau Programs

Commissioner's Office



Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	700,238	644,905	-55,333	-7.9%
Capital	0	0	0	0.0%
Total Expenditures	\$ 700,238	\$ 644,905	\$ -55,333	\$ -7.9%
Authorized Positions	7.50	6.50	-1.00	-13.3%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau Summary

BUREAU OVERVIEW

Commissioner Adams' Office is dedicated to working with the public and City bureaus on issues facing the City of Portland.

Irrespective of bureau assignments, the Office of Commissioner Adams' primary focus over the next fiscal year will be to ensure the City is helping to get Portlanders back to work. The community expects City influence in helping to create a strong, local economy that is better for families, supports a strong public school system, and creates a high quality of life with access to jobs for everybody; Commissioner Adams is committed to this expectation.

Bureau Assignments

Commissioner Adams is responsible for the following bureaus:

- ◆ Bureau of Environmental Services
- ◆ Portland Office of Transportation

In addition, Commissioner Adams has the following liaison responsibilities:

- ◆ Regional Arts and Culture Council
- ◆ Local Public Safety Coordinating Council (with Mayor Potter and Commissioner Leonard)
- ◆ Portland Oregon Visitors Association
- ◆ Endangered Species Act Program (BES)
- ◆ International Council on Local Environmental Initiatives (ICLEI)
- ◆ Association of Portland Neighborhood Business Associations
- ◆ Airport Issues Roundtable
- ◆ Housing Authority of Portland
- ◆ Housing and Community Development Commission
- ◆ Workforce Development Boards (WSI)
- ◆ Higher Education Advocate
- ◆ Bureau Innovation Project Recommendations #1-20, with special emphasis on #7, 11, 15, and 16.

SUMMARY OF BUDGET DECISIONS

City Commissioner offices were not immune to discretionary reductions. Therefore, the Office of Commissioner Adams' reduced the office budget by 2.5%, a portion of one FTE. One full FTE needed to be reduced due to higher external materials and services costs. This reduction will impact the amount of projects and research Commissioner Adams' Office can undertake, and may result in decreased response time to constituents.

Commissioner of Public Utilities AU 193

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	516,371	486,162	539,489	484,504	500,641
External Materials and Services	9,665	9,449	50,046	24,878	24,856
Internal Materials and Services	107,920	101,551	110,703	119,408	119,408
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	633,956	597,162	700,238	628,790	644,905
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 633,956	\$ 597,162	\$ 700,238	\$ 628,790	\$ 644,905
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	633,956	597,162	700,238	628,790	644,905
RESOURCES					
Discretionary Revenue	260,484	263,576	333,773	268,107	290,406
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	0	0	0	0
Program Revenue	0	0	0	0	0
Overhead Recovery	373,472	333,586	366,465	360,683	354,499
Total Non-Discretionary Revenues	373,472	333,586	366,465	360,683	354,499
TOTAL GENERAL FUND RESOURCES	\$ 633,956	\$ 597,162	\$ 700,238	\$ 628,790	\$ 644,905
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office	633,956	597,162	700,238	628,790	644,905
Positions	7.00	7.00	7.50	6.50	6.50
TOTAL PROGRAMS	\$ 633,956	\$ 597,162	\$ 700,238	\$ 628,790	\$ 644,905
Positions	7.00	7.00	7.50	6.50	6.50

Commissioner of Public Utilities AU 193

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0002	City Commissioner	1.00	1.00	1.00	88,764	1.00	88,764	1.00	88,764
0015	Commissioner's Admin Supp Spec	0.00	0.00	2.00	71,436	2.00	71,436	2.00	71,436
0022	Commissioner's Chief of Staff	1.00	1.00	1.00	71,268	1.00	71,268	1.00	71,268
0020	Commissioner's Staff Rep	4.00	4.00	3.00	161,448	2.00	106,296	2.00	116,448
7452	Community Service Aide II	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		7.00	7.00	7.00	\$ 392,916	6.00	\$ 337,764	6.00	\$ 347,916
0015	Commissioner's Admin Supp Spec	0.00	0.00	0.50	15,636	0.50	15,636	0.50	15,636
TOTAL PART-TIME POSITIONS		0.00	0.00	0.50	\$ 15,636	0.50	\$ 15,636	0.50	\$ 15,636

Commissioner of Public Utilities AU 193

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	653,000	0	653,000	7.50	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	(32,651)	0	(32,651)	(1.00)	5% cut - personnel
	8,441	0	8,441	0.00	Facilities IA increase net adjustment
Approved Budget Additions and Reductions	16,115	0	16,115	0.00	Council Offices take average cut of 2.5%
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(8,095)	0	(8,095)	(1.00)	Total FY 2005-06 Decision Packages
			\$ 644,905	6.50	Total Adopted Budget

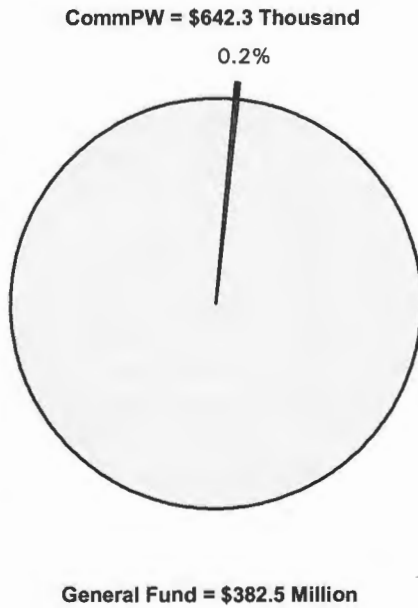


Commissioner of Public Works

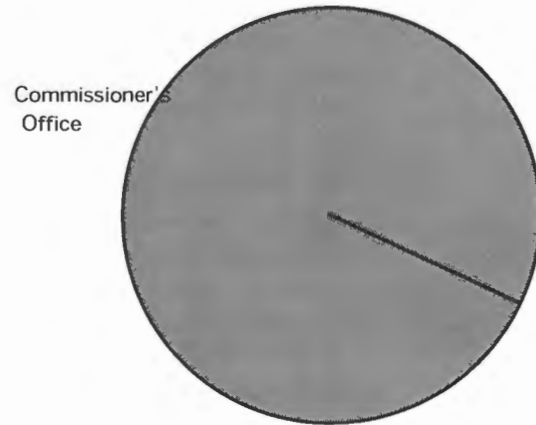
Legislative, Administrative, and Support Service Area

Erik Sten, Commissioner-in-Charge

Percent of General Fund



Bureau Programs



Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	647,861	642,287	-5,574	-0.9%
Capital	0	0	0	0.0%
Total Expenditures	\$ 647,861	\$ 642,287	\$ -5,574	\$ -0.9%
Authorized Positions	7.00	6.75	-0.25	-3.6%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau Summary

BUREAU OVERVIEW

In formulating a plan to prepare the 2.5% reduction package, the Office of Commissioner Sten had limited choices as to where cuts could occur. Budget reductions over the previous five years have resulted in a lean organization.

A 2.5% reduction equals a loss of \$16,470. Total personnel costs were up 3.57% from FY 2004-05 (due to increased costs for health insurance and pension plan) and internal materials and services (M&S) increased 4.06%. Cuts of \$37,945 were needed to meet the current appropriation target prior to the 2.5% reduction.

Few adjustments were made to the office's interagency agreements. Of the \$109,264 internal M&S total budget, four interagencies totaling \$75,771 or 69% cannot be adjusted. The other three interagencies (Fleet, Printing & Distribution, Bureau of Technology Services) are limited to actual services (i.e., number of telephones, computers, etc.). These interagencies also have fixed line items that cannot be altered or eliminated, thus limiting cuts that could be made without impacting basic office functions.

The already slim external M&S budget is reduced significantly. The office has always had extremely limited discretionary spending. With the current cuts, the office's ability to keep up with future technology needs is of particular concern. As current computer hardware comes up against IT's recommended replacement schedule, replacement purchases will be delayed. Over the long term, failure to keep up with current technology will have an impact on both office efficiency (increased time and frustration completing computer-required work) and increased IT costs (more frequent service requests).

With little room to reduce M&S, the bulk of cost cutting had to occur in personal services. In a small office, a reduction of that size is significant.

Regardless of bureau assignments, there are three projects the office will continue to lead and pursue:

- 1) Portland General Electric (PGE) - The office will continue to pursue advantageous energy marketing options for city residents. If necessary, the Office will lead a proposed City acquisition of PGE to protect Portland ratepayer interests.
- 2) Homeless Plan - Begin implementation of the Ten-Year Plan to End Homelessness using "housing first" strategies to enhance housing and support services for homeless city residents.
- 3) Voter-Owned Elections - Pursue publicly financed campaign finance reform strategy in partnership with the City Auditor.

Bureau Assignments

Commissioner Sten is responsible for the following bureaus:

- ◆ Portland Fire Bureau
- ◆ Bureau of Housing and Community Development

In addition, Commissioner Sten is the liaison for the following responsibilities:

- ◆ PGE
- ◆ Joint Policy Committee on Transportation (JPACT)
- ◆ Metropolitan Exposition and Recreation Commission (MERC)

- ◆ Portland Streetcar, Inc.
- ◆ Metro Policy Advisory Committee (with Mayor Potter)
- ◆ City's Global Warming Action Plan
- ◆ Bureau Innovation Project Recommendations #1-20, with special emphasis on #10, 12, and 16.

SUMMARY OF BUDGET DECISIONS

The FY 2005-06 Adopted Budget is reduced \$16,470, impacting personnel and external materials and services.

Commissioner of Public Works AU 190

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	541,204	509,073	532,177	536,070	519,072
External Materials and Services	8,383	8,187	10,686	(26,879)	6,200
Internal Materials and Services	101,621	98,063	104,998	117,015	117,015
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	651,208	615,323	647,861	626,206	642,287
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 651,208	\$ 615,323	\$ 647,861	\$ 626,206	\$ 642,287
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	651,208	615,323	647,861	626,206	642,287
RESOURCES					
Discretionary Revenue	267,073	271,592	282,499	267,002	289,244
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	0	0	0	0
Program Revenue	1,215	0	0	0	0
Overhead Recovery	382,920	343,731	365,362	359,204	353,043
Total Non-Discretionary Revenues	384,135	343,731	365,362	359,204	353,043
TOTAL GENERAL FUND RESOURCES	\$ 651,208	\$ 615,323	\$ 647,861	\$ 626,206	\$ 642,287
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office	651,208	615,323	647,861	626,206	642,287
Positions	7.00	7.00	6.70	7.00	6.75
TOTAL PROGRAMS	\$ 651,208	\$ 615,323	\$ 647,861	\$ 626,206	\$ 642,287
Positions	7.00	7.00	7.00	6.50	6.75

Commissioner of Public Works AU 190

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0002	City Commissioner	1.00	1.00	1.00	88,416	1.00	88,648	1.00	88,648
0015	Commissioner's Admin Supp Spec	0.00	0.00	1.00	39,144	1.00	39,300	1.00	39,300
0022	Commissioner's Chief of Staff	1.00	1.00	1.00	67,188	1.00	67,440	1.00	67,440
0020	Commissioner's Staff Rep	4.00	4.00	4.00	204,144	3.50	204,948	3.75	192,444
0815	Administrative Specialist	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		7.00	7.00	7.00	\$ 398,892	6.50	\$ 400,336	6.75	\$ 387,832

Commissioner of Public Works AU 190

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	651,005	0	651,005	7.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	(32,550)	0	(32,550)	(0.48)	5% reduction-personnel
	7,751	0	7,751	0.00	Facilities IA Increase Net Adjustment
Approved Budget Additions and Reductions					
	16,081	0	16,081	0.23	Council Offices take average cut of 2.5%
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(8,718)	0	(8,718)	(0.25)	Total FY 2005-06 Decision Packages
			\$ 642,287	6.75	Total Adopted Budget

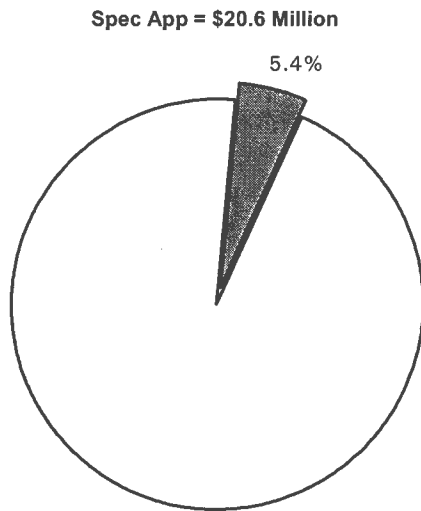
Special Appropriations

Legislative, Administrative, and Support Service Area

Mayor Tom Potter, Commissioner-in-Charge

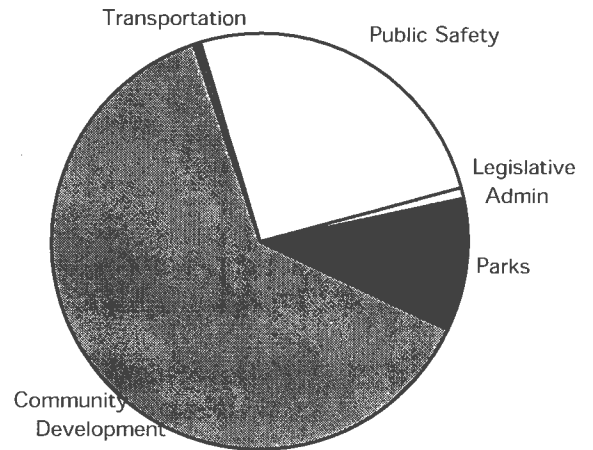
Timothy Grewe, Chief Administrative Officer

Percent of General Fund



General Fund = \$382.5 Million

Bureau Divisions



Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	16,407,174	20,634,348	4,227,174	25.8%
Capital	0	0	0	0.0%
Total Expenditures	\$ 16,407,174	\$ 20,634,348	\$ 4,227,174	\$ 25.8%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau Summary

BUREAU OVERVIEW

Special appropriations provide Citywide benefits

Special appropriations are primarily used for General Fund expenditures that are not specific to a bureau and often provide Citywide benefit. These include payments to non-City agencies, funding for some City programs, and some City set-asides. Some special appropriations are one-time allocations, while others are ongoing.

SUMMARY OF BUDGET DECISIONS

New Appropriations

There are 12 new appropriations for FY 2005-06, that are all funded with one-time resources. The new appropriations include funding for the Sustainable Food Initiative, City Charter review, strategic planning, a study of the Fire and Police Disability and Retirement system (FPD&R), the Bureau Innovation Project, an independent audit of the Independent Police Review Division, Portland Opera, county public safety consolidation, Lone Fir Cemetery, PGE legal costs, Multnomah County Jail beds, and the Portland Schools Initiative.

Discontinued Appropriations

All special appropriations previously dedicated to the Portland Development Commission will be re-assigned for FY 2005-06. Funds will be re-allocated for general economic development purposes.

Cuts to Existing Appropriations

To achieve an overall reduction in special appropriations, 5% reductions were applied to all flexible special appropriations. Fixed special appropriations are bound by contract, and therefore, were not reduced proportionally.

Overview of Programs

PUBLIC SAFETY SERVICE AREA

Public Safety Coordinating Council	\$25,687	This special appropriation funds a local group that plans the deployment of state and local resources to serve local offenders, and coordinates local criminal justice policy across jurisdictions.
FPD&R Review	\$120,000	This one-time special appropriation provides partial funding for a comprehensive review of the Fire Police Disability & Retirement (FPD&R) system.
Multnomah County Jail Beds	\$1,800,000	This appropriation provides one-time funding to Multnomah County for the reservation of 58 jail beds. The jail beds will be filled at the discretion of the Portland Police Chief. The allocation includes funding for incarceration and treatment.
City/County Public Safety Coordination	\$200,000	This one-time special appropriation provides \$200,000 toward an effort to eliminate duplication of public safety services between the City and other jurisdictions within Multnomah County.

PARKS & RECREATION SERVICE AREA

Regional Arts and Culture Council	\$2,116,294	This special appropriation provides funds for the Regional Arts and Culture Council (RACC), an independent nonprofit agency. The appropriation combines ongoing resources to support RACC's base budget, as well as one-time allocations to support specific arts organizations and arts-related grants. The FY 2005-06 Adopted Budget provides one-time funding of \$50,000 for RACC to administer the Murals Program.
Portland Opera	\$200,000	The Council is appropriating \$200,000 to the Portland Opera for the fifth and final payment of a five year agreement. RACC administers payments to the Opera.
MERC/PCPA	\$670,439	Per the recommendation of the City and the Metro Facilities Consolidation Committee, this appropriation supports the Portland Center for the Performing Arts' tenant relief, capital maintenance, and improvement efforts. The appropriation is part of a larger Visitors Facilities intergovernmental agreement signed by the City of Portland, Multnomah County, and Metro.

COMMUNITY DEVELOPMENT SERVICE AREA

Clean and Safe	\$17,463	This special appropriation funds the City's share of the downtown Business Improvement District, based on the management of commercial, residential, and rental building space in the district. This special appropriation will supplement charges to downtown property managers used to support guides, marketing strategy, enhanced security, and street cleaning services in the downtown area.
BHCD - Workforce Development	\$97,365	This special appropriation is managed by the Bureau of Housing and Community Development and provides support for information and referral services to connect job seekers in northeast Portland with job training, placement, and social service programs. Particular emphasis is placed on helping clients overcome barriers to employment, such as lack of child care, transportation, or health care.
Downtown Marketing	\$400,000	This special appropriation funds the City's advertising campaign to attract people to downtown shops, restaurants, and events. Funding for this appropriation is shared between General Fund discretionary and Parking Facilities Fund monies. For FY 2005-06 the General Fund portion of support for Downtown Marketing is increased from \$100,000 to \$300,000.
Downtown Services	\$854,233	This special appropriation supports services to keep downtown Portland a safe and attractive center for people and businesses. Contracted services include bicycle patrol and public restroom cleaning in the downtown parks, and security for Pioneer Square. The appropriation also funds an interagency with the Parks Bureau for flower pots along the transit mall and light rail corridor. This appropriation is in addition to the Clean and Safe special appropriation.
Economic Development	\$874,054	The FY 2005-06 Adopted Budget eliminates all previous PDC-related special appropriations and redirects funding to economic development purposes yet to be determined.
Block by Block Weatherization	\$85,000	This special appropriation is managed by the Office of Sustainable Development (OSD) and provides funding for three Fix It Fair events. The events provide energy efficiency and conservation assistance to low-income families throughout the Portland area.
Sustainable Food Initiative	\$65,000	This new special appropriation is managed by OSD and provides one-time funding for a coordinated effort to support a food system that promotes human and environmental health while redirecting money into the local economy. OSD will work throughout FY 2005-06 to solicit outside resources to sustain the program for future years.

Portland Schools Initiative \$600,000
This special appropriation provides one time funding for public schools within the Portland city limits.

Lone Fir Cemetery \$150,000
This special appropriations is for the purpose of constructing a fence, restoring the former county building site adjacent to the cemetery and creating a memorial garden at Lone Fir Cemetery. Money for the construction of these projects will be dispersed as needed.

TRANSPORTATION SERVICE AREA

Employee Transit Program \$128,695
This special appropriation funds a program to encourage the use of alternative transit modes by City employees to relieve traffic congestion and improve air quality.

LEGISLATIVE & ADMINISTRATION SERVICE AREA

City Membership and Dues \$219,706
This special appropriation funds costs related to the City's memberships in and dues to various organizations to which the City subscribes as a municipality.

Leaders Roundtable \$9,185
This special appropriation is the City's share of support for an advisory group of community leaders that is convened to coordinate and improve interrelated services.

Council Emergency Fund \$5,264
This is an annual appropriation for use by the Mayor and Commissioners as specified by City Charter 2-105a 14, and 2-108.

Charter Review \$400,000
This new special appropriation provides one-time funding for a comprehensive study of the City Charter.

Strategic Planning \$150,000
This new special appropriation provides one-time funding to support a City strategic planning effort during FY 2005-06.

Bureau Innovation Project \$112,220
This new special appropriation will fund the Mayor's Bureau Innovation Project during FY 2005-06.

Independent Audit of IPR \$60,000
This new special appropriation provides one-time support to fund an outside review of the City Auditor's Independent Police Review Division.

Legislative, Administrative, and Support Service Area**Compensation Set-Aside** \$9,698,744

This special appropriation is a set-aside for General Fund adjustments to salaries and benefits for City employees, based on projected inflation. These funds are distributed as necessary to bureaus during the spring budget monitoring process each fiscal year.

PGE Legal Costs \$1,200,000

This one-time special appropriation provides funding for legal costs related to the City's effort to acquire Portland General Electric (PGE).

COPPEA Training \$124,999

This special appropriation is to maintain a training set-aside per the City's labor agreement with the City of Portland Professional Employee Association (COPPEA).

Special Appropriations AU 401

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	0	0	0	0	0
External Materials and Services	8,176,938	5,650,267	16,171,719	22,830,921	20,282,128
Internal Materials and Services	172,068	93,149	235,455	217,220	352,220
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	8,349,006	5,743,416	16,407,174	23,048,141	20,634,348
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 8,349,006	\$ 5,743,416	\$ 16,407,174	\$ 23,048,141	\$ 20,634,348
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	8,349,006	5,743,416	16,407,174	23,048,141	20,634,348
RESOURCES					
Discretionary Revenue	7,233,130	5,320,937	16,053,676	22,809,841	20,289,270
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Contract Revenues	0	0	0	0	0
Interagency Revenues	1,014,628	284,945	211,363	100,000	211,363
Program Revenue	0	0	0	0	0
Overhead Recovery	101,248	137,534	142,135	138,300	133,715
Total Non-Discretionary Revenues	1,115,876	330,642	262,118	138,300	245,078
TOTAL GENERAL FUND RESOURCES	\$ 8,349,006	\$ 5,743,416	\$ 16,407,174	\$ 23,048,141	\$ 20,634,348
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
DIVISIONS					
Community Development Service Area	3,166,657	1,996,154	3,096,372	2,393,115	3,143,115
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Legislative & Administration Service	1,788,889	960,110	8,898,692	17,655,119	11,980,118
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Parks & Recreation Service Area	3,047,429	2,654,859	3,960,774	2,725,525	3,236,733
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Public Safety Service Area	149,737	0	318,764	145,687	2,145,687
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Transportation Service Area	196,294	132,293	132,572	128,695	128,695
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL DIVISIONS	\$ 8,349,006	\$ 5,743,416	\$ 16,407,174	\$ 23,048,141	\$ 20,634,348
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

Special Appropriations AU 401

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	17,885,130	0	17,885,130	0.0	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.0	None
Mayor's Proposed Budget Decisions	(181,481)	0	(181,481)	0.0	5% reduction to Non Contractual
	874,054	0	874,054	0.0	Economic Development set-aside
	0	60,000	60,000	0.0	Independent audit of IPR
	0	65,000	65,000	0.0	Sustainable Food Initiative
	0	85,000	85,000	0.0	Block by Block Weatherization
	0	400,000	400,000	0.0	City Charter review
	0	150,000	150,000	0.0	Strategic Planning/Visioning
	0	112,220	112,220	0.0	Bureau Innovation Project
	0	120,000	120,000	0.0	FPD&R study
	0	400,000	400,000	0.0	Downtown Marketing
	3,028,218	0	3,028,218	0.0	Comp set-aside adjustment
	0	50,000	50,000	0.0	RACC Murals
Approved Budget Additions and Reductions	0	(7,000,000)	(7,000,000)	0.0	Eliminate one-time set-aside
	0	1,800,000	1,800,000	0.0	Purchase 58 county jail beds
	0	1,200,000	1,200,000	0.0	PGE legal costs
	0	600,000	600,000	0.0	Portland Schools Initiative
	0	150,000	150,000	0.0	Lone Fir Cemetery
	0	200,000	200,000	0.0	City/County Public Safety Coordination
	0	200,000	200,000	0.0	Portland Opera
		124,999	124,999	0.0	COPPEA Professional Development Fund
		250,000	250,000	0.0	MERC
Adopted Budget Additions and Reductions	0	61,208	61,208	0.0	Increase RACC appropriation per contract
	3,720,791	(971,573)	2,749,218	0.0	Total FY 2005-06 Decision Packages
			\$ 20,634,348	0.0	Total Adopted Budget

Glossary

2040 PLAN: A planning guide for regional growth in the Portland metropolitan area over the next 35 to 50 years. The plan was produced by Metro, the regional governing body for the Portland metropolitan area.

ACCOUNT: The classification of appropriation by type of expenditure (see Line Item).

ACCOUNTING PERIOD: The fiscal year is divided into 13 accounting periods. Each accounting period is generally four weeks long and includes two bi-weekly payrolls.

APPROPRIATION: The legal authority to spend funds designated for a specific purpose.

APPROPRIATION UNIT (AU): The highest level of organizational unit (usually a bureau or office) at which the City tracks revenues and expenditures within a fund.

BALLOT MEASURE 37: A measure approved by Oregon voters in the November 2004 election. The measure requires state and local governments to reimburse property owners for reduced property values attributable to government regulation, or to waive the applicable regulations.

BALLOT MEASURE 47: A property tax limitation measure approved by Oregon voters in the November 1996 election.

BALLOT MEASURE 50: A property tax limitation measure referred by the Oregon Legislature to voters as a replacement for Ballot Measure 47. Measure 50 was approved by voters in the May 1997 election.

BEGINNING BALANCE: Net resources (cash and non-cash) available in a fund at the beginning of a fiscal year, carried over from the prior fiscal year.

BRASS: The Budget Reporting and Analysis Support System is the City's new budget software system, used to develop and track the City's budget. It replaces the Integrated Business Information System (IBIS) budget module. Other IBIS modules are still in use.

BRIDGE FUNDING: Temporary funds intended to provide for services during a period of transition or downsizing. Funds are appropriated from reserves.

BUDGET: A financial, operating, and management plan for the provision of services. A budget provides for the receipt of revenues and establishes annual appropriations in accordance with all relevant legal requirements.

BUDGET CALENDAR: The schedule of major events in the budget process.

BUDGET COMMITTEE: A special committee required under Oregon Local Budget Law. The committee, which in Portland's case is identical in composition to the City Council, reviews the Mayor's Proposed Budget and votes to approve the budget.

BUDGET MESSAGE: A written explanation of the budget and the City's financial plan and priorities presented to the Budget Committee (City Council) by the Mayor. The budget message is a requirement of Oregon Local Budget Law.

BUDGET MONITORING PROCESS (BuMP): A report submitted by bureaus three times each year, after the end of accounting periods 3, 6, and 10. The report compares planned and actual expenditures, revenues, and performance measure data. Bureaus can also request appropriation changes through the BuMP processes.

BUDGET NOTES: A listing of policy or programmatic issues that the Council has determined require further study, analysis, or action.

BUDGET PHASES: The following are the major versions of the budget. Each corresponds with a different phase of the budget process.

- ◆ **REQUESTED:** A bureau's requested appropriation as submitted to the Financial Planning Division and the City Council.
- ◆ **PROPOSED:** The Mayor's recommended budget as presented to the Budget Committee.
- ◆ **APPROVED:** The budget as approved by the Budget Committee and subsequently reviewed and certified by the Multnomah County Tax Supervising and Conservation Commission.
- ◆ **ADOPTED:** The budget as adopted by City Council after certification by the Multnomah County Tax Supervising and Conservation Commission. It is the Adopted Budget from which the City operates during the fiscal year.

◆ **REVISED:** The budget as amended by ordinances adopted by City Council throughout the fiscal year.

BUREAU ADVISORY COMMITTEE (BAC): A committee, specific to a particular bureau, consisting of citizens appointed by the Commissioner-in-Charge to advise the bureau on its budget requests and to make recommendations to Council.

BUREAU GOAL: A specific statement of results that a bureau plans to achieve to meet an identified community need.

CAPITAL BUDGET: The expenditures scheduled for the first year of the five-year Capital Improvement Plan.

CAPITAL EQUIPMENT: Machinery, vehicles, furniture, etc. with a unit cost in excess of \$5,000 and an expected life of one year or more.

CAPITAL IMPROVEMENT: An expenditure that adds to the City's fixed assets, has a life expectancy of ten years or more, and requires expenditures of more than \$10,000 for personal services, materials and services, and equipment, or is a piece of major equipment with a purchase price of \$50,000 or more.

CAPITAL REVIEW COMMITTEE (CRC): A committee comprised of representatives from the General Fund bureaus submitting capital budget requests. The committee makes recommendations on capital budget requests.

CAPITAL IMPROVEMENT PLAN (CIP): A multi-year plan approved by the Council that lists capital improvement projects, costs, and schedules for completion.

CAPITAL OUTLAY: A major expenditure category that includes land purchase, buildings (purchase or construction), improvements other than buildings (purchase or construction), and equipment and furniture with a unit cost in excess of \$5,000.

CITY AND NEIGHBORHOOD PLANNING: The regulation of development patterns through permitting and zoning.

COMBINED SEWER OVERFLOW (CSO): Flows from a sewer system that contain both sanitary sewage and stormwater that are discharged directly, without treatment, to a receiving waterway during periods of high flows.

EXPENSES:

◆ **BUREAU EXPENSES:** Requirements of the programs or services provided by the City's bureaus. The major expense categories are personal services, internal and external materials and services, capital outlay, equipment, and cash transfers.

◆ **FUND EXPENSES:** Requirements of a fund for providing programs and services, including both operating and capital requirements. Examples of fund expenses are contingency, debt retirement, and interfund transfers.

ENTERPRISE BUSINESS SYSTEM (EBS): The financial software system that will replace the City's current financial software (the Integrated Business Information System, or IBIS) and other "shadow" financial software programs used throughout the City.

EXPENDITURE: The actual outlay of, or obligation to pay, cash. This does not include encumbrances. Expenditures exclude fund-level requirements such as contingency and cash transfers.

FINANCIAL OUTLOOK: Report on the General Fund's current financial condition. The report is used by Council and produced 13 times per year, once each accounting period.

FINANCIAL PLANNING DIVISION: The unit within the Office of Management and Finance that plans and administers the budget process for the City. This includes the issuance of instructions to bureaus, analysis of requests, preparation of the Mayor's Proposed Budget document, and preparation of the Adopted Budget document.

FISCAL YEAR (FY): The twelve-month period beginning July 1 and ending June 30.

FTE: Full-time equivalent; the equivalent of one full-time position, including positions shared by multiple employees.

FUND: A budgetary and fiscal accounting mechanism for designating a sum of money or other resources for a particular purpose. In addition to the General Fund, fund types include operating, debt service, revenue, construction, retirement, working capital, grant, and trust. Funds are established in accordance with state and local laws, regulations, and other limitations. Each fund constitutes an independent budgetary, fiscal, and accounting entity. All appropriation units are within one and only one fund.

- ◆ **DEBT SERVICE FUNDS:** These funds account for the payment of debt service on general obligation, revenue, assessment, improvement, and urban renewal tax increment bonds.
 - ◆ **CAPITAL OR CONSTRUCTION FUNDS:** These funds are dedicated to the acquisition, construction, or improvement of capital assets. Capital assets include land, buildings, and equipment/furniture with a unit cost in excess of \$5,000.
 - ◆ **ENTERPRISE FUNDS:** These funds are used to account for activities that render services on a user fee basis and are expected to function without General Fund resources. Enterprise funds include the Hydroelectric, Power, Water, Sewer, Solid Waste Management, Golf, and Parking Facilities Funds.
 - ◆ **FEDERAL FUNDS:** These funds account for grant revenues received from the federal government, such as Community Development Block Grant funds.
 - ◆ **GENERAL FUND:** The General Fund includes resources for all general purpose activities of the City that are supported by property taxes and other non-dedicated revenues. Bureaus supported by the General Fund include the Bureaus of Fire, Rescue, and Emergency Services; Police; Parks; Licenses; Planning; Housing and Community Development; and the Offices of the Mayor and the City Council, Auditor, Management and Finance, Attorney, Neighborhood Involvement, Sustainable Development, Emergency Management, Government Relations, and Cable.
 - ◆ **INTERNAL SERVICE FUNDS:** Internal service funds provide central services such as fleet maintenance and printing to other bureaus and agencies. They operate almost solely with revenues received from the agencies using their services.
 - ◆ **OPERATING FUNDS:** These funds support the general government activities of the City. The largest and most visible operating fund is the General Fund, which supports police, fire, parks, and other services. The Transportation Operating Fund is the other governmental fund. Enterprise funds are special purpose operating funds that are self-supporting. Special revenue funds are operating funds where revenues collected are dedicated to a specific service or activity.
 - ◆ **RESERVE FUNDS:** Reserve funds are established to provide a holding place for emergency and counter-cyclical reserve monies. Dollars must be transferred from reserve funds to operating funds to be expended. Transfers are only permitted under circumstances that are clearly specified when the fund is created. Examples include the General Reserve and Transportation Reserve Funds.
 - ◆ **RETIREMENT FUNDS:** These are funds that support the retirement of police and fire personnel. Revenues are received from a property tax levy authorized by Portland voters in 1948.
 - ◆ **TRUST FUNDS:** Funds established to receive gifts or bequests to the City. A variety of these small accounts currently exist, such as the Portland Parks Memorial Trust Funds.
- GENERAL OBLIGATION (GO) BONDS:** Voter-approved bonds backed by the full faith and credit and taxing authority of the City. These bonds are typically paid from a property tax levied upon all taxable property within the City. GO bonds are used to finance a wide range of capital projects.
- GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) DISTINGUISHED BUDGET AWARD:** The highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and a communication device.
- GRANT:** Grant is a generic term that means donated financial assistance received from either state, federal, or other third-party sources.
- ◆ **FEDERAL FINANCIAL ASSISTANCE:** Assistance provided by a federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriation to individuals. It includes awards received directly from federal agencies, or indirectly through other units of state and local government.
- IBIS (INTEGRATED BUSINESS INFORMATION SYSTEM):** The City's central financial system, including general ledger, accounts payable, accounts receivable, payroll, and other modules. IBIS is no longer used to develop the City budget (see BRASS).

INTERAGENCY AGREEMENT (IA): An agreement for provision and receipt of services between City bureaus or funds. IAs establish a mutually agreed upon budget amount for anticipated services to be provided and received.

INTERNAL SERVICE BUREAUS: Bureaus that exist to provide services to other City bureaus. These services include fleet, printing & distribution, facilities management, risk management (insurance), and technology services.

LINE ITEM: The lowest level expenditure classification. Line items are detail accounts within Major Object Codes. For example, utilities and local travel are line items within the external materials and services major object category.

LOCAL BUDGET LAW: Oregon Revised Statutes, Chapter 294, which prescribes budgeting practices for municipalities within Oregon.

MAJOR OBJECT CODES: Broad categories of expenditures such as personal services, external and internal materials and services, capital outlay, cash transfers, contingency, etc. (See Account or Line Item.)

MAJOR SUPPLEMENTAL BUDGET: The interim budget modification process that must be followed to make budgetary changes that cannot legally be made through ordinary Council action. A major supplemental budget is required by Oregon Local Budget Law when the estimated expenditures for a fund increase by more than 10%, or when more than 15% of a fund's appropriation is transferred from contingency. A Tax Supervising and Conservation Commission (TSCC) public hearing must be conducted for a major supplemental budget.

MISSION: A statement of an organization's overall purpose.

OBJECTIVE: A desired result, established for a group of related activities performed by a bureau. The achievement of an objective satisfies part or all of a bureau goal.

OFFICE OF MANAGEMENT AND FINANCE (OMF): The organizational unit that includes many of the City's central administrative functions such as human resources, accounting, treasury, and debt management, as well as the internal service bureaus. Included is the Financial Planning Division, which is responsible for planning and administering the budget process.

ONE-TIME EXPENDITURES: These are expenditures for one-time projects or services. After the project or service is completed, expenditures are terminated and funds are no longer appropriated. One-time expenditures are not considered part of normal capital or operating costs.

ONGOING EXPENDITURES: Continuing expenditures that maintain established levels of service (as compared to one-time expenditures).

ORS: Oregon Revised Statutes, the laws of the State of Oregon.

OVERHEAD: An amount assessed, usually at the fund level, to support administrative and other services.

PORTLAND DEVELOPMENT COMMISSION (PDC): The Portland Development Commission is the City of Portland's urban renewal agency and is responsible for economic development and housing.

PERFORMANCE MEASURE: An indicator that measures the degree of accomplishment of an objective. The major types are as follows:

- ◆ **BENCHMARK:** A measure of system-wide effectiveness or efficiency. For example, the public safety system consists of police, corrections, prosecution, legal defense, adjudication, and other related systems. A benchmark should be designed to measure or track the performance of the overall system.
- ◆ **EFFECTIVENESS MEASURE:** A qualitative and/or quantitative measure of the extent to which the performance of related tasks achieve a desired result or objective.
- ◆ **EFFICIENCY MEASURE:** The extent to which the process utilized by an organization to produce goods and/or services minimizes the use of resources.
- ◆ **WORKLOAD MEASURE:** A quantity of work performed.

PERFORMANCE OBJECTIVE: Goals that establish direction for bureau work plans. Performance objectives are intended to communicate to the public and policy makers what is being accomplished with public dollars.

PORTLAND/MULTNOMAH PROGRESS BOARD: A community-wide committee responsible for developing community benchmarks (see Benchmark).

PORTLAND UTILITIES REVIEW BOARD (PURB): An appointed body of nine citizens that provides independent and representative customer review of water, sewer, and solid waste financial plans and rates. This board operates in an advisory capacity to the City Council.

PROGRAM: A set of activities and projects that seek to accomplish a common specific objective. Programs are typically considered subdivisions of a bureau's or other appropriation unit's budget.

PROSPEROUS PORTLAND: The City's Economic Development Plan.

PUBLIC FACILITIES PLAN: A document that supports the City of Portland's Comprehensive Plan and Capital Improvement Plan. The facilities plan describes significant projects that will support land uses in the City's Comprehensive Plan and other projects, divided into short-term (five years) and long-term (6-20 years) bureau needs. There are two classes of public facilities:

- ◆ Significant facilities necessary to support land uses designated in the Comprehensive Plan and
- ◆ All other facilities with a projected value of more than \$10,000, including buildings, structures, or equipment incidental to the direct operation of the significant facilities listed above.

REGIONAL WATER SUPPLY PLAN: A long-range plan for the water supply of 28 suppliers in the greater Portland area.

REQUIREMENTS: Appropriations for a fund or bureau. Requirements include bureau expenditures, contingencies, interfund cash transfers, debt service, and ending fund balance.

RESERVES: Resources set aside for emergency expenses, downturns in the economy, or other unforeseen needs (see Reserve Funds).

RESOURCES: Revenue and other monies that a bureau has or expects to receive. Resources include estimated revenues and beginning fund balance.

REVENUE: Money received into a fund from outside the fund.

SOURCE FUND: A fund transferring dollars to another fund (the "destination fund").

SPECIAL APPROPRIATION: Special appropriations are used for special projects, programs, fees, etc. that provide Citywide benefit and are not part of any particular bureau's operating budget.

SERVICE EFFORTS & ACCOMPLISHMENTS (SEA) REPORT: A report issued by the Office of the City Auditor that identifies workload and performance trends for each of the City's major service areas.

TAX SUPERVISING & CONSERVATION COMMISSION (TSCC): The state-authorized body that reviews the budgets of all government entities within Multnomah County prior to adoption by those entities' elected officials. TSCC certifies that the budget is in compliance with local budget law.

UTILITY LICENSE FEE: A percentage of utility revenues that are transferred to the City's General Fund as a payment for the utilities' use of public rights-of-way.



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**ADOPTED BUDGET
CITY OF PORTLAND, OREGON
FISCAL YEAR 2005- 2006**

VOLUME ONE

**Bureau Budgets
Programs and Services**

Washington Park's International Rose Test Garden and Portland's Skyline

Portland's skyline provides an urban backdrop for this photograph of a young woman enjoying the International Rose Test Garden in Washington Park. The blending of the natural with the urban environment is a striking feature of Portland, contributing to its reputation and its attractiveness as a city. The presence of a young person represents the emphasis on youth that is a theme of the City's 2005-06 budget.

The International Rose Test Garden is a prominent feature of Washington Park, located in the west hills overlooking downtown Portland and with postcard views of the city and Mt. Hood. The City purchased Washington Park's original 40.78 acres in 1871, and the first rose test garden was established there in 1915 as a "safe haven" for hybrid roses from Europe feared to be in danger from World War I bombing. By this time, Portland had over 200 miles of streets bordered by roses and had already earned the moniker "City of Roses."

Today, Portland's International Rose Test Garden is considered the oldest official, continuously-operated public rose test garden in the United States, receiving roses from around the world to be tested in the mild climate conducive to their growth. The status and international recognition of the garden make Portland the only city in North America that can issue its awards to roses of merit throughout the world.

The picture was submitted as an entry in the City's "Five Gardens" photo contest in 2000, and is part of the Parks Bureau's photo collection. The photographer is Linda N. Todd, a resident of Northeast Portland.

Adopted Budget

City of Portland, Oregon

Fiscal Year 2005-06
Volume One

Bureau Budgets
Programs and Services

Mayor Tom Potter

Commissioner Sam Adams

Commissioner Randy Leonard

Commissioner Dan Saltzman

Commissioner Erik Sten

Auditor Gary Blackmer

*This document is printed on 100% post-
consumer waste recycled paper.*

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Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Portland, Oregon for its annual budget for the fiscal year beginning July 1, 2004.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget document continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Portland
Oregon**

For the Fiscal Year Beginning

July 1, 2004

Handwritten signature of Nancy L. Zjell in cursive script.

President

Handwritten signature of Jeffrey R. Emer in cursive script.

Executive Director

User's Guide

The FY 2005–06 Adopted Budget document consists of three volumes. Volume One contains general information and an overview of the Adopted Budget for the City of Portland. Volume One also presents the adopted budgets for individual City bureaus and offices. Volume Two provides detailed information about the City's funds. It also includes the City's financial forecasts, plans, and policies. Volume Three displays detailed budget information for the City's capital projects, including the five-year Capital Improvement Plan.

VOLUME ONE - BUREAU BUDGETS

Mayor's Message	A message from Mayor Tom Potter about the challenges, opportunities, and uncertainties he and the four City Commissioners faced in preparing the Adopted Budget for FY 2005–06. The message highlights the Mayor's budget priorities and the principles adhered to in crafting the Adopted Budget.
Overviews	<p>City Overview</p> <p>The City Overview gives general information about the City of Portland, including its demographics and government management systems.</p> <p>Budget Overview</p> <p>The Budget Overview presents the total City budget from a number of technical perspectives, discusses significant changes to funds, and outlines the City's overall budget process. It also summarizes all budget decisions and delineates the links between those decisions and City Council goals and strategic issues.</p> <p>Financial Overview</p> <p>The Financial Overview lays out the City's financial planning process, fiscal structure, and related policies. Also part of this section are the five-year forecast, a discussion of City debt management, and highlights of key revenue and expenditure trends.</p> <p>Budget Notes</p> <p>The Budget Notes section lists issues that Council has determined require further analysis or action. The notes generally direct a bureau to undertake a particular assignment.</p>
Financial Summaries	These summaries show Citywide revenues and expenses in total and by service area, as well as General Fund revenues and expenses and authorized positions.
Service Area Information	<p>City bureaus are categorized into service areas based on the nature of their programs and services. Each service area section of the budget document begins with a description of the service area and budget highlights for bureaus in that service area. This is followed by the Adopted Budget for each bureau in the service area. The City's six service areas are:</p> <ul style="list-style-type: none"> ◆ Public Safety ◆ Parks, Recreation, and Culture ◆ Public Utilities ◆ Community Development ◆ Transportation and Parking

- ◆ Legislative, Administrative, and Support Services

VOLUME TWO - CITY FUNDS

Financial Summaries	Tables at the beginning of Volume Two summarize the City budget across all funds and list bureau expenses and total City expenses by fund. The Appropriation Schedule, tax levy computations, and urban renewal tax certifications are also included. This section concludes with tables related to the City's debt obligations and summaries of the General Fund and General Reserve Fund.
Fund Summaries by Service Area	Presented in the same service area order as Volume One, these sections detail the resources and expenditures of each City fund. A brief description of each fund's purpose and relevant trends and issues are incorporated with fund financial information.
Financial Plans	Five-year financial plans for the General Fund and the enterprise funds are presented in this section. The plans provide detailed information about the financial context in which budgetary decisions were made.
Financial Policies	These policies provide a framework to guide the City in making financial and budgetary decisions. Financial policies help the City balance long-term interests and needs with more immediate concerns.
Ordinances	Volume Two concludes with the ordinances passed by Council to formally adopt the budget, levy taxes, open and close funds, and accept state shared revenues. The Tax Supervising and Conservation Commission's letter certifying the City's budget is also presented here.

VOLUME THREE - CAPITAL BUDGET

Overview	The overview explains the City's capital budgeting process, including regulatory requirements, the use of long-range planning documents, and the roles of various groups in developing the capital budget.
Citywide Summary	This summary offers highlights of the FY 2005-06 capital budget and a detailed presentation of the five-year Capital Improvement Plan. Capital projects are summarized by service area, geographic location, and fund.
Capital Projects by Service Area	Presented in the same service area order as Volumes One and Two, these sections describe each of the City's capital projects by bureau. Project information is displayed by funding source and geographic location, and includes expenditure history and five-year forecasts for each project.

QUESTIONS

If you have any questions about the use of the budget document or the City's budget please call the Financial Planning Division in the Office of Management and Finance at (503) 823-5288.

Mayor's Message

INTRODUCTION

This Adopted Budget reflects both our city's ambitions and its economic limitations. This marks the sixth straight year that the City Council has adopted a budget in which cuts to services were necessary due to a recession. But I believe that, working with our citizens, we have delivered a budget that makes our community stronger, our children's futures brighter, and our most vulnerable residents more secure. I share with city residents the core beliefs that good government is possible at a reasonable cost, that every elected official must act on what is best for all citizens, and that we must nurture and grow those programs and services that make Portland a unique and wonderful place to live, work, and raise our children.

This Adopted Budget also reflects a new spirit among those of us who work for Portland's citizens. When I took office in January, I formed two work teams made up of Commissioners and citizens to look at the City budget as a whole and make recommendations. While each bureau was asked to present 5% cut packages, the work teams were charged with thinking more strategically - funding those programs that most closely match our community's needs and priorities, and reducing or ending those that are of lower priority.

Several key questions shaped our decisions in developing the Adopted Budget:

- ◆ Will this decision maintain and improve our city's infrastructure, and support programs we know work? We cannot fund new programs with money that is needed elsewhere to keep our city safe and our facilities sound. We can't keep "thinning the soup" by trying to do everything, or starting new programs we know may be on the chopping block next year.
- ◆ Will this make Portland's families safer and more secure? For instance, the Council decided to continue funding for key community policing programs in our neighborhoods and schools, and to keep the same number of police officers on the street.
- ◆ Are we looking at the unintended consequences of cuts? For instance, does taking a small amount of City money from a program in the Office of Sustainable Development affect the office's ability to compete for significant federal grant dollars?
- ◆ Are we being as smart as we can be? This Adopted Budget calls for us to reexamine both our internal organization and our regional partnerships to ensure we are managing our City in the most efficient manner possible. We have also added staff to enhance our Managing for Results program.

The collaborative efforts of the Council work teams provided the foundation for this Adopted Budget. The City of Portland net budget for FY 2005-06 totals \$1.98 billion. This represents all City expenditures, including those made from dedicated sources such as water and sewer rates, as well as transportation programs funded, in part, by the state gas tax. It also includes the City's capital program, which is primarily funded with long-term debt that will be repaid from dedicated sources.

Within this total budget, the City has a General Fund of \$439 million. About \$311 million of this represents discretionary spending; the rest is earmarked for specific programs. When the Council work teams were formed, the City's financial forecast showed a General Fund deficit of \$16.8 million over the next five years. To meet this challenge, the City Commissioners and I - in consultation with the community - began the budget process by looking for General Fund savings to prepare for the future shortfall. While our goal was to cut \$8 million in discretionary General Fund monies, the Adopted Budget achieves only \$5.7 million in cuts to ongoing requirements. While that is still a substantial number, I believe this budget honors my pledge to Portland's citizens that frontline services will be protected, that innovation and efficiency will enhance customer service, and that citizens' concerns will be heard. Reductions in management, increased work efficiencies, and a new emphasis on developing strategic community partnerships were the primary means used to balance the budget.

While this budget addresses the needs of the coming fiscal year, the City's infrastructure - its streets and parks, water and sewer facilities - face extraordinary demands in the years ahead that will require new revenue. Estimates indicate the City needs an additional \$40 million annually to keep its existing capital investments in good repair and to plan for future capital needs. This budget calls for an increase in City water rates of 0.6% and sewer rates of 5.9% to address the operating and capital needs of those utilities.

The current five-year forecast for the General Fund shows the need to continue our work in realigning City spending to match anticipated future resources. Balancing the General Fund over the life of the five-year forecast is estimated to require further ongoing reductions of just under \$10 million, split equally between FY 2006-07 and FY 2007-08. The future of some programs is better left until after the results of our Community Visioning process are available. That process will involve the entire community in charting a road map for our city over the next 30 years, and will reveal which programs best serve our future needs.

At the same time ongoing General Fund needs are becoming increasingly difficult to pay for, the City has had the benefit of substantial one-time discretionary funds. The Council allocated over \$15 million in one-time resources for critical needs, including Parks maintenance, jail beds, and strategic planning. In addition, \$5.5 million in discretionary one-time funds was set aside as a "rainy day" reserve. The City is facing many unknowns - contract negotiations with employees, rising health care costs, potential litigation - and we must be prepared.

MAINTAIN EMERGENCY SERVICE LEVELS

Preserving frontline public safety services was one of the core principles guiding the budget process. The Council also agreed to support efforts to better coordinate service delivery. In this budget there is no change in the number of firefighters and police officers responding to emergencies. The number of police officers and firefighters in the field remains the same, as will emergency response times. We have looked not only at the total number of officers and firefighters, but also at how those officers and firefighters are deployed on our streets. We have also prioritized 9-1-1 emergency response, which is provided by the Bureau of Emergency Communications. One-time funding is included in this budget for nine emergency operator trainees until they can be moved into permanent positions.

The Council chose not to close existing fire stations. Instead, we will defer construction of a new station on SW Beaverton-Hillsdale Highway while a study is undertaken to evaluate the best locations for stations and how Fire services can best meet residents' and businesses' needs.

Community policing programs have been retained - including School Police, Neighborhood Response Teams, and the Auto Theft Task Force - and \$1.0 million in one-time funds is provided for problem-oriented policing strategies. A one-time appropriation will support an initiative to more closely coordinate public safety services among all Multnomah County service providers. The Council is concerned that more jail beds be made available, so we have budgeted \$1.8 million to open up 56 more beds in Multnomah County facilities. Resources have also been added to Independent Police Review to improve service to citizens.

Finally, following years of budget reductions, the Police Bureau has been carrying unfunded "frozen" positions in its budget in the hope that they might be restored someday. These positions have been vacant for years and present an unrealistic picture of the number of officers on the street. Therefore, these vacant and unfunded positions have been eliminated in this budget.

PRESERVE COMMUNITY CENTERS

All of our community centers will remain open, with a new commitment to provide the Linnton Community Center with \$50,000. Linnton is a good example of how citizens and the City can work together to continue services through community partnerships.

Ongoing funding for some community centers is reduced to 80% while they begin the process of identifying new community sources of financial support and business partnerships. Residents cannot continue to assume that government is the only solution for community needs. One-time funding makes up the remaining 20% in the FY 2005-06 budget.

One-time funding will also go to Camp Ky-O-Wa for the camp's final year. Camp Ky-O-Wa serves children with and without disabilities. PGE is closing the site in 2006; whether the camp will continue elsewhere has not yet been determined.

SUPPORT BUSINESS AND ECONOMIC DEVELOPMENT

The Council has directed \$874,000 in funds currently earmarked for use by the Portland Development Commission to an account focused primarily on small business economic development. Downtown marketing and services are continued with \$300,000 from the General Fund and \$100,000 from the Parking Facilities Fund. A new micro-business loan program will be administered through the Portland Development Commission, and will support small businesses with technical training and other tools.

The Council heard from businesses that utility costs need to be contained. We are continuing the "Big Pipe" project to segregate sewer and storm water overflows. We will keep this project on track and maintain watershed protection programs while holding the sewer/stormwater rate increase to 5.9%. The water rate increase is held below inflation, at 0.6%, by cutting vacant positions and capitalizing on other efficiencies.

ADDRESS MAINTENANCE NEEDS AND REDUCE BACKLOG

The Council made it a priority to redirect funds to address growing maintenance backlogs. The modest water rate increase will provide an additional \$1.6 million for water system maintenance. Administrative costs in the Office of Transportation were reduced by \$1.7 million, of which \$1.2 million was redirected to street preservation.

A golf fee surcharge is planned to begin addressing Parks' maintenance backlog. This will be matched with \$436,000 in ongoing resources and \$1.0 million in one-time resources from the General Fund. We also added \$572,700 for operations and maintenance costs associated with new or rehabilitated Parks assets.

REDIRECT FUNDS TO FRONTLINE SERVICES

We will invest our resources more efficiently by trimming the Office of Neighborhood Involvement's central administration to create a \$500,000 Community Investment and Empowerment account, designed to provide more direct funding and services to neighborhoods. Elders in Action and neighborhood mediation services are also funded.

City resources will support community gardens because citizens told us they are an important part of our neighborhoods. Toilets will continue to serve the homeless population at St. Francis Park, and \$22,000 is budgeted for the Outside In Needle Exchange program. These programs provide critical services to a growing homeless population at little cost.

Efficiencies will be implemented in the Office of Management and Finance (OMF), which will generate savings in other bureaus that can be applied to direct services.

INITIATE COMMUNITY VISIONING AND CHARTER REVIEW PROCESSES

The Council has initiated an 18-month process to develop a shared community vision and strategic plan. Outcomes from this work will guide future budget decisions to reflect community priorities. As the City continues to face budget challenges, the Council has chosen to put off most major programmatic changes until the public is consulted on long-term priorities. To enhance that effort, funds are provided in this budget for a survey of all city neighborhoods to identify key issues that will inform the Community Visioning project.

In addition, a City Charter Review Commission will be appointed in the coming months. This commission will be charged with assessing alternative governing structures or changes to the current structure that will improve customer service, streamline government operations, offer greater flexibility in hiring, and encourage better collaboration across City bureaus and with the Portland Development Commission.

CREATE PARTNERSHIPS THAT IMPROVE CUSTOMER SERVICE

The Council budget process included scrutiny of the manner in which we do business. Partnerships can be a powerful and effective way to deliver services while engaging citizens and improving accountability. Partnerships among governments can also be successful in realizing efficiencies and improving services. We have identified several such opportunities in this budget and look forward to collaborating with other local governments. \$200,000 is budgeted to coordinate public safety functions with Multnomah County offices, including the Sheriff and the District Attorney. These efforts will allow the City and the County to more effectively and efficiently address crime, and increase access to the services that reduce crime. We aim to achieve efficiencies and improve customer service at a time when both the City and County are facing budget shortfalls. We will also explore the coordination of maintenance functions within the City and with Portland Public Schools and Multnomah County.

The Council is working to improve internal partnerships through the Bureau Innovation Project. Internal staff teams are working to implement project recommendations that will break down silos among bureaus, increase diversity, improve management, and enhance customer service. Several of the recommendations have been previously mentioned. Others include:

- ◆ Exploring the reorganization of long-term planning functions;
- ◆ Studying the possibility of combining finance and administrative functions in the Water and Environmental Services Bureaus to create savings; and
- ◆ Funding a Fire & Police Disability & Retirement study to determine how to best manage future costs.

We are also working to create a new Revenue Bureau that will bring greater efficiency to City government and better customer service to businesses and residents. Citizens will be able to pay all their City bills in one place, and have all their questions answered with one phone call. We listened to the concerns of our regional partners, and won't include the Cable Office in the consolidation at this time.

STRENGTHEN MANAGEMENT

A portion of one-time discretionary funds available in FY 2005-06 has been allocated to strengthening our management capability. For example, we will conduct a span of control study to help determine the number of managers appropriate for the number of employees supervised. Police leave of service vacancy savings have been placed in contingency for compensation time payouts, on-call pay, and additional overtime needs. This will increase management oversight of the use of these resources.

Council and the Auditor's office will also continue implementation of Managing for Results, which will increase management efficiency and City government's accountability for delivering results.

INCREASE WORKFORCE DIVERSITY AND CULTURAL AWARENESS

The Council is firmly committed to increasing workforce diversity and cultural awareness. Toward this end, \$575,000 is provided in the budget for a new Citywide training initiative. This will serve as an investment, allowing trained employees to share their training and knowledge with co-workers. The Bureau of Human Resources will work with every bureau to maintain aggressive recruitment efforts to bring qualified minorities and underrepresented classes into the City workforce. To assist those with physical and mental challenges, Council retained a half-time disability coordinator position. New work and training opportunities will be provided through a new apprenticeship program in the Bureau of Development Services. Finally, OMF will retain funding for the Mentor/Protege program, which helps minority-owned, women-owned, and emerging small businesses develop effective working relationships with well-established companies.

CONCLUSION

I hope that Portlanders will remember that budget reductions have a human cost. While we have made every effort to cut currently vacant positions, approximately 94 employees will be laid off. However, some new positions will be created, including 32 with temporary assignments ranging from a few months to two years. These are not the faceless bureaucrats described by some critics of government. These are hard-working people with families, mortgages, and worries. Their service has been important to our city, and their loss, in some cases, may affect customer service. But this budget demanded hard choices to ensure the maintenance of core services and essential programs for our community.

This is my first Adopted Budget. As with any new endeavor, there have been lessons learned. First, none of this would have been possible without the collaboration of my colleagues on the Council. They have done remarkable work, and I thank them. Second, this document shows that we agree much more than we disagree about how best to shape our city. And third, this process only becomes stronger the more we are able to involve Portland's citizens. Next year, I promise we will hear their voices earlier and even more often.

A handwritten signature in black ink that reads "Tom Potter". The signature is written in a cursive, flowing style.

Tom Potter

Mayor

Overviews

City Overview

INTRODUCTION

This section of the FY 2005-06 budget document provides general information on the city of Portland, its demographics, and its government management systems. The information will help the reader understand the environment in which decisions are reached during the budget process. This section will also make it easier to examine and understand other sections of this budget document.

Portland's annual budget implements long-range strategic plans to achieve Council goals.

Portland's budget document reflects City policies, goals, and priorities. In reviewing how revenues are collected and spent, readers of the budget are actually watching policy at work. The budget implements the City's long-range strategic and financial plans and serves as an operations guide for the government and its activities. It is also a communications tool, informing residents of the short and long-term issues and challenges confronting the City. The budget document reflects the goals of citizens and leaders alike.

CITY OF PORTLAND CHARACTERISTICS

Basic Statistics

The city of Portland, with a population of 550,560, comprises an area of approximately 145 square miles in northwestern Oregon. Located astride the Willamette River at its confluence with the Columbia River, Portland is the center of commerce, industry, transportation, finance, and services for a metropolitan area of more than 2 million people. (The Portland/Vancouver Primary Metropolitan Statistical Area includes the Oregon counties of Clackamas, Columbia, Multnomah, Washington, and Yamhill, as well as Clark County in Washington). Portland is the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest.

Recreation

Natural Areas

Portland is situated in the heart of a vast and diverse recreational area encompassing desert, marine, forest, and mountain environments. The city is a convenient point of departure for Pacific Ocean beaches, located 78 miles to the west, and the forested Cascade Mountains to the east.

Nearby Cascade mountain peaks, the Columbia Gorge, and city parks provide abundant opportunities for lovers of the outdoors.

Among the snow-capped peaks is 11,235-foot Mt. Hood, one of the world's most climbed mountains and home of the world famous Timberline Lodge, only 60 miles from Portland. There are two major ski resorts on the mountain. On a clear day, Mt. St. Helens, an active volcano, is visible to the north.

The Columbia River Gorge National Scenic Area is within 20 miles of downtown Portland. The gorge presents opportunities for swimming, hiking, boating, sailing, and camping, and is a world center for windsurfing.

The city, with one of the highest parks-per-capita ratios in the United States, prides itself on its many beautiful parks, forests, trails, and wetlands. These include the 40-Mile Loop (a trail of now much more than 40 miles intended to circle the city); Forest Park, at 5,000 acres the largest wilderness park in the United States; Tom McCall Waterfront Park, built on the site of a former freeway dismantled in 1974; and Tryon Creek State Park.

Visitor Opportunities

Known as the City of Roses, Portland is the center of business and transportation routes in the state. Many tourist and business visitors are drawn to Portland's attractions. The Oregon Symphony and Portland Opera, the annual Rose Festival, art and historical museums, the Oregon Museum of Science and Industry, the Western Forestry Center, the Classical Chinese and Japanese Gardens, the International Rose Test Garden, and the Oregon Zoo are some of Portland's cultural and recreational highlights.

Current sports teams delight fans.

Portland's professional sports teams include the Trail Blazers of the NBA and the Winter Hawks, a professional hockey team. The city's main arena, the Rose Garden, was opened in October 1995 as a private and public sector joint venture. The renovation of the city's Civic Stadium, now called PGE Park, brought the Triple A Beavers baseball team and Timbers professional soccer team to Portland.

The Economy

A diverse economy is key to Portland's future.

Overview

Portland's economy has slowly diversified over the past decades. Steady growth in nontraditional sectors, such as the manufacture of electrical equipment, instruments, and related products, has helped Portland's economy adapt to national and global trends.

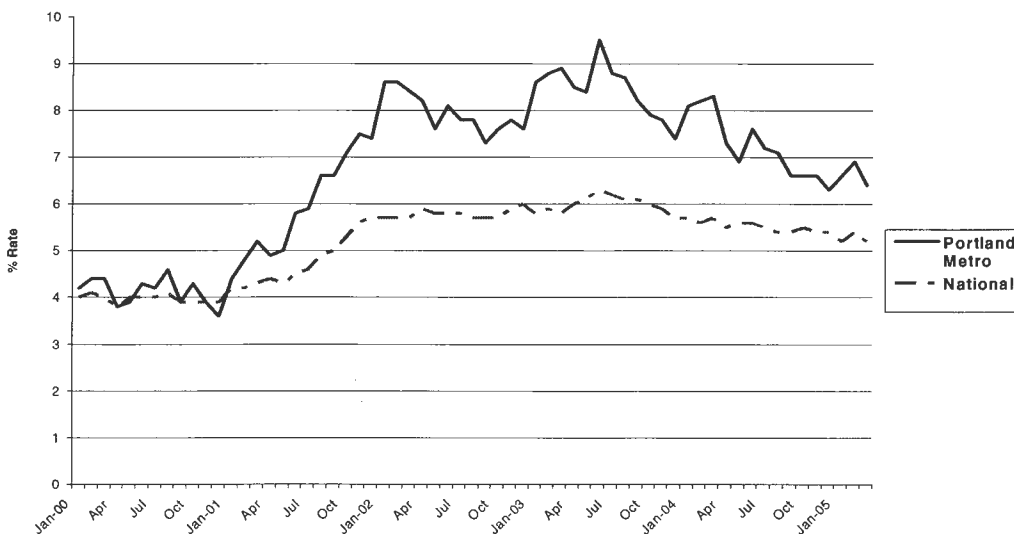
Semiconductor manufacturers, such as Intel and Wacker Siltronic, have established major facilities in the region. The Portland metropolitan area continues to be a major research and development center for the Intel corporation. Tektronix, Nike, and Freightliner, health systems Providence, Kaiser Permanente, and Legacy, as well as retailers Safeway, Albertsons, and Fred Meyer are some of the other major non-government employers in the Portland metropolitan area. Major public employers include Oregon Health Sciences University (OHSU) and Portland State University.

Recent Trends

As of June 2005 the Portland metropolitan area continues to slowly recover from a significant economic recession that has plagued the region since 2001. As of March 2005 the unemployment rate in the Portland metropolitan area was at 6.4%, down from a high of 9.5% in June of 2003. Despite high unemployment, the region's economy has been buttressed by a strong housing market. The median housing price in the Portland metro area increased by 15.6% between March 2004 and March 2005. Housing affordability continues to be a problem in Portland as growth in housing prices far outpaced growth in household income. The median household income in Portland for 2003 was \$40,885, a 5.3% increase from 2000.

Unemployment in Portland has remained above the national average since 2001

**Figure 1
Portland Metro Unemployment**



Shipping and Other Port Facilities

Port of Portland manages shipping facilities and the Portland International Airport.

The Port of Portland, the governmental unit responsible for air and marine port facilities, offers outstanding opportunities for expanding export industries, investments, business, and travel. Portland's deep water location on the Columbia River gives it substantial geographic and economic advantages for freight shipping. The Columbia River shipping channel is maintained at a depth of 40 feet from the Portland harbor to the Pacific Ocean, 110 miles downstream. Besides being the second largest wheat export port in the country and the third largest grain-exporting center in the world, the Port manages Portland International Airport (PDX). The airport handles approximately 12 million passengers annually and is served by 17 passenger carriers providing more than 500 flights daily to over 100 cities in the U.S. and Canada, as well as daily flights to Germany and Japan.

Downtown and Surrounding Redevelopment Projects

The City of Portland balances housing, retail, and office space in its development plans.

The City's financial commitment to its downtown has resulted in one of the nation's most attractive urban cores. Development activity has balanced well with strong gains in housing, retail, and office space. Through 2002, the downtown area experienced one of the strongest building expansions in its history. Development continues at a high level in the nearby Pearl and South Waterfront districts.

The City of Portland maintains strong historic preservation and multifamily housing programs. This assistance in the preservation of downtown housing and historic structures has created a unique urban atmosphere. The blend of old and modern facilities enhances downtown livability. This livability is exemplified by the Pearl District, a modern mix of loft apartments, condominiums, small shops, and galleries, built in an area north of downtown formerly used for warehouses and factories.

The North Macadam district, composed of 409 acres along the Willamette River, was the last large piece of undeveloped land close to the downtown area in 1999 when it was designated an urban renewal district. The successful RiverPlace project is a 73 acre mixed-use development that includes apartments, restaurants, shops, and office space.

Over \$1.3 billion in new development is planned for South Waterfront.

New development in the area now called South Waterfront is expected to include \$1.3 billion in new investment. Former industrial land on the waterfront will be converted into a new neighborhood with a mix of jobs, housing, retail, and recreational facilities.

Within a planned three-phase project, Phase I will include 1,000 units of student, affordable, and market rate condominiums and apartments, a 150-200 room hotel and conference facility, and a large research/clinical building for OHSU, with structured parking and a new aerial tram connecting OHSU's Marquam Hill campus to South Waterfront. The area will also receive streetcar service as the Portland Streetcar is being extended into the area.

Transportation and Land Use

The downtown Transit Mall is at the heart of the TriMet's regional system.

TriMet: Tri-County Metropolitan Transportation District

TriMet provides transit services to about 574 square miles of the metropolitan area. TriMet operates 93 bus lines and provided 63.6 million bus trips in 2004. In that year, the total system provided more than 292,300 daily trips. System ridership continues to grow, as ridership has increased for 15 consecutive years.

The centerpiece of the system is the downtown Transit Mall. Forty-eight bus routes go through this 36-block area, providing easy connections between buses and light rail. The Transit Mall is at the center of Fareless Square, which includes the heart of downtown Portland and extends to the Lloyd Center on the east side of the Willamette River.

The Portland Mall Revitalization Project, expected to be completed in 2009, is intended to enliven SW 5th and 6th avenues, the center of the mall, and bring light rail to the heart of downtown Portland between Union Station and Portland State University.

Growth of Regional Light Rail System

TriMet continues to expand the light rail system.

TriMet's nationally recognized light rail system, known as MAX, runs on a 33-mile line between Hillsboro (18 miles to the west of downtown) and Gresham (15 miles to the east). In 2001, a 5.5 mile spur to the Portland airport was added, and the 5.8 mile Interstate line opened in May 2004.

A new Interstate-205 MAX line, scheduled for completion in 2009, will run 6.5 miles from northeast Portland's Gateway Transit Center to Clackamas Town Center and then to the city of Milwaukie. The growth in MAX lines has added significant economic value to the region. To date, \$3 billion has been invested in new development within walking distance of the 64 MAX stations.

Portland Streetcar Expansion

The Portland Streetcar complements bus and light rail transit.

Working with TriMet, the City constructed a 2.1 mile streetcar line. The line began operating in October of 2001 and runs from Northwest Portland, through the rapidly developing Pearl District, to Portland State University's urban plaza. This successful system is now coupled with development of the South Waterfront area, as the streetcar is being extended to the new development along the Willamette River and is expected to open in 2006.

As part of the development of the long neglected east bank, the City opened the East Bank Esplanade, a 1.5 mile long trail running along the river opposite the downtown skyline. The trail includes a 1,200 foot long floating walkway, the longest of its kind in the United States. Developed for walkers, joggers, bicyclists, and citizens in wheel chairs or on skates, the new esplanade gives visitors unparalleled views of downtown Portland and provides a unique perspective on the river and Portland's east side.

Metro is the country's only elected regional government.

Under Oregon land use law, the Portland area is surrounded by an urban growth boundary. Metro, the country's only elected regional government, manages the boundary and growth within it. Balancing growth with the maintenance of natural amenities is one of the region's major challenges.

Citizen concern for open space was demonstrated through passage of a \$135.6 million open space acquisition bond measure in 1995. Metro has used the bond funds to purchase more than 8,000 acres of natural areas, trail corridors, and greenways.

The Region and Its Environment

Portland is one of the first cities in the country to have waterways listed under the Endangered Species Act.

Portland works to maintain a high quality of life and a healthy environment. Under the Endangered Species Act, steelhead and salmon within Portland-area watersheds were listed as threatened species. In that context, the City must carefully balance environmental, recreational, and commercial concerns as it develops both banks of the Willamette River through the River Renaissance project.

Post-Secondary Education

Portland State University's new urban plaza sits along the city's recently developed streetcar line.

Portland State University (PSU), one of the three large state universities in Oregon and the largest in the Portland area, is located on a campus encompassing more than 28 blocks adjacent to the downtown business and commercial district. As part of its nationally recognized University District Plan, PSU opened a new public administration building and urban plaza in 2001 and plans to build a new \$70 million Northwest Center for Engineering, Science, and Technology center nearby. The center is scheduled to open in late 2005.

Many fine schools dot the Portland landscape.

The Portland area also hosts many other notable institutions, including public, private, and health-oriented schools. Portland, Mount Hood, and Clackamas community colleges provide excellent and affordable two-year programs for many area residents. Private institutions like Lewis and Clark College, Reed College, and the University of Portland have each graduated outstanding leaders in diverse fields. Three of the nation's leading health science institutions are found in Portland: Oregon Health Sciences University, National College of Naturopathic Medicine, and Western States Chiropractic College.

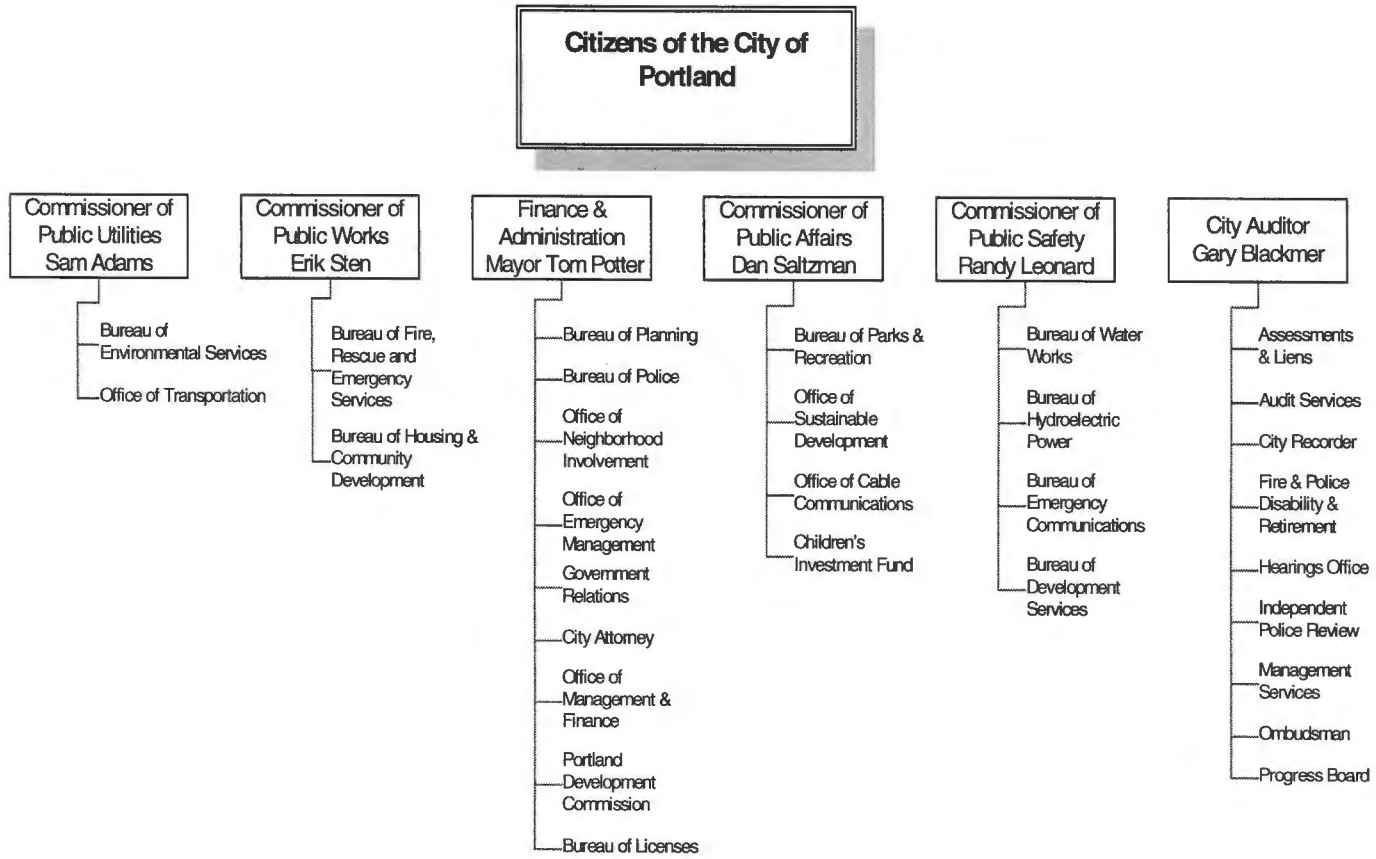
These educational assets, plus clean water and air, cultural diversity, architectural beauty, and the relative ease of getting around, combine to make Portland a popular, livable city. Portland is consistently rated as one of the best cities in the United States in which to live and do business.

A Profile of Portland's Citizens

General Characteristics	2000	Percent of Total	2003	Percent of Total	Percent Change
City Population ¹	529,121		545,140		3.0%
Female	257,965	50.5%	264,672	50.3%	2.6%
Male	253,329	49.5%	261,937	49.7%	3.4%
Age					
Below 5 years	31,557	6.2%	35,606	6.8%	12.8%
6 to 24 years	127,754	25.0%	121,568	23.1%	-4.8%
25 to 44 years	178,760	35.0%	186,431	35.4%	4.3%
45 to 64 years	116,522	22.8%	127,408	24.2%	9.3%
65 years and older	56,701	11.1%	55,596	10.6%	-1.9%
Race/Ethnic Distribution					
African American	31,983	6.3%	35,351	6.7%	10.5%
Asian	32,741	6.4%	36,036	6.8%	10.1%
Hispanic	33,018	6.5%	40,785	7.7%	23.5%
White	390,650	76.4%	391,926	74.4%	0.3%
American Indian	3,105	0.6%	3,836	0.7%	23.5%
Other	19,797	3.9%	18,675	3.5%	-5.7%
Education (Age 25 or greater)					
High school or less	126,401	35.9%	128,266	34.7%	1.5%
Some college through Associate degree	109,682	31.2%	105,117	28.5%	-4.2%
Bachelor's degree	75,632	21.5%	85,083	23.0%	12.5%
Graduate degree	40,268	11.4%	50,969	13.8%	26.6%
Portland At Work					
Occupation					
Managerial and Professional Specialty Occupations	99,515	36.5%	103,926	39.1%	4.4%
Sales and Office Support Service	71,816	26.3%	66,696	25.1%	-7.1%
Service	43,723	16.0%	44,196	16.6%	1.1%
Farming, Forestry, and Fishing	443	0.2%	562	0.2%	26.9%
Construction, Extraction, and Maintenance Occupations	18,671	6.8%	18,902	7.1%	1.2%
Production, Transportation, and Material Moving Occupations	38,522	14.1%	31,760	11.9%	-17.6%
Median Household Income (dollars)	\$38,835	.....	\$40,885	.....	5.3%
Housing in Portland					
Housing Units					
Total Housing Units	237,298		242,629		2.2%
Specified Renter Occupied Units	102,781	43.3%	99,454	41.0%	-3.2%
Median home price ²	\$163,400	.....	\$223,000	.....	36.5%
Housing unit building permits issued	1,798	.....	2,882	.....	60.3%

¹ City population numbers are from PSU's population research center. All other data is from the US Census Bureau's American Community Survey unless noted.

² Data is from local RMLS



FORM OF CITY GOVERNMENT

The City of Portland, incorporated in 1851, is a home rule charter city. The City Charter is the basic law under which the City operates and can be amended only by a vote of the people. In 1913, a modified commission form of government was created, which is rare in cities as large as Portland.

The Charter provides for five nonpartisan Council members, called Commissioners, including the Mayor. They are elected at-large to four-year terms. The positions are full-time and salaried. The City Auditor is also elected and required by Charter to be a Certified Public Accountant. The Auditor is not part of the Council and has no formal voting authority.

The Mayor and Commissioners act as legislators and administrators.

The Mayor is the formal representative of the City and is responsible for assigning each of the Commissioners responsibility for one of five departments: Finance and Administration, Public Affairs, Public Safety, Public Utilities, and Public Works. The Mayor also decides which agencies the Commissioners will manage. The Mayor can change these assignments at any time. Traditionally, the Mayor has been the Commissioner of Finance and Administration.

The Mayor and Commissioners act as legislators and administrators. Thus, Council members are responsible both enacting and enforcing City laws, and administering bureaus under their supervision.

A study of Portland's commission form of government will be completed in FY 2005-06.

The Auditor receives and maintains all documents relating to the accounts and contracts of the City, including its debts, revenues, and financial affairs. The position is responsible for conducting financial and performance audits of City bureaus and their functions. In addition, the Auditor's Office serves as the Council Clerk, responsible for the processing and filing of all official Council actions.

The City operates under the provisions of the City Charter and City Code, which are consistent with the Oregon Constitution and state law (the Oregon Revised Statutes). Non-emergency ordinances are passed by a simple majority vote of three of the five Council members.

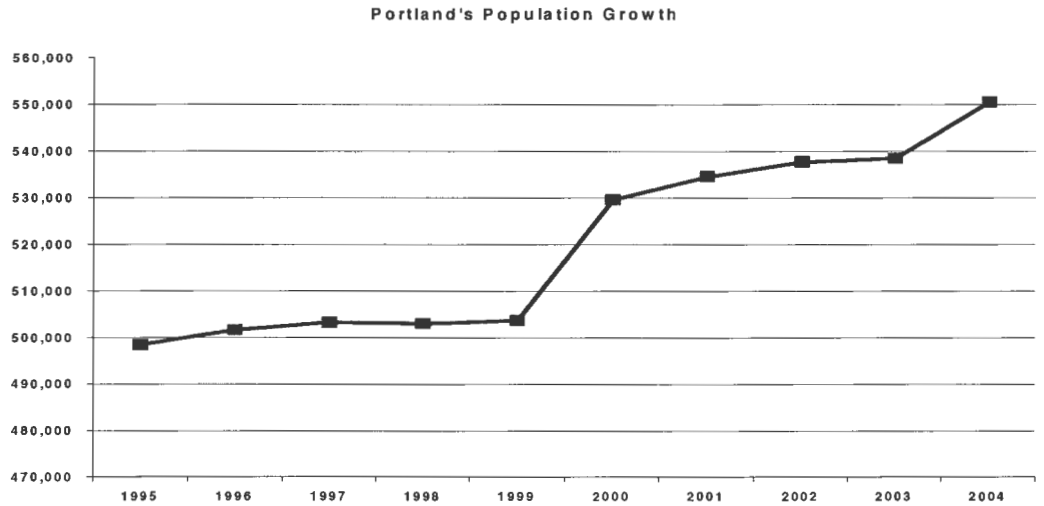
DEMOGRAPHIC DATA

Population

As the regional economy slowly recovers, population growth is increasing.

Rapid increases can be a negative trend if service demands increase faster than revenue growth. Similarly, declines in population can reduce demand and revenue requiring cuts in expenditures.

Figure 2



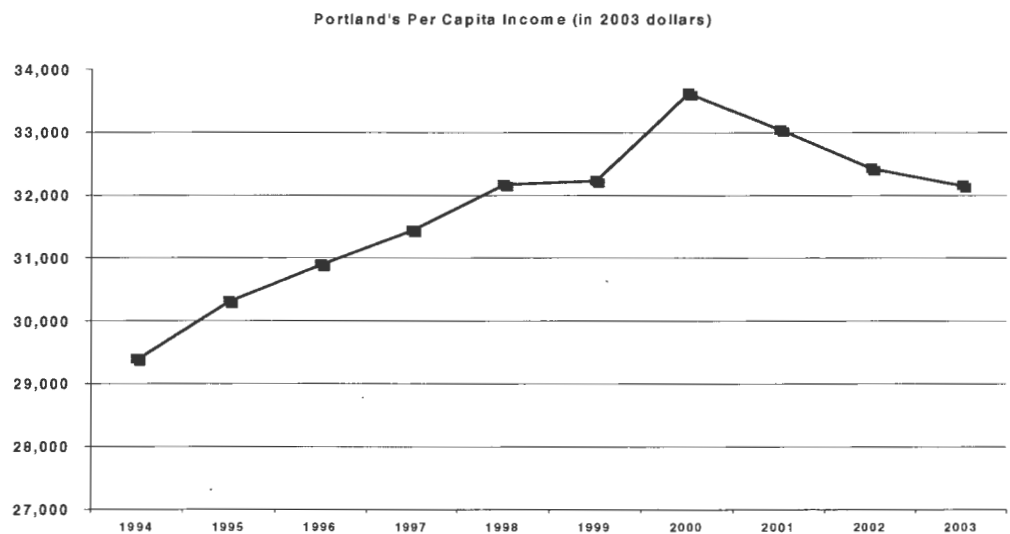
Total city population has increased about 10% over the past ten years - from 498,396 to 550,560; the compounded annual rate of growth was 1.12%.

Per Capita Income

Portland's 2003 per capita income of \$32,152 is 10% higher than the state average.

Declining income per capita is a warning trend indicating general economic problems and a potential decline in the ability of citizens to provide tax resources for government services.

Figure 3



Income per capita increased yearly until 2001 and the recession. The total increase is approximately 9.4% over the past ten years, to an estimated \$32,152 in 2003.

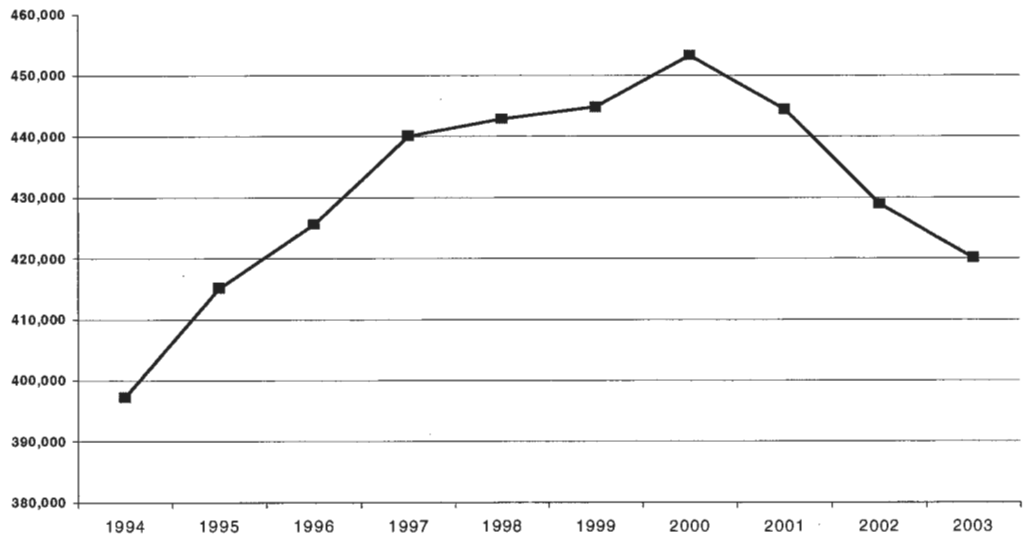
Job Growth

Declines in the number of jobs indicate potential problems with economic vitality and can contribute to higher unemployment rates.

Over 22,000 jobs were added in Multnomah County from 1994 to 2003. However, the recession has clearly affected job growth, with 33,208 fewer jobs in 2003 compared to 2000. Job growth has been most significant in services, construction, transportation, and local government, with retail jobs showing the greatest decline.

Job losses in the Portland region have been more severe when compared to the rest of the state of Oregon.

Figure 4
Multnomah County Job Growth



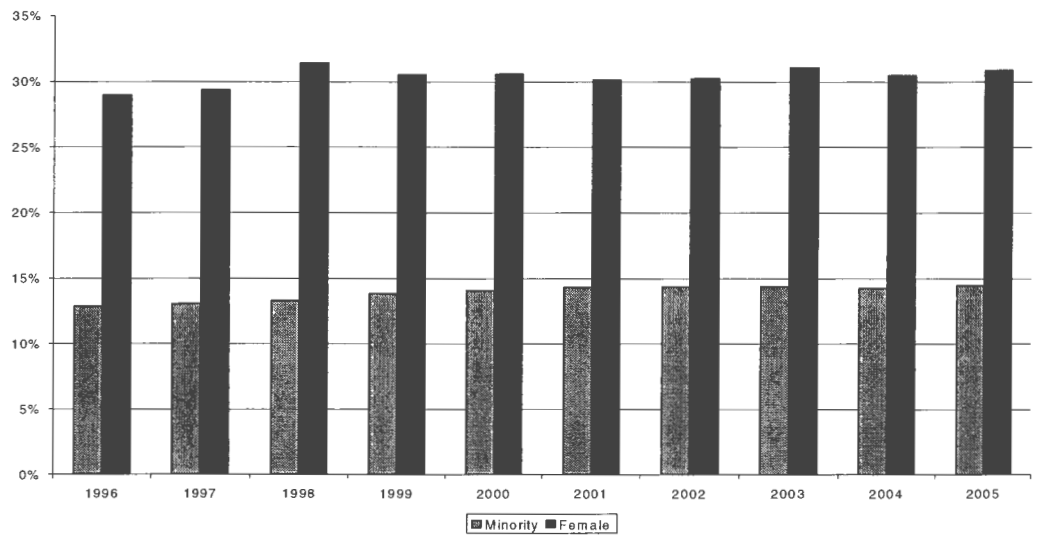
WORKFORCE DIVERSITY

The Council has directed that all City bureaus develop a workforce reflecting the rich cultural diversity of Portland as a community. Figure 5 below indicates that the percentage of all City employees who are women has roughly stabilized at just over 30% in 2005. In the same year, the percentage of minority employees continues to hover at just over 14%.

The table below is current as of June, 2005. It shows female and minority employment as a percentage of total employment within City bureaus.

Figure 5

Citywide Workforce Diversity History: Women and Minorities as a % of City Employees



Workforce Diversity by Bureau - 2005			
	Female Employees as a Percent of Total	Minority Employees as a Percent of Total	Total Employees
Police	26%	11%	1,404
Fire	9%	14%	786
PDOT	24%	16%	731
Office of Management and Finance	43%	21%	664
Bureau of Environmental Services	32%	12%	476
Water	23%	12%	433
Parks	34%	15%	412
Bureau of Development Services	45%	13%	276
Emergency Communications	69%	9%	151
Licenses	71%	22%	73
Office of Neighborhood Involvement	49%	29%	70
Auditor	64%	15%	67
Planning	56%	9%	54
Attorney	60%	13%	40
Office of Sustainable Development	55%	8%	31
Mayor	68%	32%	22
Housing and Community Development	77%	41%	22
Commissioner of Public Utilities - Sam Adams	27%	55%	11
Office of Emergency Management	89%	44%	9
Commissioner of Public Affairs - Dan Saltzman	33%	22%	9
Cable	50%	17%	6
Commissioner of Public Works - Erik Sten	33%	17%	6
Commissioner of Public Safety - Randy Leonard	33%	17%	6
Government Relations	75%	0%	4
City Total	31%	14%	5,765

Budget Overview

A GUIDE TO THE BUDGET OVERVIEW

The City of Portland budget document for FY 2005-06 serves as a fiscal, programmatic, and policy information reference. The document is organized to provide Citywide information at levels of increasing detail.

This Budget Overview section provides summary information about the Adopted Budget for FY 2005-06. The reader will find greater detail and discussion about the effects of financial reductions and reallocations on programs and services in the Service Area Overviews of this document, as well in each bureau's section.

Within the Budget Overview, the City's budget decisions and financial information are presented from a variety of perspectives, each of which offers its own particular insight. There is special emphasis on the General Fund, as it encompasses the discretionary resources available and thus represents the most flexibility for allocating funds to specific programs. In most instances, the dollar amounts in the Budget Overview are shown in comparison with the Revised Budget for FY 2004-05. In the following pages, you will find information on:

- ◆ Total City Budget
- ◆ Expenditures by Major Object Category
- ◆ General Fund Budget
- ◆ Highlights of Decisions by City Goal
- ◆ General Fund Revenues - Summary of Changes from the Previous Year
- ◆ Other Funds - Summary of Changes from the Previous Year
- ◆ Capital Improvement Plan

Summary financial tables are in the Financial Summaries section of this budget document.

BUILDING A BUDGET TO MEET CITY GOALS

Developing a City budget is a challenging endeavor, given the balancing of service demands and higher costs with limited resources. FY 2005-06 is the sixth consecutive year when current service level costs exceed forecasted revenue in the General Fund. Slow revenue growth due to continued recession and tax limitations has made it difficult for the City of Portland to maintain its current levels of service. This is true in almost every fund and bureau of the City.

Limited City resources have required the Council to be strategic in focusing the Adopted Budget to support established Council priorities. Special attention has been paid to maintaining frontline, direct services where cuts were required. The City has established vision, mission, and values statements as a direction-setting framework.

The Mayor has initiated, with Council support, a broad visioning and strategic planning effort. This is aimed at engaging citizens and the City's service delivery partners in ensuring a fresh, current vision for the City's future. The 18-month process is expected to have some results to inform the next budget cycle.

**Council Vision,
Mission, Values, and
Goals**

Vision

We aspire to be a beautiful, safe, and clean city of choice for ourselves and future generations - a city with a healthy and sustainable economy, strong businesses, vital neighborhoods, a diverse population, excellent schools, a vibrant downtown, an honest government that is open and participatory, extensive recreational and cultural opportunities, a healthy environment, and sufficient housing stock to meet our needs.

Mission

The mission of the City of Portland is to ensure the health, safety, and wellbeing of its citizens and visitors; to build social and economic prosperity for all; and to preserve, protect, and improve our quality of life and natural environment. We will accomplish this mission by providing effective and efficient municipal services in a responsive, ethical, and accountable manner.

Values

- ◆ **Commitment:** We believe that service to our citizens and customers is our most important job. We will make sure that people can count on us to be responsive to the needs of the community.
- ◆ **Integrity:** Whenever we make a decision, provide a service, or deal with citizens and customers, we act with honesty and integrity. People learn from interacting with us that they can continue to trust us. We treat all people equally and equitably.
- ◆ **Partnerships:** Our team will support and complement the leadership of our Mayor and City Council. We involve people and key stakeholders because we value their commitment, diversity, and ownership.
- ◆ **Innovation:** We will apply creative and cost effective solutions when delivering services to our community with a goal of continuously improving the quality of life.

Goals

The current goals of the Mayor and the City Council follow. These goals will be updated and realigned to reflect results of the citywide visioning process and to ensure consistency with the goals of the City's Managing for Results initiative.

Ensure a safe and peaceful community:

- ◆ Protect life.
- ◆ Preserve property.
- ◆ Promote community responsibility, commitment, and preparedness.

Promote economic vitality and opportunity:

- ◆ Support quality education.
- ◆ Provide high quality, reasonably priced public utility services
- ◆ Create an attractive location for businesses and jobs.

Improve the quality of life in neighborhoods:

- ◆ Ensure growth and development are well managed.
- ◆ Provide access to transportation and recreation services.
- ◆ Provide affordable housing and reduce neighborhood nuisances.

Protect and enhance the natural and built environment:

- ◆ Protect the city's land, water, air, and open spaces.
- ◆ Provide safe drinking and waste water services.
- ◆ Protect endangered species.

Operate and maintain an effective and safe transportation system:

- ◆ Provide multi-modal transportation choices.
- ◆ Maintain and improve street conditions.
- ◆ Support economic development and neighborhood livability.

Deliver efficient, effective, and accountable municipal services:

- ◆ Deliver responsive, competitive government services.
- ◆ Maintain healthy City financial condition.
- ◆ Manage government to achieve goals.

In this Overview, the Summary of Decisions by Council Goal section describes some of the decisions as they are incorporated into the Adopted Budget.

BUDGET SUMMARY

The Adopted Budget is the culmination of months of discussions, hearings, and meetings among Council members, bureau directors and staff, and citizens.

Total City Budget

The total City budget is up by \$133 million from the FY 2004-05 Revised Budget.

Total Legal Budget

State of Oregon Local Budget Law requires reporting of the City's total budget. This is defined to include total operating costs and the internal transactions between funds. The total Adopted Budget for FY 2005-06 is \$2.69 billion, which reflects a \$133 million increase from the FY 2004-05 Revised Budget.

Total Net Budget

The calculation for total City budget overstates actual expenditures for programs, because it double counts internal transactions. Such transactions occur between City funds, typically when one City agency provides services to another. Because this technically inflates the budget, the City usually references a net budget.

The net Adopted Budget is \$116 million more than the FY 2004-05 Revised Budget.

Eliminating the double count for the internal transfers, the City's net budget for operating and capital requirements in FY 2005-06 is \$1.98 billion. Table 1 of the Financial Summaries provides greater detail of the total and net City budget figures. A summary is shown below.

Figure 1: Expenditures by Major Object Category

Major Object Category	Revised FY 2004-05	Adopted FY 2005-06	Dollar Change	Percent Change
Personal Services	\$ 440,998,314	\$ 445,197,791	\$4,199,477	1.0%
External Materials & Services	557,078,298	551,337,367	(5,740,931)	-1.0%
Internal Materials & Services	182,350,538	195,932,994	13,582,456	7.4%
Capital Outlay	230,463,523	224,405,299	(6,058,224)	-2.6%
Equipment Cash Transfers	3,060,834	25,000	(3,035,834)	-99.2%
Total City Bureau Expenses	1,413,951,507	1,416,898,451	2,946,944	0.2%
Inventory Increases	-	140,000	140,000	NA
Contingency	345,235,482	222,675,055	(122,560,427)	-35.5%
Ending Fund Balance	68,601,612	311,018,077	242,416,465	353.4%
Debt Service	246,808,916	250,100,099	3,291,183	1.3%
Fund Level Cash Transfers	480,489,228	487,664,881	7,175,653	1.5%
Total City Budget	2,555,086,745	2,688,496,563	133,409,818	5.2%
Less Internal Transfers & Tax Anticipation Notes	(685,900,600)	(703,622,875)	(17,722,275)	2.6%
Total Net City Expenses	\$ 1,869,186,145	\$ 1,984,873,688	\$115,687,543	6.2%

Total City Budget Charts

The following charts graphically summarize the total City budget. For a numerical summary, refer to Table 2 - Operating and Capital Budget by Service Area, which is in the Financial Summaries section of this document.

Figure 2: City Net Budget - Resources by Major Category

Resource	Budget	Percent
Beginning Fund Balance	\$ 465,678,049	23.5%
Taxes	\$ 342,221,027	17.2%
Licenses & Permits	\$ 120,675,200	6.1%
Service Charges & Fees	\$ 392,488,024	19.8%
Federal Sources	\$ 65,528,838	3.3%
State Sources	\$ 57,177,288	2.9%
Local Sources	\$ 65,933,520	3.3%
Miscellaneous Sources	\$ 53,267,749	2.7%
Bond & Note Proceeds	\$ 421,903,993	21.3%
Total Net Budget:	\$1,984,873,688	100.0%

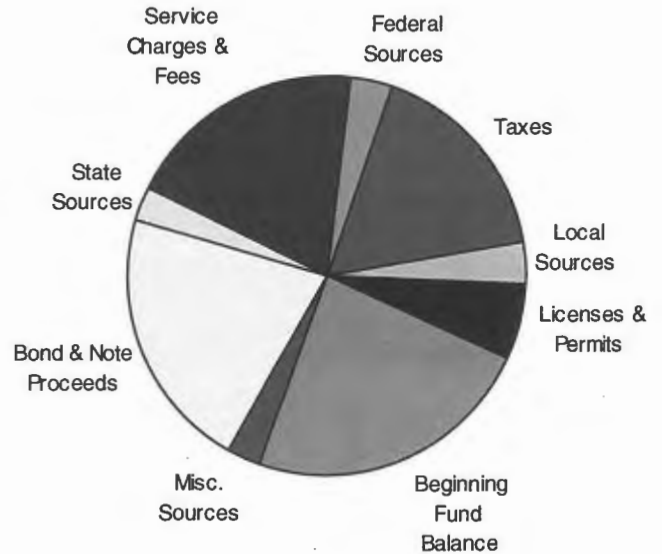
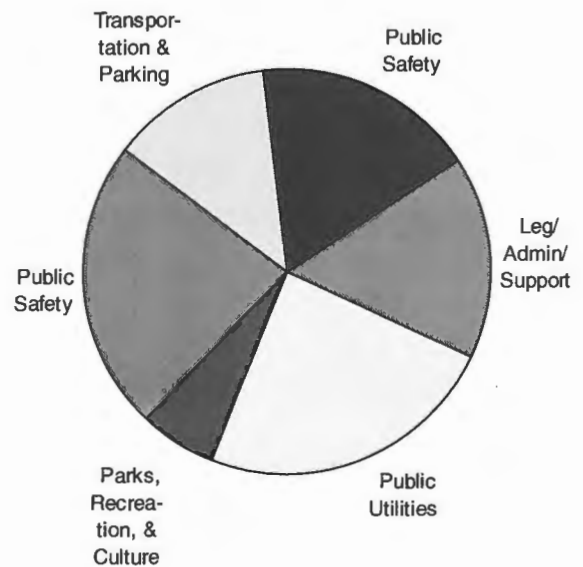


Figure 3: Total City Bureau Budget - Requirements by Service Area

Service Area	Budget	Percent
Leg/Admin/Support	\$ 226,410,013	16.0%
Community Development	\$ 254,758,702	18.0%
Parks, Recreation, & Culture	\$ 87,161,458	6.2%
Public Safety	\$ 331,633,080	23.4%
Transportation & Parking	\$ 178,530,447	12.6%
Public Utilities	\$ 338,404,751	23.9%
Total City Bureau Expenses:	\$1,416,898,451	100.0%



General Fund Budget

General Fund resources are categorized as either discretionary or non-discretionary. Discretionary resources are those that the Mayor and Commissioners can allocate to fund programs and services in any area. In other words, these resources have few restrictions on how they can be allocated. General Fund discretionary resources are typically used to support such basic City services as police, fire, and parks.

Discretionary resources total \$309 million, 70% of the General Fund.

Discretionary resources include property taxes, utility license fees, business license fees, transient lodging taxes, state shared revenues (from cigarette and liquor taxes), interest income, and miscellaneous revenues and cash transfers into the General Fund. Non-discretionary resources include grants, contract revenues, service reimbursements, and other revenues specifically dedicated for a particular purpose.

All General Fund resources are also categorized as either one-time or ongoing. An example of a one-time resource is an increase in beginning fund balance. While available in the specific year, it is not a resource that can be relied upon in future years. An example of an ongoing resource is an increase in property tax revenues that would be sustained over time. The City budget uses a combination of one-time and ongoing resources to fund programs and services. City financial policies state that one-time resources may not be used to fund ongoing expenses.

Net General Fund Budget

The following charts summarize the City's General Fund Budget, which totals \$439.0 million for FY 2005-06. For the numerical summary, refer to Table 3 - General Fund Revenues and Expenses, in the Financial Summaries section.

Figure 4: General Fund - Resources by Major Category

Resource	Budget	Percent
Beginning Fund Balance	\$ 33,505,245	7.6%
Property Taxes	\$ 158,678,968	36.1%
Lodging Taxes	\$ 12,092,518	2.8%
Business Licenses	\$ 44,418,253	10.1%
Utility License Fees	\$ 57,612,597	13.1%
Service Charges & Other	\$ 24,652,298	5.6%
Intergovernmental	\$ 41,062,065	9.4%
Transfers from Other Funds	\$ 67,015,399	15.3%
Total General Fund Budget:	\$ 439,037,343	100.0%

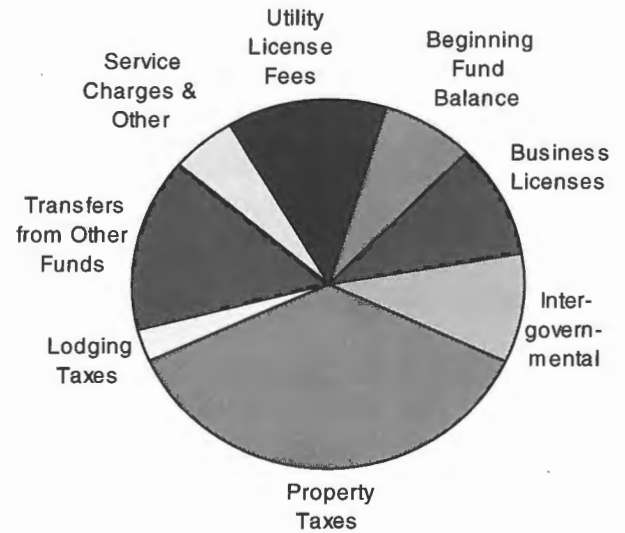
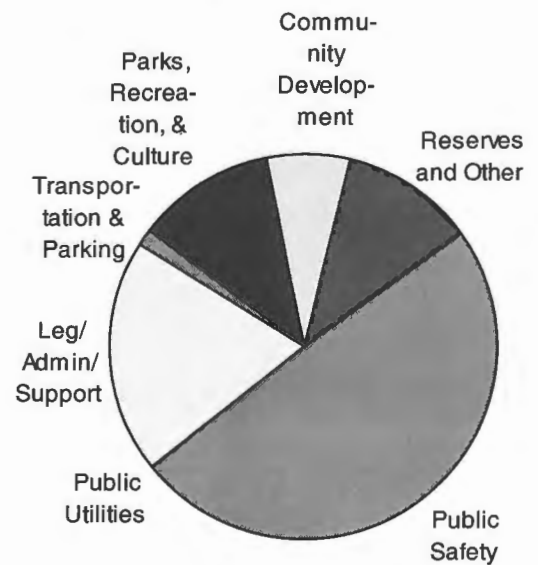


Figure 5: General Fund - Requirements by Service Area

Service Area	Budget	Percent
Community Development	\$ 30,472,419	6.9%
Leg/Admin/Support	\$ 86,325,423	19.7%
Parks, Recreation, & Culture	\$ 51,092,137	11.6%
Public Safety	\$ 214,450,483	48.8%
Public Utilities	\$ 352,056	0.1%
Transportation & Parking	\$ 6,118,247	1.4%
Reserves and Other	\$ 50,226,578	11.4%
Total General Fund Budget:	\$ 439,037,343	100.0%



**Summary of Decisions
by Council Goals**

This section summarizes the Council's budget decisions by Council goal. Many of the decisions support more than one goal, which is consistent with the approach of the Mayor and Council to leverage efforts and funding.

Ensure a safe and peaceful community

There are no reductions that impact frontline service delivery for Police, Fire, and Emergency Communications.

- ◆ Police detectives are redirected to handle child abuse and domestic violence cases as a priority.
- ◆ Nine emergency communications operator trainee positions are funded to maintain an adequate staffing level.
- ◆ A fire station scheduled for opening in FY 2006-07 is deferred indefinitely, and the Fire Bureau will conduct a service delivery system study to determine how best to use existing resources.
- ◆ \$200,000 is budgeted to support a public safety budget effort coordinated with other local service providers.
- ◆ Additional jail beds will be available through \$1.8 million from City funding.
- ◆ A merger of the Portland Office of Emergency Management and the Bureau of Emergency Communications will be studied to determine potential savings and operating efficiencies in delivering emergency communications and emergency and disaster preparedness services.
- ◆ The General Fund Capital Set-Aside includes \$437,000 in funding for major maintenance of the 800 MHz radio system, which includes the regional public safety communications system.
- ◆ \$1.5 million is allocated for Fire apparatus replacement.
- ◆ \$1.0 million in one-time funding is provided for strategic policing initiatives, as is \$269,834 for Central City Concern to address the Hooper Detox Center deficit.

Promote economic vitality and opportunity

- ◆ Rate increases for environmental services and water will be held to 5.9% and 0.6% respectively. Increases are needed to fund major capital projects addressing aging infrastructure and environmental mandates.
- ◆ Economic development funding is provided totaling \$874,000.
- ◆ Although education is not a direct financial responsibility of the City, the City has worked with Multnomah County, the school districts in the city, and the business community to impose a Business License Fee surcharge for three years raising \$6.0 million per year for Portland schools. FY 2005-06 will be the last year of this fee.
- ◆ The ongoing downtown marketing program will continue to be funded for \$400,000.
- ◆ \$1.2 million in one-time funding is provided for the Portland General Electric acquisition effort.

Improve the quality of life in neighborhoods

- ◆ In FY 2004-05, up to \$11 million was made available for affordable housing through a combination of one-time and ongoing funds over a three-year period. For FY 2005-06, \$1.0 million in one-time funding is provided, as well as an additional \$1.0 million for homeless programs.
- ◆ A portion of the Office of Neighborhood Involvement (ONI) budget is redirected to create a Community Visioning and Empowerment account. This will be used to engage citizens in the visioning process and provide additional new resources to neighborhoods.
- ◆ The ONI Noise Control program will be transferred to the Bureau of Development Services to allow a more efficient workload distribution and better peak period coverage.

Protect and enhance the natural and built environment

- ◆ The Adopted Budget allocates about \$0.7 million for Endangered Species Act (ESA) listings and planning efforts along the Willamette River.
- ◆ The Green Investment Fund continues grants for residential and commercial "green building" projects.
- ◆ The Bureau of Environmental Services continues to fund cleanup of Portland Harbor, the Combined Sewer Overflow (CSO) project, and other expenditures to address listings under the ESA.
- ◆ Funds are redirected in Parks to address backlogged maintenance, and \$835,000 in one-time funding is provided to support the effort.
- ◆ One-time funding is provided for two Parks development efforts: \$230,000 for Holly Farm Park and \$248,000 for skateboard parks construction.
- ◆ \$150,000 in one-time funding is provided for Lone Fir Cemetery.
- ◆ A new special appropriation of \$65,000 is provided for the sustainable food initiative.
- ◆ The block-by-block weatherization fix-it fairs will be continued for \$85,000.

Operate and maintain an effective and safe transportation system

- ◆ Indirect services were reduced to fund an additional \$1.2 million for street preservation.

Deliver efficient, effective, and accountable municipal services

- ◆ A Charter review is funded for \$400,000. This will include an evaluation of the City's governing structure and several service delivery issues.
- ◆ Publicly financed campaigns for candidates running for City elected offices are funded. The Campaign Finance Fund will be managed by the Auditor's Office.
- ◆ An 18-month visioning and strategic planning effort will engage citizens and area service delivery partners in setting the City's future direction and resulting funding priorities.
- ◆ The Mayor's Bureau Innovation Project recommendations were released in May. Funds are budgeted to continue project work.
- ◆ Training funds were redirected from bureau budgets to establish a centralized training

effort for improving cultural awareness, labor and management relations, and management skills. This is one-time funding with the intent of training bureau staff to continue this work.

- ◆ An acquisition process is in progress to procure a new, Citywide management information system. The system cost is to be paid over an eight-year period. Bureaus have absorbed this cost in their budgets.
- ◆ A new position is funded for the Auditor's Office to assist in implementing the Managing for Results program.
- ◆ Various initiatives to improve the efficiency of school services will be supported by \$600,000 from City funds.

Opportunities for improved customer service and cost savings were identified in the budget process. Various budget notes direct work to be done and reported back to Council regarding the following:

- ❖ Possible consolidation and/or coordination of maintenance facilities and services among the City, Multnomah County, and Portland Public Schools
- ❖ Consolidation of City long-range planning functions
- ❖ Coordination of public safety services with Multnomah County and the cities of Multnomah County
- ❖ Consolidation of finance and administrative functions between the bureaus of Water and Environmental Services
- ❖ Consolidation of various bureaus' public information functions

General Fund Revenues - Summary of Changes from the Previous Year

In FY 2005-06, General Fund resources increase by \$4.9 million from the Revised Budget for FY 2004-05. The following section summarizes key revenue sources of the City's General Fund and compares them with FY 2004-05 Revised Budget figures. In the Financial Tables section, Table 5 - Total Revenues and Expenses by Fund provides extensive detail across five fiscal years.

Beginning Balance: The total beginning fund balance increases \$7.6 million or 29.5% from the FY 2004-05 Revised Budget of \$25.9 million.

Property Taxes: Property taxes increase \$5.5 million, or 3.6%, to a total of \$158.7 million. This modest increase confirms the anticipated effects of the recession and the last property tax limitation measure. That measure, Measure 50, limits taxable assessed value growth to 3% per year, plus any new construction. Property taxes are now computed as a fixed rate upon the assessed value.

Lodging Taxes: Lodging taxes, charged to guests staying in city hotels and motels, were severely affected by the events of September 11th and the recession. This resource increases slightly, from \$10.8 million to \$12.1 million, as the economy recovers.

The recession and events of September 11th had a major impact on elastic resources such as lodging taxes and business license fees.

Business License: Business license revenues are fees paid by businesses operating in Portland. Now expressed on a net revenue basis, these fees increase \$5.1 million, about 13.1%, to \$44.4 million. This resource dropped during the recession from its high of \$44.7 million in FY 2000-01 but is now recovering.

Utility License Fees: These fees are charged to private utilities and cable companies, as well as to the City's water and sewer utilities. The water and sewer fees were capped by Council in 2004. Revenues for FY 2005-06 decrease \$0.7 million and total \$57.6 million.

Internal Revenues: Sources of internal revenues are transfers and interagency agreements for services provided by General Fund bureaus. Thus they are offset by expenditures in the other funds. These revenues increase \$9.3 million to \$67.0 million.

Intergovernmental Revenues: These include state and local government revenues, as well as federal grants. They total \$41.1 million for FY 2005-06, down \$24.9 million, primarily due to grant funds carried over from FY 2003-04 to FY 2004-05.

Service Charges and Fees: Projected revenues increase \$1.7 million to \$24.7 million.

Other Funds - Summary of Changes from the Previous Year

This section presents highlights of changes within the specific funds. More detailed information on any fund is available in Volume Two of this budget document.

One new fund is included for the new Willamette Industrial urban renewal area.

Another fund was created to budget and account for campaign finance, a new City program for voter-owned elections.

Transportation Operating

The operating fund increases \$12.6 million. The Mayor cut indirect costs to pay for an additional \$1.2 million for street preservation.

Development Services

The fund increases \$0.8 million, which represents a 2.3% change from the Revised Budget of FY 2004-05. The five-year financial forecast projects sufficient revenues and reserves in all programs except Land Use Services. The Council recently adopted a new development fee to benefit that program, replacing part of the building permit fee.

Sewer System Operating

The operating budget decreases by \$12.3 million, or 3.2% from the FY 2004-05 Revised Budget. Decreases are largely in capital outlay and materials and services. Capital reductions come as work is completed on the westside CSO tunnel and begins on the eastside. The materials and services decrease consists of the transfer of Portland Harbor cleanup to the Environmental Remediation Fund, and reductions to minimize rate increases.

Water

This enterprise bureau's operating fund increases expenditures by \$11.4 million. The main increase is in the capital program, which is dedicating more effort and resources to maintenance. Consolidation with the Powell Valley Road Water District (PVRWD) also increases costs, covered by additional revenue from the new PVRWD retail customers.

Housing Investment Fund

Last year a total of \$11 million was dedicated to affordable housing to be spent over three years. Funding for that program continues this year. \$500,000 from reserves is used for the Transitions to Housing program in FY 2005-06, following a similar investment in FY 2004-05.

General Reserve

The General Reserve Fund is budgeted at \$50.0 million. This amount maintains the City commitment to set aside funds for fiscal emergencies. Half of the fund is targeted for emergencies such as natural disasters. The other half is for economic downturns such as a recession or other significant negative impacts to General Fund resources, such as tax limitation measures. The FY 2005-06 Adopted Budget includes a contribution of \$5.5 million to this fund, which the Council is setting aside for possible future needs.

*Construction projects
continue in the fire stations.*

Bureau of Fire, Rescue, and Emergency Services (BFRES) Facilities GO Bond Construction

The fund decreases \$4.4 million to \$9.9 million, reflecting the continuation of scheduled capital construction and improvements for the Fire Bureau. This is a multi-year capital improvement plan for seismic and other renovations and additional fire stations.

Fire and Police Disability and Retirement

This fund increases \$3.0 million or 2.8% from the Revised Budget for FY 2004-05. As of June 30, 2004, there were 1,572 active, working sworn Fire and Police personnel participating in the Fire and Police Disability and Retirement Plan. There are 1,709 retirees, beneficiaries, and participants with long-term disabilities currently receiving benefits and 32 terminated employees vested but not yet receiving benefits under the plan.

Health Insurance Fund

The fund decreases from \$43.0 to \$41.2 million. Health benefit costs have exceeded City bureau contributions to the fund, and reserves have been utilized to mitigate substantial increases in employee premium contributions. The latest projections anticipate that balances available for this purpose will be depleted in FY 2005-06. The City is working with labor groups to manage health care cost increases.

Facilities Services

This internal service fund is reduced from \$42.6 to \$37.6 million. The net reduction is due primarily to carrying over Capital Improvement Plan projects from the prior year.

Fleet Services

Fleet Services is reduced to \$37.9 million, down from \$42.8 million. The reductions reflect the timing of scheduled vehicle replacement and reductions in operating costs as part of Citywide reductions.

CAPITAL IMPROVEMENT PLAN

Overview

The FY 2005-06 Adopted Citywide Capital Improvement Plan (CIP) budget totals \$308.9 million, not including the Portland Development Commission (PDC). The Citywide CIP for FY 2005-06 through FY 2009-10 is projected to be \$1.3 billion.

The General Fund Capital Set-Aside is \$1.8 million, net of debt service.

Highlights

Public Safety

- ◆ Fire Apparatus Replacement \$1,515,700

Parks, Recreation, and Culture

- ◆ University Park Community Center \$5,513,000
- ◆ Maintenance Facility Replacement \$1,090,000
- ◆ Skateboard Parks \$508,000
- ◆ Mt. Scott & East Portland Pool Maintenance \$463,000

Public Utilities

- ◆ Combined Sewer Overflow Program \$92,989,851
- ◆ Water Distribution Mains \$6,070,000

Transportation

- ◆ South Waterfront \$20,836,863
- ◆ Street Preservation and Rehabilitation \$13,801,236
- ◆ Freight & Industrial Area Improvements \$8,082,116

Legislative, Administrative, and Support Services

- ◆ Enterprise Business System \$4,330,430
- ◆ Fire & Rescue Facilities GO Bond Program \$7,212,136
- ◆ Parking Facilities Maintenance \$1,377,500
- ◆ Police Facilities \$997,250
- ◆ Union Station \$1,076,450

THE BUDGET PROCESS

Local Budget Law

Budgeting in Oregon is governed by Local Budget Law, Chapter 294 of the Oregon Revised Statutes. The law has two major objectives:

Provide standard procedures for preparing, presenting, and administering local budgets;

Ensure citizen involvement in the preparation of the budget.

Budgeting in Oregon is an effort shared by citizens, who receive services funded through the budget, and elected and appointed officials responsible for the provision of the services.

Citizens involved in the budget process work to ensure the services they require and want are adequately funded. City officials are responsible for the budget reflecting public interest and being structurally correct.

The Tax Supervising and Conservation Commission (TSCC), a five-member citizen board appointed by the Governor, reviews the budgets of all governmental jurisdictions in Multnomah County. The Commission, together with the State Department of Revenue, is responsible for ensuring budgets comply with Local Budget Law.

Budget Officer and Budget Committee

To give the public ample opportunity to participate in the budgeting process, Local Budget Law requires that a budget officer be appointed and a budget committee be formed. The budget officer draws together necessary information and prepares the Proposed Budget. The budget committee then reviews and revises the Proposed Budget before it is formally adopted. For the City of Portland, the budget officer is the Mayor, and the budget committee consists of the members of the City Council.

Notices are published, budgets are made available for public review, and opportunities for public comment are provided. These requirements encourage public participation in the budget decision-making process and give public exposure to budgeted programs and fiscal policies prior to adoption.

Preparing the Proposed Budget

Acting as the Budget Officer, the Mayor is responsible for overseeing the preparation of the Proposed Budget for presentation to the City Council sitting as the Budget Committee. The Proposed Budget is the culmination of an extensive process of budget development, analysis, and revision. Bureaus prepare Requested Budgets in accordance with direction given by the Mayor. These are submitted to Financial Planning, which then analyzes the requests.

The Mayor considers a wide variety of input in crafting the Proposed Budget. This year he considered the recommendations from two work teams composed of Commissioners and citizens, suggestions from an ad hoc Utility Review Group as well as input in various forms from citizens.

Citizen Involvement Process

The City of Portland engages in a proactive citizen outreach effort as part of the budget process. In the past, the City has utilized a variety of methods to solicit budget input. These include:

- ◆ Scientific telephone survey
- ◆ Informal, mass mailing survey of citizens
- ◆ Community forums
- ◆ Large focus group discussion
- ◆ Web site survey and question and answer site

This year, two community budget forums and one formal budget hearing were held. These events were well attended. At the forums, citizen comments and concerns were heard from the audience and informal surveys were taken. Citizens have consistently indicated that they felt the forums were an excellent opportunity for face to face interaction with City Council members and bureau management.

The City has a nationally recognized commitment to active participation in its budgetary process. Portland uses the following systems to ensure this high level of citizen involvement.

Budget Web Site

Citizens can participate over the Internet.

The City maintains a community-oriented web site: www.portlandonline.com/communitybudget. At the web site, the public can complete a version of the survey, submit questions about the budget, and offer budget suggestions. During the budget decision making process, electronic testimony is accepted from the web site. The web site also contains links to the budget documents and other financial reports.

Budget Advisory Committees (BACs)

The BACs are made up of citizens appointed by the Commissioners-in-Charge. These committees monitor bureau budgets and operations and identify issues for Council consideration. Initiated in 1974 with five BACs, today Portland continues to be served by BACs in many of the major City bureaus. The committees may be provided with time during Council budget hearings to present their reports or submit them in writing.

Portland Utilities Review Board (PURB)

The PURB is an appointed body of nine interested citizens who provide independent and representative review of water, sewer, and solid waste financial plans, budgets, and rates. The PURB operates in an advisory capacity to the City Council. Council expects the PURB to provide common ground between the rate makers and the rate payers through analysis of financial plans and budgets. The board meets monthly to ensure a comprehensive understanding and assessment of the working in the City's utilities.

Direct Public Testimony

In addition to participating in the budget advisory committees, the PURB, and community budget forums described above, citizens have several opportunities to personally testify on bureau budget requests:

- ◆ Work team hearings: This year, the Council work teams held hearings on various bureau budgets.
- ◆ Annual Budget Hearings: The City Council, sitting as the Budget Committee, holds one or more public hearings before the budget is approved. The public may testify on any topic during such hearings.
- ◆ Tax Supervising and Conservation Commission Hearing: Public testimony is taken during the TSCC hearing on the City's Approved Budget.
- ◆ Adopted Budget Hearing: Testimony is taken at the City Council session for the final adoption of the budget. This typically occurs in mid to late June.

Citizens may also contact the Mayor and Commissioners directly to provide input to the budget.

Each year, as part of the Council's budget planning session, the Office of the City Auditor issues a report identifying workload and performance trends for each of the City's major service areas. Part of the report, entitled Service Efforts and Accomplishments (available at www.portlandonline.com/auditor), is a nationally-recognized public opinion survey for the City overall and for each of the covered service areas. This report represents another form of public input used by the Council during the budget process.

Approving the Budget

In accordance with Local Budget Law, the City Council is convened as the Budget Committee to consider the Proposed Budget. The public is encouraged to attend and provide testimony on the Proposed Budget. Announcements advertising the Notice of Budget Committee Meeting are printed in local newspapers prior to the meeting. The timing and frequency of the public notices are governed by Local Budget Law.

Public Process

The Budget Committee meets to accomplish four actions:

- ◆ Receive the budget message and budget document.

- ◆ Hear and consider public testimony.
- ◆ Review and approve a balanced budget.
- ◆ Approve the rate for property taxes.

The Budget Officer may provide a copy of the Proposed Budget to each member of the Budget Committee at any time prior to the first Budget Committee meeting as advertised in the notice. The budget is a public record at this point.

At the first Budget Committee meeting, the Mayor delivers the budget message. This message explains the Proposed Budget and significant changes in the City's financial position.

After the initial meeting, the Budget Committee may meet as many times as needed to revise and complete the budget. If two or more meetings are held to take comment from the public, the first meeting to do so must meet Local Budget Law publication requirements. Notice of other meetings of the Budget Committee must be provided as required by Oregon public meeting law. All meetings are open to the public.

Output from the Approved Budget Process

Subsequent to the approval of the budget, Financial Planning summarizes the changes in the budget from the Mayor's Proposed Budget version to the Approved Budget version. This information and copies of the Proposed Budget are sent to TSCC for review and analysis.

Tax Supervising & Conservation Commission Hearing

TSCC is responsible for reviewing, holding hearings, and producing a report on the budgets for every jurisdiction in Multnomah County. They hold a required public hearing, with Council in attendance, on the Approved Budget.

The outcome of this hearing is a letter certifying that the budget is in compliance with Local Budget Law. The letter may contain recommendations and/or objections. The City is responsible for addressing any objections or recommendations prior to final adoption of the budget by City Council.

Adopting the Budget

City Council votes to officially adopt the budget in late June. Changes that may be incorporated between the time the budget is approved and final adoption are defined by Local Budget Law and are very limited. Changes normally include technical adjustments and carryover amendments.

Amending the Budget

Changes after budget adoption are completed through the budget monitoring process (BuMP), which also includes a minor supplemental budget and a major supplemental budget. In a BuMP, bureaus can request to transfer appropriation. In a supplemental budget, bureaus can request to increase their appropriation; the magnitude of the increase determines whether a bureau is in the minor or major supplemental. The BuMP and minor supplemental budget process provide Council the opportunity to change the budget three times per year. The major supplemental budget process provides the opportunity for changes twice per year, timed to coincide with the fall and spring BuMPs, and includes a TSCC hearing.

FY 2005-06 Budget Preparation Process and Direction

There were two very significant factors that influenced the preparation of the Adopted Budget. First, in December 2004, the five-year financial forecast for the General Fund showed a large out-year deficit. This was the result of increasing financial pressures such as healthcare and slow revenue growth. Because it is the City's policy to balance the budget over a five-year horizon, a spending cut of over 5% was called for. This was following five previous years of cuts.

The second significant factor was that for the first time in 12 years, the City of Portland had elected a new Mayor. The development of this budget was based on his direction for a highly collaborative and participatory process. In conjunction with the Council, it was determined that the looming deficit would be addressed over two budget cycles. This strategy was chosen to solicit more public input on possible service reductions and to utilize results from the planned visioning and strategic planning initiatives.

While the General Fund is facing financial pressures, cost of service is an issue for all bureaus. Therefore, the Mayor directed all bureaus to prepare cut packages for consideration totaling 5%.

In the spirit of collaboration, the Mayor requested City Commissioners to aid him in developing the Proposed Budget by reviewing bureau budget requests and making recommendations to him. Toward this end two work teams were formed, each consisting of two Commissioners and one citizen. Both groups held numerous public meetings. One of the teams also convened a group of utility experts to review the Environmental Services and Water Bureau budgets. The Mayor chose to accept over 75% of the recommendations from the work teams and utility review group.

Due to the significant General Fund reductions taken in the Proposed Budget, a large amount of one-time funds were generated. The Mayor chose to use these resources sparingly in the Proposed Budget. Council allocated the bulk of these monies in the Approved Budget after receiving additional public testimony and having further Council discussions.

Figure 6: FY 2005-06 Budget Schedule

General Fund financial forecast presented at Council retreat	December 13
Bureaus submit financial plans to Financial Planning	December 15
Budget kick-off	December 20
Bureaus submit capital improvement plans to Financial Planning	January 3
Bureaus submit Capital Review Committee (CRC) requests	January 3
CRC meeting to discuss funding requests, priorities, and ranking	January 19
Bureaus submit Requested Budgets to Financial Planning	February 7
Commission Work Teams meetings	Feb 7 – March 21
Council work session on bureaus' capital plans	February 15
Financial Planning's budget analyses due to Council	February 28
Public budget forum	February 28
Commission Work Teams make recommendations to Mayor	March 22
Utility Review Group (URG) recommendations	March 30
Public budget forum	March 31
Council work session on forum and URG recommendations	April 1
Mayor's Proposed Budget decisions released	April 7
Proposed Budget document available	May 6
First meeting of Budget Committee	May 9
Public hearing on the Proposed Budget	May 14
Council work session on public hearing	May 17
Budget Committee action on Approved Budget	May 18
Utility Rate Review (first hearing)	May 18
Utility Rate Review (second hearing)	May 25
TSCC Hearing on Spring Supplemental and Approved Budget	June 16
Council action on Adopted Budget	June 23

Financial Overview

CITY FINANCIAL PLANNING PROCESS

The first step in the budget process involves preparation of an updated financial plan for each major fund. In addition to the General Fund, plans are prepared for the Transportation, Environmental Services, Development Services, and Water funds.

These plans forecast revenues and expenditure requirements by fund over a minimum of five years, and identify long-term service and financial issues requiring attention during the budget process. The plans aid Council by placing decisions in a long-range financial context for purposes of developing budgets that are balanced for the coming year and subsequent years of the five-year financial forecast period. Council reviews these plans during work sessions early in the budget process. At that time, bureau managers are given direction for preparing and finalizing budgets.

Some of these financial plans are briefly summarized below; all five-year financial plans are found in Volume Two. Due to its significance to the City's annual budget, the General Fund five-year financial plan is described in greater detail than the plans of the other funds.

GENERAL FUND FINANCIAL FORECAST

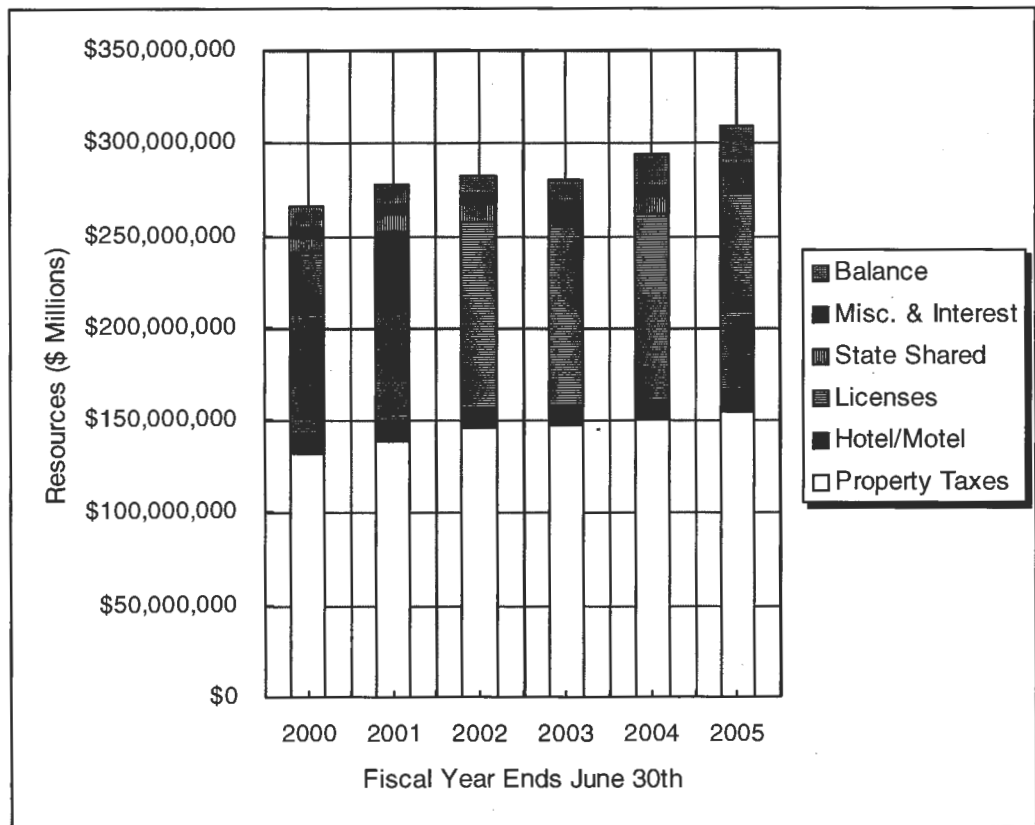
Overview

The Office of Management and Finance (OMF) regularly generates five-year estimates of General Fund discretionary resources and requirements for Council. Discretionary resources are those revenues plus beginning balance that are budgeted by Council without restriction, in accordance with Council priorities. Discretionary resources include property taxes, utility license fees, business licenses, lodging tax revenues, state shared (cigarette and liquor) tax revenues, some interest income, some court fines, some cash transfers into the General Fund, and small amounts of other miscellaneous revenues. Discretionary resources exclude grants, contracts, service reimbursements, fees, and other revenues dedicated for a specific purpose.

The Council's financial planning process starts in the fall with the preparation of a five-year revenue forecast. The next step is preparation of a five-year expenditure forecast, which estimates the cost of maintaining existing programs at their current levels. These two documents are then combined, adding an estimated fund balance, to create a five-year financial forecast that assesses the City's capacity to continue to provide General Fund services. This financial forecast is reviewed by Council in late fall. The forecasts are monitored regularly during the budget process, and formally updated three times prior to adoption. The original December financial forecast is updated in March, prior to the Mayor's Proposed Budget; again in April, just before the Council's final decisions on an Approved Budget; and finally in June, in conjunction with Council action on an Adopted Budget.

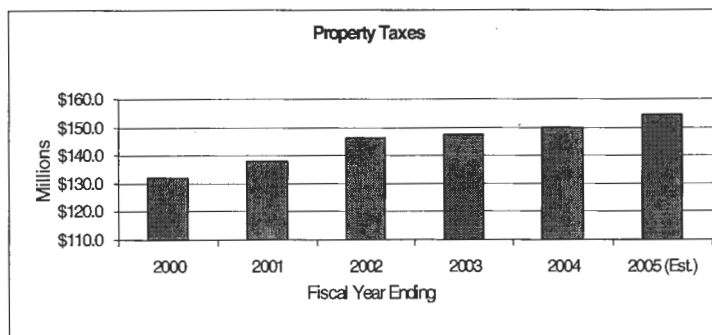
The discretionary beginning balance estimate, a key resource of the General Fund, is updated at the conclusion of each accounting period and published in the Financial Outlook. This report is electronically distributed within the City and to numerous outside recipients. The Outlook provides current information on the General Fund's financial condition, and includes the updated ending fund balance estimate in the financial forecast of General Fund resources. The Outlook is available on the City's web site at www.portlandonline.com/omf/index.cfm?c=26784&.

Figure 1: General Fund Discretionary Resources



The figure above summarizes General Fund revenue growth over the past six years. Revenue growth has averaged about 2.3% per year. The General Fund's beginning fund balance has averaged about \$13.8 million. Beginning balance has been higher than normal over the last two years due to lower than normal expenditures. This is principally due to the almost continuous need to reduce expenditures over the past four years because of weak revenue growth relative to expense growth. Overall resource growth (revenues plus beginning fund balance) has averaged about 2.9% per year. The graph clearly shows a regional economy that was hit hard by the events of September 11th and the ensuing national recession. General Fund discretionary revenue growth for the three-year period ending FY 2002-03 was flat at best. This environment has made it difficult for the General Fund to maintain current service levels and programs, even though inflation was well below historic levels.

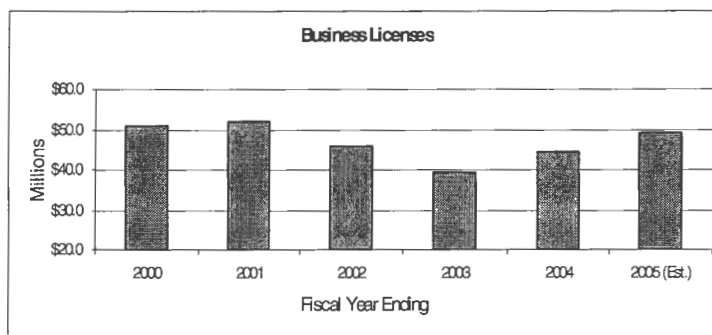
Historical Resources



Revenue growth slowed with the passage of the Measure 50 property tax limitation in 1997. Prior to Measure 50, property taxes grew 4% to 5% annually. Under Measure 50, assessed value growth on existing properties is limited to 3% per year plus new construction.

The General Fund property tax rate is fixed.

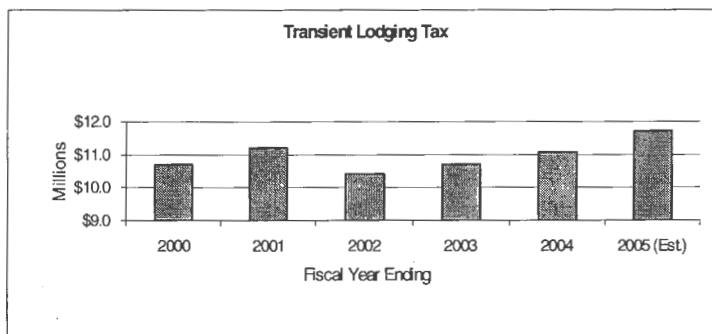
The General Fund's tax rate is permanently fixed at \$4.5770 per \$1,000 of Measure 50 assessed value. The onset of recession reduced FY 2002-03 assessed value growth to 2.4%. FY 2003-04 assessed value growth was only marginally better at 2.5%. This is down from 4.5% during FY 2001-02 and 5.6% during FY 2000-01. Overall, property tax revenues have grown at just about a 3% rate, with FY 2004-05 growth expected to be about 2.8%.



General Fund license revenues have grown at an anemic 1% rate over the past five years. Business license revenues declined during the recession and have only recently started to show signs of recovery. Utility license and franchise fees have been similarly weak. This is due in part to

a continuing decline in Qwest's franchise fee revenues and to Council's action to cap Water and Environmental Services (BES) utility license fee revenues at FY 2004-05 levels. Qwest's franchise fee revenues are in a long, slow decline as wireless and other telecommunications technologies displace traditional landline telecom technology. Traditional investor-owned, electric-related franchise fees have also been stagnant. The recession and steep electric rate increases in previous years have combined to depress energy consumption and revenue growth. With the exception of natural gas related franchise fee revenues this situation is expected to persist in subsequent revenue forecasts.

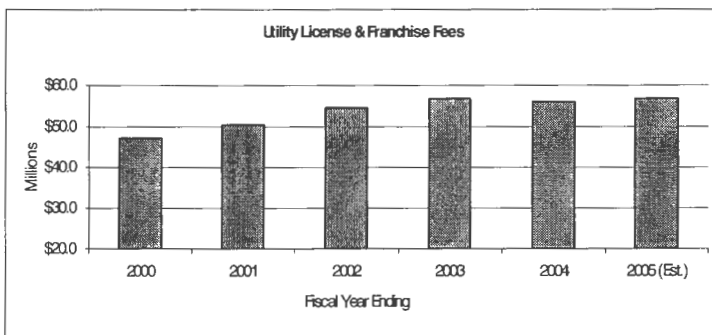
Business Licenses and Transient Lodging Taxes clearly exhibit the effects of the recession and September 11th.



Like business license revenues, transient lodging tax revenues follow the business cycle. Transient lodging tax revenues peaked at \$11.2 million during FY 2000-01. In the aftermath of September 11th, revenues declined to \$10.4 million in FY 2001-02, with about \$10.7

million in revenues realized in FY 2002-03. Revenues began to recover during FY 2003-04 and will surpass the previous cycle's peak in FY 2004-05 and enter an expansion phase.

Utility and franchise fee revenues present a mixed picture over the past several years.



Utility license and franchise fee revenue growth presents a mixed picture over the past several years. Qwest franchise fee revenues were \$6.7 million in FY 1999-00 but declined steadily to an estimated \$4.1 million for FY2004-05 (unaudited). This is due in part to substitution of wireless

telephony for older landline technology.

Electric energy franchise fees have also stagnated over the past three years. PGE-related franchise fees have steadily declined from about \$16.9 million in FY 2002-03 to an estimated \$15.7 million in FY 2004-05. Large rate increases coupled with recession apparently combined to significantly reduce consumption. The only consistent growth in this area has come from natural gas related franchise fees, which have risen from about \$5.8 million in FY 1999-00 to an estimated \$8.6 million in FY 2004-05.

Overall utility license and franchise fee revenues have been flat for the past couple of years. FY 2003-04 revenues totaled about \$56.2 million. Expected year-end FY 2004-05 revenues are currently estimated at \$56.8 million. Revenue growth is also likely to be slower over the next several years. During the summer of 2004, Council capped water- and sewer-related utility license fees at about \$19 million per year, until such time as the effective tax rate drops to 5%.

At the end of FY 2004-05, consistent with Council policy and Council's previous five-year financial plans, the General Reserve Fund is expected to total about \$37 million and remains fully funded at the required 10% of revenues (net of borrowing proceeds and grant revenues). Thus, the General Fund will go into FY 2005-06 with the General Reserve at or slightly above the required 10% level.

Forecast Assumptions

Economic Recovery

The onset of recession during 2001, along with the shock of September 11th, put Oregon's economy into a tailspin. Both the state and regional economy experienced rapid declines in employment and rising unemployment rates. A faltering regional economy and recession quickly translated into declining business license and transient lodging revenues.

The regional economy is beginning to show signs of recovery from the recession.

The regional economy started to recover from recession during FY 2003-04 and registered employment growth for all of calendar year 2004. This trend appeared to be continuing in the last half of FY 2004-05. Although more recent monthly data show the emergence of stronger employment growth, the Portland area still remains below the peak employment levels registered during the previous cycle. The Oregon Employment Department recently noted that, as of January 2005, the Portland region still was about 21,600 jobs below January 2001. Oregon has fared better than the metro area, with statewide employment in January 2005 surpassing the previous cycle's peak. The state has entered an expansion phase for this cycle, while the metro area regional economy is still in recovery.

Nevertheless, the regional economy appears to be emerging from recession. In addition, the low interest rate environment created by the Federal Reserve buttressed the real estate market and kept assessed values and property tax revenues growing, albeit more slowly. The revenue forecast assumes that the regional and national economies grow modestly, so cyclical revenues such as business license and transient lodging tax revenues are expected to grow modestly in the five-year revenue forecast that underpins the Adopted Budget.

Transient Lodging Taxes

The transient lodging revenue forecast calls for FY 2005-06 revenues of about \$12.1 million versus an expected FY 2004-05 total of about \$11.8 million. These revenues are now above the previous cyclical peak of \$11.2 million in FY 2000-01, and into an expansion phase. Transient lodging taxes are forecast to grow about 5.3% per year, with most of this growth occurring in the first three years of the forecast. Revenues may do better than forecast if some special events occur. During the past couple of years, and unlike previous years, there have been few, if any, special events. The only exception appears to be the 2005 national ice-skating championships.

Utility License and Franchise Fees

Utility license fees are forecast at \$57.6 million for FY 2005-06 versus an expected FY 2004-05 year-end of about \$56.1 million. This revenue category is composed of energy franchise and license fees, telecom and cable franchise and license fees, and license fees received from the City's water and sewer utilities. The specifics of these forecasts are as follows:

- ◆ NW Natural franchise fees are forecast at \$9.0 million for FY 2005-06 versus a budget of \$7.8 million for FY 2004-05. Actual revenues for FY 2004-05 are about \$830,000 above budget because of a large fall 2004 rate increase averaging almost 20%. The forecast assumes that the Oregon Public Utility Commission (OPUC) will authorize a more modest rate increase during the fall of 2005. NW Natural is expected to marginally raise rates and revenues next fall to pass higher natural gas costs through to customers. Expected rate increases and normal winter heating conditions should combine to produce the FY 2005-06 budgeted revenue estimate of about \$9 million.
- ◆ PGE franchise fees are currently forecast at \$15.4 million for year-end FY 2004-05 versus a budgeted revenue estimate of just over \$17 million. The FY 2005-06 forecast calls for revenues of about \$16.3 million and assumes an expected fall rate increase and normal winter weather conditions. At present this forecast still may be too optimistic. PGE franchise fees have faltered over the last 18 months due in part to response by consumers to large rate increases that occurred three years ago. In addition the recession significantly reduced industrial and commercial energy usage. OMF will be closely monitoring PGE's fourth quarter franchise fee payment for consistency with the current revenue forecast.
- ◆ Water and sewer franchise fees are capped at FY 2004-05 levels, by Council action. Revenues are capped at about \$17 million for the life of the forecast and until such time as the effective tax rate drops to 5%. This is expected to occur anywhere from one to three years beyond the final year of the current financial forecast (FY 2009-10). In the fifth year of the revenue forecast the cap translates into revenues that are about \$6 million lower than otherwise would have been the case.
- ◆ Telecom and cable franchise and license fees, including Qwest license fees, are expected to be flat to declining, reflecting the steep downturn in this sector, several high profile bankruptcies, and the continuing loss of Qwest landlines to wireless telephony. Qwest franchise fees are currently forecast at \$3.7 million for FY 2005-06 with no out-year growth. Rather, Qwest franchise fees are expected to decline to about \$3.3 million by FY 2009-10. The City's utility license fee code continues to be out of synch with current telecom technologies, principally wireless.

Energy-related franchise fee forecasts at this point are consistent with the expected effects of Oregon's energy deregulation scheme. Deregulation, however, remains a question mark. Early returns seem to indicate that deregulation is having little if any impact on these fees.

Overall, franchise and utility license fee revenues are forecast to grow by about 1.5% annually over the life of the forecast. This lower growth rate is due in large part to the Water/BES revenue cap.

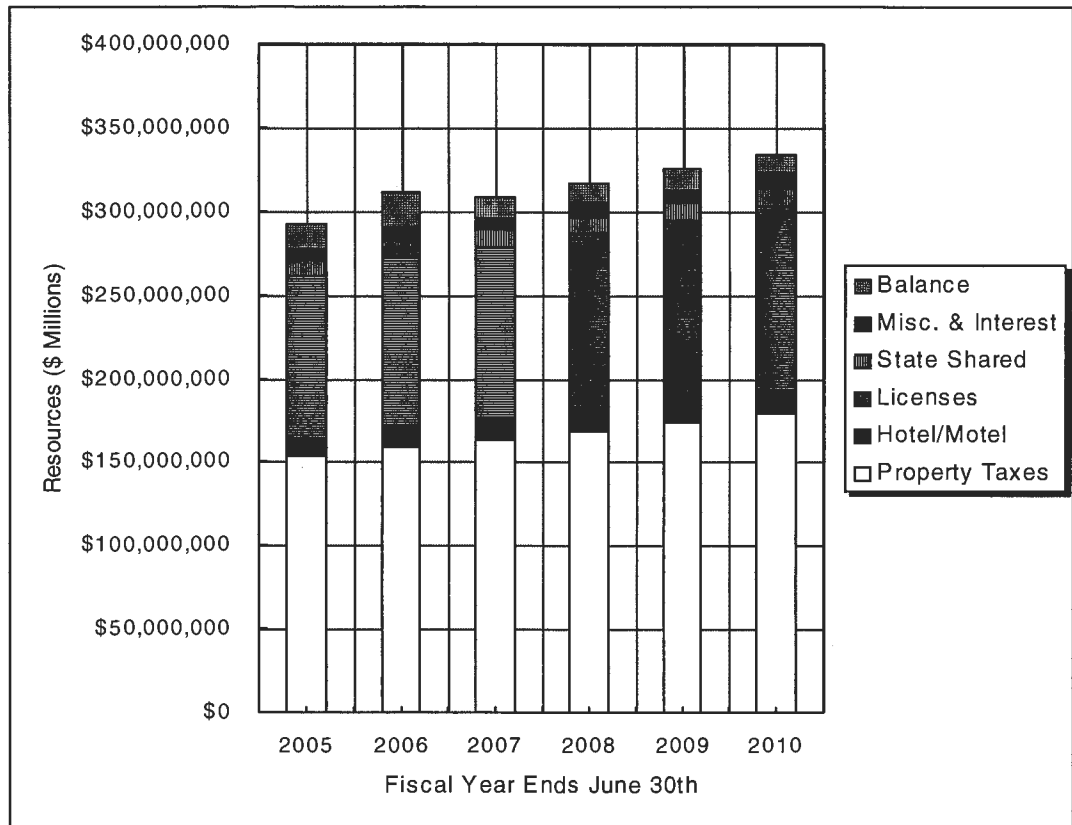
Property Taxes

Property taxes are expected to grow by about 3.2% annually over the life of the forecast. This compares to an annual growth rate averaging about 3% over the past five years. Revenue growth is a little better in this forecast, because new construction is expected to bolster revenue growth to somewhat higher levels than in the recent past. This forecast assumes that the revenue losses from compression stabilize at 3.7% for the life of the forecast. The delinquency and discount rate is expected to hover around 5.6% for the life of the forecast.

Financial Forecast Results

The figure below summarizes the current five-year revenue forecast (as of early April). Average annual growth is projected at about 2.7%. Budget-to-budget revenue growth is currently forecast to be about 5.7%. The critical resource forecast assumption is a national economy that continues to expand above pre-recession peaks, along with the continued reemergence of moderate local area economic growth in FY 2005-06.

Figure 2: Forecast Discretionary Resources



The regional economy has only recently started to shake off the lingering effects of recession. In terms of cyclical revenue impacts (business license and transient lodging tax revenues), this last recession was deeper than the recession of the early 1980s. The Portland area's unemployment rate was among the highest of all metropolitan areas for many months during calendar year 2004. The area's unemployment rate has declined to 6.6% this January, with preliminary figures for May down to 5.9%. The national economy continues to expand, generating good month-to-month employment increases. Recent employment numbers for the local area are starting to show solid continuing employment gains.

This environment translated initially into a December resource forecast for FY 2005-06 of about \$303.3 million. The December financial forecast showed that:

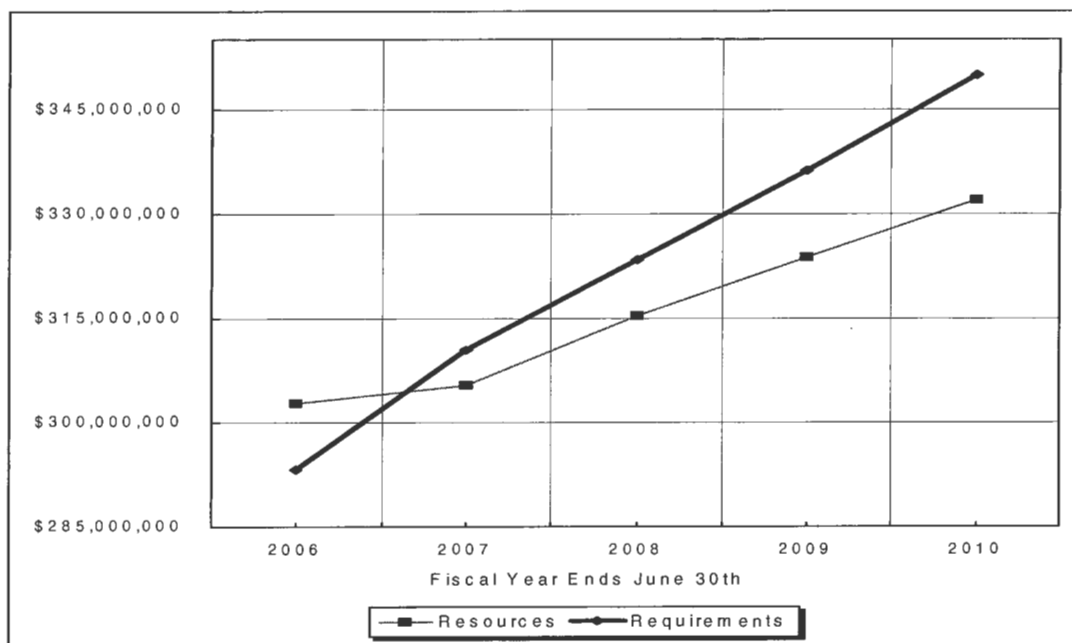
- ◆ Sufficient resources would be available in FY 2005-06 and possibly FY 2006-07 to fund estimated General Fund Current Appropriation Level (CAL) requirements with an excess estimated at \$10.1 million.
- ◆ By FY 2006-07, estimated requirements exceeded forecast discretionary resources by \$7.5 million, increasing to an estimated \$16.8 million in FY 2009-10, the last year of the forecast.

The three principal reasons for this development are:

- ◆ The BES/Water utility license fee cap (discussed earlier).
- ◆ The inclusion in the December forecast of a new General Fund set-aside requirement for expected health care cost increases estimated at \$3.7 million beginning in FY 2006-07 and rising to \$5.9 million by FY 2009-10.
- ◆ The continuing problem of the General Fund's structural imbalance between revenue growth rates that cannot keep up with requirements growth, fueled in part by labor contract increases in excess of inflation and rising health care costs.

Figure 3 below depicts the relationship between December financial forecast requirements and resources. As stated earlier the negative gap in the last year of the forecast was estimated at \$16.8 million. In Figure 3 it is easy to see that requirements are growing faster than resources.

Figure 3: Resources less Requirements = Gap



The December financial forecast estimated that the out-year gaps between resources and requirements could be closed with incorporation of \$14.3 million of ongoing CAL reductions in the FY 2005-06 budget.

In the successive forecast updates:

- ◆ Ongoing revenues have increased by about \$1.6 million. Business license and transient lodging revenues have increased by about \$2.1 million over the original December forecast, reflecting better regional economic conditions. State shared (cigarette and liquor) tax revenues revenue estimates increased by \$411,980 since last December. Franchise fees are weaker, with Qwest and PGE revenues below December forecast levels.
- ◆ The beginning balance estimate is up \$6.1 million over December as stronger FY 2004-05 revenue growth has outpaced expenditures.

The December financial forecast estimated ongoing bureau CAL requirements totaling \$262.5 million. The Adopted Budget amounts to \$255.0 million with \$1.8 million in contingency for possible use by the Police Bureau if required. This means that Council's Adopted Budget has made a significant reduction in the financial forecast's identified gap between forecast resources and estimated requirements. Current financial forecast estimates show that balancing the General Fund over the life of the financial forecast (as of June) is estimated to require further ongoing CAL reductions of just under \$10 million, split equally between FY 2006-07 and FY 2007-08.

FIVE-YEAR GENERAL FUND FINANCIAL PLAN

The Council takes a five-year approach to devising its budget, so that the budget itself is the first year of Council's five-year financial plan. This ensures that the long-range impact of major decisions is considered in developing the budget. This is even more important under current conditions, because the April financial forecast continues to identify the development of a large gap between resources and requirements in the third, fourth, and fifth years of the forecast.

The December financial forecast indicated that Council was faced with a projected resource stream that could not fund General Fund current appropriation levels. Forecast updates confirmed this general finding, even though the near-term forecast improved somewhat with about \$6 million of additional FY 2005-06 beginning fund balance.

Council's Approach to Balancing the General Fund

The Council's Adopted Budget begins the process of reducing ongoing CAL levels by \$17.2 million to bring requirements in line with resources for the duration of this five-year financial forecast. Reducing CAL by such a large amount now raises the risk of overshooting the mark in terms of the actual reductions that may be necessary to balance the fund over the next five to seven years. The further out a forecast goes, the less accurate it becomes.

Given this basic fact, the Council's approach to balancing is to stage the CAL reductions over three fiscal years, beginning with the FY 2005-06 budget. This approach will allow subsequent forecasts to better inform the Council about the true size of CAL reductions that will ultimately be required. This will reduce the likelihood of over-cutting ongoing bureau CAL levels.

This approach also recommends itself because the City is in the process of embarking on a strategic planning process over the course of the next 12 to 18 months. This process is expected to help the Council make CAL reductions that better reflect community priorities as they come out of the strategic planning and visioning process.

Council's proposed financial plan incorporates \$5.7 million of ongoing CAL reductions into the Adopted Budget. Bureau discretionary budgets have been reduced from about \$268.0 million to about \$262.3 million in the Council's Adopted Budget. Further ongoing CAL reductions will be made each of the next two years, during the budget processes for FY 2006-07 and FY 2007-08. The current financial plan indicates that CAL reductions of \$4.9 million per year for two years will close the overall gap identified in the five-year financial forecast.

Figure 4: More Reductions Needed in Coming Years

ITEM	Adopted	Out-Years of Adopted Financial Plan			
	2006	2007	2008	2009	2010
General Fund Resources	\$310,935,538	\$307,792,530	\$316,507,853	\$324,909,031	\$333,029,006
Transfer In From					
General Reserve Fund	\$0	\$0	\$0	\$0	\$1,120,425
Requirements					
Bureaus & Programs, CAL	\$255,045,977	\$265,639,155	\$271,680,201	\$277,745,168	\$289,120,142
Required CAL Reductions	\$0	(\$4,928,200)	(\$4,928,200)		
Capital Set-Aside	\$1,789,327	\$1,915,000	\$1,915,000	\$2,225,000	\$1,961,082
One-Time Projects	\$11,924,654	\$7,419,550	\$8,443,150	\$3,615,567	\$71
Pension Bonds	\$6,033,880	\$7,707,143	\$8,951,105	\$9,303,170	\$9,669,762
Council Set-Asides	\$36,141,699	\$30,039,883	\$30,446,597	\$32,020,125	\$33,398,375
Total Requirements	\$310,935,538	\$307,792,530	\$316,507,854	\$324,909,031	\$334,149,431
Difference-GAP	(\$0)	\$0	(\$0)	\$0	(\$0)
Reserve Fund, Percent	11.3%	12.3%	12.4%	12.6%	12.5%

Uncertainties

Council's Adopted Budget and financial plan balances the General Fund for the life of the five-year forecast. The basic approach of staging CAL reductions over three budgets will provide the Mayor and Council with more flexibility in meeting future financial uncertainties, including the following:

- ◆ The City will have to negotiate several new labor contracts during this five-year window, most notably a new contract with the Portland Police Association (PPA). In addition, a new labor contract with the Portland Fire Fighters Association (PFFA) remains unresolved. Large contract awards in excess of CPI-W guidelines will upset the forecast and further contribute to structural imbalance between requirements growth and resources. Depending on the specifics of these contracts, the Council and the Mayor may possibly be faced with a larger out-year gap between resources and requirements than shown in the current financial forecast.
- ◆ The current financial forecast and five-year plan assume that projected increases in health care funding are resolved through implementation of the Option #2 funding solution. Briefly, this plan commits the City to paying 95% of expected FY 2006-07 health benefits premiums. In subsequent years the City's 95% share would be indexed to Portland-Salem CPI-W/Healthcare, with the remainder of the annual premium cost picked up by employees. There are two uncertainties. First, the health care funding and premium cost projections are current best estimate forecasts: by FY 2006-07 there could easily be a large, unfavorable shift in the numbers. Second, the City can only secure the Option #2 funding solution through labor contract negotiations. A higher cost alternative could easily come out of contract negotiations.
- ◆ National economic recovery from recession is well under way, although job growth continues to be somewhat weak. It is only over the last six to 12 months that the state and regional economies have begun to show some evidence of recovery and renewed expansion. This forecast, like the previous forecast, is critically dependent on a local economy that continues to recover from recession.

- ◆ Legislative changes to the Public Employees Retirement System (initiated by the last Oregon Legislature) remain under legal challenge, and litigation is now at the Oregon Supreme Court. An adverse decision on remaining litigation would substantially increase out-year General Fund employer pension costs and upset the five-year financial plan.
- ◆ Business license revenues are now being collected and booked net of refunds and after adjustment for the buildup of credits. This revenue stream will tend to be more volatile. Forecasts will tend to be less accurate than in the recent past because there is little or no historical data available to generate forecasts on a net revenue concept.
- ◆ Both the Parks and Children local option levies expire during the course of this forecast. Both levies expire at the end of FY 2007-08 (the third year of this forecast cycle). If the Parks levy is not reauthorized, it is likely that increased requirements pressure would be put on the General Fund, upsetting the forecast and increasing the out-year gaps between resources and requirements.

Forecast Risk

The principal risk to the Adopted Budget and five-year financial plan is a slow regional economy and sub-par growth or the reemergence of recession-like conditions. As this is being written, oil prices are hovering at well over the \$60 per barrel mark. In addition, the Federal Reserve is on a path to increase interest rates, making monetary policy more restrictive than it has been over the past several years. The persistence of much higher energy costs is likely to slow the economy down and may possibly reignite inflation. These kinds of conditions could easily spark the reemergence of recession. Subsequent revenue forecasts would show lower revenues, making the funding of even the reduced current service levels in the Council's Adopted Budget more difficult.

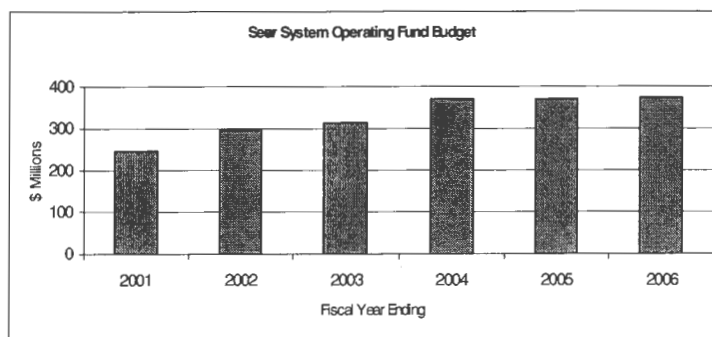
In addition, the Oregon Legislature is currently grappling with another budget gap between statewide revenues and current service level costs during the next biennium. The General Fund's state shared cigarette and liquor tax revenues, about \$10.1 million annually in this forecast, may be at risk. The Legislature already conditionally withheld year-end FY 2002-03 cigarette tax revenues from Oregon cities. Fortunately, in this case, a \$500,000 loss in Portland's FY 2002-03 cigarette tax revenues did not occur.

FINANCIAL OUTLOOK - OTHER FUNDS

Like the General Fund, five-year financial plans are prepared for each of the City's major non-General Fund service bureaus. These financial plans provide a multi-year framework within which revenues, expenditures, and capital financing options are presented. This multi-year perspective allows the City to test the potential impact of policy, operational, and system changes, and to avoid subjecting customers to wide or irregular swings in rates and fees.

This budget is based upon bureaus' financial plans, which were developed using information available through December 2004. The plans were reviewed, and adjustments were incorporated into the budget. The following is a brief overview of the updated financial outlook for three of the City's major non-General Fund bureaus. Additional detail on these plans and those of other bureaus is in the Financial Plans section of Volume Two of this budget document. For each bureau or fund, the chart shows total fund expenditures.

Bureau of Environmental Services



The BES five-year financial plan forecast an increase of 5.9% in the average single-family sewer-stormwater bill for each year of the five-year planning period.

The BES operating budget contains expenditure reductions of approximately \$4.6 million, or 4.9% lower than the FY 2004-05

Revised Budget. The capital budget decreases \$13.8 million or 9.1% from the FY 2004-05 Revised Budget. The differences include the following:

The FY 2005-06 budget results in an increase of 5.9% for the average single-family customer.

Operating Budget: Reductions were reflected in watershed monitoring, completion of the Fanno Basin Infiltration and Inflow study, one-time equipment expenditures related to EPA-required monitoring, building improvements at the Water Pollution Control Lab, and the elimination of 9.5 FTE. Additionally, BES held its sewer maintenance interagency agreement with the Bureau of Maintenance at current levels, a real decrease of about \$450,000 when inflation and personnel increases are applied. These reductions were offset by increases in the Portland Harbor Sediment Program regarding contamination in sections of the Willamette River.

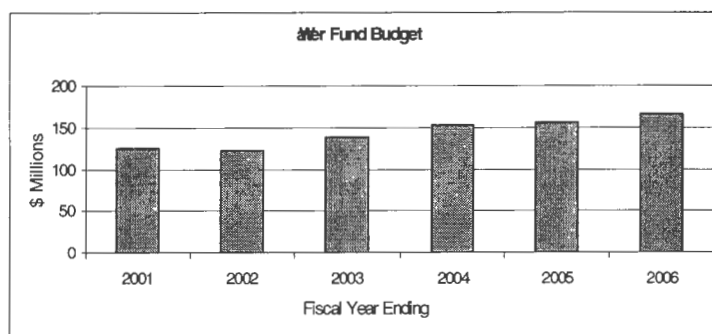
Capital Budget: The significant reductions in the FY 2005-06 CIP are due to changes in project requirements from the large expenditures related to the Westside Combined Sewer Overflow (CSO) project to a lower level of expenditures as the Eastside CSO project completes design and moves into construction.

The operating programs continue to emphasize water quality through efforts at pollution prevention, analytical services, drainage system maintenance, and watershed improvement programs. Capital costs continue to be the prime driver behind forecast rate increases. The largest category of capital improvement costs will be the CSO program, followed by maintenance and reliability projects, and sewage treatment systems.

Bureau of Water Works

The preliminary financial plan for Water projected an average retail rate increase of 2.8% in FY 2005-06. Modifications during the budget process resulted in an average retail rate increase of 0.6%. Major reasons for the lower rate include elimination of vacant positions and consolidation of bureau reception functions.

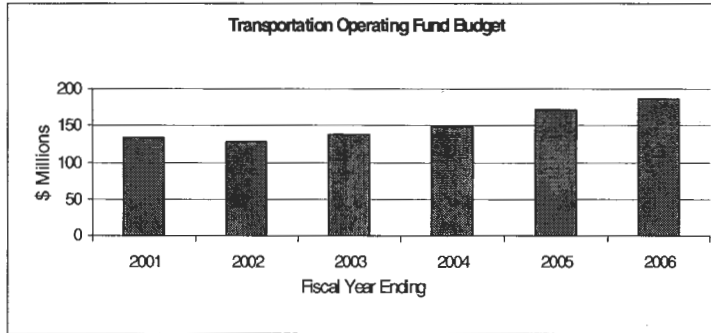
The average water bill for single family residential retail customers will increase 0.6%.



The operating budget of \$52.8 million is a decrease of \$7.1 million from the FY 2004-05 Revised Budget of \$59.9 million. Total positions have increased by 18 from 434 to 452.

The CIP budget of \$52.3 million reflects an increase of \$9.5 million from the FY 2004-05 Revised Budget. The increase includes 14 new positions to support an increased level of maintenance. Major elements of the CIP include the Maintenance and Replacement program (\$23.8 million), the Response to City Development program (\$12.4 million), and the Vulnerability Reduction program (\$11.9 million).

Office of Transportation (PDOT)



Transportation's five-year financial plan continues to exhibit imbalance between costs to maintain current service levels and anticipated general transportation revenues (GTR). In weathering significant financial challenges, the bureau responded by reallocating

revenues and raising parking fees. PDOT reallocated its discretionary resources to provide more funds for maintenance activities and made administrative cuts to provide an additional \$1.2 million to address the growing paving backlog. The new parking revenues are dedicated to financing the Transit Mall project. PDOT projects a funding gap of \$18.9 million in FY 2009-10.

The FY 2005-06 Adopted Budget for Transportation is \$187 million. This budget is 8.8% more than the FY 2004-05 Revised Budget, primarily due to capital projects. In terms of PDOT operating requirements, year-over-year change between the Revised Budget and the FY 2005-06 Adopted Budget is partially due to carryovers and program reductions in non-discretionary funding. The budget contains 753 FTE, 15 less than the FY 2004-05 Revised Budget.

CITY DEBT MANAGEMENT

The City of Portland issues a variety of debt to raise capital for construction projects, for the acquisition of equipment and facilities, and to refinance existing debt. Most of the City's debt is rated by one or more national rating agencies, including Moody's Investors Service and Standard and Poor's Corporation. Bond ratings are based upon an independent analysis by financial market professionals and indicate the confidence that an investor can have in the security of their investment in the City's bonds and other debt obligations. "Aaa" is the highest possible rating, and is based on a thorough analysis of four basic factors: economic condition, debt load, financial condition, and overall management of the City. Since 1973, the City's unlimited tax general obligation debt has been rated "Aaa" by Moody's. The City's various revenue bonds are rated between "A1" and "Aa1" by Moody's and "A+" by Standard & Poor's.

Figure 5: Rating Agency Rating Symbols for Long-Term Debt

Definition	Standard		
	Moody's	& Poor's	Fitch
<i>Prime, Maximum Safety</i> Highest rating assigned Very strong	Aaa	AAA	AAA
<i>High Grade, High Quality</i> Very strong security. Only slightly below best rating.	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-
<i>Upper Medium Grade</i> Average security but more subject to adverse financial and economic developments	A1 A2 A3	A+ A A-	A+ A A-
<i>Lower Medium Grade</i> Adequate capacity to secure debt. Adverse developments may affect ability to meet debt service requirements.	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-
<i>Non-Investment Grade - Speculative</i>	Ba1 Ba2 Ba3	BB+ BB BB-	BB+ BB BB-
<i>Highly Speculative</i>	B1 B2 B3	B+ B B-	B+ B B-
<i>Substantial Risk - In Poor Standing</i>	Caa1 Caa2 Caa3	CCC+ CCC CCC-	CCC+ CCC CCC-
<i>Extremely Speculative</i> May be in default	Ca C	-- --	-- --
<i>Default</i>	-- -- --	-- -- D	DDD DDD D

Detailed information regarding the City's debt management policies is contained in the Financial Policies section in Volume Two of this budget document. The policies prescribe the circumstances under which the City may refinance outstanding debt:

- ◆ Advance refundings, where the refunding bonds are issued more than 90 days before the redemption date of the refunded bonds;
- ◆ Current refundings, where the refunding bonds are issued less than 90 days before the redemption date of the refunded bonds; and
- ◆ Debt restructurings.

Advance Refundings: In order to reissue advance refunding bonds, the City must determine that the refunding is advantageous, legally permissible, and prudent, and that net present value savings equal at least 5% of the principal amount of the refunding bonds. Exceptions to this policy can be made with the approval of the Debt Manager and the Chief Administrative Officer. Oregon law requires advance refunding bonds to realize present value debt service savings of at least 3% of the proceeds of the refunding bonds.

Current Refundings: The City may issue current refunding bonds, as defined for federal tax law purposes, when advantageous, legally permissible and prudent, and when net present value savings equal or exceed \$100,000.

Debt Restructuring: The City may choose to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management. Savings requirements for current or advance refundings undertaken to restructure debt may be waived by the Debt Manager and the Chief Administrative Officer upon a finding that such a restructuring is in the City's overall best financial interests.

The following is a brief summary of the City's existing debt and debt instruments, projected as of June 30, 2005.

General Obligation (GO) Debt

GO debt is backed by the full faith and credit and unlimited taxing power of the City. Under current Oregon law, all general obligation debt (except for refunding bonds) must be approved by the voters. The City's outstanding GO debt includes:

- ◆ \$71.2 million in voter-approved general obligation bonds for park system improvements and for emergency facilities improvements.
- ◆ \$7.5 million in general obligation water bonds. These bonds are repaid from water user charges, but are secondarily backed by the City's general obligation pledge.

Revenue Bonds

Revenue bonds are secured by and payable from specific pledged revenue sources such as water or sewer user fees. The City's outstanding revenue bonds include:

- ◆ \$1.0 billion in sewer system revenue bonds
- ◆ \$295.6 million in urban renewal bonds
- ◆ \$145.1 million in water revenue bonds
- ◆ \$23.9 million in hydropower revenue bonds
- ◆ \$6.9 million in gas tax revenue bonds
- ◆ \$5.9 million in parking revenue bonds
- ◆ \$5.2 million in golf revenue bonds

General Fund Backed Debt

General Fund backed debt is either paid from or secured by the General Fund, and includes:

- ◆ \$300.8 million in limited tax pension obligation bonds, of which approximately \$111.7 million is attributed to General Fund bureaus and approximately \$189.1 to non-General Fund bureaus.
- ◆ \$132.4 million in limited tax revenue bonds for the Convention Center Expansion project (\$98.9 million), Civic Stadium (PGE Park) Improvement project (\$31.7 million), and Portland Center for Performing Arts improvements (\$1.8 million). The City has issued these bonds as part of an intergovernmental agreement known as the Visitor Development Initiative. While ultimately secured by the General Fund, these bonds are expected to be repaid with revenues generated from surcharges on the transient lodging tax and the motor vehicle rental tax levied by Multnomah County.
- ◆ \$75.2 million in limited tax revenue bonds for building improvements and equipment acquisition.
- ◆ \$27.2 million in arena limited tax revenue bonds. Proceeds of these bonds were used to refund bonds originally issued to finance certain public improvements relating to the Oregon Arena Project. These arena limited tax revenue refunding bonds are ultimately secured by the City's General Fund. However, the City expects to pay the debt service on these bonds from revenues received from the Oregon Arena Project.
- ◆ \$25.8 million in limited tax revenue bonds issued to fund the Portland Streetcar project. These bonds are expected to be repaid from parking revenues, but are additionally secured by the General Fund.
- ◆ \$25.0 million in urban renewal lines of credit. It is expected these interim financing obligations will be retired with the proceeds of long-term tax increment bonds.
- ◆ \$21.9 million in limited tax housing revenue bonds.
- ◆ \$19.4 million in limited tax improvement bonds.

- ◆ \$18.5 million in lines of credit used to provide short-term and interim financing for local improvement district projects, the Children’s Receiving Center, Parks land acquisition, and Transportation projects.
- ◆ \$8.6 million in Housing and Urban Development loans for the New Columbia project.

Debt Limitation

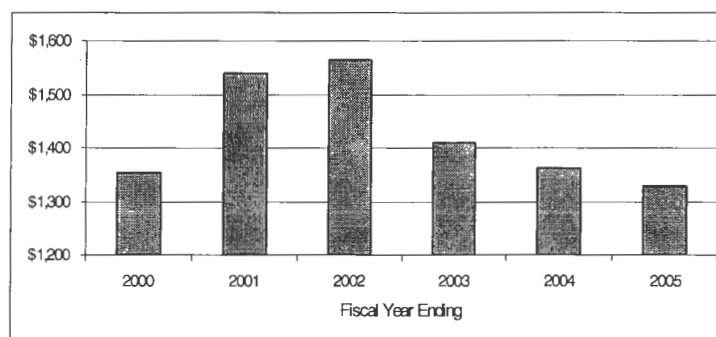
Under Oregon law (ORS 287.004), the City’s general obligation debt limit is equal to 3% of the City’s Real Market Valuation (\$58.9 billion), or about \$1.8 billion. Certain self-supporting bonds are exempted from this limitation. Currently the City has \$71.2 million outstanding in general obligation debt that is subject to the debt limitation.

Figure 6: Debt Limitation Criteria

Criteria	Limit
2004-05 REAL MARKET VALUE	\$58,850,238,187
3% OF REAL MARKET VALUE	\$ 1,765,507,146
CITY OUTSTANDING DEBT SUBJECT TO LIMIT	\$ 71,220,000
PERCENT OF LIMITATION OUTSTANDING	4.03%
DEBT MARGIN	\$ 1,694,287,146

The figure below displays gross bonded debt per capita. Included in these figures are the City’s outstanding general obligation bonds, limited tax improvement bonds, limited tax revenue bonds, and General Fund backed lines of credit.

Figure 7: Gross Bonded Debt per Capita



In FY 2004-05 the City issued a variety of refunding bonds to take advantage of the low interest rate environment and reduce the cost of the City’s outstanding debt. The City issued First Lien Sewer System Revenue Refunding Bonds to refund the outstanding Sewer System Revenue Bonds 1996 Series A and 2000 Series A. The City issued Gas Tax Revenue Refunding Bonds to refund the outstanding Gas Tax Revenue Bonds, 1996 Series A. The City also issued the Interstate Corridor Urban Renewal and Redevelopment Bonds, 2004 Series A to refund the Limited Tax Revenue Bonds, 2002 Series B issued to provide interim financing of the City’s share of the Interstate MAX project. Finally, the City issued Arena Limited Tax Revenue Refunding Bonds to refund the Limited Tax Revenue Bonds, 1996 Series A and B; Arena Limited Tax Bonds, Series 1996; and Arena Gas Tax Revenue Bonds, 1996 Series A.

In addition to the refunding bonds, the City issued about \$163.5 million in First Lien Sewer System Revenue Bonds to finance capital needs of the Bureau of Environmental Services. The City also issued Limited Tax Housing Revenue Bonds of about \$11.7 million to finance the construction of the Headwaters Apartment Project and about \$10.1 million to finance the Housing Opportunity Bond Program.

In FY 2004-05, the City borrowed approximately \$16.9 million on various lines of credit and state loans to fund capital projects including clean water environmental projects, streetcar extension, urban renewal, transportation, and parks land acquisition.

Anticipated Debt Issuance in FY 2005-06

The City anticipates issuing the following debt obligations during FY 2005-06:

- ◆ \$200 million in sewer system revenue bonds to fund system improvements.
- ◆ \$38 million in urban renewal bonds for the River District urban renewal area.
- ◆ \$27 million in urban renewal bonds for the Central Eastside urban renewal area.
- ◆ \$47 million in water revenue bonds to fund system improvements.
- ◆ \$6 million in limited tax improvement bonds to finance assessments.

The City will likely incur additional indebtedness during FY 2005-06 for other capital needs. Other amounts and specific types of debt instruments to be issued will be determined throughout the fiscal year.

THE CITY'S FINANCIAL STRUCTURE

Portland's Fund Structure

Revenues to the City are designated and set aside in funds. The fund structure used by the City is detailed below. Fund summaries, which provide revenue and expenditure detail, are included within the appropriate service area section of Volume Two of the City budget. For example, all Water Bureau-related funds are found within the Public Utilities Service Area section. General Fund summaries are found in the Financial Summaries section of Volume One.

Types of Funds

General Fund: The General Fund includes all activities of the City that are supported by property taxes and other non-dedicated revenues. These include license and permit fees and state shared cigarette and liquor tax revenues. Bureaus supported by the General Fund include Fire, Police, Parks, and others.

Other Operating Funds: These funds support agencies such as Emergency Communications, Transportation, and the Bureau of Development Services (BDS). The Water and Sewage System funds are commonly referred to as enterprise funds because they are self-supporting. Others, such as BDS and Transportation, receive ongoing General Fund subsidies as well as dedicated revenues.

Revenue and Reserve Funds: Revenue funds receive money from specific sources that can be used only for specific purposes. Reserve funds hold resources for future use in countering recessionary trends and mitigating mid-year economic downturns or other financial emergencies.

On May 3, 1990 the City Council adopted a General Reserve Fund Use policy. Based on a review of historical financial trends, the policy formally recognizes the need for a 10% General Reserve level. The policy also provides clear guidelines for the withdrawal of funds based upon economic indicators or an emergency of significant magnitude.

Bonded Debt Funds: These funds account for the payment of debt service on general obligation, revenue, assessment improvement, and urban renewal tax increment bonds. These funds are necessary to manage the City's diverse debt portfolio in a manner that insures compliance with security covenants as well as state and federal regulations.

Construction Funds: These funds account for major construction projects such as streets, water, and sewer improvements. Revenues are received when the City issues bonds and notes for capital projects. Revenues are also received from rates and other recurring sources of income to the City.

Federal Grant Funds: These funds account for grant revenues received from the federal government, such as Community Development Block Grant funds.

Retirement Funds: The City has one retirement fund. It includes the funding for the retirement of police and fire personnel. Revenues are received from a property tax levy authorized by Portland voters in 1948. Other City employees are covered by PERS.

Internal Service Funds: Internal service funds account for the sale of central services such as vehicle and printing services to other City and/or County agencies. These funds operate solely on revenues received from the agencies using their services.

Permanent Funds: The City occasionally creates accounts for gifts or bequests that are legally restricted to the extent that only earnings and no principal may be used as designated by the donor. Currently the City has only one fund of this type, the Parks Endowment Fund.

Portland Development Commission: The Portland Development Commission (PDC) is the City of Portland's urban renewal, economic development, and housing rehabilitation agency. It is a semi-autonomous organization that interacts with various City programs. Revenue for PDC is provided through a combination of tax increment revenues, federal grants, program income, contracts, private funding, and transfers from the General Fund. Details on PDC's budget are located in the PDC published budget document.

How Funds Interact

City funds interact in a variety of ways. One fund may pay another fund for either goods or services or to cover operating and capital expenses. Cash transfers also result from the exchange of resources between funds to cover operating and capital expenses. For example, the FY 2005-06 budget includes a transfer from the General Fund to the Transportation Operating Fund to support the operations and maintenance of the Street Lighting program. Transfers between funds result in the budgeting of the dollars in both participating funds.

Basis of Budgeting

The City's budget is prepared in a manner consistent with its financial structure and as required by Oregon Revised Statutes. All funds are included within the budget, along with the organizations and programs that they support. However, unlike the financial basis of reporting, the City's budget is prepared completely on a modified accrual basis. That basis means that the budget anticipates revenues based upon when they will actually be received and anticipates expenditures based upon when they will actually occur.

One exception exists to this general rule for the acknowledgment of revenues. Property tax revenues are acknowledged within the budget for 90 days after the close of the fiscal year. Items that are not fully expended at year-end must be re-budgeted in the following fiscal year.

Budgetary Controls and Change Management

Adjustments to bureau budgets generally occur during a trimester reporting process or through a Supplemental Budget process.

The Council maintains oversight of the City's financial condition through three formal reviews of the annual budget, and various informal reviews and work sessions. Formal comparisons between historical and actual expenditures and revenues are completed three times per year under the direction of Financial Planning, and reported to Council.

Adjustments to bureau budgets generally occur during one of these trimester reporting processes or, if legally required by State Budget Law, through a Supplemental Budget process, which typically occurs in the spring and fall. This requirement allows the Council to closely review the Citywide impact of budget adjustments on a trimester basis. It also ensures that Council's directives are being followed. Bureaus may also request changes to their budget during the year via ordinances.

The City has a system for monitoring the financial condition of its General Fund. A Financial Outlook report is issued 13 times per year, at the end of each accounting period. The report provides Council, bureau managers, and the public with information on the status of General Fund revenues and expenditures in comparison to the budget. The report also forecasts the year-end balance for the General Fund.

Basis of Accounting and Accounting Structure

City funds employ either the accrual basis or modified accrual basis of accounting.

Governmental accounting, governed by state statutes and accounting principles generally accepted in the United States (GAAP), differs substantially from private sector accounting. Private sector financial reports measure economic profits, whereas governmental accounting focuses on disclosing how public money is spent, thus controlling the amount spent for any given purpose.

Types of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Governmental funds include the General Fund, major and non-major Special Revenue, Debt Service, Capital Projects, and Permanent funds. Revenues are recognized as soon as they become both measurable and available. Federal and state grants are recorded to the extent that revenues are earned as eligible expenditures are incurred.

Expenditures are recorded when a liability is incurred. Exceptions are:

- ◆ Claims and judgments
- ◆ Interfund transactions for services which are recorded on the accrual basis
- ◆ Interest expenditures on general long-term debt that are recorded when due
- ◆ Earned but unpaid vacations that are recorded as expenditures to the extent they are expected to be liquidated with expendable, available financial resources

Financial Reporting

The Comprehensive Annual Financial Report (CAFR) of the City presents a picture of the City's finances on a Citywide and individual fund basis. The CAFR is prepared in accordance with GAAP. It reconciles differences between the budgetary basis - as presented in the annual Adopted Budget - and the other presentations used in preparing the CAFR.

The City has earned GFOA's Certificate of Achievement for the past 23 years.

The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past 23 years. GFOA is a national organization composed of professionals in the field of public financial management. The group has established stringent criteria for the awards program to ensure quality, full-disclosure accounting and reporting systems within the public sector.

Independent Audit Requirements

The fiscal affairs of the City are audited by an independent auditor each year.

The annual financial report of the City is prepared as required by state law and as promulgated by the American Institute of Certified Public Accountants (AICPA). The AICPA requires that an annual audit of the fiscal affairs of the City be performed by an independent auditor in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, and minimum standards for audits of Oregon municipal corporations.

The City also has an independently-elected auditor responsible by City Charter for conducting internal financial and performance audits for specific City services.

SUMMARIES OF FINANCIAL POLICIES

In addition to Council goals, the City has many policies that interact with and provide direction in making budgetary decisions. These policies are included in the Financial Policies section of Volume Two of this document. The Comprehensive Financial Management policy demonstrates City Council's commitment to establishing policies that ensure long term stability for the delivery of City services.

To develop and manage the finances and budget, the City has the following policies:

Comprehensive Financial Management Policy

Approved by Council in June of 1992, this policy represents the culmination of City efforts to establish broad guidelines for managing a diverse financial portfolio. The document and its subordinate policies provide guidance in the areas of financial planning, budgeting, accounting, auditing, treasury, and debt management.

Debt Management Policy

The Council first adopted a Debt Management policy in 1984. The policy is directed to maintain the City's Aaa (triple A) bond rating issued by Moody's, to ensure prudent debt decisions, and to lower the cost of overall debt management. The policy also places limits on the City's debt, centralizes the management function, and requires completion of various reports critical to maintaining the City's financial health. These guidelines are used both in constructing the debt portions of the annual budget and in gauging debt-related decisions during the year.

General Reserve Policy

On May 3, 1990, the Council adopted Resolution 34722, which formally recognized City general reserve requirements and provided specific guidelines governing the withdrawal of funds. The policy requires the maintenance of a reserve equivalent to 10% of General Fund resources. Each year, the Council reaffirms this policy through the adoption of the General Fund Financial Forecast and the annual budget.

The City of Portland maintains a 10% General Fund cash reserve.

The Council has successfully developed a General Fund Reserve that meets the 10% requirement, budgeted at \$43.3 million for FY 2005-06 (plus \$5.6 million in one-time funds for a “rainy day reserve”). One half of the 10% reserve is for major unanticipated emergencies or significant revenue fluctuations during the fiscal year. The second half is a counter-cyclical reserve, which can only be accessed when key economic indicators point to an upcoming recession likely to affect City resources. The counter-cyclical reserve is intended to provide the City with an 18-month period in which to adjust to the fiscal effects of economic recession.

Compensation Policy

The Council has followed a practice of indexing total annual compensation adjustments other than merit increases (wages, salaries, and benefits) to the growth in the Portland consumer price index. This practice has been used to better anticipate compensation increases and necessary set-asides. This policy also serves as the focus of negotiations with the City's labor organizations. Most of the City's major labor contracts now include a cap on health benefit increases.

Revenue Policy

Approved as part of the Comprehensive Financial Management policy document, the revenue policy outlines responsibilities for collecting and monitoring revenues. Discretionary resources are defined. Guidelines make bureaus responsible for revenue collection. Direction is provided for the allocation of surplus revenues. The policy establishes guidelines for the completion of cost-of-service studies, monitoring revenues and related expenses, and enhancing revenues where appropriate and consistent with Council service priorities.

Investment Policy

For over a decade, the City has had a policy governing how cash from various funds is to be invested. All estimates of fund-level interest earnings have been developed in compliance with that policy and with state law.

Interagency Policy

This policy provides guidelines for setting service rates between City agencies, establishing billing procedures, and resolving disputes. Interagency services include printing, vehicle use, communications, insurance, computers, facilities, and other services.

Local Improvement District Financing Policy

Approved by the Council in May 1991 and updated in 2001, this policy established criteria and guidelines for starting and administering local improvement districts. These districts provide a mechanism for assessing owners of capital improvements. Property owners can request that the City finance these assessments and the City sells bonded debt to cover assessments costs. Property owners then make annual payments to the City to repay the bonds.

SUMMARIES OF PLANNING POLICIES

The Council has adopted numerous policies governing the provision of specific services by the City. These policies provide further guidance to bureaus as they develop the annual budget.

Comprehensive Plan

The Comprehensive Plan establishes policies for how and where development occurs in the city.

Comprehensive planning in Oregon was mandated by the 1973 Legislature with the adoption of Senate Bill 100. Under this Act, the State Land Conservation and Development Commission (LCDC) was created and directed to adopt statewide planning goals and guidelines. These goals and guidelines were adopted by LCDC in December 1974 and became effective January 1, 1975.

On October 16, 1980, the Portland City Council adopted its first Comprehensive Plan for the City, including goals, policies, objectives, and a plan map, to guide future development and redevelopment of the city. The goals and policies of the Comprehensive Plan provide the context and guidance for future City programs, major capital projects, and other funding decisions. The Comprehensive Plan establishes policies for how and where development occurs in the city. It includes policies that address such issues as citizen involvement, land use, environmental protection, and affordable housing.

Portland Future Focus

In August of 1991, the City issued its first community strategic plan called Portland Future Focus. It was designed to plan for Portland's future in the face of the community's changing role in the state and the region. The planning process was led by a policy committee of 55 citizens, including representatives from City government, businesses, neighborhoods, education, neighboring governments, and other interests.

The goals contained within the document were directed at achieving a vision for Portland. They provide a filter against which to base decisions, including those considered during the annual budget process.

The City intends to update the strategic plan over the next two years as part of the Managing for Results initiative.

Portland - Multnomah County Benchmarks

During 1993, a public process that included several hundred people was conducted to develop measures to gauge how well the community is progressing toward its shared vision as articulated in Portland Future Focus and other community strategic plans. These benchmarks provide another tool for elected and community leaders to use in guiding future actions. An annual report is issued on the adopted benchmarks. This report continues to be an important document for use by the Council in establishing goals and priorities for the budget process.

Community Policing

Resolution 34670, approved by Council on January 26, 1990, adopted the original five-year plan for the Police Bureau transition to a community policing philosophy. Included were the goals and objectives of community policing. The plan called for 200 additional positions to implement community policing.

In 1994, Council further committed to the community policing philosophy with the passage of Resolution 35264, which adopted the Community Policing Strategic Plan. The strategic plan defines a mission, five-year goals and objectives, strategies, and performance measures. The plan is updated every two years, with the next update scheduled for 2006.

Regional Transportation

Resolution 34690, approved by Council on March 14, 1990, formalized the Council's commitment to development of a regional light rail plan. This action resulted from the successful installation and operation of a light rail line connecting downtown with the City of Gresham, east of Portland. The westside rail line extending to Hillsboro opened in August 1998.

Light rail will be the focus of the region's future transportation system.

In 2001, the Airport MAX rail service began running between downtown Portland and the Portland International Airport. Most recently, in May 2004, the north-south light rail line opened, extending from the Rose Quarter in inner Northeast Portland to the Expo Center, located in North Portland near the Columbia River. These and future projects show that light rail is the focus of the region's future transportation system, and a key in responding to the significant growth the area is expected to experience over the next two decades.

Future light rail developments include the Portland Mall Revitalization project, intended to enliven SW 5th and 6th avenues and bring light rail to the heart of downtown Portland between Union Station and Portland State University. This new light rail extension will be tied into the larger I-205 light rail project, which will bring high-capacity transit service to Clackamas County, Milwaukie, and southeast Portland. Both projects are expected to be complete by 2009.

In July of 2001, the City began operation of a new streetcar system that runs north and south through the central city. The system's success is now coupled with development of the South Waterfront area as the streetcar is being extended to SW Gibbs Street within the new development. The extension is expected to open in late 2005 or 2006.

Regional Water Supply Plan (RWSP)

The RWSP provides a comprehensive, integrated framework of technical information, resource strategies, and implementing actions to meet the water supply needs of the cities, counties, and water districts in the Portland metropolitan area through the year 2050. The Oregon part of the metropolitan region is made up of three counties and 25 cities with a population of approximately 1.3 million.

The RWSP report is built on a series of studies on potential water demand and supply options.

In FY 1991-92, at the direction of City Council, the Water Bureau worked with other water providers in the metropolitan area on a series of studies that analyzed the potential demand for water in the region and identified supply options. These studies were followed by public input and eventually formed the foundation of the final RWSP report. In early 1997, the City Council approved an intergovernmental agreement of a consortium of regional water providers that supports the final RWSP report.

The Consortium recently updated its Five Year Strategic Plan and the 2004 Regional Water Supply Plan, which direct the Consortium to focus on conservation program implementation, emergency planning and preparedness, water issue coordination, and planning decision support tools for water providers through the use of conservation, demand forecasting, and integration models. Part of this effort includes the ongoing negotiation of new wholesale water sales agreements to replace existing contracts that are scheduled to expire over the next two years.

Environmental Services Policy

The FY 2005-06 budget for the Bureau of Environmental Services reflects a number of policies, with many intended to comply with federal and state requirements.

Endangered Species Act

The City complies with federal ESA requirements to protect and restore salmon and steelhead species.

In March of 1998 and March of 1999, NOAA-Fisheries (then called the National Marine Fisheries Service) issued final rules to list the Lower Columbia steelhead and chinook salmon as threatened species under the Endangered Species Act. To respond, the BES budget includes funding to develop and implement comprehensive watershed plans for the Willamette River watershed as well as the Fanno/Tryon Creek, Johnson Creek, and Columbia Slough sub-watersheds. The plans will provide background information and recommendations to improve watershed health that will support the City's fish recovery efforts.

Combined Sewer Overflow Program

The CSO capital program continues with westside tunnel construction in FY 2004-05.

The budget provides for compliance with three administrative orders issued by the State Environmental Quality Commission relating to overflows from the combined sewer portion of the collection system. Terms of those orders require the City to eliminate discharges that violate applicable water quality standards. Such work must be completed by December 1, 2011 and is expected to cost approximately \$1.4 billion in current dollars.

Portland Harbor Sediments

The Environmental Protection Agency (EPA) has listed the Willamette River Portland Harbor as a Superfund site on the National Priorities List. The site is approximately six river miles in length, extending from the Multnomah Channel to the Swan Island industrial area, all within the corporate boundaries of Portland. BES, representing the City, participates in the Lower Willamette Group, a group of potentially responsible parties that has negotiated an administrative order with the EPA to fund and define the parameters of a remedial investigation and feasibility study to determine the extent of contamination in the harbor.

Sustainable Development

OSD carries out City/County policies on energy, global warming, green building, and sustainable operations.

Office of Sustainable Development

In the fall of 2000, City Council created the Office of Sustainable Development (OSD) by merging the former Energy Office and Bureau of Refuse Disposal. OSD implements the Portland Energy Policy, adopted by Council in 1990, and the Local Action Plan on Global Warming, adopted by both the City and Multnomah County in 2001. The office is also responsible for implementing the Green Building Initiative, which Council adopted in 1999, and supports and staffs the joint City-County Sustainable Development Commission, which was created to carry out the Sustainable City Principles adopted in 1994.

Solid Waste

Solid waste programs are now managed by the Office of Sustainable Development.

In creating OSD, Council assigned it responsibility for solid waste programs and policies. Council adopted ordinance 162497 in 1990 to establish residential garbage collection franchise areas, expand neighborhood-based recycling programs, and assess a garbage collection franchise fee. In January 1996, a commercial recycling program was implemented. In FY 2001-02, the City Council approved renewal of the franchise contracts with private haulers for the residential solid waste and recycling collection services. The FY 2005-06 budget supports the continuation of this franchise collection system as well as an extensive recycling and yard debris program.

Economic Development Strategy

In October of 2002, the Portland Development Commission released its Economic Development Strategy for the City of Portland. The strategy, resulting from the work of a blue ribbon committee appointed by the Mayor, continues the work started with Prosperous Portland. The recommended strategies and actions will become the basis of a five-year economic development plan to be managed by PDC for the City.

Housing Policies

City Council's Adopted Comprehensive Plan includes a Housing Policy, known as Goal 4, which sets forth Portland's policies and objectives for housing supply, safety, quality, opportunity, and affordability. The Council also updated and adopted the Consolidated Plan 2005-10 in the spring of 2005. The Consolidated Plan describes the city's housing needs, and contains certain principles and priorities to guide expenditure of federal housing and community development funds to address those needs.

In December 2004, the City completed and published “Home Again: A 10 Year Plan to End Homelessness.” The plan focuses resources on programs and activities designed to end chronic homelessness, reduce the duration of homelessness, and improve coordination among the various public and private agencies that fund and administer programs. Affordable housing for people at 0-20% of median family income, along with necessary services, is a critical component of the 10-Year Plan, which calls for 1,600 new units of permanent supportive housing for chronically homeless people and an additional 600 new units for homeless families by 2015.

The City has a five-year goal to create 1,791 new affordable housing units.

In December 2003 the Council adopted Resolution 36190 establishing an Affordable Housing Production Goal. The goal is intended to meet the requirements of Metro's Urban Growth Management Functional Plan Title 7. The resolution sets the City's voluntary affordable housing production goal for the five-year reporting period at 1,791 new housing units. These are units affordable to households at or below 30% of area median income.

In August 2001, the City Council adopted a No Net Loss Policy adopting the goal of creating, preserving, and rehabilitating the supply of affordable housing in the central city and throughout the Portland metropolitan area.

Budget Notes

PUBLIC SAFETY

Bureau of Police

Leave of Service Vacancies

The FY 2005-06 Adopted Budget places \$1,800,000 in General Fund contingency from the costs associated with 30 leave of service vacancies. These vacancy savings have previously been used to fund overtime expenditures, compensatory overtime payouts, unbudgeted on-call pay requirements, and limited term positions. The Police Bureau will report back to Council on the status of overtime and on-call pay expenditures during the spring 2006 budget monitoring process. At that time the Police Bureau may request additional appropriation from the \$1,800,000 in General Fund contingency for personal services expenditures or external materials and services expenditures, if needed.

Regional Public Safety Coordination

The Police Bureau, working with the Office of Management and Finance, Multnomah County, the City of Gresham, the City of Wood Village, and the City of Troutdale, will identify service improvements and savings that may result from increased coordination of public safety efforts among the jurisdictions.

Problem-Oriented Policing Strategies

The FY 2005-06 Adopted Budget provides \$1,000,000 in one-time General Fund resources for the Police Bureau to work with community partners in implementing several problem-oriented policing strategies. These strategies will be implemented as one-year pilot projects. Funds will be allocated as follows:

1. Continuation of the existing Downtown-Old Town-China Town (DT-OT-CT) pilot projects - \$200,000
2. Expansion of the DT-OT-CT pilot projects to the inner east side of the City - \$150,000
3. A multi-disciplined initiative to combat methamphetamine use - \$200,000
4. An initiative to combat burglary - \$150,000
5. A youth crime and gang prevention and intervention project - \$100,000
6. Enhanced patrols to reduce street crime - \$100,000
7. Problem-solving support in Weed and Seed Neighborhoods - \$100,000

Each strategy identified above will be assigned to a specific division within the Police Bureau. The assigned division will be responsible for facilitating the formation of a steering committee that includes appropriate community partners. Steering committees will guide strategy implementation and create performance measures for each strategy. The Police Bureau will provide monthly progress updates to the Mayor's Office and written progress reports to Council during the quarterly budget update monitoring processes. In addition, the Police Bureau, together with the steering committees, will provide a public presentation to Council by February 2006 to report on progress made in implementing these strategies.

**Bureau of Fire,
Rescue, and
Emergency Services**

Fire Bureau Delivery System Study

The Fire Bureau will conduct a study of its delivery system and of adjacent systems for fire, rescue, and emergency medical services and report the results to Council by December 2005. The chair of the study team will be a neutral party. In consideration of the study's possible recommendation for different apparatus, the bureau may not order more than two replacement engines in FY 2005-06 without specific Council approval.

Fire Bureau Retirement Payouts

The Fire Bureau will develop a plan to fully fund expected retirement payouts within the bureau's FY 2005-06 Adopted Budget. The bureau will explain its plan to Council as part of the fall 2005 budget monitoring process.

PARKS, RECREATION, AND CULTURE

**Portland Parks and
Recreation**

Pier Park

In order to be eligible for \$100,000 in one-time General Fund resources for capital maintenance at Pier Park skateboard park, the Parks Bureau will obtain \$100,000 in matching donations from private sources. The Parks Bureau will report on its progress in raising matching funds during the quarterly budget monitoring processes. Upon completion of Pier Park and Glenhaven skateboard parks, the Parks Bureau will report to Council the ongoing maintenance funding required for the two parks.

Additional Parks Maintenance Funds

It is Council's intent to increase Parks maintenance. Toward that end, \$436,484 in ongoing General Fund discretionary resources has been dedicated to reducing the maintenance backlog. The Parks Bureau will prepare an ordinance to impose a \$1 golf fee surcharge and to authorize the revenue generated to be used for general parks maintenance. The Parks Bureau and the Office of Management and Finance will develop a financial plan for the use of this revenue, so that Council may reflect changes necessary to implement the plan in the fall 2005 major supplemental budget.

Parks Construction Fund

The Parks Construction Fund (Fund 505) will be renamed the Parks Capital Construction and Maintenance Fund. Expenditures will continue to include construction projects and will be expanded to include other work undertaken to reduce Portland Parks and Recreation's major maintenance backlog. Major maintenance shall be separately budgeted, monitored, accounted for, and reported.

Interstate Firehouse Cultural Center

Council will appoint an oversight committee for the Interstate Firehouse Cultural Center (IFCC). In order to be eligible for \$80,000 in one-time General Fund resources for the IFCC, the IFCC Board will obtain \$80,000 in matching donations from private sources and the approval of the oversight committee to disburse funds.

Limited Term Funding for Parks Facilities

The FY 2005-06 Adopted Budget includes only limited term full funding for the following Parks facilities: Hillside Community Center, Fulton Community Center, Sellwood Community Center, Portland Tennis Center, Community Music Center, Pittock Mansion, and Multnomah Arts Center. The goal is to have these facilities begin to participate more in their ongoing sustainability. The Parks Bureau will report quarterly to Council on progress toward self-sufficiency for these centers, as part of the budget monitoring processes.

PUBLIC UTILITIES

Bureau of Environmental Services

The Bureau of Environmental Services will work with the Office of Transportation (PDOT), Office of Sustainable Development, Bureau of Planning, and Bureau of Development Services (BDS) to prepare a Green Streets Development Opportunity Strategy. The effort will include partnerships with neighborhoods, business groups, and other interested parties. The goal is to develop a list of opportunities where the creation of green streets would fit with the character of the neighborhood, improve storm water management, and serve transportation needs. The list should include green street opportunities in higher profile areas, where visibility can assist in spreading the word about this approach to urban development. PDOT and BDS will identify and resolve permitting issues that might dampen the interest of private developers in participating in these innovative projects.

Bureaus of Environmental Services and Water Works

The Bureau of Environmental Services and the Bureau of Water Works will conduct an analysis of the feasibility, costs, and potential savings of combining their finance and administrative functions. The bureaus will submit a joint report on their findings to Council by December 2005.

COMMUNITY DEVELOPMENT

Office of Neighborhood Involvement

The Mayor and the Commissioner of Public Utilities will lead an effort to raise private donations for graffiti abatement on large commercial properties. Council has appropriated \$80,000 in one-time General Fund resources that will be used to match, on a dollar-for-dollar basis, any donations obtained for graffiti abatement from private sources. ONI will bring an amendment to the graffiti abatement contract before Council authorizing an increase in the contract for the amount of any private donations received, plus the matching City funds. Any unused portion of the \$80,000 in General Fund resources will be returned to General Fund contingency during one of the FY 2005-06 budget update and monitoring processes.

Bureau of Planning

Reorganization of Planning Functions

The Planning Bureau will submit an implementation plan for the reorganization of long-range planning functions in the City, as well as a fiscal impact analysis of the reorganization, to Council by December 2005.

River Renaissance Program

The Planning Bureau will submit a report to Council by December 2005 on the status of the River Renaissance program, to include an assessment of the ongoing need for positions that support this program. The positions are funded with one-time monies in FY 2005-06 and will be reevaluated for FY 2006-08 funding based on Council priorities.

Limited Term Position for Public Market Development

Partial General Fund support is provided for a limited term position to work on developing a public market in the city. The balance required for full funding will be pursued and secured by the person hired into that position. Possible funding sources include grants, partnership, sponsorship, and private donations.

LEGISLATIVE, ADMINISTRATIVE, AND SUPPORT SERVICES

Office of the City Auditor

Council requests that the Auditor's Office assess whether the Managing for Results management auditor position is needed primarily for implementation of improved performance measures or for ongoing performance measure audits. Council requests a report from the Auditor's Office on this issue by December 2005. The position is funded with one-time monies in FY 2005-06 and will be reevaluated for FY 2006-08 funding based on Council priorities.

Bureau of Licenses

Business License Fee Check-Off for RACC

The Bureau of Licenses will implement a check-off system that will allow businesses to donate a portion of business license fee refunds to the Regional Arts and Culture Council (RACC) beginning in tax year 2005. The bureau will also amend Administrative Rule 610.93-4 to eliminate the project-by-project apportionment option. Increased revenue resulting from this amendment, estimated at \$200,000 per year, will begin to be collected in FY 2006-07. These increased revenues will be earmarked for matching the donations received through the check-off system for distribution to RACC. The bureau will bring all legal or regulatory amendments required to implement these changes before Council in time for the adjustments to be effective for tax years beginning on or after January 1, 2006.

Tracking for Enhanced Revenue Collection

New license revenues collected through enhanced efforts by the City Attorney's Office and various bureaus will be programmed and tracked separately in the Business License Information System (BLIS). Quarterly reports on the results of the enhanced collection efforts will be submitted as part of the budget monitoring processes.

ITAX Sunset

The Multnomah County Income Tax (ITAX) is scheduled to sunset after the 2006 tax year. The County provides 100% of the funding needed to collect the tax, including funding for some City administrative staff involved in the collection efforts. A financial plan will be submitted during the fall 2005 budget monitoring process that addresses the upcoming loss of these funds. The plan will include an inventory of the ongoing positions currently supported by the County. The plan will also explain how limited term staff assigned to ITAX collection will be phased out.

Office of Management and Finance

800 MHz and Computer-Aided Dispatch Systems

The Office of Management and Finance will develop financial plans for the replacement of the 800 MHz Communications System and the Computer-Aided Dispatch System. These plans will be submitted to Council by December 2005 and include details of any participation of entities outside the City with respect to acquisition, major maintenance, and/or future replacement.

Stakeholder Involvement and Strategic Technology Plans

The Bureau of Technology Services will develop and implement a plan to increase bureau involvement in its budget development, rate setting, and associated financial issues. The bureau will also create a Citywide information technology strategic plan and assist other bureaus with the development of bureau-level information technology strategic plans. The bureau will report to Council on its progress with these issues by December 2005.

Business Operations

The Office of Management and Finance will complete a focused review of the business practices of its Business Operations unit, and report findings and recommendations to Council by December 2005.

Maintenance Consolidation

The Office of Management and Finance will lead a study of the feasibility of consolidating some or all maintenance functions among City bureaus, Portland Public Schools, and Multnomah County. City bureaus to be included in the study are OMF; Bureau of Environmental Services; Portland Parks and Recreation; Bureau of Water Works; Bureau of Fire, Rescue, and Emergency Services; and Bureau of Maintenance. The study will include an assessment of the feasibility of merging maintenance staff and activities, establishing common maintenance sites, and creating neighborhood maintenance facilities focused on activity in geographic regions of the city. A report will be presented to Council by April 1, 2006.

Cayenta System Implementation

A report will be submitted to Council by December 2005 describing the staffing level changes to occur in Customer Services once the Cayenta system is fully implemented.

Summer Youth Employment Program

The Office of Management and Finance, Bureau of Human Resources will increase the participation level for the Summer Youth Employment Program from 35 students to 70 students for the summer of 2005.

Expansion of Low-Income Utility Assistance Program

Utilities Customer Services in the Office of Management and Finance will work with the Bureau of Environmental Services (BES) and the Bureau of Water Works (Water) to develop a pilot project to expand the low-income utility assistance program to residents of nonprofit multi-family rental properties. The pilot project will be implemented in FY 2005-06. In consultation with BES and Water, OMF shall make a recommendation to Council by December 2005 regarding expansion of the pilot project to other multi-family rental properties in FY 2006-07.

Revenue Bureau

Council has expressed general support for the creation of a Revenue Bureau but has deferred a final decision pending further review. The Chief Administrative Officer will convene an internal working group comprised of the directors of the affected bureaus; the American Federation of State, County, and Municipal Employees (AFSCME); the City Auditor; and representatives from the Mayor and Commissioners' offices to resolve the following issues:

- The overall vision for the new organization, including long-term work plan assumptions and the potential use of one-time funds to speed technology improvements;
- The organizational location of the new bureau, specifically whether the bureau will be located in OMF or will be a stand-alone bureau;
- The inclusion of various functions in the new bureau, such as purchasing, local improvement districts (LIDs), and foreclosure work;
- The extent and timing of position elimination; and
- Timing and responsibility for implementation.

The internal working group will submit a report to the Mayor. The report will include recommendations for the critical issues outlined above; a recommended interim management team; a summary of FY 2005-06 budget impact; and a summary of forecast out-year efficiencies.

In addition, a second report will be submitted to Council by December 2005 on the possible inclusion of the Police Alarms program in Phase II of Revenue Bureau implementation. The report will include any efficiencies expected from the merger, as well as any costs associated with moving the program.

Office of the Mayor

Consolidation of Public Information Functions

Council requests that the Office of the Mayor submit an implementation plan for the consolidation of functions assigned to provide public information in City bureaus, as well as a fiscal impact analysis of the consolidation, to Council by December 2005.

Bureau Innovation Project

The 20 recommendations of the Bureau Innovation Project, the Mayor's initiative to create needed Citywide change, will be further developed by work teams and implemented during FY 2005-06. The progress of the work teams and implementation will be collaboratively discussed at Implementation Team meetings and overseen by the Mayor's Office.

Financial Summaries

Guide to the Financial Summaries

Introduction

The Financial Summaries section of Volume One contains a variety of tables intended to help the reader view the FY 2005–06 Adopted Budget as a whole, consolidating the budget figures across all the City's funds and bureaus.

The Financial Summaries section of Volume Two contains the tables that summarize City finances by fund, as well as fund-specific detail.

The tables in this section do not include figures for the Portland Development Commission (PDC). PDC is a semi-autonomous agency that operates under City charter but is budgeted separately.

Volume One Summary Tables

Total City

The first summary (Table 1) offers the broadest picture: the entire City budget condensed onto one page, comparing FY 2004–05 with FY 2005–06. This summary shows that for the City as a whole, as well as for any individual fund, resources must always equal requirements. That is, the amount of money planned to be spent from a fund, plus the dollars reserved for contingencies or reserves, (requirements) must equal the total amount of money flowing into the fund plus its beginning balance (resources). For simplicity, the Financial Summaries use the terms revenue and expense, even though those terms have more specific meanings in the world of accounting. The detailed budget pages for individual funds, however, do use the more formally correct terms resources and requirements to signify what a fund has (or expects to get) versus what it needs.

Major Types of Expenditures

Table 1 shows the budget broken into its major revenue and expense classes. On the requirements side of the budget, there are two types of major expense classes: bureau expenses and fund expenses. Bureau expenses (bureau requirements in the individual fund pages) are the types of expenditures - operating or capital - that result from programs or services provided by the City's bureaus. These categories are personal services, internal materials and services, external materials and services, capital outlay, and a less-often used category, equipment cash transfers. Fund expenses (fund requirements) are financial requirements needed to keep a fund healthy and meet its obligations - such as contingencies, debt retirement, and most interfund transfers - but which may not be associated with the operations of any particular bureau. This distinction is important because the term “bureau requirements”, the service part of the budget, is used in some of the financial summaries rather than total fund requirements.

Net Budget

The Citywide totals in Table 1 and other summaries show the sum of the various funds and a net budget figure. The net budget subtracts the double count caused by interfund transfers and tax anticipation notes. Tax anticipation notes (TANs) are short term debt sold early in some years to provide cash until property tax revenues are received. The double count occurs because the City budgets for both TANs and property tax revenues.

SUMMARY BY SERVICE AREA

Table 2 shows operating and capital budgets by service areas.

Table 2, "Operating and Capital Budget by Service Area," summarizes the operating and capital expenditures included in bureau budgets for each fiscal year by service area and bureau. It does not include fund requirements, such as contingencies, reserves, debt principal, or interfund transfers.

GENERAL FUND REVENUES AND EXPENSES

Table 3 summarizes the budget for the General Fund, the City's largest, most visible, and most flexible fund. It shows the different sources of revenue, the expense budgets for individual bureaus, and the fund-level expenses, and compares the FY 2004–05 Revised Budget to the FY 2005–06 Adopted Budget.

Table 3 shows General Fund discretionary and total budgets by bureau.

Table 3 also shows how much of a bureau's budget comes from discretionary General Fund resources. Some of the General Fund revenues (non-discretionary resources) are restricted by contract or policy to be spent only for certain purposes, or the Council has decided to dedicate them to a particular bureau because the revenues are generated by that bureau's operations. For instance, TriMet (the regional transit authority) contracts with the Police Bureau for police services. Those dollars can only be spent by the Police Bureau for activities related to that contract. Similarly, Portland Parks and Recreation generates fee income from its recreation programs that the City Council has decided, by policy, to dedicate to parks and recreation functions.

The major types of non-discretionary resources are grants and donations, contract revenues, interagency service agreements with another City bureau, revenues from services provided to the public for which there is a charge or fee, and overhead charges, which recover from other funds the cost of services provided by central administrative bureaus based in the General Fund.

The bureau's discretionary budget does not include revenues restricted to certain activities and thus represents the bureau's allocation of those dollars over which the City Council exercises discretion, such as property taxes, business licenses, or utility license fees.

The total General Fund FY 2005–06 Adopted Budget is \$436.2 million. After subtracting the cost of those activities tied to non-discretionary funding sources, the flexible part of the General Fund is actually \$310.2 million. City Council can choose to dedicate discretionary resources to any service area, bureau, or program.

SUMMARY OF AUTHORIZED POSITIONS

Table 4 summarizes positions authorized by City Council.

Table 4 is summary of the positions authorized by Council through the budget process. For the first time, the figures for the new fiscal year (FY 2005–06) include permanent part-time positions and limited term positions, along with permanent full-time positions. Prior year figures for some bureaus include all three categories of positions, while others do not. While this change in methodology makes year-to-year comparisons somewhat difficult, the decision was made to include permanent full-time and part-time positions and limited-term positions to better reflect the true size and nature of the City’s workforce.

Total City Budget – Revenues and Expenses

TABLE 1

This table summarizes the City budget as a whole according to the major categories of expenses and revenues. The figures on this page combine all of the City's funds except those of the Portland Development Commission, a semi-autonomous agency that operates under City charter but is budgeted separately. All subsequent budget tables follow this format.

	Revised FY 2004–05	Adopted FY 2005–06
RESOURCES		
External Revenues		
Property Taxes	317,384,853	327,874,903
Other Taxes	13,277,182	14,346,124
Licenses and Permits	122,352,505	120,675,200
Service Charges	370,080,315	392,488,024
Intergovernmental	211,314,360	188,639,646
Miscellaneous	58,737,479	53,267,749
Debt Proceeds	327,327,161	441,903,993
Total External Revenues	1,420,473,855	1,539,195,639
Transfer from Other Funds		
Service Reimbursements	185,677,332	195,957,994
Cash Transfers	480,489,229	487,664,881
Total Transfers from Other Funds	666,166,561	683,622,875
Beginning Fund Balances	468,446,327	465,678,049
Total Budget	2,555,086,743	2,688,496,563
Less Interfund Transfers and Tax Anticipation Notes	(685,900,600)	(703,622,875)
TOTAL NET BUDGET	\$ 1,869,186,145	\$ 1,984,873,688
REQUIREMENTS		
Bureau Expenses		
Personal Services	440,998,314	445,197,791
External Materials & Services	557,078,298	551,337,367
Internal Materials & Services	182,350,538	195,932,994
Capital Outlay	230,463,523	224,405,299
Equipment Cash Transfers	3,060,834	25,000
Total Bureau Expenses	1,413,951,507	1,416,898,451
Fund Level Expenses		
Debt Service	246,808,916	250,100,099
Fund Level Cash Transfers	480,489,228	487,664,881
Inventory Increases	0	140,000
Contingency	345,235,482	222,675,055
Total Fund Level Expenses	1,072,533,626	960,580,035
Total Appropriated Budget	2,486,485,133	2,377,478,486
Unappropriated Ending Balance	68,601,612	311,018,077
Total Budget	2,555,086,745	2,688,496,563
Less Interfund Transfers and Tax Anticipation Notes	(685,900,600)	(703,622,875)
TOTAL NET BUDGET	\$ 1,869,186,145	\$ 1,984,873,688

Operating and Capital Budget by Service Area

TABLE 2

This table summarizes the operating and capital expenditures included in bureau budgets for each fiscal year, by service area, and by bureau. It does not include fund requirements such as contingencies, reserves, debt principal, or interfund transfers.

	Revised FY 2004-05			Adopted FY 2005-06		
	Operating Budget	Capital Improvements	Total Expenditures	Operating Budget	Capital Improvements	Total Expenditures
Public Safety						
Police	140,769,025	0	140,769,025	132,362,671	0	132,362,671
Emergency Management	11,360,770	0	11,360,770	6,721,366	0	6,721,366
Fire	74,839,278	2,154,960	76,994,238	71,670,059	1,550,700	73,220,759
Fire & Police Disability & Retirement	84,563,417	0	84,563,417	87,502,596	0	87,502,596
Bureau of Emergency Communications	13,050,473	0	13,050,473	13,448,087	0	13,448,087
Public Safety Fund	679,550	544,155	1,223,705	454,000	307,934	761,934
Other Public Safety	7,859,261	8,914,855	16,774,116	10,430,289	7,185,378	17,615,667
Total Public Safety	333,121,774	11,613,970	344,735,744	322,589,068	9,044,012	331,633,080
Parks, Recreation and Culture						
Parks and Recreation	48,803,708	0	48,803,708	47,830,404	0	47,830,404
Parks Construction Fund	2,446,778	18,883,316	21,330,094	1,786,059	13,124,643	14,910,702
Parks Local Option Levy	8,623,250	0	8,623,250	11,426,828	0	11,426,828
Golf	4,740,828	608,502	5,349,330	4,870,767	200,000	5,070,767
Portland International Raceway	1,431,006	40,000	1,471,006	1,304,317	0	1,304,317
Spectator Facilities	2,024,151	340,000	2,364,151	1,237,168	200,000	1,437,168
Other Parks, Recreation and Culture	5,286,186	0	5,286,186	5,181,272	0	5,181,272
Total Parks, Recreation and Culture	73,355,907	19,871,818	93,227,725	73,636,815	13,524,643	87,161,458
Public Utilities						
Environmental Services - Sewer	93,379,541	150,927,042	244,306,583	84,554,133	137,131,249	221,685,382
Hydroelectric Power	675,011	0	675,011	566,204	0	566,204
Water	59,892,610	42,565,382	102,457,992	52,801,118	52,342,000	105,143,118
OSD - Solid Waste Management	2,883,731	0	2,883,731	2,492,469	0	2,492,469
	3,200,000	0	3,200,000	0	0	0
Other Public Utilities	5,756,833	325,000	6,081,833	8,192,578	325,000	8,517,578
Total Public Utilities	162,587,726	193,817,424	356,405,150	148,606,502	189,798,249	338,404,751
Community Development						
Cable and Franchise Management	1,825,776	0	1,825,776	1,791,628	0	1,791,628
Cable Fund	3,226,521	0	3,226,521	3,140,942	0	3,140,942
Housing & Community Dev. Op	20,281,851	0	20,281,851	9,748,700	0	9,748,700
Childrens Investment Fund	14,680,617	0	14,680,617	8,479,559	0	8,479,559
Housing & Community Dev. Fund	22,072,498	0	22,072,498	15,177,023	0	15,177,023
LID Construction	10,091,291	43,822	10,135,113	15,163,646	0	15,163,646
Office of Neighborhood Involvement	7,140,752	0	7,140,752	7,112,244	0	7,112,244
Development Services Fund	29,601,847	0	29,601,847	31,271,639	0	31,271,639
Planning	6,831,707	0	6,831,707	6,083,800	0	6,083,800
Office of Sustainable Development	4,056,856	0	4,056,856	2,592,932	0	2,592,932
Special Finance & Resource	76,464,828	0	76,464,828	114,159,261	0	114,159,261
Other Community Development	38,984,499	0	38,984,499	40,037,328	0	40,037,328
Total Community Development	235,259,043	43,822	235,302,865	254,758,702	0	254,758,702
Transportation and Parking						
Parking Facilities	4,340,080	1,276,900	5,616,980	4,307,007	1,377,497	5,684,504
Private for Hire Trans Safety	276,563	0	276,563	22,000	0	22,000
Transportation and Street Lighting	98,131,622	60,734,155	158,865,777	93,580,369	79,114,879	172,695,248
Other Transportation and Parking	132,572	0	132,572	128,695	0	128,695
Total Transportation and Parking	102,880,837	62,011,055	164,891,892	98,038,071	80,492,376	178,530,447
Legislative, Administrative & Support Services						
City Attorney	5,571,515	0	5,571,515	6,026,174	0	6,026,174

Operating and Capital Budget by Service Area

TABLE 2

This table summarizes the operating and capital expenditures included in bureau budgets for each fiscal year, by service area, and by bureau. It does not include fund requirements such as contingencies, reserves, debt principal, or interfund transfers.

	Revised FY 2004-05			Adopted FY 2005-06		
	Operating Budget	Capital Improvements	Total Expenditures	Operating Budget	Capital Improvements	Total Expenditures
City Auditor	7,139,335	0	7,139,335	7,695,656	0	7,695,656
Business License Surcharge	7,019,752	0	7,019,752	6,312,813	0	6,312,813
OMF - ComNet	13,938,700	2,743,856	16,682,556	0	0	0
OMF - Facilities Services	12,896,982	12,992,272	25,889,254	17,810,591	3,584,767	21,395,358
OMF - CityFleet	25,462,712	0	25,462,712	18,773,656	0	18,773,656
OMF - Printing and Dist.	6,634,010	0	6,634,010	6,233,280	0	6,233,280
Government Relations	815,627	0	815,627	750,347	0	750,347
OMF - Technical Services	23,571,430	0	23,571,430	36,729,982	2,759,450	39,489,432
OMF - Insurance and Claims	7,336,185	0	7,336,185	6,569,642	0	6,569,642
Licenses	7,183,957	0	7,183,957	7,955,231	0	7,955,231
Management and Finance	25,820,361	0	25,820,361	24,841,835	0	24,841,835
Mayor and Commissioners' Offices	4,283,307	0	4,283,307	4,315,298	0	4,315,298
Utility Customer Services	5,153,000	0	5,153,000	13,507,177	0	13,507,177
OMF - Citywide Projects	5,589,466	0	5,589,466	9,253,587	0	9,253,587
Campaign Finance	0	0	0	1,296,000	0	1,296,000
Workers Compensation	5,342,371	0	5,342,371	4,401,816	0	4,401,816
Other Leg, Admin & Support Services	39,893,293	0	39,893,293	47,592,711	0	47,592,711
Total Legislative, Administrative & Support Services	203,652,003	15,736,128	219,388,131	220,065,796	6,344,217	226,410,013
TOTAL EXPENDITURES	\$1,110,857,290	\$ 303,094,217	\$1,413,951,507	\$1,117,694,954	\$ 299,203,497	\$1,416,898,451
FUND REQUIREMENTS						
Ending Fund Balance			68,601,612			311,018,077
Contingency			345,235,480			222,675,055
GF Overhead Transfers			12,486,213			13,194,088
Grants Transfers			58,216,304			44,253,740
Other Cash Transfers			409,786,711			430,217,053
Inventory Increases			0			140,000
Debt Retirement			246,808,916			250,100,099
TOTAL CITY BUDGET	\$	\$	\$2,555,086,745	\$	\$	\$2,688,496,563
TOTAL NET CITY BUDGET	\$	\$	\$1,869,186,145	\$	\$	\$1,984,873,688

General Fund Revenues and Expenses

TABLE 3

This table summarizes the type of revenues into the General Fund, as well as the bureau expense budgets, with a comparison between fiscal years.

	Discretionary Budget		Total Budget	
	Revised FY 2004-05	Adopted FY 2005-06	Revised FY 2004-05	Adopted FY 2005-06
RESOURCES				
Property Taxes	153,173,082	158,678,968	153,173,082	158,678,968
Lodging Taxes	10,811,022	12,092,518	10,811,022	12,092,518
Business Licenses	39,274,397	44,418,253	39,274,397	44,418,253
Utility License Fees	58,174,903	57,612,598	58,174,903	57,612,598
Service Charges and Other	805,533	3,625,510	22,665,291	24,682,298
Intergovernmental	12,443,131	12,682,145	67,224,798	40,852,288
Transfers from Other Funds/Agencies	927,770	820,303	56,543,815	67,195,175
Beginning Fund Balance	23,556,465	21,005,245	25,882,451	33,505,245
TOTAL GENERAL FUND RESOURCES	\$ 299,166,303	\$ 310,935,539	\$ 433,749,759	\$ 439,037,343
EXPENSES				
City Attorney	1,647,115	1,779,280	5,571,559	6,026,174
City Auditor	\$2,489,881	\$2,996,873	\$7,139,881	\$7,695,656
Cable & Franchise Management	\$1,497,236	\$1,448,416	\$1,869,619	\$1,791,628
Commissioner #	\$269,093	\$290,406	\$635,562	\$644,905
Commissioner #	\$268,287	\$289,244	\$633,649	\$642,287
Commissioner #	\$273,608	\$295,304	\$696,917	\$655,766
Commissioner #	\$266,497	\$287,212	\$629,420	\$637,765
Community Development	\$2,674,696	\$2,999,200	\$20,343,124	\$9,748,700
Office Sustainable Development	\$399,125	\$420,542	\$3,972,318	\$2,592,932
Office Management & Finance	\$3,603,009	\$4,819,597	\$24,676,601	\$24,841,835
Office Mgmt & Finance - Citywide Projects	\$0	\$0	\$5,589,466	\$9,253,587
Office Mgmt & Fin - CIS Implementation	\$0	\$500,000	\$5,068,400	\$13,507,177
Fire	\$66,997,386	\$68,389,051	\$76,194,172	\$73,220,759
Governmental Relations	\$303,264	\$304,939	\$815,831	\$750,347
Licenses	\$4,243,607	\$2,851,751	\$9,279,435	\$7,955,231
Mayor	\$552,158	\$609,242	\$1,386,694	\$1,734,575
Office Emergency Management	\$371,821	\$371,888	\$11,249,825	\$6,721,366
Neighborhood Involvement	\$4,368,115	\$4,620,069	\$7,135,001	\$7,112,244
Parks & Recreation	\$30,527,636	\$30,809,292	\$48,645,992	\$47,830,404
Planning	\$5,837,971	\$5,712,852	\$6,802,607	\$6,083,800
Police	\$121,346,384	\$117,597,928	\$140,785,992	\$132,362,674
Parks Stores	\$25,000	\$25,000	\$25,000	\$25,000
Special Appropriations	\$16,822,815	\$20,289,267	\$17,064,950	\$20,634,345
Total Bureau Expenses	264,784,704	267,707,353	396,212,015	382,469,157
Total Bureau Expenses	\$264,784,704	\$267,707,353	\$396,212,015	\$382,469,157
Transfers To Other Funds	\$31,339,480	\$37,468,860	\$34,495,625	\$38,308,860
Contingency-Operating & Unforeseen	\$3,042,119	\$5,759,326	\$3,042,119	\$5,759,326
Contingency-Encumbrance Carryover	\$0	\$0	\$0	\$12,500,000
TOTAL GENERAL FUND EXPENSES	\$ 299,166,303	\$ 310,935,539	\$ 433,749,759	\$ 439,037,343

Certain minor cash transfers from General Fund bureaus are reflected in the bureau line and are excluded from Discretionary Transfers to Other Funds. These are the Parks transfer and Licenses transfer to the Governmental Bond Redemption Fund.

(†) Period 12 Revised Budget

Summary of Authorized Positions

TABLE 4

This table summarizes the number of regular permanent or limited-term full-time and part-time positions authorized in each bureau or fund. Temporary part-time positions are not included.

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Adopted FY 2005-06	Change
General Fund					
Office of the City Attorney	38.00	37.00	43.77	46.85	3.08
Office of the City Auditor	65.00	64.00	64.48	67.40	2.92
Bureau of Housing and Community Development	26.00	23.00	27.36	27.06	-0.30
Cable Communications and Franchise Management	6.80	6.70	6.80	6.70	-0.10
Commissioner of Public Affairs	7.00	8.00	8.00	6.50	-1.50
Commissioner of Public Works	7.00	7.00	6.70	6.75	0.05
Commissioner of Public Utilities	7.00	7.00	7.50	6.50	-1.00
Commissioner of Public Safety	4.00	7.00	6.63	6.39	-0.24
Bureau of Fire, Rescue and Emergency Services	710.40	700.50	702.82	699.53	-3.29
Office of Government Relations	6.00	4.00	3.48	4.00	0.52
Licenses	38.00	63.00	70.98	61.73	-9.25
Office of the Mayor	15.00	15.00	17.58	17.50	-0.08
BGS Administration	3.00	3.00	3.00	3.00	0.00
Citywide Projects	0.00	0.00	24.00	25.00	1.00
Financial Services	58.00	57.50	58.48	58.88	0.40
Human Resources	54.00	55.00	56.66	55.00	-1.66
OMF Business Operations	34.00	34.60	29.60	28.60	-1.00
Purchases	27.00	29.50	31.65	31.00	-0.65
Utility Customer Services	0.00	0.00	115.40	109.40	-6.00
Office of Neighborhood Involvement	47.45	61.28	61.78	53.63	-8.15
Office of Sustainable Development	24.30	26.10	30.03	32.44	2.41
Parks and Recreation - General Fund	308.60	365.38	370.10	354.79	-15.31
Bureau of Planning	72.00	68.00	58.47	52.90	-5.57
Portland Office of Emergency Management	0.00	6.00	8.00	10.00	2.00
Bureau of Police	1,284.00	1,257.00	1,300.13	1,225.69	-74.44
Total General Fund	2,842.6	2,905.6	3,113.4	2,997.2	-116.20
Other Funds					
Bureau of Development Services	286.00	270.25	276.94	292.25	15.31
Bureau of Emergency Communications	133.00	137.00	125.50	130.75	5.25
Bureau of Environmental Services	456.00	474.00	486.09	480.50	-5.59
Facilities Services	35.00	37.00	36.30	36.00	-0.30
CityFleet	83.00	83.00	82.00	76.00	-6.00
Golf Fund	38.50	34.00	36.00	34.00	-2.00
Health Administration	6.00	6.00	7.00	7.00	0.00
Hydroelectric Power Division	3.00	3.00	3.00	3.00	0.00
Technology Services	172.00	179.00	194.14	196.43	2.29
Parks Construction Fund	10.90	17.90	14.00	16.62	2.62
Portland International Raceway Fund	6.00	6.00	5.00	5.00	0.00
Printing & Distribution Services	27.00	26.00	25.50	26.00	0.50
Office of Transportation	702.00	708.00	768.78	753.25	-15.53
Risk Management	18.00	17.00	23.00	22.00	-1.00
Water Division	540.00	557.00	433.75	451.92	18.17
Total Other Funds	2,516.4	2,555.2	2,517.0	2,530.7	13.7
TOTAL CITY	5,359.0	5,460.7	5,630.4	5,527.9	-102.5

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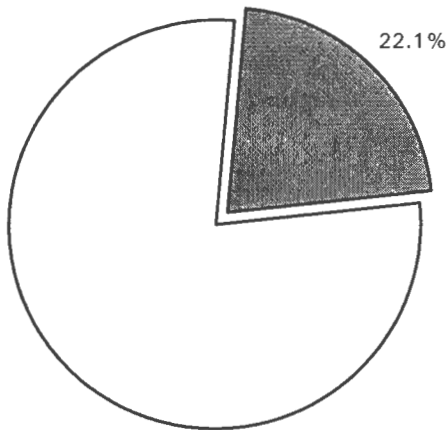
Public Safety

Bureau of Emergency Communications
 Bureau of Fire, Rescue, and Emergency Services
 Bureau of Police

Fire & Police Disability & Retirement
 Portland Office of Emergency Management

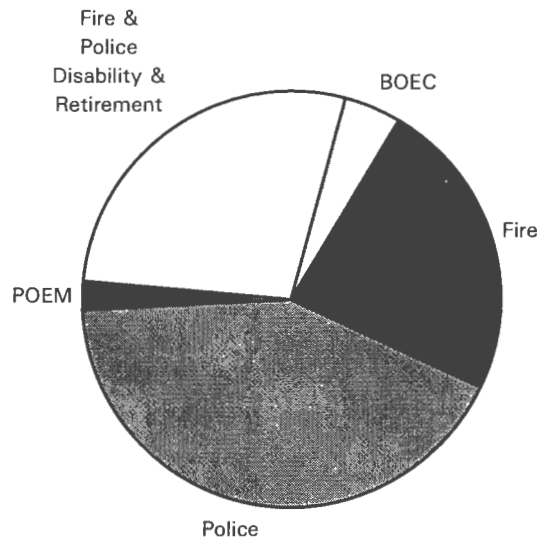
Percent of City Budget

Public Safety = \$313.3 Million



City Budget = \$1.42 Billion

Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	324,582,963	311,704,779	-12,878,184	-4.0%
Capital	2,154,960	1,550,700	-604,260	-28.0%
Total Expenditures	\$ 326,737,923	\$ 313,255,479	\$ -13,482,444	\$ -4.1%
Authorized Positions	2,136.45	2,065.97	-70.48	-3.3%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Service Area Highlights

DESCRIPTION

The Public Safety service area includes the Bureau of Police; the Bureau of Fire, Rescue, and Emergency Services; the Bureau of Emergency Communications; and the Office of Emergency Management. These bureaus provide critical public safety services, such as police protection, fire and emergency medical response, 9-1-1 call-taking, emergency dispatch, and disaster planning and mitigation. The Fire and Police Disability and Retirement Fund is also included in the Public Safety service area.

MAJOR THEMES

The FY 2005-06 Adopted Budget prioritizes frontline public safety services. In lieu of cuts to direct services, the Adopted Budget reduces some administrative and support services for the public safety bureaus.

Police Bureau

The Police Bureau's Adopted Budget for FY 2005-06 reflects a decrease of 1.6% from the current appropriation level. Major highlights include:

- ◆ Elimination of funding for 6.75 FTE in the Chief's Office, Internal Affairs, Tactical Operations, Sunshine Division, Family Services Division, Police Corps, and the Planning and Support Division;
- ◆ Reduction of the bureau's external materials and services budget by \$790,600;
- ◆ Transfer of \$1.8 million in anticipated leave of service vacancy savings to General Fund contingency, to be used by the bureau if needed upon approval by the City Council;
- ◆ Elimination of position authorization for 44 positions that are currently unfunded and vacant (no budgetary impact);
- ◆ Increase in program revenue from event-related cost recovery and increased false alarm fines;
- ◆ A \$1.1 million reduction due to over-budgeted internal service costs;
- ◆ \$309,538 in internal service cost reductions passed on by the City's central service bureaus; and
- ◆ The addition of \$1.0 million in one-time General Fund resources to implement several problem-oriented policing initiatives.

Fire Bureau

The FY 2005-06 Adopted Budget for the Bureau of Fire, Rescue, and Emergency Services is approximately 2.5% less than its allocated current appropriation level in terms of ongoing funding. Significant reductions are:

- ◆ Elimination of 3.2 FTE support positions, primarily in Management Services;
- ◆ Deferral of construction of a new station in southwest Portland.

Bureau of Emergency Communications

No reductions from the current appropriation level were made for the Bureau of Emergency Communications (BOEC). Highlights of the bureau's FY 2005-06 Adopted Budget are:

- ◆ Extension of nine limited term emergency communications operator trainee positions;
- ◆ Rising technology expenditures, which required BOEC to reduce other budget areas to absorb the increased costs.

Office of Emergency Management

The General Fund discretionary and overhead appropriation for the Portland Office of Emergency Management (POEM) is 4.7% less than the current appropriation level. Notable POEM budget decisions for FY 2005-06 are listed below.

- ◆ One limited term assistant financial analyst position was extended and two new limited term positions, an outreach coordinator and a program coordinator, were added. The two new positions are entirely funded with grants, while the assistant financial analyst position is primarily grant-funded.
- ◆ Reductions totaling \$39,242 were made to the materials and services budget. The largest single item is a \$15,000 cut in education and outreach.

Fire and Police Disability and Retirement Fund

The FY 2005-06 Adopted Budget supports ongoing activities and services provided for sworn members of the Fire and Police Bureaus, as well as their spouses and dependent minor children. Additions to the budget for FY 2005-06 include:

- ◆ Funds for two new disability claims coordinator positions;
- ◆ Funds to conduct a Council-requested comprehensive review of the Fire and Police Disability and Retirement Fund.



Bureau of Emergency Communications

Public Safety Service Area

Randy Leonard, Commissioner-in-Charge

Carl Simpson, Director

Percent of City Budget

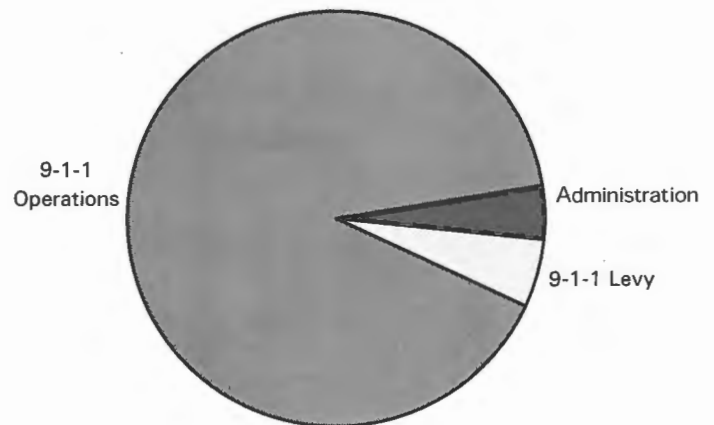
BOEC = \$13.4 Million

0.9%



City Budget = \$1.42 Billion

Bureau Programs

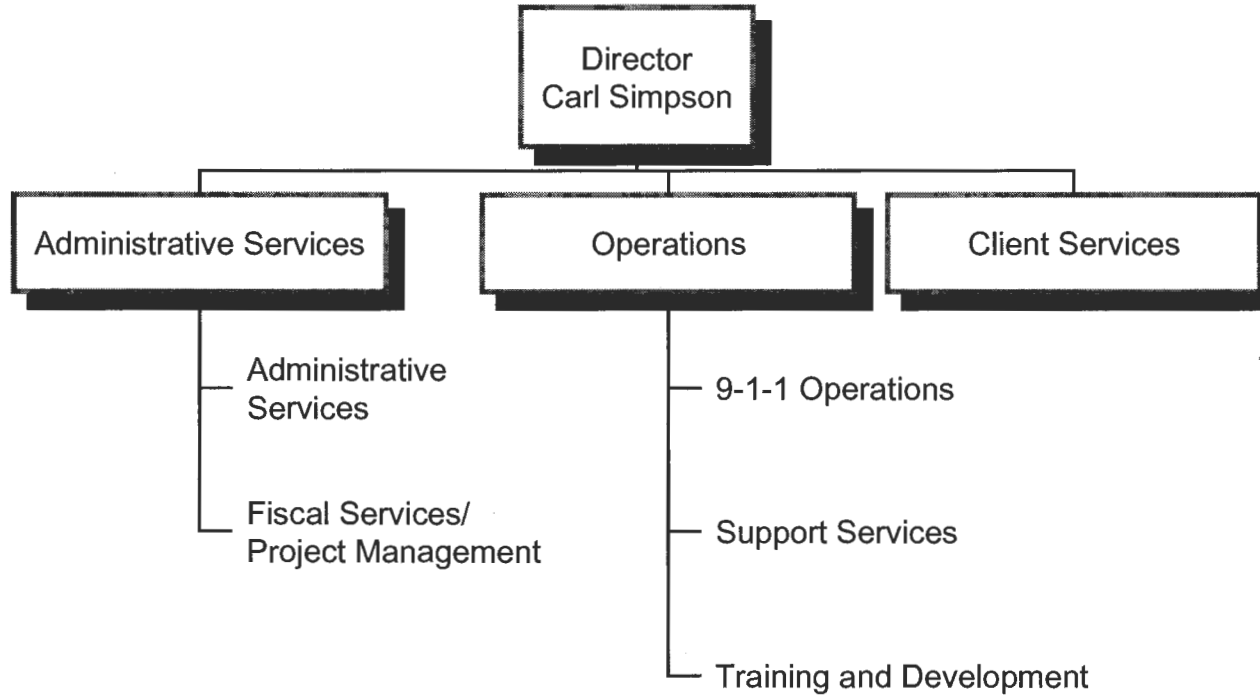


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	13,050,473	13,448,087	397,614	3.0%
Capital	0	0	0	0.0%
Total Expenditures	\$ 13,050,473	\$ 13,448,087	\$ 397,614	\$ 3.0%
Authorized Positions	125.50	130.75	5.25	4.2%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau of Emergency Communications



Bureau Summary

BUREAU MISSION

The mission of the Bureau of Emergency Communications (BOEC) is to provide exemplary, quality, and timely 9-1-1 call-taking services to the citizens of Portland and Multnomah County, and to provide the best possible dispatch services to BOEC's police, fire, and medical user agencies.

VISION AND VALUES

We are a committed and compassionate community supporting each other through respect, consistency, fairness, and integrity, trusting that every action is taken from the highest and purest motive. BOEC strives to serve the public by providing the vital link between citizens in need and the proper emergency service responder by means of the most efficient operating systems available.

Our values are:

- ◆ *Competence.* The ability to perform all facets of the job with a high degree of skill, confidence, and efficiency. People have the expertise to work individually or as a team with a diverse customer base, including both callers and responders. People are able to fashion appropriate responses to new situations based on past experiences.
- ◆ *Integrity.* Actions and decisions are values-based. Values are not compromised for the sake of expediency. Doing the right thing in the right way is more important than doing things the easy way.
- ◆ *Respect.* People are valued and feel valued. They support and encourage each other. The environment is free of hostility, intimidation, discrimination, and harassment. When people disagree, they do so with civility.
- ◆ *Responsibility.* People understand their jobs and perform their duties to the best of their ability. People are accountable for their statements, actions, and performance. Credit for success is shared with all who contributed.
- ◆ *Teamwork.* The organization and its mission are paramount. There is a shared understanding of goals and priorities. People set aside their personal agendas and work together for the good of the organization. Everyone pulls his or her weight. Team members are loyal to each other.
- ◆ *Compassion.* We care about each other, emergency responders, and residents. That caring is demonstrated in the way we work together and the way we treat each other.

BUREAU OVERVIEW

Organizational Description

BOEC is the primary organization for public safety call-taking and dispatch in Multnomah County. BOEC personnel process all 9-1-1 telephone calls, as well as calls to a government nonemergency number. Staff also dispatch police, fire, and emergency medical responders to incidents.

Operating Budget The FY 2005-06 Adopted Budget for BOEC totals \$14.6 million and supports 127 permanent positions and nine limited term positions. Of these positions, 114 are emergency communications operators (ECOs) and trainees. Of BOEC's \$14.6 million total budget, \$13.4 million is for general operating purposes. The budget is primarily supported by resources from the City of Portland and other regional user jurisdictions (City of Gresham, Multnomah County, etc.), and State of Oregon 9-1-1 tax revenues.

SUMMARY OF BUDGET DECISIONS

The FY 2005-06 Adopted Budget reflects an increase of \$397,614 in non-contingency operating appropriation from the FY 2004-05 Revised Budget. The FY 2005-06 Adopted Budget incorporates the following Council decisions:

Service Cuts Despite an increase in funding from the FY 2004-05 Revised Budget, inflationary increases in many expenses meant BOEC still had to cut its budget from current service levels to balance the FY 2005-06 Adopted Budget. The FY 2005-06 Adopted Budget makes the following key reductions from the current allocation level (CAL):

- ◆ Overtime budget reduction, \$108,451
- ◆ Reduction to the unemployment compensation claim budget, \$82,000
- ◆ Elimination of funding for external employee training and development, \$30,000
- ◆ Elimination of funding for external instructors in new employee training academies, \$10,000

Reduction in Information Technology Equipment and Support

Beginning in FY 2004-05, the Bureau of Technology Services (BTS) assumed responsibility for purchasing all information technology (IT) equipment and administering all IT service and support agreements. Previously this was performed at the bureau level. BTS recommended a funding level of \$951,000 for equipment purchases and support agreements in FY 2005-06. This funding level was reduced to \$507,000 to help balance BOEC's budget. A \$507,000 IT budget will allow BOEC to keep existing equipment operational, but will not allow for the addition of new and more efficient technology or the aggressive replacement schedule recommended for an emergency response center that operates 24 hours a day, seven days a week.

Extension of Limited Term Positions

The Adopted Budget extends nine limited term emergency communications operator trainee positions for periods ranging from one to nine months. Extending these positions will allow BOEC to keep its training "pipeline" full. BOEC anticipates that attrition will allow the transfer of trainees from limited term to permanent positions at the rate of one per month. Funding for the positions will come from beginning balance in the Emergency Communication Fund.

RAP Program

Rescue Autumn's People (RAP) is a voluntary program that flags the homes of disabled residents in the 9-1-1 system. Multnomah County residents who are physically or mentally disabled can submit their addresses to BOEC individually or through case managers. BOEC will then use that information to notify emergency responders when they may be required to assist someone whose disabilities hinder them from exiting a dangerous situation independently. The FY 2005-06 Adopted Budget provides \$17,500 in one-time money to help fund the establishment of this new program. Funds are allocated in the Public Safety Fund, rather than BOEC's operating fund, to distinguish the program from regular operations funded jointly by the regional user jurisdictions.

Strategic Direction

SIGNIFICANT ISSUES

- Public Safety Fund** The Public Safety Fund was originally created through a 1989 property tax levy to fund construction of the emergency communications center and acquisition of the computer-aided dispatch system. The fund has been maintained for over 15 years with state 9-1-1 tax revenue reimbursements and interest income, but the fund's resources are diminishing. BOEC's user jurisdictions have chosen to draw on the Public Safety Fund to supplement BOEC's operating budget over the years. At the same time, it was recognized that - as a limited funding source - the fund would eventually cease to be available to support BOEC's operations. That time is rapidly approaching. The likely consequences of Public Safety Fund depletion are a need for increased General Fund support in out-years or a reduced level of equipment quality and/or quantity at the BOEC emergency communications center.
- Call Volume** Current BOEC call volume is around 940,000 calls per year. On average, call volume has increased 1% to 2% each year. For FY 2005-06, BOEC expects call volume to increase to roughly 950,000 calls - 620,000 emergency and 330,000 nonemergency calls. As call volume continues to increase, BOEC will need to hire additional emergency communications operators to prevent further increases in 9-1-1 call-waiting times.
- Other Significant Strategic Issues** BOEC is currently addressing other significant strategic issues:
- ◆ **Community and agency relationships** - promoting and nurturing relationships with the community and client agencies.
 - ◆ **Community and agency service** - increasing the efficiency and quality of call handling and dispatching.
 - ◆ **Organizational improvement** - improving internal organizational effectiveness.
 - ◆ **Recruitment and hiring** - promoting workforce excellence and making BOEC careers accessible to all people.
 - ◆ **Training and development** - providing consistent, high-quality, and ongoing training to develop employees to their fullest potential.
 - ◆ **Employee wellbeing** - increasing employee morale, health, and job satisfaction.

MANAGEMENT GOALS & OBJECTIVES

- Long-Term Goals** BOEC's primary goal is to provide excellent 9-1-1 call-taking and dispatch services to the citizens and emergency response agencies of the regional user jurisdictions. This goal aligns with the City goal of ensuring a safe and peaceful community.
- To provide excellent 9-1-1 call-taking and dispatch services, BOEC has adopted the following secondary goals:
- ◆ Strive to attain and maintain full staffing levels by continuously reviewing hiring and selection processes.
 - ◆ Improve employee training by providing initial and continuing education for instructors and vigilantly monitoring trainee progress toward certification.
 - ◆ Provide in-service continuing education and training for certified operators that improves employee performance, as well as job satisfaction, knowledge, and skills.

- ◆ Review and update BOEC's technological support systems, which are critical to reliable and efficient call-taking and dispatch.
- ◆ Improve labor-management relations and cooperation to improve accountability and work processes. To reach this objective, BOEC convenes monthly meetings of the bureau's labor-management committee.
- ◆ Enhance the bureau's quality assurance program to ensure continuous improvement in bureau policies, procedures, training processes, and work environment. The bureau also evaluates the need for new technologies as part of its quality assurance process.

**Bureau Management
Objectives for FY
2005-06**

In addition to long-term goals, BOEC has identified several specific, measurable objectives for FY 2005-06. Many of these objectives are included in BOEC's agreement with user jurisdictions. BOEC is committed to meeting or exceeding the requirements of the user agreement.

Call-Taking Objectives

- ◆ 80% of all emergency 9-1-1 calls will be answered in less than 20 seconds.

Police Dispatch Objectives

- ◆ For 90% of all priority emergency calls, create-to-dispatch times will be less than 60 seconds.
- ◆ For 90% of all priority 1 calls, create-to-dispatch times will be less than 90 seconds.
- ◆ For 90% of all priority 2 calls, create-to-dispatch times will be less than 180 seconds.
- ◆ For 90% of all priority 3-5 calls, create-to-enter times will be less than 180 seconds.

Fire Dispatch Objectives

- ◆ For 90% of all urgent calls (commercial, auto, and residential fires), create-to-broadcast/tone-out times will be less than 60 seconds.
- ◆ For 90% of all priority calls (code 2 or nonemergency response), receive-to-broadcast/tone-out times will be less than 90 seconds.
- ◆ For 90% of all nonpriority calls, receive-to-broadcast/tone-out times will be less than 120 seconds.

Emergency Medical Dispatch Objectives

- ◆ For 90% of all priority 1 and 2 calls, create-to-dispatch/tone-out times will be less than 90 seconds.
- ◆ For 90% of all priority 3-9 calls, create-to-dispatch/tone-out times will be less than 180 seconds.

Hiring Objectives

- ◆ Actively participate in City-sanctioned recruiting events.
- ◆ Exceed the bureau's affirmative action goals for recruitment and hiring.
- ◆ Hire, train, and certify a sufficient number of employees each year to offset attrition and meet operational demands.

Overview of Programs

ADMINISTRATION

Program Description Administration provides oversight and leadership for BOEC operations, as well as administrative support for the organization as a whole. The FY 2005-06 Adopted Budget includes administrative costs of 4.3% of the total bureau budget, and administrative staffing of 3.7% of total bureau staffing. Administration includes five positions:

- ◆ Bureau director
- ◆ Business operations supervisor
- ◆ Principal management analyst
- ◆ Senior administrative specialist
- ◆ Office support specialist

Relationship to Goals and Performance

City Goal: Ensure a safe and peaceful community.

The Administration program has established the following goals:

- ◆ Strive toward attaining full staffing by constantly reviewing hiring and selection processes.
- ◆ Improve the training program by providing introductory and continuing education for instructors and diligently monitoring trainee programs.
- ◆ Enhance in-service continuing education and training for certified emergency communications operators to improve employee performance and job satisfaction, knowledge, and skills.
- ◆ Review and update the technological support system that underpins BOEC's core functions.
- ◆ Improve labor-management relations and cooperation to ensure resolution of identified issues. To accomplish this goal, BOEC will convene monthly meetings of the labor-management committee and work with both management and labor to improve accountability and processes.
- ◆ Enhance the quality assurance program to ensure continuous improvements in bureau policies and procedures, training processes, and the work environment. Enhancing quality assurance includes evaluating the need for new technologies.
- ◆ Keep Administration program costs and staffing below 5% of overall bureau costs and staffing. Estimated administrative costs for FY 2004-05 are 5% of the total operating budget, and the bureau plans to reduce this figure to 4% for FY 2005-06.

Working toward these goals will help BOEC provide the best possible services to its user agencies and the residents of Multnomah County.

Changes to Services and Activities

Connect and Protect

In partnership with the Regional Alliance for Infrastructure and Network Security, a Portland-based nonprofit technology provider, BOEC is now able to send automated, real-time messages to the Portland School District. The real-time messages give school principals more and better information about emergency events in and around school neighborhoods. The information is delivered electronically (via a secure and encrypted connection) with a corresponding map highlighting the location of the emergency event. Timely information provides school officials with data that helps them make better decisions and keep our children safer.

Amber Alert

BOEC recently took the lead in implementing the Amber Alert system in Multnomah County. The bureau has improved system work instructions and drills routinely on the activation process. These steps ensure that, when the system needs to be activated, it will be done correctly and without delay.

Rescue Autumn's People

BOEC is currently working with Rescue Autumn's People, advocates for the disabled community, to provide information about the residences of disabled citizens to first responders. Logging and providing this information helps emergency responders better prepare to assist those who cannot independently exit a dangerous situation.

9-1-1 OPERATIONS

Program Description

The Operations program provides 9-1-1 call-taking and dispatch services to the residents and emergency response agencies of Multnomah County. Operations includes 131 positions:

- ◆ 105 permanent emergency communications operator positions. These employees are responsible for handling incoming calls and dispatches.
- ◆ Nine limited term emergency communications operator trainee positions, added to the FY 2005-06 Adopted Budget to help maintain BOEC's training pipeline. The positions are funded for periods ranging from one to nine months. BOEC anticipates that attrition will allow the transfer of trainees from limited term to permanent positions at the rate of one per month.
- ◆ Six permanent positions related to management, training, and customer services. These positions include the operations manager, assistant operations manager, client services program coordinator, quality improvement program coordinator, training and development officer, and computer-aided dispatch coordinator.
- ◆ 11 permanent emergency communications supervisor positions.
- ◆ Three permanent support positions.

Relationship to Goals and Performance

City Goal: Ensure a safe and peaceful community.

BOEC has identified several performance goals for the Operations program. Call-taking performance is measured primarily by the percent of emergency 9-1-1 calls answered within 20 seconds. BOEC's User Board has established a goal of answering 80% of all emergency 9-1-1 calls within 20 seconds. In 2004, 85.4% of emergency 9-1-1 calls were answered within 20 seconds. Performance to date for 2005 has averaged 87.5%.

Dispatch performance is measured primarily by the percent of top priority calls dispatched within 60 seconds or 90 seconds, depending on the responder type. Dispatch goals and performance for top priority calls are listed below by responder type.

- ◆ *Police* - For 90% of all "Emergency Priority" calls, create-to-dispatch times will be within 60 seconds. Recent performance has averaged 91%.
- ◆ *Fire* - For 90% of all "Urgent Priority" calls, create-to-broadcast/tone-out times will be within 60 seconds. Recent performance has averaged 75%.
- ◆ *Emergency Medical Dispatch* - For 90% of all "Priority Emergency, 1, or 2" calls, create-to-dispatch/tone-out times will be within 90 seconds. Recent performance has averaged 82%.

Success in achieving call-taking and dispatch performance goals reflects call volume, staffing levels, and emergency responder availability, as well as the individual performance of emergency communications operators. BOEC expects call volume to increase to roughly 950,000 calls in FY 2005-06, consisting of approximately 620,000 emergency and 330,000 nonemergency calls.

Changes to Services and Activities

Staffing Levels

Currently there are 85 fully certified ECOs. ECO trainees are hired twice per year for two academies that begin in September and February. BOEC's goal is to hire nine trainees for each of these academies. The academy training is eleven weeks long, with operations floor training for up to an additional year.

During the last several years, the number of ECO positions has been reduced from approximately 120 FTE to the FY 2005-06 level of 105 FTE, plus nine limited term trainee positions. On average, 12 employees leave BOEC each year due to retirement, normal attrition, and inability to successfully complete the ECO training program. It is an industry-wide challenge to recruit, train, and certify a sufficient number of ECOs to offset attrition and maintain full staffing levels.

Call Volume

Call volume tends to increase at the same rate as population. In Multnomah County, recent population growth has been 1% to 2% per year. BOEC's annual call volume is currently about 940,000; an increase of 1% to 2% per year represents an additional 10,000 to 20,000 calls each year.

The total number of emergency 9-1-1 calls answered in more than two minutes has increased from an average of 40 per month in 2001 to more than 500 per month in 2004. This past August, BOEC's busiest month, an alarmingly high number of calls - 2,100 - held for more than two minutes. In addition, more than 10,000 emergency callers were on hold for 20 seconds or longer in August 2004.

The "Reno Solution"

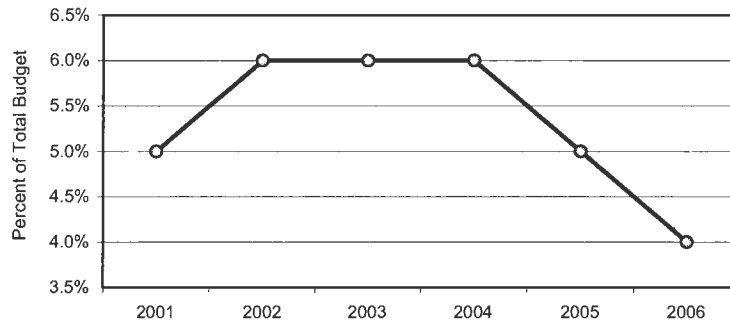
BOEC has recently implemented a new screening technique for cell phone calls, known as the Reno Solution. This approach requests verification from cell phone callers that they intended to dial 9-1-1. The change was implemented to reduce call-waiting times by screening accidental calls out of the queue.

The Reno Solution has achieved significant reductions in cell phone call processing volume with very few complaints. BOEC implemented the change on December 1, 2004, and the average number of cell phone calls dropped almost immediately from 580 to 184 per day. Previously, cell phone calls made up approximately 50% of overall call volume. If the trend following Reno Solution implementation continues, this number could drop to 25%.

Performance Measures

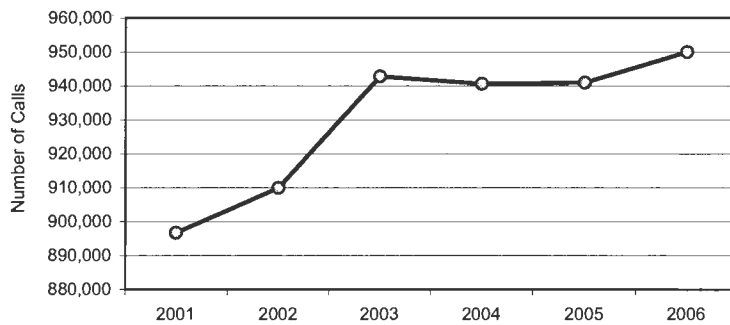
Administrative Costs as Percent of Total Budget

- ◆ BOEC's objective is to manage administrative costs so that they are 10% or less of BOEC's total budget.



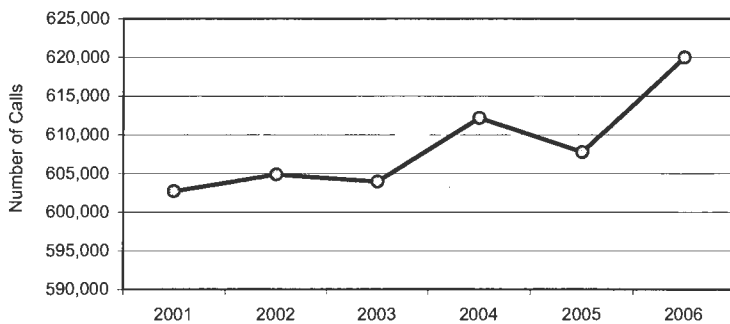
Number of Emergency and Nonemergency Calls

- ◆ Total call volume is a good indicator of workload.



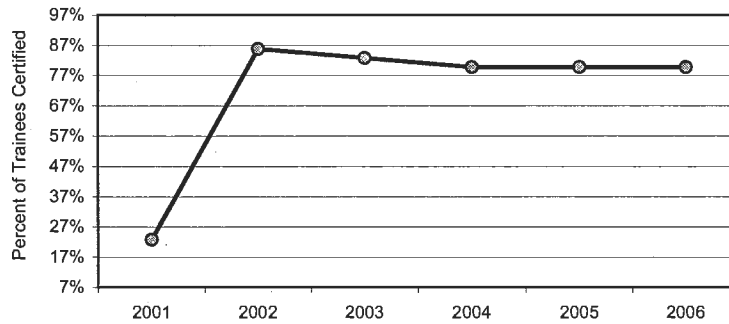
Number of Emergency 9-1-1 Calls

- ◆ The creation of a nonemergency number in 2001 reduced the growth in emergency calls, but population growth continues to drive increases in 9-1-1 call volume.



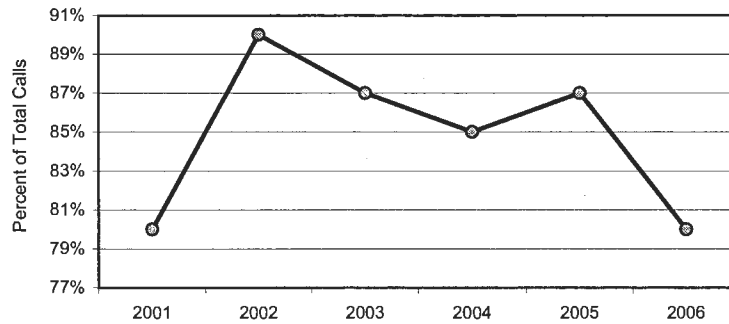
Trainee Certification Rate

- ◆ Trainee certification rates improved significantly in 2002 as the result of improved selection and retention processes. Gains made in trainee certification have been maintained over the last several years.



Percent of Emergency Calls Answered Within 20 Seconds

- ◆ Increases in call volume without increases in the number of certified emergency communications operators have resulted in fewer emergency calls answered within 20 seconds.



Bureau of Emergency Communications AU 620

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF EMERGENCY COMMUNICATIONS						
Administration						
Efficiency						
Administrative Cost as a Percent of Total Budget	5.0%	6.0%	6.0%	6.0%	5.0%	4.0%
9-1-1 Operations						
Effectiveness						
Percent of Emergency Calls Answered Within 20 Seconds	80%	90%	87%	85%	87%	80%
Percent of Police "Emergency Priority" Calls Dispatched Within 60 Seconds	92%	91%	91%	91%	90%	90%
Percent of Fire "Urgent Priority" Calls Dispatched Within 60 Seconds	82%	80%	74%	75%	75%	75%
Percent of Medical "Priority Emergency, 1, or 2" Calls Dispatched Within 90 Seconds	85%	83%	81%	82%	82%	82%
Efficiency						
Trainee Certification Rate	23%	86%	83%	80%	80%	80%
Workload						
Number of Emergency and Nonemergency Calls	896,717	909,929	942,833	940,594	940,966	950,000
Number of Emergency 9-1-1 Calls	602,698	604,863	603,923	612,176	607,763	620,000
Number of Nonemergency Calls	294,019	305,066	338,910	328,418	333,233	330,000

Bureau of Emergency Communications AU 620

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	10,041,491	9,176,240	9,658,932	10,277,364	10,253,837
External Materials and Services	442,593	386,133	531,235	191,792	191,792
Internal Materials and Services	2,727,867	2,349,281	2,857,606	3,002,458	3,002,458
Minor Capital Outlay	0	64,868	0	0	0
Equipment Cash Transfers	0	0	2,700	0	0
Total Operating Budget	13,211,951	11,976,522	13,050,473	13,471,614	13,448,087
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 13,211,951	\$ 11,976,522	\$ 13,050,473	\$ 13,471,614	\$ 13,448,087
Allocated Overhead	300,727	385,968	117,812	298,360	303,779
Total Cost with Allocated Overhead	13,512,678	12,362,490	13,168,285	13,769,974	13,751,866
RESOURCES					
Emergency Communication Fund	13,211,951	11,976,522	13,050,473	13,471,614	13,448,087
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Administration	849,063	844,489	975,431	572,587	572,587
<i>Positions</i>	9.00	8.00	8.00	5.00	5.00
9-1-1 Operations	12,362,888	11,132,033	12,075,042	12,899,027	12,875,500
<i>Positions</i>	124.00	129.00	117.50	125.75	125.75
TOTAL PROGRAMS	\$ 13,211,951	\$ 11,976,522	\$ 13,050,473	\$ 13,471,614	\$ 13,448,087
<i>Positions</i>	133.00	137.00	125.50	130.75	130.75

Bureau of Emergency Communications AU 620

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7978	Asst Emergency Comm Oper Mgr	0.00	0.00	1.00	69,132	1.00	71,960	1.00	71,960
0316	Emerg Comm Oper, Trainee	0.00	9.00	0.00	0.00	0.00	0.00	0.00	0.00
0317	Emergency Comm Operator I	3.00	4.00	2.00	94,464	2.00	99,816	2.00	99,816
0318	Emergency Comm Operator II	105.00	105.00	101.50	5,014,277	103.00	5,461,648	103.00	5,461,648
0102	Office Supp Spec II	1.00	1.00	1.00	32,686	1.00	35,222	1.00	35,222
7103	Administrative Assistant	1.00	1.00	1.00	56,844	1.00	58,764	1.00	58,764
7102	Administrative Specialist, Senio	1.00	1.00	1.00	44,568	1.00	46,396	1.00	46,396
7106	Administrative Supervisor I	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7112	Business Operations Manager	1.00	1.00	1.00	85,464	0.00	0.00	0.00	0.00
7110	Business Operations Supervisor	0.00	0.00	1.00	66,492	1.00	68,544	1.00	68,544
7985	Emergency Com Pgm Coord	0.00	0.00	2.00	144,552	2.00	145,056	2.00	145,056
7980	Emergency Communication Training	1.00	1.00	1.00	66,468	1.00	69,186	1.00	69,186
7085	Emergency Communications Directo	1.00	1.00	1.00	107,928	1.00	111,249	1.00	111,249
7977	Emergency Communications Operati	1.00	1.00	1.00	81,988	1.00	84,940	1.00	84,940
7975	Emergency Communications Supervi	11.00	8.00	10.00	653,200	11.00	721,737	11.00	721,737
7976	Emergency Communications Supervi	4.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7133	Principal Management Analyst	1.00	1.00	1.00	76,135	1.00	79,254	1.00	79,254
0970	Program Manager II	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		133.00	137.00	125.50	\$ 6,594,198	127.00	\$ 7,053,772	127.00	\$ 7,053,772
0316	Emerg Comm Oper, Trainee	0.00	0.00	0.00	0.00	3.75	134,460	3.75	134,460
TOTAL LIMITED TERM POSITIONS		0.00	0.00	0.00	\$ 0	3.75	\$ 134,460	3.75	\$ 134,460

Bureau of Emergency Communications AU 620

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	13,283,353	0	13,283,353	127.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	0	188,261	188,261	3.75	Extend nine limited term operator trainee positions
Approved Budget Additions and Reductions	(23,527)	0	(23,527)	0.00	Reduce overtime to offset increased fund expenses
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(23,527)	188,261	164,734	3.75	Total FY 2005-06 Decision Packages
			\$ 13,448,087	130.75	Total Adopted Budget

Bureau of Fire, Rescue, and Emergency Services

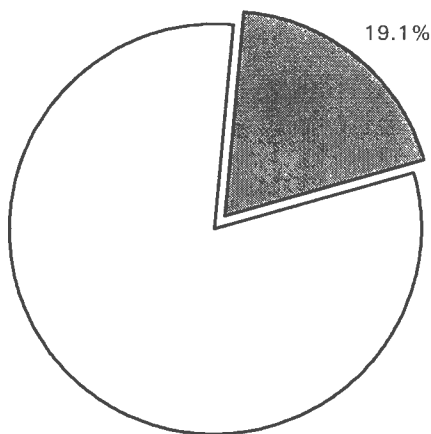
Public Safety Service Area

Erik Sten, Commissioner-in-Charge

Dave Sprando, Fire Chief

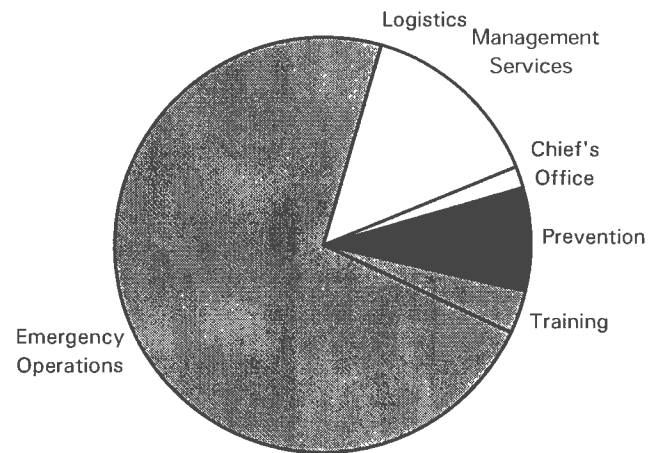
Percent of General Fund

Fire = \$73.2 Million



General Fund = \$382.5 Million

Bureau Programs

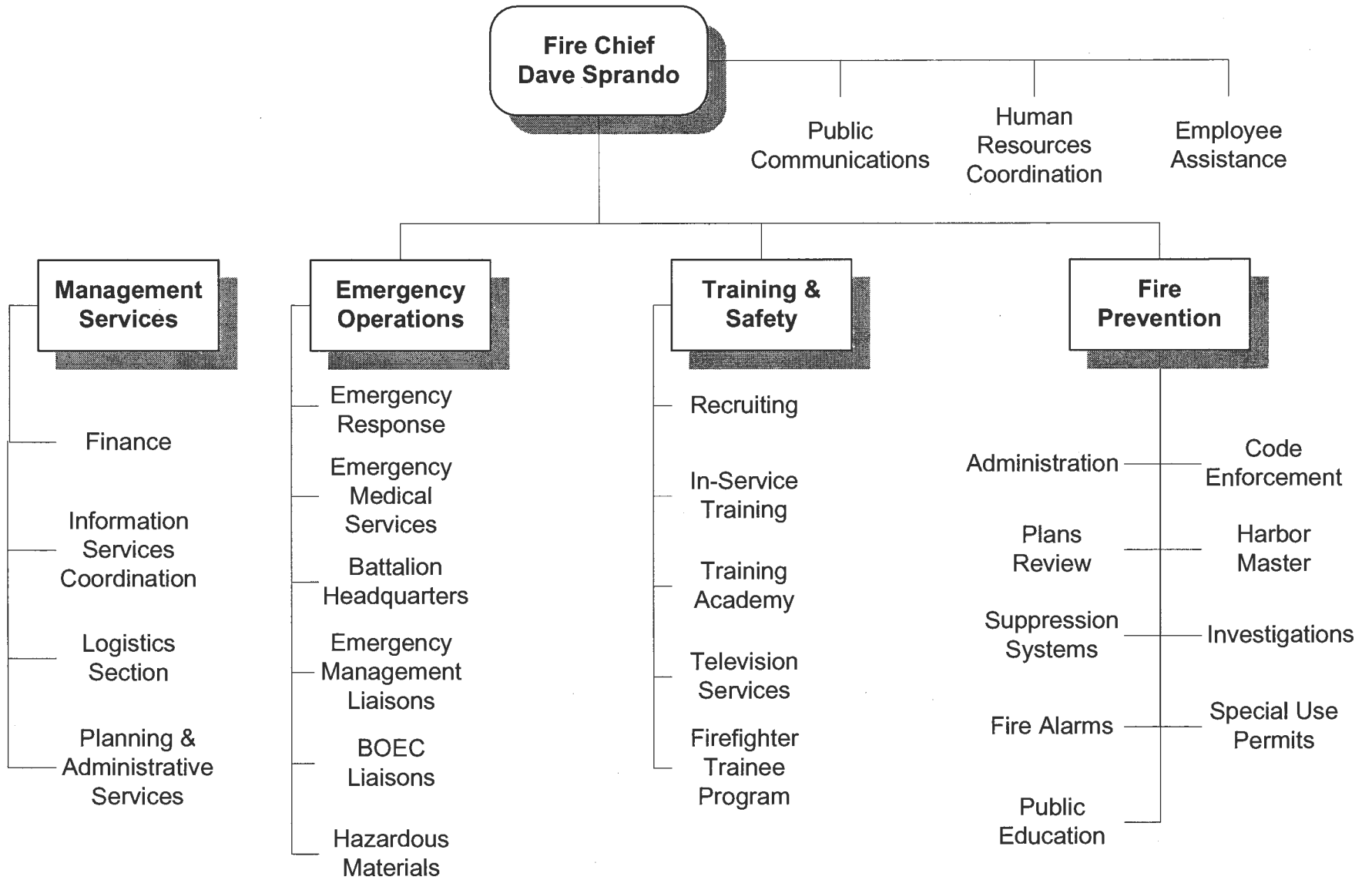


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	74,839,278	71,670,059	-3,169,219	-4.2%
Capital	2,154,960	1,550,700	-604,260	-28.0%
Total Expenditures	\$ 76,994,238	\$ 73,220,759	\$ -3,773,479	\$ -4.9%
Authorized Positions	702.82	699.53	-3.29	-0.5%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Portland Fire & Rescue



Bureau Summary

BUREAU MISSION

Portland Fire & Rescue (PF&R) provides Portland citizens with a wide range of services including fire prevention; response to fire, medical, and other emergency incidents; and disaster management. The mission of Portland Fire & Rescue is to promote a safe environment for all protected areas; to respond to fire, medical and other emergencies; and to provide related services to benefit the public.

BUREAU OVERVIEW

PF&R's Services and Program Priorities

Portland Fire & Rescue provides public safety to residents of this city through five major functional areas: the Office of the Fire Chief, Emergency Operations, Management Services, Training & Safety, and Prevention. Its highest service priority is to provide emergency response and prevention services to the city while ensuring that staff is safe when performing these duties.

How Does Portland Fire & Rescue Benefit the Community?

PF&R provides the following benefits to the community:

Emergency Operations - primary and most obvious role in community

- ◆ Protect and save lives
- ◆ Protect and save property
- ◆ Help economy
- ◆ Protect environment
- ◆ Improve quality of life

Prevention - save lives and property through numerous programs

- ◆ Fire code inspections
- ◆ Arson investigation
- ◆ Public education
- ◆ Building plans review

Workforce diversity and cultural competency

- ◆ Firefighter trainee program
- ◆ Workforce development program

Public service outreach programs

- ◆ Trauma Intervention Program
- ◆ Toy & Joy
- ◆ Youth programs - Adopt-a-School, Riskwatch, Fire and Life Safety Learning Center, and Juvenile Fire Setter Prevention

Office of the Fire Chief

The Fire Chief manages and directs PF&R, the second largest General Fund bureau in the City. The Public Communication Office is also organizationally located in the Office of the Fire Chief and provides accurate crisis communication, proactive information, grant writing, and other communication services.

- Emergency Operations** Emergency response is the most critical service to the community. It is the primary means by which PF&R saves lives and property for the residents who live and work here. Emergency response has increased 21% in the past 10 years, to an all-time high last year of 60,672 incidents. Firefighters provide quick and effective response to medical emergencies, fires, automobile wrecks, special rescues, hazardous materials incidents, and many other types of situations where people need immediate help.
- In addition, Portland firefighters are the first line of defense for a disaster. No matter if the incident is human caused, such as an act of terrorism or hazardous materials spill, or natural, such as an earthquake, severe winter storm, or flooding, Portland Fire & Rescue provides first response with emergency medical care, fire suppression, rescue, and mitigation.
- Training and Safety** Training and Safety is an important program to PF&R, because it ensures firefighters have the skill and strength to perform their jobs. Training enhances public safety, and it helps keep firefighters out of harm's way as well.
- Recently, federal grant funds were used to provide structural collapse training to the technical rescue team. The threats of fires, earthquakes, and terrorism all put Portland's high-rise buildings at risk, making the need for structural collapse rescues an unfortunate reality. PF&R's Training and Safety Division also provides regional leadership in the fire service, such as our Rapid Intervention Team training.
- In addition, since PF&R is Oregon's largest pre-hospital medical care provider, all firefighters must be certified as Emergency Medical Technicians (EMTs). The Training and Safety Division keeps all of the EMTs and paramedics current in their training, skill level, and certifications.
- Prevention** Another extremely valuable service to the community is the prevention activities that help stop emergencies from happening in the first place. This program achieves success through arson investigation, public education, enforcement of fire code, inspection of building plans, and other prevention initiatives.
- Management Services** The Management Services Division provides the support necessary to operate a 24 hour a day, seven day a week organization. This division includes Financial Services, Planning and Administrative Services, and the Logistics section. The Logistics section supports emergency response by ensuring that firefighters have the tools they need to respond 24 hours a day, seven days a week. Specially certified mechanics keep fire apparatus running, carpenters keep the fire and rescue stations fully operational, and other logistics employees provide tools, protective clothing, and other equipment to help firefighters perform safely.
- Grants** For the past three years, PF&R has received funds from the Fire Act Grant. The funds will support the continuation of the televised safety messages on KGW-TV. The campaign is designed to save the lives of our most vulnerable residents: children 14 years and younger and seniors over 65 years of age. Spanish versions of the message are being broadcast on the only Hispanic station in the market that sells local advertising.
- Surpassing the projections outlined in the grant proposal, PF&R has been highly successful in reaching the target audiences of seniors, parents of children 14 and younger, and the Hispanic population. The Nielsen ratings show that the messages have reached 97% of all senior citizens and 92.7% of all women ages 25 to 49, typically the parents of children in our target audience.

Terrorism/Disaster Preparedness

In May of 2004, Portland firefighters received structural collapse training from one of the nation's most respected urban search and rescue (USAR) teams. Spec Rescue International responded to the Oklahoma City bombing in 1995 and the collapse of the twin towers in New York on September 11, 2001. Station 1 will be housing a regional USAR tractor-trailer, which will come equipped with \$300,000 worth of specialized equipment. Funded by a federal grant, the apparatus will contain items such as ground radar to see through concrete, telescopic camera lenses, and sensitive listening devices.

Homeland Security Funding for the City of Portland

Working with the Portland Office of Emergency Management, PF&R is responsible for coordinating the expenditure of \$8.0 million in 2003 and 2004 Urban Area Security Initiative (UASI) grants provided to the region, which includes the Portland Police Bureau and Clackamas, Clark, Multnomah, and Washington counties. The UASI grants dictate that the urban areas that receive funding take a regional metropolitan approach to the development and implementation of the program.

Of the \$8.0 million of UASI grant proceeds, PF&R is directly receiving approximately \$3.2 million. Specifically, the grants address the planning, equipment, training, and exercise needs of large urban areas, and help build an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism.

Cultural Diversity/ Workforce Development

The Firefighter Trainee program continues to provide a successful tool in recruiting underrepresented groups of people. Since its inception in 1993, firefighters hired through the trainee program have been extremely diverse in terms of gender and ethnic background. The program is open to anyone hoping to fulfill the dream of becoming a firefighter.

PF&R is partnering with the Bureau of Human Resources to develop a program for workforce development training, especially in the area of cultural diversity. The goal is to ensure a respectful, healthy, and diverse work environment for all employees.

The program is in line with the October 2001 Council resolution that outlined strategies for all bureaus to create a diverse and culturally competent workforce. PF&R began with an organizational cultural assessment performed by the Metropolitan Group in the summer of 2002. The final document contained numerous recommendations, and implementation began in late June 2003 and is continuing in the current fiscal year. All 700 PF&R employees have completed training on topics of communication, conflict resolution, respect, and common ground, and will receive additional training on other areas of workforce development.

Urban Wildfire Mitigation

In the early evening of August 8, 2001, the City of Portland got a wake-up call, which clearly illustrated just how vulnerable we are to urban wildland fires. Residents living on the Willamette Boulevard bluff near the University of Portland very nearly lost their homes and a large part of their community. Firefighters and citizens, in a dramatic team effort, stopped the five-alarm wildland fire just before it overwhelmed many structures in its path. The incident was a profound example of how seriously the City of Portland needs to address the issue of our urban wildfires, and the inherent threat they pose to our community. Natural vegetation is a part of Portland's character and contributes to our healthy environment. However, at certain times of the year it also represents a significant fire hazard. That is why we have identified urban wildland fire mitigation as a major initiative.

PF&R has made significant progress in protecting communities that live in areas prone to urban wildfires. For example, the bureau proposed a plan to create Urban Wildfire Hazard Zones, which City Council adopted in 2003. These zones allow for stricter regulations on roofing material, which has allowed PF&R to significantly reduce the risk of death and loss of property in the event of an urban wildfire. PF&R is also developing a proposal to provide stricter construction regulations in Environmental Zones, which will give structures a better chance to survive an urban wildland interface fire. That process, which includes creating map overlays of the affected areas and local changes to building codes, will take approximately three years.

Seismic Strengthening of Portland Fire & Rescue Stations

PF&R is about two-thirds of the way through our 10-year General Obligation Bond implementation program to seismically upgrade all fire stations in the city.

New constructions of Stations 9, 12, and 16 have been completed, and 15 stations have been seismically strengthened. The following is an update on the remaining station renovations and new station construction.

Station Renovation

- ◆ Station 28, construction substantially completed, will reopen July 2005
- ◆ Station 23, under remodeling, estimated completion date August 2005
- ◆ Station 11, bidding completed, estimated completion date November 2005
- ◆ Stations 6 and 17, under remodeling, estimated completion date September 2005
- ◆ Stations 15, 24, and 43, in design development, estimated completion date July 2006
- ◆ Station 45, estimated completion date June 2007

New Station Construction

- ◆ Station 27, permitting completed, estimated completion date February 2006
- ◆ Station 1, site acquisition completed, architectural services selected, estimated completion date June 2008
- ◆ Stations 18 and 21, site acquisition completed, construction deferred indefinitely because of higher than expected inflation on construction costs and because operating support for new Station 21 has been removed from the General Fund financial forecast in the Adopted Budget

SUMMARY OF BUDGET DECISIONS

Budget Reductions

The FY 2005-06 Adopted Budget eliminates 3.21 non-sworn administrative and support positions, or about 6% of Portland Fire & Rescue's (PF&R) non-sworn staff. It also reduces \$218,020 from PF&R's external materials and services budget. The positions eliminated include two office support positions, one painter, and a part-time program specialist. In response to these reductions, PF&R will discontinue some services provided by the eliminated positions and shift the more critical responsibilities to other positions including managers and professionals. The shift will have ripple effects throughout the organization and result in some problematic delays in day-to-day operations and processing of internal and external customer requests.

Delay of Station 21

The Adopted Budget also delays the construction and staffing of Station 21 pending an upcoming fire and rescue service delivery system study. The recommendation to indefinitely defer the construction of Station 21 will result in the current response times remaining at approximately 7 to 9 minutes for 90% of the responses in the proposed Station 21 fire management zone, which exceeds PF&R's response time goal of 5 minutes 20 seconds. This decision removes \$1,094,000 from the City's five-year financial forecast. These funds would have been added to PF&R's FY 2006-07 budget to fund the 12-person staffing for Station 21. The Adopted Budget also includes funds for a delivery system study and a budget note requiring PF&R to report back to Council by December 2005.

Budget Additions*New Inspector Specialist*

The Adopted Budget funds a new fire inspector specialist in the Plans Review Section of the Prevention Division with additional program revenues under the current fee schedule. With this addition, the Plans Review Section will be able to review plans within the required turnaround time and maintain service levels as required in the City's Facility Permit Program.

Apparatus Replacement

An additional \$474,327 is included for fire apparatus replacement. This budget addition, along with apparatus replacement funds available in the current appropriation level, will enable PF&R to purchase four engines in FY 2005-06.

Linnton Training Site Clean-Up

The Adopted Budget also allocates \$35,000 for soil and groundwater sampling and testing at the Linnton training site. The Linnton training site is an area in northwest Portland that Portland firefighters used for many years to conduct training through burning drills, and the soils became contaminated. PF&R has spent more than \$1 million cleaning up the site and bringing soil quality to acceptable levels, but still needs to continue sampling, testing, and monitoring for the site.

BUDGET NOTES

The Fire Bureau will conduct a study of its delivery system and of adjacent systems for fire, rescue, and emergency medical services and report the results to Council by December 2005. The chair of the study team will be a neutral party. In consideration of the study's possible recommendation for different apparatus, the bureau may not order more than two replacement engines in FY 2005-06 without specific Council approval.

The Fire Bureau will develop a plan to fully fund expected retirement payouts within the bureau's FY 2005-06 Adopted Budget. The bureau will explain its plan to Council as part of the fall 2005 budget monitoring process.

Strategic Direction

SIGNIFICANT ISSUES

Station 45 Staffing

Station 45 is located on the eastern edge of the city boundary, so its Fire Management Area extends well beyond Portland. Consequently, firefighters from Station 45 respond to emergencies in the City of Gresham, as well as the neighborhood communities of Centennial, Glenfair, and Pleasant Valley. Analysis of the calls for service indicates that approximately 40% of the emergency calls to which Station 45 responds are outside the city limits of Portland and within the City of Gresham.

PF&R and the City of Gresham entered into an intergovernmental agreement to provide joint staffing at Station 45, effective July 1, 1999 through June 30, 2009. The agreement calls for PF&R to provide staffing seven months a year, and the City of Gresham to provide staffing the remaining five months.

The current crew from Station 45 has been identified to staff the new Station 27 at NW Skyline and Thompson, which is scheduled to be operational in February 2006. Once the new station is open, PF&R will not have resources for Station 45. From January through May 2006, the City of Gresham will provide staffing for Station 45. However, starting in FY 2006-07, PF&R cannot operate the station unless additional resources are available.

The City of Gresham is also facing budget challenges, and they may not continue to provide five-month staffing for Station 45. In the event that Gresham withdraws from the joint staffing agreement, PF&R would face the issue of funding the station's entire operational cost.

Apparatus Replacement

PF&R strives to replace frontline fire engines and trucks at 15 years or 100,000 miles. However, as a result of repeated budget cuts in recent years, replacing apparatus on the planned schedule has been impossible. The bureau is now two years and nearly \$2.4 million behind the schedule, which has added significant mileage to already old apparatus.

By not replacing apparatus with miles exceeding 100,000, negative impacts include increased response times, more frequent breakdowns (even during emergency response), and increased repair and maintenance costs. This directly impacts the core service to the public.

Retirement Payouts

When a sworn employee retires, he or she typically has about 2,000 hours of sick leave and 800 hours of vacation accrued, resulting in an average retirement payout of \$37,000. Currently, PF&R has 103 sworn employees who are eligible for retirement (25 years of service and at least 50 years old). This creates a financial liability of approximately \$3.8 million.

Not all employees retire when they are eligible. In the past three years, there has been an average of 25 retirements and approximately \$900,000 in retirement payouts per year. However, the PF&R budget included only \$500,000 for the cost, and consequently, the difference has been absorbed within the personal services budget.

As a result of repeated budget reductions in recent years, PF&R is no longer able to absorb the retirement payout cost within the personal services budget. The existing annual \$400,000 budget shortfall in retirement payoffs will continue and even become worse in the future. PF&R has been directed by budget note to develop a plan to cover the retirement payout budget shortfall, the implementation of which could cause a reduction in service levels.

MANAGEMENT GOALS & OBJECTIVES

Through a five-year strategic planning process, PF&R has established five management goals, which support the City goal of ensuring a safe and peaceful community. PF&R strives to achieve the management goals through various programs and major initiatives. The five programs are described in detail in Overview of Programs.

Provide leadership and coordination that encourages community/Fire & Rescue partnerships to accomplish our goals.

City Goal: Ensure a Safe and Peaceful Community

Program: Chief's Office

Major Initiative: Implement Cultural Assessment Study Recommendations

In line with the October 2001 Council resolution that outlined strategies for all bureaus to create a diverse and culturally competent workforce, PF&R will continue to review and implement the recommendations outlined in the Metropolitan Cultural Assessment Study dated September 2002. The recommendations included addressing conflict, management, communication, career development, hiring, promotions, and work climate and harassment. PF&R is partnering with the Bureau of Human Resources to develop a program for workforce development training. The goal is to ensure a respectful, healthy, and diverse work environment for all employees, and create a useful model that other bureaus might find beneficial. Completion date June 2006.

Minimize suffering and loss of life and property from fires, hazardous materials, and medical and other emergencies through response programs.

City Goal: Ensure a Safe and Peaceful Community

Program: Emergency Operations

Major Initiative: Ensure Terrorism Preparedness

PF&R will continue planning and coordinating with all City bureaus, local governmental agencies, and mutual aid fire departments to effectively respond to a chemical, biological, radiological, nuclear, or explosive weapons of mass destruction event. Areas of response include: initial actions by first responders; structural collapse rescue activities by special Urban Search and Rescue Teams; detection, identification, isolation, and mitigation activities by Oregon Regional Hazardous Materials Teams; and command and control activities by Incident Command System Overhead Teams. Completion date June 2006.

Reduce the frequency and severity of fire, medical, and hazardous materials emergencies through prevention efforts such as education, investigations, engineering solutions, code development, enforcement programs, and arson prosecution assistance.

City Goal: Ensure a Safe and Peaceful Community

Program: Prevention

Major Initiative: Adopt Urban Wildfire Hazard Zones in the City of Portland

PF&R will work with other bureaus and private citizens to refine structural requirements, and requirements for maintaining defensible spaces, in an effort to mitigate the losses expected from serious urban wildfires in Portland. Completion date June 2006.

Major Initiative: Plan and Implement a Safety Learning Center & Fire Museum

Using historical fire apparatus, photos, and documents as a backdrop, PF&R will create a public space that teaches Portlanders how to improve their personal safety. The project will involve working with community and nonprofit organizations, as well as current and former PF&R staff, and will focus on high-risk populations (children and the elderly). This major initiative is ongoing.

Ensure preparedness and safety through training, disaster planning, and emergency management programs, and provide all divisions with a high level of planning information and activities.

City Goal: Ensure a Safe and Peaceful Community

Program: Training and Safety

Major Initiative: Expand Leadership/Management Development Training

PF&R will intensify training in management/leadership abilities utilizing City internal resources and external opportunities to increase effectiveness at all levels of sworn and non-sworn employees in the organization. Subjects as diverse as developing a positive workplace environment to incident management of major catastrophic events and officer training will be included. More structured training in this area will cultivate future leaders and define the management/leadership development path. Completion date June 2006.

Major Initiative: Complete Feasibility Study on Implementing Candidate Physical Ability Testing (CPAT)

To better assess a prospective employee's ability to successfully complete the physical tasks of a firefighter, PF&R is currently researching the feasibility of implementing the CPAT program for entry-level firefighters. Completion date June 2006.

Efficiently manage the resources and support necessary for Portland Fire & Rescue to accomplish its mission.

City Goal: Ensure a Safe and Peaceful Community

Program: Management Services

Major Initiative: Seismically Upgrade Fire Facilities through General Obligation (G.O.) Bond Funding.

PF&R is more than half of the way through a 10-year bond program to seismically retrofit existing stations and other facilities, relocate stations for response time improvements, and build new stations to address growth in the city. As part of this program PF&R will move its Administration Building. Completion date September 2008.

Overview of Programs

CHIEF'S OFFICE

Description	<p>The Office of the Chief ensures that PF&R complies with state and local regulations in the area of fire suppression, emergency medical response, patient treatment, fire prevention, and investigation. This is accomplished by providing overall management and direction to the other divisions of PF&R. The Fire Chief is also the liaison with the Mayor, Commissioners, and managers of other City bureaus.</p> <p>The Chief's Office includes the Public Communications section, which coordinates all crisis communications at major incidents. The staff provides the media with information about incidents for their news reports. Staff also informs citizens about PF&R's role in emergency response and the diverse nature of the services provided.</p>
Relationship to Goals	The Office of the Chief supports the City Goal of ensuring a safe and peaceful community and the bureau goal of providing leadership and coordination that encourages community/PF&R partnerships to accomplish our goals.
Performance	The percentage of citizens rating PF&R's service as good or very good was 90% in FY 2003-04, and our goal is to continue that level of public satisfaction in FY 2005-06.
Changes to Services and Activities	No significant changes for FY 2005-06.

MANAGEMENT SERVICES

Description	<p>The Management Services Division is responsible for providing all of the support services necessary to operate a 24 hour, seven day a week organization. It includes the Logistics section, Financial Services, and Planning and Administrative Services.</p> <p>Financial Services manages all the bureau's financial activities, including payroll, accounts receivable and payable, the development of the annual budget and capital improvement plan requests, projections of the year-end budget balance, and provision of cost analysis and financial reports.</p> <p>The Logistics section provides support services to the operational components of Portland Fire & Rescue. This includes maintenance and repair of the City's 29 fire stations; repair, maintenance, and replacement of fire apparatus; implementation of the Fire Facility Improvement Program; and ordering and stocking of clothing, equipment, fuel, and supplies for fire stations.</p> <p>Planning and Administrative Services prepares the annual business plan, assists with development of division work plans, conducts the strategic planning process, develops the five-year strategic plan, prepares statistical reports, prepares programmatic analyses, and conducts research as requested by internal and external stakeholders.</p>
Relationship to Goals	Management Services supports the City Goal of ensuring a safe and peaceful community and the bureau goal of efficiently managing the resources and support necessary for Portland Fire & Rescue to accomplish its mission.

Performance

Management Services continues to comply with external deadlines and process payment documents within five days 100% of the time.

Changes to Services and Activities

Two office support positions and one trades position are eliminated in the Adopted Budget. As a result, station staff will have to prepare revised map pages for the map books firefighters use to locate emergency services, handle their own computer hardware and software issues, and follow up with vendors on orders. These changes will increase the workload of station staff. PF&R will also implement an automated phone answering system, which will reduce the level of service to callers.

Elimination of the trades position will delay station building maintenance and repairs and lengthen station closure during GO bond renovations. Loss of these positions will also strain both the bureau's and the GO bond projects' budgets as more services will have to be contracted out at higher hourly costs.

In addition to the position reductions, Management Services' external materials and services budget has also been reduced by almost \$140,000. The reduction will delay replacement of 50 pairs of turnout pants and coats, lengthen the computer replacement cycle, and decrease mapping services from Metro.

EMERGENCY OPERATIONS

Description

Emergency Operations is the most obvious program that provides benefit to our community.

Save lives

In addition to protecting citizens from fire, PF&R responds to medical emergencies, such as trauma from injuries sustained in car accidents, heart attacks, and even emergency childbirths under adverse conditions. Firefighters and paramedics use life saving techniques and medications to help prevent death or permanent injury in these and other situations. In fact, the majority of emergencies to which they respond are medical in nature. PF&R also provides many types of specialty rescues, including saving people who are trapped in a trench, who have fallen off a cliff, or who have become trapped in machinery or other structures.

In addition, PF&R is a critical part of our community's first line of defense in the event of a terrorist attack or disaster, such as an earthquake, flood, or severe winter storm. Portland has many unique characteristics that pose challenges that other jurisdictions in Oregon do not face. For example, the threat of high-rise building fires in downtown requires special training, equipment, and staffing levels to provide effective protection. Natural vegetation is also part of Portland's character - and contributes to our healthy environment. However, at certain times of the year it also represents a significant fire hazard. Portland Fire & Rescue is working to prevent wildland fires in urban areas, through zoning requirements and vegetation management. Firefighters are also trained and equipped for urban/wildland interface fires.

Save property

Fire spreads extremely quickly through structures, including homes, businesses, warehouses, and even urban wildland areas located within Portland and the surrounding area. Fire suppression is one of the jobs Portland firefighters are most proud of, and they train extensively to provide an aggressive yet safe approach to protecting property from fire.

Fire suppression was the original mission of this organization, and that function required the strategic location of the fire stations around the city, which allows quick response. Eventually, it was the strategic location of our fire stations that led to the natural progression of firefighters providing emergency medical care as well. But the original mission of fire suppression remains one of the most critical functions in the protection of lives and property.

Protect environment

In addition to saving lives and property, the regional hazardous materials team protects rivers, ground water, wildlife, and other parts of the environment by helping to contain hazardous materials spills.

Relationship to Goals

Emergency Operations supports the City Goal of ensuring a safe and peaceful community and the bureau goal of minimizing suffering and loss of life and property from fires, hazardous materials, and medical and other emergencies through response programs.

Performance

Last year, firefighters responded to 60,672 emergency response calls, an increase of 1,733 calls over the prior year but about the same level as in FY 2001-02. Our goal for responding to emergency calls, including turnout and travel time, is that 90% be within 5 minutes 20 seconds. In FY 2003-04, PF&R responded within 5 minutes 20 seconds 66% of the time, a decrease from 70% the prior year. Our goal for FY 2005-06 is to return to the 70% performance level.

Changes to Services and Activities

The decision to indefinitely defer construction of Station 21 means that current response times of seven to nine minutes for 90% of the responses will continue in that area of southwest Portland.

TRAINING

Description

The Training and Safety Division ensures that all firefighters have the skill and strength to perform their jobs safely. Activities include recruitment, in-service training, the Firefighter Trainee program, new recruit training, and general administration, which provides curriculum, classroom presentations, hands-on training, safety programs, and scheduling of the Training Center facilities. Maintaining a high level of ongoing training has allowed PF&R to work with the reduced emergency response on-duty staffing effectively and safely.

The Firefighter Trainee program concentrates its recruitment efforts on underrepresented groups to ensure that the workforce better represents the entire community. This rigorous program includes fire science, basic mechanical skills, and certification as an EMT. After successful completion, the recruit enters the PF&R Training Academy.

New recruit training takes the newly-hired firefighter trainees and puts them through one year of training and activities on actual apparatus at a working fire station, while their performances are monitored and evaluated.

In-service training picks up where the new recruit training ends. All firefighters and EMTs in the City are continuously evaluated to ensure their skills are sufficient to meet the extreme demands of the job. This section also includes career development, safety programs, loss control, research and development, and maintenance of standards and certifications.

Relationship to Goals Training and Safety supports the City Goal of ensuring a safe and peaceful community and the bureau goals of ensuring preparedness and safety through training, disaster planning, and emergency management programs, and providing all divisions with a high level of planning information and activities.

Performance The percent of recruits who successfully completed training in FY 2003-04 was 87, a decrease from 91% in the prior two years. The goal for FY 2005-06 is for 92% to successfully complete training.

The number of group training hours provided was 52,620 in FY 2003-04, a decline from 54,000 in the prior year but on par with the FY 2001-02 level. The goal for FY 2005-06 is 55,380 group training hours.

Changes to Services and Activities No significant changes for FY 2005-06.

PREVENTION

Description Prevention programs save lives and property, and help Portland's economy by working to stop incidents from happening in the first place.

One of the main Prevention programs involves inspecting commercial buildings to make sure they meet fire codes. National studies show that the frequency of fire is substantially lower in cities that inspect all, or nearly all, commercial buildings annually. In fact, cities that don't inspect most buildings every year suffer twice as many fires that cause at least a \$5,000 loss.

In 1998, PF&R implemented a process called Enhanced Fire Prevention (EFP), and started inspecting every known business occupancy in Portland. EFP is a proven approach to reducing fire death and loss of property. Since the process was implemented, fires at inspectable occupancies have decreased by 15%. With input from key stakeholders such as businesses and contractors, PF&R continues to improve EFP, including adjusting the fee schedule and providing incentives for safe practices. PF&R's fire inspections also help to generate revenues to pay for the program. Staff in the plans review section make sure building contractors follow fire-safe practices in the design and construction of structures.

Arson investigators save lives and property by helping to put dangerous criminals behind bars. These firefighters are cross-trained in law enforcement, and arrest approximately 125 arsonists per year.

Employees in the Prevention Program also provide public education to help people change behaviors that can cause death, injury, or property loss. Portland Fire & Rescue has an excellent track record of documenting prevention success rates. For example, the award-winning youth fire-setting intervention program has dramatically reduced the number of fire deaths due to child-set fires. Since the program's implementation in 1986, deaths have decreased from an average of two every year during the first eight years of the program to an average of one death every three years in the subsequent years. That is an 84% reduction in fire deaths from child-set fires in the past nine years. PF&R provides the Riskwatch curriculum to all area schools to help change at-risk behaviors in children, such as

promoting the use of bicycle helmets and home fire escape plans. At the station level, firefighters participate in the Adopt-a-School program, where they interact with students in the form of fire drills, school lunches, reading programs, and apparatus and equipment displays. Firefighters participate in neighborhood block parties by providing water displays, fire education, community support, and presentations.

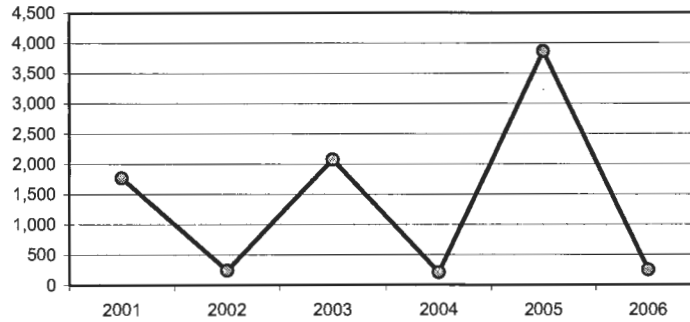
Another public education program is the development of an interactive learning center, which combines Portland's rich history in the fire service with educational messages. PF&R plans to reach 20,000 students per year with fire and life safety messages through the learning center, capitalizing on our excellent relationship with Portland schools. In addition, we plan to reach up to 5,000 senior citizens in Portland each year by coordinating visits to the learning center, and providing transportation to and from senior living centers. Currently housed at the Historic Belmont Fire Station, the project received federal grants as well as donations from corporate sponsors.

Relationship to Goals	Prevention supports the City goal of ensuring a safe and peaceful community and the bureau goal of reducing the severity of fire, medical, and hazardous materials emergencies through prevention efforts, such as education, investigations, engineering solutions, code development, enforcement programs, and arson prosecution assistance.
Performance	In FY 2003-04, 28% of arson fires resulted in arrests and exceptional clearances, higher than the results for the prior three years. The goal for FY 2005-06 is 25%. Public education programs reached 1,950 participants per employee last year, on a par with the prior year's number of 2,000, which is also the estimate for FY 2004-05.
Changes to Services and Activities	Elimination of a part-time position in the Safety Learning Center and Fire Museum will be covered in part by volunteers.

Performance Measures

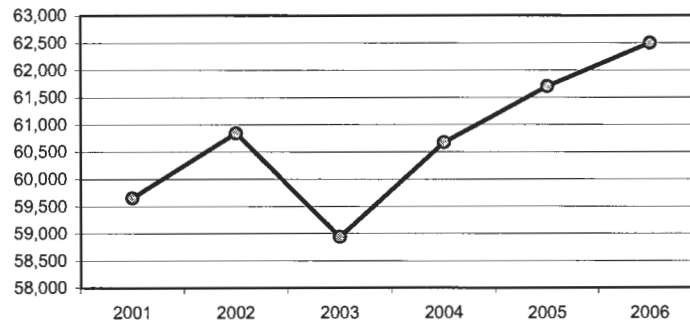
Number of Applicants for Positions

- ◆ Depending on the year, various exams are given for sworn positions. The chart shows how the total number of applicants fluctuates, depending on the type and number of exams being given.



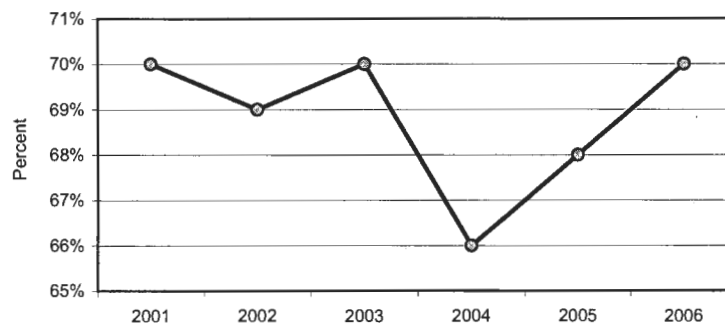
Number of Emergency Response Calls

- ◆ The number of emergency response calls continues to increase, in direct correlation to the rise in population.



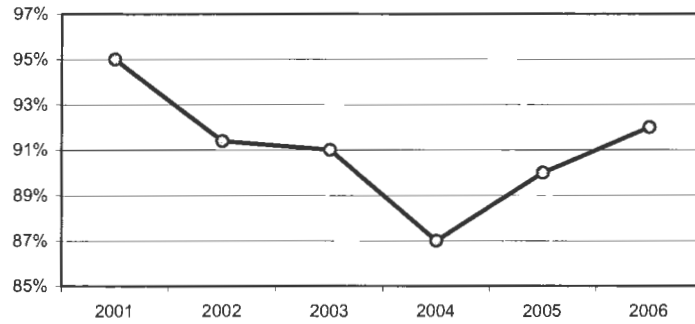
Response Time under 5 Minutes 20 Seconds

- ◆ Study findings indicate that getting medical help within the first few minutes of a trauma or medical emergency can make a difference in a patient's recovery.



Percent of Recruits Trained Successfully

- ◆ Portland Fire & Rescue's Training Academy provides an extensive program through classroom training, shift work training at Station 2, and continued learning and evaluation at an assigned station.



Bureau of Fire, Rescue, and Emergency Services AU 124

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF FIRE, RESCUE AND EMERGENCY SERVICES						
Chief's Office						
Effectiveness						
Percent of citizens rating service good or very good	91%	90%	89%	90%	89%	90%
Workload						
Number of applicants for positions and promotional exams	1,770	236	2,075	205	3,860	250
Emergency Operations						
Efficiency						
Respond (turnout and travel) to 90% of all EMS/Fire incidents within 5 minutes 20 seconds	70%	69%	70%	66%	68%	70%
Workload						
Number of emergency response calls	59,652	60,841	58,939	60,672	61,700	62,500
Management Services						
Effectiveness						
Percent of time in compliance with external deadlines for payroll, Council, Budget, and Purchasing	100%	100%	100%	100%	100%	100%
Efficiency						
Process payment documents in five days 100% of the time	100%	100%	100%	100%	100%	100%
Prevention						
Effectiveness						
Number of arrests and exceptional clearances as a percent of the total number of arson fires	20%	19%	27%	28%	25%	25%
Workload						
Number of participants in public education programs per PEO employee	3,980	1,518	2,000	1,950	2,000	2,000
Training						
Effectiveness						
Percent of recruits successfully trained in comparison to the total number of recruits	95%	91%	91%	87%	90%	92%
Efficiency						
Percent of firefighters completing in-service training based on annual requirements	100%	100%	100%	100%	100%	100%
Workload						
Number of hours of training provided via group delivery at Training or in the field	50,400	52,750	54,000	52,620	54,000	55,380

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SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	55,227,207	57,695,965	59,764,038	60,525,814	60,711,382
External Materials and Services	4,622,626	5,053,053	6,847,825	5,773,846	5,910,278
Internal Materials and Services	4,413,414	4,515,680	4,656,207	4,462,430	4,462,430
Minor Capital Outlay	388,295	323,714	3,551,972	585,969	585,969
Equipment Cash Transfers	43,414	34,900	19,236	0	0
Total Operating Budget	64,694,956	67,623,312	74,839,278	71,348,059	71,670,059
Capital Improvements	666,860	1,024,239	2,154,960	1,550,700	1,550,700
TOTAL BUREAU EXPENDITURES	\$ 65,361,816	\$ 68,647,551	\$ 76,994,238	\$ 72,898,759	\$ 73,220,759
Allocated Overhead	1,064,635	1,289,303	1,354,128	1,354,128	1,354,811
Total Cost with Allocated Overhead	66,426,451	69,936,854	78,348,366	74,252,887	74,575,570
RESOURCES					
Discretionary Revenue	61,696,987	64,917,553	68,473,844	68,222,724	68,389,051
Non-Discretionary Revenues					
Grants & Donations	620,244	694,125	5,172,078	1,535,969	1,535,969
Contract Revenues	326,959	322,074	338,000	329,230	329,230
Interagency Revenues	215,968	101,621	363,580	229,580	229,580
Program Revenue	2,221,099	2,510,733	2,530,883	2,462,730	2,609,730
Overhead Recovery	280,559	101,445	115,853	118,526	127,199
Total Non-Discretionary Revenues	3,664,829	3,729,998	8,520,394	4,676,035	4,831,708
TOTAL GENERAL FUND RESOURCES	\$ 65,361,816	\$ 68,647,551	\$ 76,994,238	\$ 72,898,759	\$ 73,220,759
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Chief's Office	1,683,737	1,968,437	1,593,522	1,290,678	1,290,678
<i>Positions</i>	<i>7.40</i>	<i>5.50</i>	<i>12.40</i>	<i>4.50</i>	<i>4.50</i>
Emergency Operations	46,989,427	49,143,803	56,077,107	53,085,405	53,135,001
<i>Positions</i>	<i>583.00</i>	<i>581.00</i>	<i>571.00</i>	<i>576.90</i>	<i>577.90</i>
Management Services	9,129,822	9,780,757	11,300,703	10,287,011	10,503,183
<i>Positions</i>	<i>35.00</i>	<i>35.00</i>	<i>35.46</i>	<i>32.63</i>	<i>32.63</i>
Prevention	5,598,269	5,476,886	5,581,311	5,806,452	5,862,684
<i>Positions</i>	<i>61.00</i>	<i>57.00</i>	<i>57.96</i>	<i>58.50</i>	<i>59.50</i>
Training	1,960,561	2,277,668	2,441,595	2,429,213	2,429,213
<i>Positions</i>	<i>24.00</i>	<i>22.00</i>	<i>26.00</i>	<i>25.00</i>	<i>25.00</i>
TOTAL PROGRAMS	\$ 65,361,816	\$ 68,647,551	\$ 76,994,238	\$ 72,898,759	\$ 73,220,759
<i>Positions</i>	<i>710.40</i>	<i>700.50</i>	<i>702.82</i>	<i>696.53</i>	<i>699.53</i>

Bureau of Fire, Rescue, and Emergency Services AU 124

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	1.00	1.00	1.00	45,360	1.00	45,540	1.00	45,540
0516	Accountant III	1.00	1.00	1.00	52,422	1.00	54,852	1.00	54,852
0510	Accounting Technician	3.00	3.00	3.00	112,644	2.00	86,724	3.00	113,076
0337	Distribution Tech	1.00	1.00	1.00	40,224	1.00	40,380	1.00	40,380
0100	Office Supp Spec I	1.00	1.00	1.00	34,008	1.00	34,140	1.00	34,140
0102	Office Supp Spec II	5.00	5.00	4.00	145,139	1.00	34,975	2.00	72,667
0104	Office Supp Spec III	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1456	Senior Electrician	0.00	0.00	1.00	62,316	0.00	0.00	1.00	62,556
7103	Administrative Assistant	0.00	6.00	6.90	381,449	6.90	390,077	6.90	390,077
0819	Administrative Assistant	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senio	0.00	1.00	2.00	85,248	2.00	86,724	2.00	86,724
7106	Administrative Supervisor I	0.00	0.00	1.00	54,492	1.00	55,801	1.00	55,801
7107	Administrative Supervisor II	0.00	1.00	1.00	65,400	1.00	65,652	1.00	65,652
0922	Administrative Supervisor II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5347	Ass't Public Education Officer	1.00	1.00	1.00	65,268	1.00	65,520	1.00	65,520
0928	Bureau Administrative Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7112	Business Operations Manager	0.00	1.00	1.00	85,464	1.00	85,464	1.00	85,464
7113	Business Operations Manager, Sen	0.00	1.00	1.00	106,164	1.00	106,572	1.00	106,572
7110	Business Operations Supervisor	0.00	1.00	1.00	76,104	1.00	76,404	1.00	76,404
1420	Carpenter	2.00	2.00	2.00	95,472	2.00	95,832	2.00	95,832
0932	Chief Bureau Administrative Mgr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7492	Community Relations Specialist	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5217	Deputy Fire Chief	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7950	Deputy Fire Chief*	0.00	6.00	6.00	628,236	6.00	630,471	6.00	630,471
6042	Development Services Technician	0.00	0.00	1.75	86,748	1.75	88,716	1.75	88,716
5218	Division Fire Chief	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1453	Electrician	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
5349	Emerg Med Svcs Coordinator	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
5348	Emerg Med Svcs Specialist	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
5248	Emerg Med Svcs Specialist	0.00	0.00	2.00	162,932	2.00	168,031	2.00	168,031
5249	EMS Coordinator	0.00	0.00	1.00	91,476	1.00	91,800	1.00	91,800
7197	EMS Program Manager	0.00	1.00	1.00	78,732	1.00	79,876	1.00	79,876
7651	Engineer, Supervising	0.00	1.00	1.00	85,464	1.00	85,800	1.00	85,800
7127	Executive Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7717	Facilities Maintenance Superviso	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7718	Facilities Maintenance Superviso	0.00	1.00	1.00	68,748	1.00	68,924	1.00	68,924
1115	Facilities Maintenance Tech	2.00	2.00	2.00	96,432	2.00	96,792	2.00	96,792
0827	Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7377	Financial Analyst, Senior	0.00	1.00	1.00	65,580	1.00	68,268	1.00	68,268
5216	Fire Battalion Chief - Staff	11.00	11.00	11.00	1,060,989	11.00	1,074,389	11.00	1,074,389
5214	Fire Captain	31.00	31.00	31.00	2,580,172	31.00	2,597,712	31.00	2,597,712
5219	Fire Chief	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7095	Fire Chief	0.00	1.00	1.00	131,376	1.00	131,880	1.00	131,880
7955	Fire Division Chief*	0.00	1.00	2.00	229,296	2.00	230,184	2.00	230,184
5208	Fire Fighter	423.00	422.00	422.00	25,440,123	422.00	26,117,886	422.00	26,117,886
5209	Fire Fighter Specialist	10.00	10.00	8.00	501,324	8.00	514,350	8.00	514,350
5220	Fire Inspector	29.00	26.00	25.00	1,746,561	25.00	1,768,809	25.00	1,768,809
5221	Fire Inspector, Senior	6.00	5.00	6.00	482,036	6.00	494,071	6.00	494,071
5222	Fire Inspector/Specialist	7.00	7.00	7.00	519,020	8.00	591,016	8.00	591,016
5225	Fire Investigator	7.00	7.00	7.00	510,906	7.00	516,696	7.00	516,696
5211	Fire Lieutenant	98.00	98.00	98.00	7,059,045	98.00	7,160,240	98.00	7,160,240
5328	Fire Marshal	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7960	Fire Marshal	0.00	1.00	1.00	114,648	1.00	115,092	1.00	115,092
5212	Fire Training Officer	4.00	4.00	4.00	289,094	4.00	294,369	4.00	294,369
5260	Harbor Pilot	7.00	7.00	7.00	500,556	7.00	502,488	7.00	502,488
6150	Hazardous Materials Coordinator	0.00	0.00	1.00	61,692	1.00	65,040	1.00	65,040
5352	Hazardous Materials Coordinator	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1520	Industrial Machinist	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1443	Painter	2.00	2.00	2.00	95,472	1.00	47,916	1.00	47,916
7133	Principal Management Analyst	0.00	1.00	0.90	73,380	0.90	76,392	0.90	76,392
0966	Program Coordinator	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0970	Program Manager II	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7206	Public Information Officer	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
0816	Senior Administrative Specialist	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3166	Senior Engineer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0828	Senior Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0952	Senior Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1134	Sr Facilities & Maint Supervisor	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5230	Staff Fire Captain	5.00	5.00	5.00	435,900	5.00	437,520	5.00	437,520

Bureau of Fire, Rescue, and Emergency Services AU 124

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
5213	Staff Fire Lieutenant	3.00	2.00	4.00	288,927	4.00	296,259	4.00	296,259
3107	Technician I	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
1054	Trades Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1210	Utility Worker I	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1211	Utility Worker II	0.00	0.00	1.00	40,224	1.00	40,380	1.00	40,380
1532	Vehicle & Equipment Mechanic	5.00	5.00	6.56	316,296	6.56	317,484	6.56	317,484
7708	Vehicle Maint Supervisor II	0.00	1.00	1.00	68,748	1.00	69,012	1.00	69,012
0604	Video Production Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0606	Video Production Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7246	Video Production Specialist	0.00	1.00	1.00	62,292	1.00	62,532	1.00	62,532
7247	Video Production Supervisor	0.00	1.00	1.00	69,468	1.00	69,468	1.00	69,468
TOTAL FULL-TIME POSITIONS		709.90	700.00	700.11	\$ 45,621,343	695.11	\$ 46,355,744	698.11	\$ 46,493,684
6042	Development Services Technician	0.00	0.00	0.75	33,254	0.75	35,078	0.75	35,078
7172	EAP Specialist	0.50	0.50	0.50	28,164	0.50	29,316	0.50	29,316
TOTAL PART-TIME POSITIONS		0.50	0.50	1.25	\$ 61,418	1.25	\$ 64,394	1.25	\$ 64,394
7717	Facilities Maintenance Superviso	0.00	0.00	1.00	55,344	0.17	9,413	0.17	9,413
7153	Program Specialist	0.00	0.00	0.46	21,417	0.00	(2)	0.00	(2)
TOTAL LIMITED TERM POSITIONS		0.00	0.00	1.46	\$ 76,761	0.17	\$ 9,411	0.17	\$ 9,411

Bureau of Fire, Rescue, and Emergency Services AU 124

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	72,948,625	0	72,948,625	701.74	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	(84,480)	0	(84,480)	0.00	Discretionary adj-OMF interagency changes
	(2,000)	0	(2,000)	0.00	CAL adjustments - transfer to POEM
Mayor's Proposed Budget Decisions					
	78,192	0	78,192	1.00	Add New Inspector Position
	(1,094,000)	1,094,000	0	0.00	Remove Station 21 from GF Financial Forecast
	0	474,327	474,327	0.00	Apparatus Replacement (GF Capital Set-Aside)
	0	35,000	35,000	0.00	Linnton Site Clean-up (GF Capital Set-Aside)
	(179,452)	0	(179,452)	0.00	Materials & Services Reduction
	(371,453)	0	(371,453)	(6.21)	Support Positions Elimination
Approved Budget Additions and Reductions					
	147,000	0	147,000	3.00	Restore Three Support Positions
Adopted Budget Additions and Reductions					
	0	175,000	175,000	0.00	Delivery System Study
	(1,506,193)	1,778,327	272,134	(2.21)	Total FY 2005-06 Decision Packages
			\$ 73,220,759	699.53	Total Adopted Budget

Bureau of Police

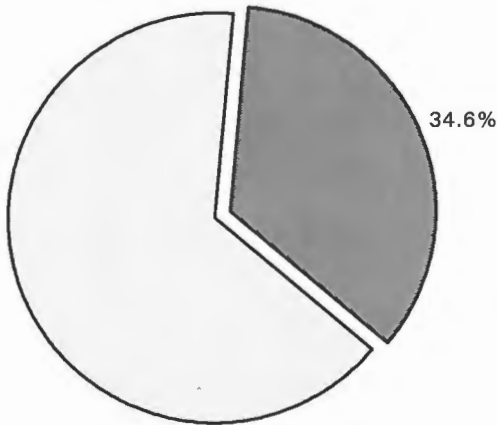
Public Safety Service Area

Mayor Tom Potter, Commissioner-in-Charge

Derrick Foxworth, Chief of Police

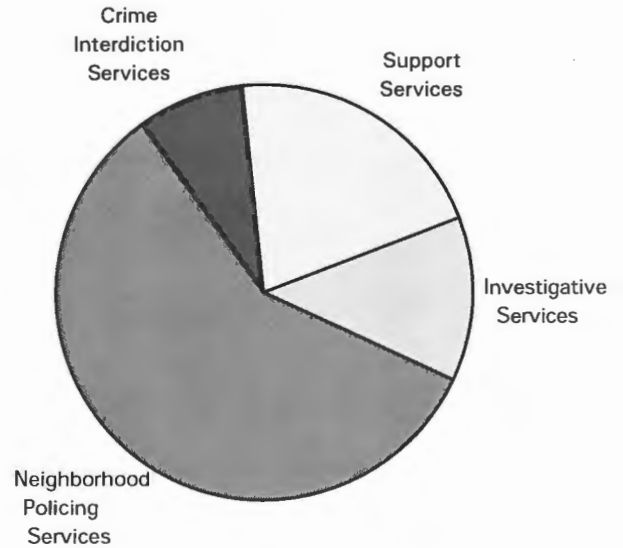
Percent of General Fund

Police = \$132.4 Million



General Fund = \$382.5 Million

Bureau Programs

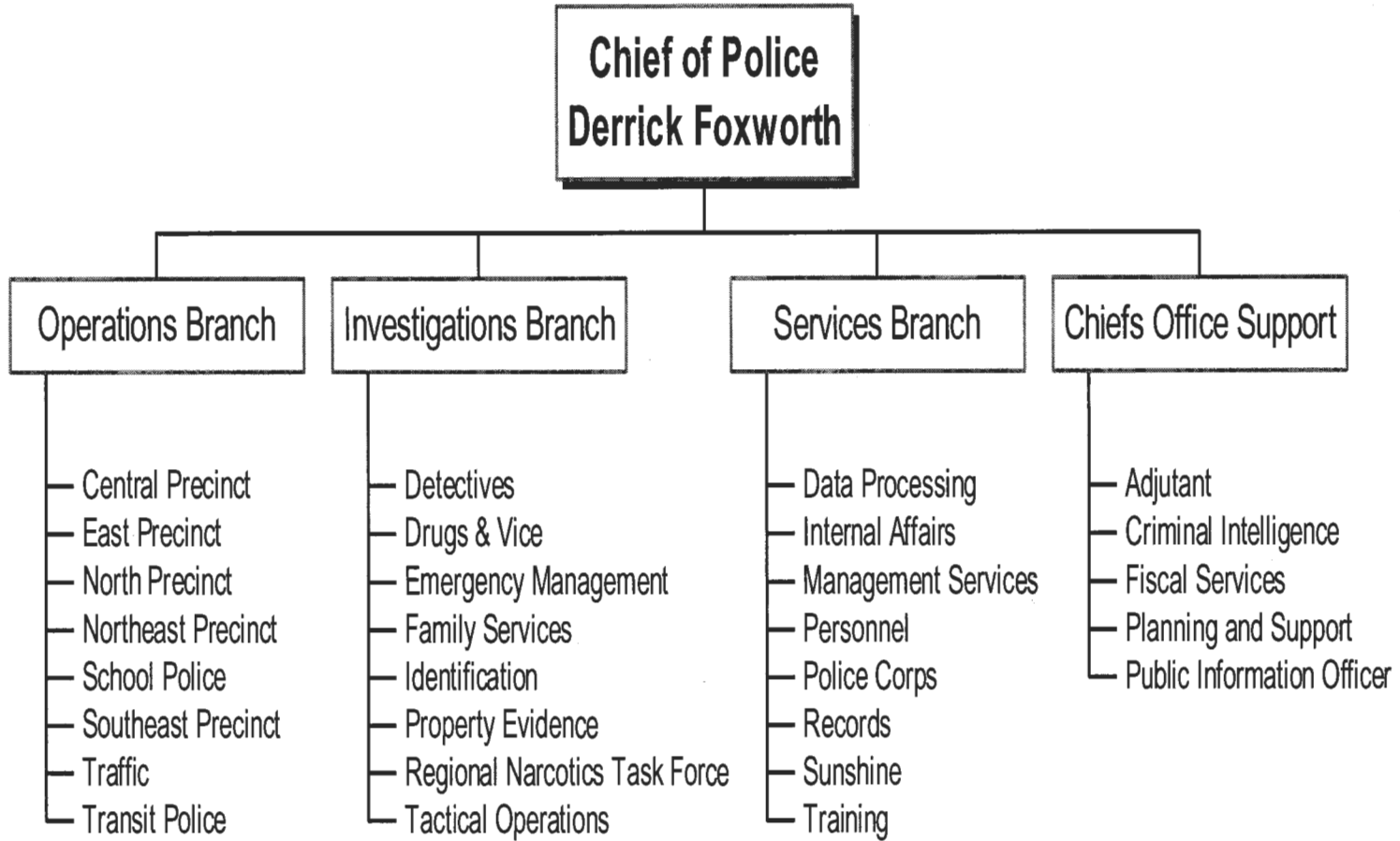


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	140,769,025	132,362,671	-8,406,354	-6.0%
Capital	0	0	0	0.0%
Total Expenditures	\$ 140,769,025	\$ 132,362,671	\$ -8,406,354	\$ -6.0%
Authorized Positions	1,300.13	1,225.69	-74.44	-5.7%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus. Authorized police positions for the Adopted Budget do not include grant funded positions. Please see the Budget Decisions Table at the end of this bureau section for a list of all police position changes.

Portland Police Bureau



Bureau Summary

BUREAU MISSION

The mission of the Portland Police Bureau is to maintain and improve community livability by working with all citizens to preserve life, maintain human rights, protect property, and promote individual responsibility and community commitment.

VISION AND VALUES

Vision

The vision for the Portland Police Bureau is a city free from crime and the fear of crime, where people and police work together to improve their neighborhoods. The Portland Police Bureau is a first-rate law enforcement organization, where solid values are deeply imbedded into every member, and where members work with the latest technology and facilities. Employees are led by well-trained, attentive first-line supervisors and supported by the community, support staff, and work systems designed to enhance their effectiveness.

Vision: a city free from crime and the fear of crime, where people and police work together to improve their neighborhoods

All of our work is directed by clearly stated goals set out in a fully endorsed strategic plan, understood and ingrained at every level. The organization is fully diversified at all levels, with deep respect for all people. Employees and the community are proud of the organization and committed to continuous improvement.

This vision for community policing recognizes a shared responsibility and connection between the police and community in making Portland a safer, more livable city. Community policing encourages a problem-solving partnership between citizens and police. These partners jointly identify community safety issues, determine resources, and apply innovative strategies designed to create and sustain healthy, vital, crime-resistant neighborhoods.

Values

The values of the Portland Police Bureau are commitments to the community that are rooted in the cornerstones of the bureau and reflect the mission statement. The value of accountability was added in 2004:

- ◆ Integrity
- ◆ Compassion
- ◆ Accountability
- ◆ Respect
- ◆ Excellence
- ◆ Service

Cornerstones

These cornerstones of the bureau were adopted in 1990, and reaffirmed in subsequent strategic plans as values. The cornerstones continue to reflect the core internal principles that guide decision making in the agency at all levels:

- ◆ **Service Orientation:** Provide supportive, professional service to the community and to employees by promoting human rights, mutual respect, and courtesy.
- ◆ **Partnership:** Work in partnership with the community, City Council, other bureaus, service agencies, and the criminal justice system.

- ◆ **Empowerment:** Encourage decision making at all levels, and promote citizen responsibility and involvement.
- ◆ **Problem Solving:** Use problem-solving methods to reduce the incidence and fear of crime and to improve internal operations.
- ◆ **Accountability:** Promote responsibility among bureau management, employees, the community, the City Council, and other agencies for public safety resources, strategies, and outcomes.

BUREAU OVERVIEW

Organizational Description

The bureau is managed and directed by the Chief of Police and three Assistant Chiefs. The bureau is composed of the Chief's Office and three branches: Operations, Investigations, and Services.

Chief's Office

The Chief's Office includes the Chief's staff, Planning and Support, Public Information Office, Criminal Intelligence, Mayor's Security, and Fiscal Services.

Operations Branch

The Operations Branch is composed of the five precincts, the Traffic Division, Transit Police, and the School Police Division. This branch provides neighborhood policing services to help reduce crime and the fear of crime.

Investigations Branch

The Investigations Branch includes the following divisions: Detectives, Drugs and Vice, Identification, Regional Narcotics Task Force, Family Services, Property Evidence, Tactical Operations, and Emergency Management.

Services Branch

The Services Branch includes the following divisions: Training, Police Corps, Records, Internal Affairs, Data Processing, Personnel, Management Services, and the Sunshine Division.

SUMMARY OF BUDGET DECISIONS

Service Modifications

The FY 2005-06 Adopted Budget reflects a total reduction of \$4.8 million from the current appropriation level, which includes a \$1.8 million set-aside in General Fund contingency for special uses. The Adopted Budget also includes \$80,000 in one-time funds for capital needs and \$1.0 million of one-time funds for problem-oriented policing strategies. Implementation of the problem-oriented policing strategies will include working in partnership with other agencies, community organizations, neighborhood associations, and business associations.

The Adopted Budget includes \$3,029,520 in General Fund Discretionary reductions through elimination of 6.75 sworn officers, external materials and services reductions, interagency reductions, increased alarm fees, and increased cost recovery from special events.

In addition, \$1,800,000 will be transferred from the Police Bureau to General Fund contingency. This will be accomplished by freezing 26 vacant sworn positions. Based on historical trends \$1,800,000 represents savings from Leave of Service (LOS) vacancies that the bureau is expected to carry in its budget during FY 2005-06.

Other budget decisions include:

- ◆ Reduction in leased vehicles interagency - \$74,132
- ◆ Office of Management & Finance interagency reductions - \$309,538
- ◆ A reduction due to over-budgeted internal service costs to be absorbed by increased program revenue and external materials and services reductions - \$1,100,000
- ◆ A technical adjustment that results in the Police Bureau absorbing costs of \$216,084 related to the Mayor's security detail and two Police liaison positions.
- ◆ Across-the-board external materials and services reduction - \$790,600

BUDGET NOTES

Leave of Service Vacancies

The Adopted Budget places \$1,800,000 in General Fund contingency from the costs associated with 30 Leave of Service vacancies. These vacancy savings have previously been used to fund overtime expenditures, compensatory overtime payouts, unbudgeted on-call pay requirements, and limited term positions. The Police Bureau will report back to Council on the status of overtime and on-call pay expenditures during the spring 2006 budget monitoring process. At that time the Police Bureau may request additional appropriation from the \$1,800,000 in General Fund contingency for personal services expenditures or external materials and services expenditures, if needed.

Regional Public Safety Coordination

The Police Bureau, working with the Office of Management & Finance, Multnomah County, the City of Gresham, the City of Wood Village, and the City of Troutdale, will identify service improvements and savings that may result from increased coordination of public safety efforts among the jurisdictions.

Problem-Oriented Policing Strategies

The FY 2005-06 budget provides \$1,000,000 in one-time General Fund resources for the Police Bureau to work with community partners in implementing several problem-oriented policing strategies. These strategies will be implemented as one-year pilot projects. Funds will be allocated as follows:

1. Continuation of the existing Downtown-Old Town-China Town (DT-OT-CT) pilot projects - \$200,000
2. Expansion of the DT-OT-CT pilot projects to the inner east side of the City - \$150,000
3. A multi-disciplined initiative to combat methamphetamine use - \$200,000
4. An initiative to combat burglary - \$150,000
5. A youth crime and gang prevention and intervention project - \$100,000
6. Enhanced patrols to reduce street crime - \$100,000
7. Problem-solving support in Weed and Seed Neighborhoods - \$100,000

Each strategy identified above will be assigned to a specific division within the Police Bureau. The assigned division will be responsible for facilitating the formation of a steering committee that includes appropriate community partners. Steering committees will guide strategy implementation and create performance measures for each strategy. The Police Bureau will provide monthly progress updates to the Mayor's Office and written progress reports to Council during the quarterly budget update monitoring processes. In addition, the Police Bureau, together with the steering committees, will provide a public presentation to Council by February 2006 to report on progress made in implementing these strategies.

Strategic Direction

SIGNIFICANT ISSUES

Significant Issues

Budget reductions over the last five years have created challenges as well as opportunities to re-examine how we apply our mission to serve the community. The bureau will continue to examine how it can do things differently through possible reorganization, examining call-taking criteria, or through use of technology for alternative call-taking options.

Eliminating sworn positions

The Adopted Budget will eliminate 44 currently frozen sworn positions. The positions have been unfunded since FY 2002-03 with the hope that an upturn in the economy would produce financial resources needed to restore the positions. However, the City's General Fund revenue growth is expected to lag behind expenditure needs into the future.

Freezing 26 sworn positions

The 26 sworn positions represent an average number of LOS vacancies expected for FY 2005-06. Staff are transferred to LOS status when they are unable to work due to injury or disability. When on LOS status, staff are off the Police Bureau's payroll and benefits are paid by the City's Fire and Police Disability and Retirement Fund (FPD&R). This has historically generated vacancy savings within the Police Bureau's budget.

The Adopted Budget captures \$1.8 million in projected LOS vacancy savings by freezing positions and placing the funds in General Fund contingency. The money can be used as needed, with Council approval, for overtime, compensatory overtime payouts, unbudgeted on-call pay requirements and external materials and services (see budget note).

Overtime

The Mayor has asked the Auditor's Office to complete a study of the Police Bureau's management of overtime and recommend additional ways to further reduce overtime expenditures. The bureau acted on the recommendations from the November 2000 City Auditor's Report #272, "Portland Police Bureau, A Review of Overtime Management Systems," and provided updates through 2003. The bureau has achieved a 15% reduction in overtime in the four years since the issuance of this report by using existing, modified, and newly developed overtime management policies and procedures. However, the bureau's overtime budget still remains insufficient as FY 2004-05 expenditures are likely to exceed budget. The primary drivers of current overtime expenditures include personnel shortages and court-related overtime.

Redeploy Sunshine Division assignment

The bureau has assigned a supervisory position to the Sunshine Division for over 80 years. This position regularly supervises employees and volunteers, maintains positive relationships with financial supporters, develops and monitors the division's operating budget, and routinely helps the operations with receiving and delivering donations. The Adopted Budget directs the bureau to redeploy a qualified employee consistent with City legal obligations under workers compensation or disability laws into this temporary assignment for a maximum of 12 months. This will allow the bureau to utilize FPD&R's cost sharing plan for temporary light-duty positions for an expected FY 2005-06 savings of \$63,372.

Reduction of mid-level management positions

Currently the bureau assigns 5% of total sworn (or 45) positions to administrative functions. The Adopted Budget eliminates the following mid-level management positions: one sergeant in the Chief's Office, one Sergeant in Internal Affairs Division, one Lieutenant in Tactical Operations, and one Lieutenant in Family Services Division.

External materials and services reduction

The Adopted Budget reduces funding by \$790,600 across the board for external materials and services that will decrease the bureau's ability to fund hardware and software upgrades, as well as training and education. This includes reducing external materials and services by \$84,600 to maintain a sergeant in the bureau's Cold Case squad. Funding for equipment related to officer safety remains the bureau's priority.

False alarm fines

Pending Council approval through passage of an ordinance, the fines for security system false alarms will be increased from \$50 to \$100 for the third incident, from \$100 to \$150 for the fourth incident, and from \$100 to \$200 for the fifth incident to offset the cost of police response, and to provide additional incentive to reduce unwarranted diversion of limited patrol resources. The existing fines have not increased since 1991.

Planning and Support officer position elimination

One officer position primarily responsible for crime analysis and crime mapping will be eliminated from the Planning and Support Division. This will decrease the timeliness and availability of crime statistics used in the bureau's efforts to reduce crime and the fear of crime, including maps for investigation and problem solving.

Police Corps officer position elimination

Federal funding of the Police Corps training program is expected to expire, and the bureau will cease to receive federal funds. Program termination is anticipated. The Adopted Budget will eliminate one officer position assigned to this program.

MANAGEMENT GOALS & OBJECTIVES

2004-06 Community Policing Strategic Plan

Community goals:

1. Reduce crime and the fear of crime
2. Improve the quality of life in neighborhoods.
3. Improve the community and police partnership.

Organizational goals:

1. Develop and encourage personnel.
2. Improve accountability.

Overview of Programs

NEIGHBORHOOD POLICING SERVICES

The Neighborhood Policing Services program encompasses those activities that are primarily dedicated to providing a uniformed police response to emergency and other urgent calls for police service, community policing problem-solving initiatives, uniformed patrols in neighborhoods, tactical police operations to combat specialized crime problems, and assistance to citizens, neighborhood associations, and business and civic organizations. This program includes the bureau's Precincts, Transit Police, Traffic, Tactical Operations, Sunshine Division, and School Police.

Precincts

The mission of the Portland Police Bureau is to maintain and improve community livability by working with all citizens to preserve life, maintain human rights, protect property, and promote individual responsibility and community commitment.

Precincts respond to calls for service from the public. The precincts conduct problem solving and information-sharing sessions through the formation of community groups such as precinct advisory committees. The Neighborhood Response Teams (NRT) units work closely with City bureaus, other agencies, and the precincts' crime analysts to identify crime patterns and livability concerns that can be targeted for directed response. Precincts assign officers to address park safety issues using all terrain vehicles (ATV), pedestrian, and Police Bicycle Unit enforcement.

NRT and detective units are located in all five precincts. The Crisis Response Teams are coordinated through an officer at Northeast Precinct to assist with community outreach in critical incidents.

Transit Police

The Transit Police provide contract police services for TriMet. The role of the Transit Police is to provide the transit district with officers who respond to primary calls in, on, and related to TriMet property and vehicles. The budget for the Transit Police includes intergovernmental agreements with Washington County, Multnomah County Sheriff's Office, and the cities of Gresham, Beaverton, Milwaukie, and Tigard. The division manages the Rider Advocate Program and Wackenhut Security services.

Traffic Division

The Traffic Division's mission is to maintain and improve community livability and safety through traffic safety education, collision prevention, community-based problem solving, enforcement, investigations, engineering, and support services. The Traffic Division is composed of traffic enforcement, DUII enforcement, motorcycle officers, commercial vehicle inspection, the Police Reserve Unit and traffic investigation.

The Enhanced Vehicle Safety Enforcement program addresses neighborhood livability issues related to traffic concerns.

The Photo Radar Unit deploys three vans and is an automated system designed to reduce speeding within Portland neighborhoods. The Enhanced Vehicle Safety Enforcement program is a targeted traffic complaint unit that addresses neighborhood livability issues related to traffic concerns. The Traffic Safety Education Unit provides educational programs to Portland-area schools, as well as to the general public. Topics include seatbelt safety,

handicapped parking, bicycle safety and rodeo, school bus violations, etc. The Traffic Division is continuing the Photo Red Light Camera program, which is having a significant impact on the frequency of violations at intersections where cameras are located. The Photo Radar program is achieving similar results in reduction of speed violations in the areas the photo radar vans are deployed.

Tactical Operations Division

The mission of the Tactical Operations Division (TOD) is to support community safety through specialized tactical services, emergency preparedness, and directed enforcement and intervention. TOD includes the Special Emergency Reaction Team (SERT) and Explosives Disposal Unit (EDU) that respond to emergency and tactical situations.

SERT and EDU focus on the core mission of TOD. In addition, the Mounted Patrol Unit (MPU), the Canine Unit (K-9), and the Rapid Response Team (RRT) assist in providing specific policing services. The Emergency Operations Center (EOC) responsibility is another service provided by TOD.

Sunshine Division

The Sunshine Division, which has celebrated more than 80 years of community service, is the only charitable organization in the United States directly associated with a police agency. The Police Bureau will continue to support this division by assigning, as available, a limited term, light-duty sworn position to administer the program and by providing limited miscellaneous materials and services. The Sunshine Division also contracts with the Police Bureau for its vehicle needs.

School Police

The mission of the School Police Division is two-fold:

- 1) Provide an environment in and around Portland Public Schools that is free of crime, the fear of crime, and intimidation and disorder, so that school staff and students can attain their educational goals and objectives without distraction.
- 2) Improve the quality of life for students, both in the present and the future.

The Portland Public School District is divided into ten school clusters. A school cluster is made up of one high school, two to three middle schools, and approximately eight elementary schools. Each of the ten school clusters has at least one school-resource officer assigned to it. The busy school clusters have two school-resource officers assigned. The Parkrose High School and David Douglas High School resource officers have merged into the School Police Division.

The School Police Division is made up of 18 school-resource officers, two sergeants, one captain, and one police administrative support specialist. The school-resource officers engage in several activities to help keep the school campuses safe. The activities include, but are not limited to, high visibility patrol both inside and outside schools, response to calls for service, mediation of disputes, classroom teaching related to law enforcement, and mentoring/coaching.

The Police Cadet program is part of the School Police Division. The Police Cadet Program allows young people with a desire to enter the law enforcement profession the opportunity to study police procedures and work with law enforcement officers.

INVESTIGATIVE SERVICES

Investigative Services covers activities that are primarily dedicated to providing follow-up investigation on serious crimes and complaints of improper conduct lodged against bureau employees. This program includes the divisions of Detectives, Family Services, Internal Affairs, and Identification.

Detective Division

The Detective Division is divided into two sections: person crimes and property crimes. Services provided by the Persons Crimes Section include major crime scene response and initial and follow-up investigation of serious felony crimes (homicides, assaults, robbery, sex crimes, bias/hate crimes, and missing persons). The Property Crimes Section is responsible for the investigation of fraud/white collar crime matters, elder fraud and identity theft, computer crimes, special property investigations (pawn shop), and arson. In addition, the Detective Division has a full-time polygraph examiner. The Hostage Negotiations Team is an integral component of the Detective Division.

Through community policing, partnerships have been created with the Multnomah County District Attorney's Office, the Federal Bureau of Investigation Violent Crimes Task Force, the United States Marshal's Service, the Portland Fire Bureau arson detail, the Regional Economic Crime Investigation Center, and the Bureau of Alcohol, Tobacco, and Firearms to jointly investigate specific crimes. The Detective Division is also the parent division for the Auto Theft Task Force, Telephone Report Unit, Information and Referral Unit, Complaint Signer, Court Services Unit, and District Attorney Investigations.

Family Services Division

The Family Services Division consists of the Child Abuse Team, Domestic Violence Reduction Unit, Domestic Violence Intervention Team, a juvenile section, and Elder Crimes units. The Child Abuse Team is a multi-agency team that receives overtime reimbursement through the District Attorney's Office from the Child Abuse Multidisciplinary Intervention account. The bureau provides an officer for the Child Abuse Response and Evaluation Services NW project, which works with the victims of child sex assault and abuse cases. This budget directs two positions to child abuse and domestic violence from the Detective Homicide Detail. Another component is the WomenStrength Program that teaches self-defense classes and personal safety workshops.

The Domestic Violence Reduction Unit is a team of officers who assist with domestic violence investigations to improve the system's ability to hold batterers accountable, thus breaking the cycle of violence. The Domestic Violence Intervention Team combines officers with domestic violence advocates to offer services to repeat and first-time victims of domestic violence with the intent to intervene early in the progressive cycle of violence.

Internal Affairs Division

The Internal Affairs Division (IAD) is responsible for investigations into complaints of police conduct. Additionally, responsibilities include identifying behavior/trends among officers that may erode community trust and confidence. IAD has a role in promoting individual and organizational accountability within the Police Bureau. They also identify policy and training issues to strengthen the police/community relationship and quality of service. Since July 2001, IAD has worked in partnership with the Independent Police Review Division to work jointly in support of the above responsibilities.

Identification Division The Identification Division provides specialized support services to the Portland Police Bureau and other criminal justice agencies by determining the identity of individuals through fingerprints, photos, and evidence obtained from major crime scenes. The Multnomah County Sheriff's Office contracts with the Police Bureau for identification of all arrested subjects, including juveniles, as required by state law. The division provides contract services to other law enforcement agencies including film processing, enhanced surveillance videos, still photos, and audio tapes. The Integrated Biometrics Identification System and X-Imaging photo systems have made it easier to positively identify people and firearms. The Home Security Locks Program provides locks and home security measures to qualifying low-income seniors. This program is partially funded by a federal grant through the Bureau of Housing and Community Development.

CRIME INTERDICTION SERVICES

The Crime Interdiction Services program encompasses ongoing activities aimed at crime intervention and crime prevention. Drugs and Vice Division (DVD), Gang Enforcement Team (GET), Youth Gun Anti-Violence Task Force (YGAT), Youth Crime Prevention (YCP), Criminal Intelligence Unit (CIU), the Regional Organized Crime Narcotics Task Force (ROCN), and Crisis Intervention Team (CIT) are components of this program.

Drugs and Vice Division

Drug house investigations continue to be a primary focus of this division. Drug enforcement efforts concentrate on mid to high-level manufacturing and distribution. Drug interdiction efforts include participation in the Portland Interdiction Task Force with the Federal Drug Enforcement Agency.

The vice units' activities include special enforcement efforts targeting illegal adult businesses. Another important task is conducting liquor license investigations to ensure liquor establishments do not reduce neighborhood quality of life. There is also a drug dog/officer team assigned to this division. The forfeiture unit assists all divisions in removing profit incentives from criminal enterprises.

Tactical Operations Division/GET, YGAT and YCP

GET, YGAT, and the Air Support Unit are components of the Tactical Operations Division. This division spans two different programs because of the street-level activities it performs.

GET has a detective section, which involves intelligence gathering, identification of gang members, and investigation of gang-related crimes. GET and YGAT often work independently of the patrol components of the precincts, investigating mid to low-level street drug dealers and users. Much of this work involves potential and identified gang members, and often involves armed suspects. Other projects of these units are the gun buyback programs and the gun show undercover operations. The Air Support Unit assists in surveillance and patrol operations.

The mission of the Youth Crime Prevention Unit is to provide education and intervention strategies that support the community safety initiatives of Neighborhood Policing Services. This team is comprised of the Gang Resistance Education and Training (GREAT) program, which provides training to officers in the ten-state western region and provides prevention programs to students and families in the Portland, Parkrose, and David Douglas school districts.

Criminal Intelligence Unit	The Criminal Intelligence Unit's duties are to create and maintain a sound criminal information base, analyze acquired information on criminal activity, and provide the operational and support units of the Police Bureau with predictive information. It also provides information and personnel support for the protection of dignitaries and persons of special interest.
Regional Organized Crime Narcotics (ROCN)	The Police Bureau's drug interdiction efforts have intensified through participation in this regional program. DVD has one sergeant and two officers currently detached to this task force and receives reimbursement for overtime. The bureau presently has a limited term captain's position assigned to ROCN and is reimbursed by the federal government for the salary and benefits.
Crisis Intervention Team	The CIT provides specialized training for patrol officers to enhance their ability to respond to calls involving people with mental illness. The CIT program receives feedback from the CIT Advisory Committee, made up of people and agencies who serve people with mental illness.

SUPPORT SERVICES

The Support Services program has the responsibility to provide administrative and management support services to the operational components of the Police Bureau. This program encompasses the Chief's Office, Personnel, Training, Records, Data Processing, Planning and Support, Property Evidence, Management Services, Fiscal Services, and Police Corps.

Chief's Office	The Chief's Office is responsible for the overall leadership, management, policy formulation, legal review, and internal control of the Police Bureau. Members of the Chief's Office also play a role in facilitating multi-cultural advisory committees/councils (African American, Arab/Muslim, Asian, Latino, Sexual Minority, Bureau Advisory Committee, and the Chief's Forum). The Chief's Office staff includes the Chief, three Assistant Chiefs, and support staff. Components of the Chief's Office also include the Crime Stoppers program and the Public Information Office.
Personnel Division	The Personnel Division performs the human resource functions for all members of the bureau. This division is responsible for the recruitment, selection, and hiring of all bureau personnel, working in partnership with the Bureau of Human Resources. The division also implements activities aimed at recruiting a diverse group of officers. Personnel also deals with labor relations and contracts, employee relations, discipline and discharge, human resources policy and procedure formulation, personnel records and reports, and employee benefits including the Employee Assistance Program. This division also coordinates the Use of Force and Performance Review boards that review cases and recommend discipline.

- Training Division** The Training Division provides the bureau's new officer in-service and advanced training as well as community training in the form of the Citizens Academy. Training Division responsibilities include the training, education, and development of bureau personnel. The division works with new recruits through all stages of initial training, as well as with existing bureau personnel in the development of new skills, procedures, and tactics. The Training Division is responsible for the bureau's annual in-service training program, the Advanced Academy for recruit officers, the Citizen Police Academy, and numerous other bureau-wide training needs. The Training Division is responsible for seeking citizen input through a Citizen Training Council.
- Records Division** The Records Division is responsible for all police and auto records. Duties include providing information in compliance with public records law and providing auto releases for towed vehicles. This division is responsible for entering all report data into the Portland Police Data System (PPDS) as well as integrating relevant information from other state and federal law enforcement data systems.
- Data Processing Division** Through the Bureau of Technology Services (BTS), the Data Processing Division is responsible for providing information and assistance to the officers, investigators, and managers of the Bureau through the (PPDS), local and wide-area networks, and other computerized functions of the Police Bureau. The division staff promotes and supports PPDS as an effective regional law enforcement system. In partnership with BTS, they project future technological needs and acquire technological support for the entire Police Bureau.
- Planning and Support Division** The Planning and Support Division provides bureau-wide strategic planning, communication support, crime analysis, statistical support, and policy development in accordance with the bureau's goals and objectives. The division develops and maintains the bureau web site, which includes more than 400 topic areas including CrimeMapper. The division develops and conducts an annual review of the agency's 175+ policies and procedures, and publishes the Manual of Policy and Procedure on the web site. Staff in Planning and Support provide a variety of services, including the Crisis Intervention Team, the Safety Zone crime prevention program for adults with developmental disabilities, coordinating an emergency telephone notification system, and managing efforts to develop new crime analysis software and electronic field reporting.
- Property Evidence** The Property Evidence Division is responsible for receiving, processing, accounting for, and warehousing the property and evidence items received by the Police Bureau and other law enforcement agencies within Multnomah County. Property disposal and vehicle storage are responsibilities of this division.
- Management Services** Management Services is composed of five units: Loss Control, Liability Management, Fleet Services, Facilities, and Communications. Loss Control manages the safety and health programs for the Police Bureau. This includes the Safety Committee, Collision Review Board, hazardous materials program, Occupational Safety and Health Administration (OSHA) compliance, accident prevention, workplace hazard assessments, and accident trend analysis.

The Liability Management Unit works with the Bureau of Risk Management to investigate claims brought against the City and the bureau. The Liability Manager's evaluation and investigation enables the City to properly adjust these claims. The bureau's Services Manager works with the City's vehicle, facilities, and communications service providers to evaluate, test, and order all related equipment. Cost monitoring and product performance evaluations are essential elements of this unit.

Fiscal Services

Fiscal Services coordinates, monitors, and facilitates the annual budget process. It facilitates the acquisition of goods and services following city code provisions, administrative rules, and accounting procedures. This division processes the bureau's payroll, accounts payable and accounts receivable, grants, contract administration, and alarm administration.

The division monitors many programs including travel expenses, procurement cards, take-home vehicle administration, tow fees, board-up fees, and monitors the financial matters of the "Day Watch" child care program. The division prepares, controls, and monitors daily financial activities and provides fiscal reports on bureau operations and resources.

The Alarm Administration program, governed by the City of Portland Code 14, transitioned from Multnomah County to the Police Bureau in 2001. The program provides services to alarm permit customers who receive Portland Police response. This unit facilitates the bureau's management of all elements of alarm ordinance administration including false alarm reduction, outreach, and education efforts.

Police Corps

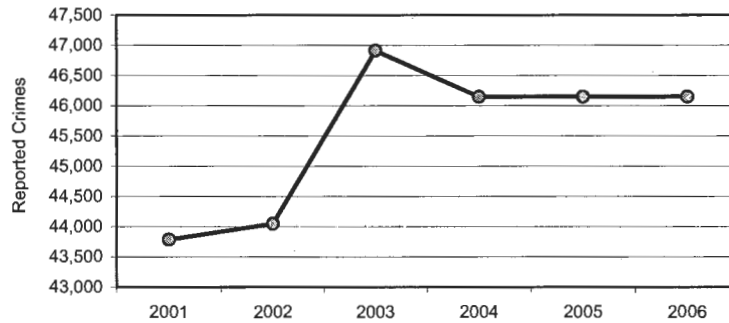
The Police Corps program has enabled the bureau to hire and train qualified college students to become police officers. In 1996, Oregon became one of the first six states to receive Police Corps funding to train college graduates for work as law enforcement officers. The Oregon Police Corps (OPC) is a federally funded college scholarship and police training program that trains entry-level law enforcement officers for work in police departments and sheriffs' offices throughout Oregon. OPC conducts its own dynamic and intensive academy, which far exceeds the minimum training mandated by the State of Oregon's Department of Public Safety Standards and Training (DPSST). All the Oregon Police Corps staff are City of Portland employees, and to date, the Portland Police Bureau has hired 92 OPC graduates.

This program will cease to receive federal funding in FY 2005-06; therefore program termination is anticipated.

Performance Measures

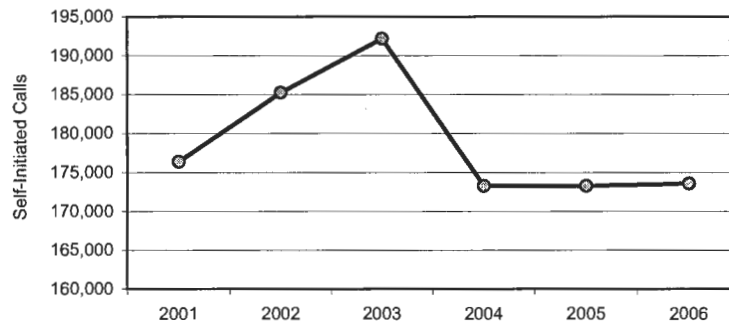
Part 1 (Major) Crimes

- ◆ Overall reported crimes have increased since 2001; with increases in property crimes a major factor. Reductions have continued in reported aggravated assault.



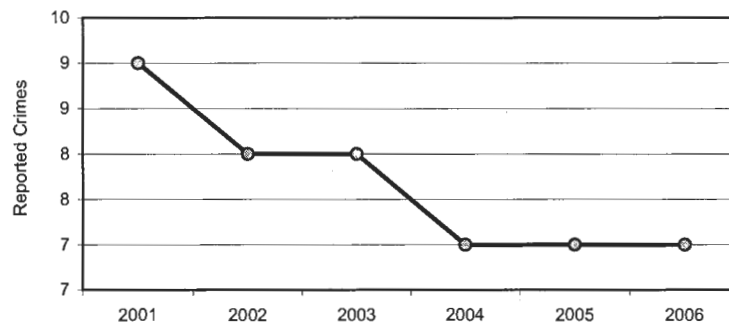
Self-Initiated Calls for Service

- ◆ Self-initiated calls decreased 10% from 2003 to 2004. They have increased over 50,000 between 1995 and 2004.



Part 1 Crimes per 1,000 Population

- ◆ Reported serious crimes per 1,000 citizens have remained below 1998 levels. Crimes against persons per 1,000 citizens remain the lowest since 1972.



Bureau of Police AU 100

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF POLICE						
Neighborhood Policing Services						
Effectiveness						
Citizens rating service as good or better	70%	68%	63%	62%	62%	62%
Average time available for self-initiated activity and problem solving	36%	31%	32%	34%	34%	34%
Part 1 Crimes per 1,000 population - persons	9	8	8	7	7	7
Part 1 Crimes per 1000 population - property	73	73	78	77	77	77
Part 1 Crimes per 1000 population - total	82	82	86	84	84	84
Citizens who feel safe walking alone in their neighborhood - nights	53%	50%	53%	53%	53%	53%
Efficiency						
Burglary victimization rate	5%	5%	6%	5%	5%	5%
False alarms	26,520	25,985	24,037	22,104	22,104	22,104
Average high priority travel time	4.79	4.87	4.88	5.12	5.12	5.12
Dispatched calls per Officer	429	441	469	451	451	451
Workload						
Average Number of Cars on Patrol, Shift Time: 0400-0759	44	51	54	71	71	71
Average number of Cars on Patrol, Shift Time 0000-0359	70	70	71	53	53	53
Average Number of Cars on Patrol, Shift Time: 0800-1159	59	54	56	55	55	55
Average Number of Cars on Patrol, Shift Time: 1200-1559	60	53	57	54	54	54
Average Number of Cars on Patrol, Shift Time: 1600-1959	69	76	80	76	76	79
Average Number of Cars on Patrol, Shift Time: 2000-2359	86	79	83	80	80	80
Part 1 (major) Crimes	43,784	44,048	46,909	46,150	46,150	46,150
Incidents Dispatched	243,861	248,865	262,670	259,661	259,661	259,661
Self-Initiated Calls for Service	176,363	185,261	192,184	173,269	173,269	173,569
Telephone Reports	44,840	38,973	30,110	25,486	24,586	24,586
Crime Interdiction Services						
Workload						
G.R.E.A.T. number of students	1,801	0	992	992	992	992

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SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	89,973,273	93,445,287	100,333,159	96,408,456	97,063,056
External Materials and Services	7,474,087	9,241,447	14,191,853	11,648,065	11,993,465
Internal Materials and Services	21,394,102	22,286,635	24,267,162	23,226,150	23,226,150
Minor Capital Outlay	145,562	888,694	1,478,668	80,000	80,000
Equipment Cash Transfers	709,423	245,139	498,183	0	0
Total Operating Budget	119,696,447	126,107,202	140,769,025	131,362,671	132,362,671
Capital Improvements	1,132	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 119,697,579	\$ 126,107,202	\$ 140,769,025	\$ 131,362,671	\$ 132,362,671
Allocated Overhead	3,351,157	4,038,642	4,139,559	4,139,559	4,024,713
Total Cost with Allocated Overhead	123,048,736	130,145,844	144,908,584	135,502,230	136,387,384
RESOURCES					
Discretionary Revenue	105,961,477	109,377,749	121,345,467	116,597,927	117,597,927
Non-Discretionary Revenues					
Grants & Donations	4,271,849	4,989,507	8,413,001	3,688,059	3,688,059
Contract Revenues	4,530,482	5,006,472	5,259,586	5,188,199	5,188,199
Interagency Revenues	626,784	649,621	1,095,794	571,578	571,578
Program Revenue	4,306,987	6,046,367	4,655,177	5,316,908	5,316,908
Total Non-Discretionary Revenues	13,736,102	16,691,967	19,423,558	14,764,744	14,764,744
TOTAL GENERAL FUND RESOURCES	\$ 119,697,579	\$ 126,069,716	\$ 140,769,025	\$ 131,362,671	\$ 132,362,671
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Neighborhood Policing Services	72,634,176	76,221,933	82,007,720	75,904,410	76,819,810
<i>Positions</i>	<i>794.00</i>	<i>808.00</i>	<i>784.53</i>	<i>784.55</i>	<i>784.55</i>
Investigative Services	14,744,223	15,489,014	17,420,702	16,729,220	16,813,820
<i>Positions</i>	<i>183.00</i>	<i>166.00</i>	<i>210.23</i>	<i>162.75</i>	<i>162.75</i>
Crime Interdiction Services	9,798,106	10,075,724	12,850,161	11,222,982	11,222,982
<i>Positions</i>	<i>94.00</i>	<i>97.00</i>	<i>98.25</i>	<i>92.00</i>	<i>92.00</i>
Support Services	22,521,074	24,320,531	28,490,442	27,506,059	27,506,059
<i>Positions</i>	<i>213.00</i>	<i>186.00</i>	<i>207.12</i>	<i>186.39</i>	<i>186.39</i>
TOTAL PROGRAMS	\$ 119,697,579	\$ 126,107,202	\$ 140,769,025	\$ 131,362,671	\$ 132,362,671
<i>Positions</i>	<i>1,284.00</i>	<i>1,257.00</i>	<i>1,300.13</i>	<i>1,225.69</i>	<i>1,225.69</i>

Bureau of Police AU 100

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	5.00	6.00	5.00	213,948	5.00	214,800	5.00	214,800
0515	Accountant II	2.00	1.00	1.00	51,332	1.00	52,116	1.00	52,116
0510	Accounting Technician	1.00	1.00	1.00	37,548	1.00	37,692	1.00	37,692
0401	Evidence Control Spec Lead	2.00	1.00	1.00	51,732	1.00	51,924	1.00	51,924
0400	Evidence Control Specialist	9.00	7.00	7.00	315,816	7.00	317,076	7.00	317,076
0403	Evidence Control Supervisor	2.00	2.00	2.00	103,464	2.00	103,848	2.00	103,848
0151	P A S S	47.00	44.00	44.50	1,591,256	44.50	1,630,683	44.50	1,630,683
0153	P A S S Lead	3.00	0.00	1.00	44,304	1.00	44,472	1.00	44,472
0152	P A S S Senior	14.00	10.00	10.00	432,266	10.00	438,764	10.00	438,764
0149	Police Desk Clerk	24.00	18.00	14.90	484,992	14.90	487,992	14.90	487,992
0155	Police I & R Specialist	4.00	3.00	3.00	129,651	3.00	132,723	3.00	132,723
7927	Police Mgmt Service Div Mgr	0.00	0.00	1.00	80,148	1.00	80,423	1.00	80,423
0147	Police Rec Train Coord	9.00	9.00	9.00	383,919	9.00	391,465	9.00	391,465
0146	Police Records Spec	60.00	56.00	57.39	2,032,009	57.39	2,092,214	57.39	2,092,214
7103	Administrative Assistant	0.00	1.00	2.00	108,012	2.00	111,891	2.00	111,891
0819	Administrative Assistant	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senio	0.00	2.00	2.00	82,700	2.00	85,922	2.00	85,922
7106	Administrative Supervisor I	1.00	7.00	7.00	389,421	7.00	402,272	7.00	402,272
0920	Administrative Supervisor I	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7107	Administrative Supervisor II	5.00	2.00	2.00	121,476	2.00	126,456	2.00	126,456
7906	Alarm Program Coordinator	0.00	1.00	1.00	62,436	1.00	65,004	1.00	65,004
2532	Applications Analyst II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2533	Applications Analyst III	1.00	1.00	0.50	27,477	1.00	59,747	1.00	59,747
2534	Applications Analyst IV	2.00	2.00	2.00	130,344	2.00	130,752	2.00	130,752
0826	Assistant Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0962	Assistant Program Specialist	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0844	Assistant Risk Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0605	Audio Visual Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1232	Auto Servicer	4.00	4.00	4.00	153,874	4.00	160,340	4.00	160,340
0928	Bureau Administrative Manager	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7112	Business Operations Manager	0.00	1.00	1.00	85,464	1.00	85,464	1.00	85,464
7110	Business Operations Supervisor	0.00	1.00	1.00	70,704	1.00	73,596	1.00	73,596
7178	Claims Analyst	0.00	2.00	2.00	116,376	2.00	118,640	2.00	118,640
7243	Communications/Internet Mapping	0.00	1.00	1.00	68,748	1.00	69,012	1.00	69,012
7203	Community Outreach & Information	0.00	2.00	2.00	108,763	2.00	113,221	2.00	113,221
7204	Community Outreach and Informati	0.00	2.00	2.00	130,020	2.00	134,724	2.00	134,724
7490	Community Relations Assistant	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7492	Community Relations Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7919	Crime Analyst	0.00	2.00	2.00	129,300	2.00	136,416	2.00	136,416
7920	Crime Analyst Supervisor	0.00	1.00	1.00	62,322	1.00	64,878	1.00	64,878
7918	Crime Analyst, Assistant	0.00	2.00	2.00	100,011	2.00	103,266	2.00	103,266
5185	Crime Prevent Prog Administrator	3.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
5175	Criminalist	17.00	18.00	18.00	1,263,980	18.00	1,290,420	18.00	1,290,420
5142	Deputy Police Chief	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7127	Executive Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0827	Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7377	Financial Analyst, Senior	0.00	0.00	1.00	58,656	1.00	60,056	1.00	60,056
3271	Graphics Illustrator II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7902	Home Security Specialist	0.00	1.00	1.00	41,748	1.00	41,891	1.00	41,891
7903	Home Security Specialist, Senior	0.00	1.00	1.00	47,448	1.00	47,912	1.00	47,912
2542	Information Systems Analyst II	0.00	0.00	1.00	49,444	1.00	61,684	1.00	61,684
2544	Information Systems Analyst IV	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2550	Information Systems Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7509	Information Systems Manager	0.00	1.00	1.00	89,580	1.00	91,569	1.00	91,569
2523	Information Systems Tech II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7131	Management Analyst	0.00	2.00	2.00	113,136	2.00	117,768	2.00	117,768
7132	Management Analyst, Senior	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
5138	Police Captain	8.00	8.00	7.00	673,754	7.00	691,820	7.00	691,820
7090	Police Chief	1.00	1.00	1.00	143,292	1.00	148,385	1.00	148,385
7941	Police Chief*, Assistant	3.00	3.00	3.00	317,112	3.00	322,368	3.00	322,368
5140	Police Commander	8.00	8.00	9.00	940,009	9.00	946,434	9.00	946,434
7922	Police Data Research Supervisor	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
5150	Police Detective	0.00	90.00	88.00	6,192,443	88.00	6,309,004	88.00	6,309,004
7908	Police ID Technology Coordinator	0.00	1.00	1.00	63,168	1.00	63,168	1.00	63,168
5172	Police Identification Technician	16.00	16.00	15.50	855,823	16.00	897,440	16.00	897,440
5173	Police Identification Technician	3.00	3.00	3.00	186,060	3.00	186,780	3.00	186,780
1235	Police Impound Technician	1.00	1.00	1.00	42,912	1.00	43,080	1.00	43,080
5189	Police Investigative Accountant	1.00	1.00	1.00	72,840	1.00	73,128	1.00	73,128
5137	Police Lieutenant	33.00	32.00	34.00	2,852,016	32.00	2,730,610	32.00	2,730,610

Bureau of Police AU 100

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
5128	Police Officer	734.00	734.00	752.00	42,197,033	704.25	41,263,750	704.25	41,263,750
5174	Police Photo Reproduction Spec	2.00	2.00	2.00	123,720	2.00	124,200	2.00	124,200
7925	Police Records Manager	0.00	1.00	1.00	81,036	1.00	81,036	1.00	81,036
7924	Police Records Supervisor	0.00	4.00	4.00	250,776	4.00	255,296	4.00	255,296
5134	Police Sergeant	215.00	126.00	123.00	8,746,807	120.00	8,676,185	120.00	8,676,185
7930	Police Support Services Manager	0.00	1.00	1.00	90,414	1.00	92,232	1.00	92,232
2545	Principal Info Systems Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7507	Principal Information Systems An	0.00	1.00	1.00	85,464	1.00	85,716	1.00	85,716
0966	Program Coordinator	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0970	Program Manager II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0971	Program Manager III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0973	Program Manager V	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0964	Program Specialist	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7153	Program Specialist	0.00	1.00	1.00	61,752	1.00	62,207	1.00	62,207
7193	Safety and Risk Officer II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0816	Senior Administrative Specialist	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0952	Senior Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1217	Stable Attendant	1.00	1.00	1.90	75,488	1.90	76,728	1.90	76,728
7245	Video Production Assistant	0.00	1.00	1.00	59,316	1.00	59,506	1.00	59,506
TOTAL FULL-TIME POSITIONS		1284.00	1257.00	1270.69	\$ 73,819,612	1218.94	\$ 73,163,294	1218.94	\$ 73,163,294
5185	Crime Prevent Prog Administrator	0.00	0.00	0.75	31,854	0.75	33,726	0.75	33,726
TOTAL PART-TIME POSITIONS		0.00	0.00	0.75	\$ 31,854	0.75	\$ 33,726	0.75	\$ 33,726
0515	Accountant II	0.00	0.00	1.00	50,607	0.00	0.00	0.00	0.00
0400	Evidence Control Specialist	0.00	0.00	0.67	25,396	1.00	44,156	1.00	44,156
0151	P A S S	0.00	0.00	2.47	84,298	0.00	0.00	0.00	0.00
0152	P A S S Senior	0.00	0.00	0.42	18,460	0.00	0.00	0.00	0.00
0155	Police I & R Specialist	0.00	0.00	2.00	88,608	0.00	0.00	0.00	0.00
7242	Communications/Internet Mapping	0.00	0.00	1.00	57,888	0.00	0.00	0.00	0.00
7203	Community Outreach & Information	0.00	0.00	0.67	31,144	0.00	0.00	0.00	0.00
2523	Information Systems Tech II	0.00	0.00	1.00	61,068	0.00	0.00	0.00	0.00
7131	Management Analyst	0.00	0.00	1.00	49,068	0.00	0.00	0.00	0.00
5138	Police Captain	0.00	0.00	1.66	163,114	1.00	100,464	1.00	100,464
5150	Police Detective	0.00	0.00	1.00	73,044	0.00	0.00	0.00	0.00
5171	Police ID Technician Trainee	0.00	0.00	1.33	48,668	0.00	0.00	0.00	0.00
5137	Police Lieutenant	0.00	0.00	0.58	45,633	0.00	0.00	0.00	0.00
5128	Police Officer	0.00	0.00	6.58	411,416	4.00	250,560	4.00	250,560
5134	Police Sergeant	0.00	0.00	2.25	165,466	0.00	0.00	0.00	0.00
7154	Program Coordinator	0.00	0.00	0.08	4,472	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	0.00	3.08	118,696	0.00	0.00	0.00	0.00
1217	Stable Attendant	0.00	0.00	0.33	11,324	0.00	0.00	0.00	0.00
7270	Training & Development Analyst	0.00	0.00	1.57	92,800	0.00	0.00	0.00	0.00
TOTAL LIMITED TERM POSITIONS		0.00	0.00	28.69	\$ 1,601,170	6.00	\$ 395,180	6.00	\$ 395,180

Bureau of Police AU 100

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	135,238,291	0	135,238,291	1,280.52	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	508,436	0	508,436	0.0	Program Revenue Enhancements
	0	0	0	(4.1)	Grant Positions to be Included in Fall Carryover
	0	120,556	120,556	0.0	Local Grant Match
Proposed Budget Decisions					
	(309,538)	0	(309,538)	0.0	OMF Interagency Reductions
	0	0	0	0.0	Special Events Cost Recovery
	(86,592)	0	(86,592)	(1.00)	Eliminate Sergeant in the Chief's Office
	(72,672)	0	(72,672)	(1.00)	Eliminate Internal Affairs Division Sergeant
	(92,064)	0	(92,064)	(1.00)	Eliminate Tactical Operations Division Sergeant
	(63,372)	0	(63,372)	(0.75)	Sunshine Division Assignment to Light Duty
	(74,132)	0	(74,132)	0.00	Reduce Leased Vehicles
	(84,600)	0	(84,600)	(1.00)	Eliminate Cold Case Sergeant
	(706,000)	0	(706,000)	0.00	Reduce External Materials and Services
	(88,428)	0	(88,428)	(1.00)	Eliminate Lieutenant in Family Services Division
	(55,368)	0	(55,368)	(1.00)	Eliminate Police Corps Officer
	(55,368)	0	(55,368)	(1.00)	Eliminate Support in Planning and Support Division
	0	0	0	0.00	Increased False Alarm Fines
	(1,096,478)	0	(1,096,478)	0.00	Reduction in Overbudgeted Internal Services
	(1,800,000)	0	(1,800,000)	0.00	LOS Vacancy Savings to GF Contingency
	0	80,000	80,000	0.0	Bomb Robot (Capital Set-Aside)
	0	0	0	(44.0)	Eliminate 44 Previously Frozen Positions
Approved Budget Additions and Reductions					
	0	1,000,000	1,000,000	0	Problem-Oriented Policing Strategies
	0	0	0	1.0	Restore Cold Case Sergeant
Adopted Budget Additions and Reductions					
	0	0	0	0.0	None
	(4,076,176)	1,200,556	(2,875,620)	(50.75)	Total FY 2005-06 Decision Packages
			\$ 132,362,671	1,225.69	Total Adopted Budget



Fire & Police Disability & Retirement

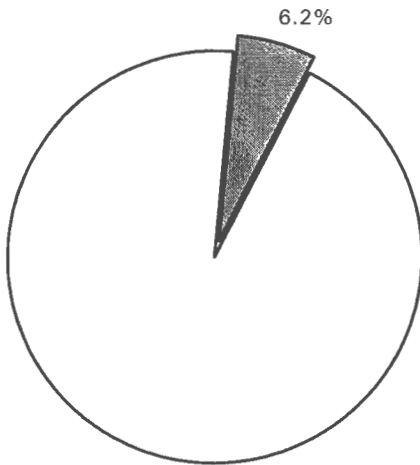
Public Safety Service Area

Mayor Tom Potter, Commissioner-in-Charge

Babette Heefle, Director

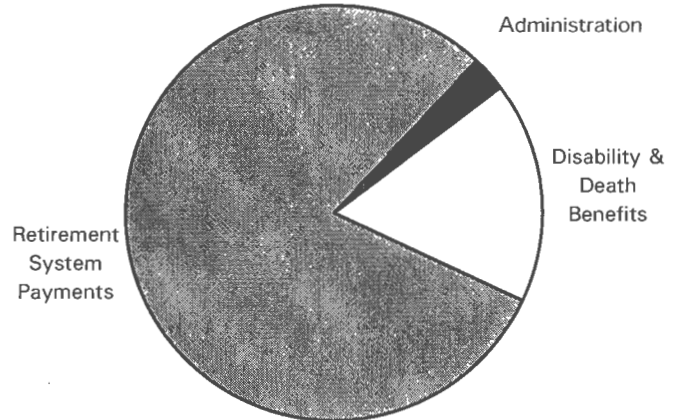
Percent of City Budget

Fire & Police Disability & Retirement = \$87.5 Million



City Budget = \$1.42 Billion

Bureau Programs

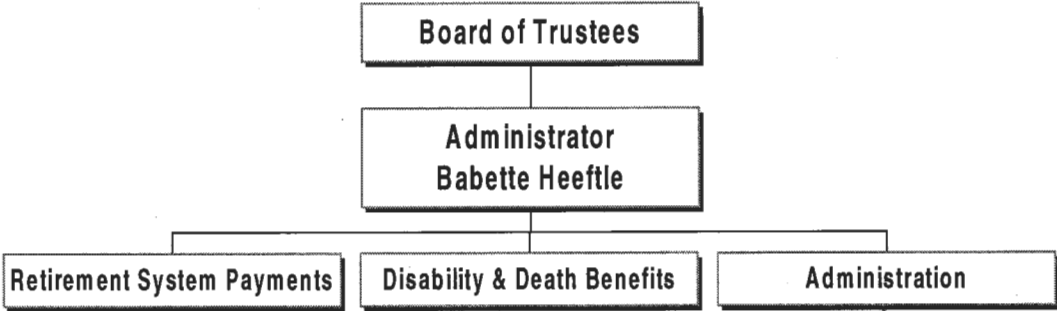


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	84,563,417	87,502,596	2,939,179	3.5%
Capital	0	0	0	0.0%
Total Expenditures	\$ 84,563,417	\$ 87,502,596	\$ 2,939,179	\$ 3.5%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Fire and Police Disability and Retirement



Bureau Summary

BUREAU MISSION

We provide disability and retirement benefits to Portland firefighters, police officers, and their survivors as prescribed by City Charter.

VISION AND VALUES

Vision

We take care of our members.

Values

- ◆ We offer our members the best possible service by providing benefits in a compassionate and competent manner.
- ◆ We treat our members with respect, dignity, and courtesy.
- ◆ We serve the Board of Trustees with professionalism and efficiency.
- ◆ We fulfill our mission with fiscal responsibility and careful stewardship of the public resources.
- ◆ We maintain a positive and supportive work environment with an atmosphere of mutual respect, teamwork, humor, and camaraderie.
- ◆ We maintain active communication and a free flow of ideas to foster individual and organizational development.

BUREAU OVERVIEW

Programs

The bureau is divided into the following three programs.

- ◆ *Retirement System Payments program* includes the direct costs of pension benefits or refunds of contributions to members and beneficiaries.
- ◆ *Disability and Death Benefits program* includes all direct benefit costs for time lost due to disability, medical claims, and death benefits.
- ◆ *Administration program* includes all other fund expenses which are non-direct costs of providing benefits, including staffing costs, actuarial expenses, legal fees, and other office expenses.

SUMMARY OF BUDGET DECISIONS

Retirement System Payments

Overall expenditures in retirement system payments total \$69,940,335, an increase of \$3.8 million or 5.8% over the FY 2004-05 Revised Budget. The change from prior year includes an estimated net increase of 49 pension recipients, and increases in benefits for the annual cost of living adjustment (COLA). This adjustment is estimated at 3.0% for Old Plan retirees and beneficiaries and 2.0% for New Plan retirees and beneficiaries. The total number of pension recipients estimated by the end of FY 2005-06 is 1,684.

Disability and Death Benefits

Overall expenditures in disability and death benefits total \$15,158,028, a decrease of \$1.1 million or 6.8% from the FY 2004-05 Revised Budget. The decrease from prior year is due to the declining trends in disability time loss benefits and medical benefits compared with the trends utilized in developing the FY 2004-05 budget. The FY 2005-06 budget includes increases for COLAs, medical inflation, an estimated net increase of 15 New Plan members on long-term disability benefits, an annual decrease of 0.9% before inflation for short-term disability benefits, an annual increase of 7% above inflation for medical benefits, an increased level of vocational rehabilitation services, and funeral benefits for seven New Plan and 31 Old Plan members. Furthermore, the FY 2005-06 budget includes the estimated savings of \$158,662 in overall disability costs, which will be achieved by creating two disability claims coordinator positions who will monitor long-term disability claims and medical only claims.

Administration

Overall expenditures in the administrative program total \$2,404,213, an increase of \$0.2 million or 10.3% over the FY 2004-05 Revised Budget. The increase is due to inflation and two add packages totaling \$278,662. The first package is to fund the annualized cost of two Disability Claims Coordinator positions; the second package is for the Fire and Police Disability & Retirement Fund Study as proposed by the City Council. The FPDR Fund also submitted a cut package totaling \$107,735 or 5% of the Current Appropriation Level. The FY 2005-06 budget includes \$46,508 or 2.1% in cuts. Overall, the budget for the Administration program represents 2.8% of the total operating budget.

Strategic Direction

MANAGEMENT GOALS & OBJECTIVES

In November 2004, the FPDR Board of Trustees adopted a strategic plan, which contains strategies to address the following critical business issues during FY 2005-06:

- ◆ Contain disability costs while maintaining appropriate levels of service.
- ◆ Pre-fund the pension system.
- ◆ Partner with the Fire and Police bureaus' leadership to implement strategies to reduce or contain disability costs.

FPDR Fund staff have developed the following specific goals and objectives based on the strategies identified by the Board of Trustees:

- ◆ Reduce prescription costs. Identify past year prescription costs, explore discount prescription programs, and present the options to the Board.
- ◆ Provide disability management training to the Board and staff to ensure more informed decisions concerning disability claims. Assess the training needs and develop a curriculum/training plan.
- ◆ Redefine Preferred Provider Organization (PPO) providers exception policy. Review actual utilization of non-PPO's and evaluate exceptions currently allowed. Review current administrative rules on the PPO exception policy and develop recommendations for the Board.
- ◆ Evaluate the current administrative rules and develop recommendations to improve vocational rehabilitation program practices and cost effectiveness.
- ◆ Establish consequences for non compliance with treatment plans. Assess current procedures and develop a written procedure for approving and monitoring treatment plans.
- ◆ Encourage member responsibility for their health and safety by educating them on their role in preventing injuries and reducing disability costs. Create an instructional video for members and develop a resource packet.
- ◆ Collaborate with the Fire and Police Bureaus' leadership to develop strategies to reduce disability costs.

Overview of Programs

RETIREMENT SYSTEM PAYMENTS

This program provides pension benefits to retired sworn members of the Fire and Police bureaus, their surviving spouses, and minor children. By the end of FY 2005-06, there are projected to be 1,684 retired members and beneficiaries, an increase of 49 from the projected year-end total for FY 2004-05.

FY 2005-06 Budget

The expenses for the program are based on projected current year costs plus expected new retirements and inflation factors less projected deaths. Retirement benefits for Old Plan retirees and beneficiaries are increased in step with increases to the salaries of active fire fighters and police officers, an assumed 3.0% for FY 2005-06. For New Plan retirees and beneficiaries, benefits are increased in step with increases to PERS, an assumed 2.0% for FY 2005-06.

Benefits Under the New Plan

Effective July 1, 1990, the plan was amended to provide for the payment of benefits upon termination of employment on or after attaining age 55, or on or after attaining age 50 if the member has 25 or more years of service. Members become 100% vested after five years of service. Benefits are paid at retirement using the following formula: 2.2% to 2.8%, multiplied by the number of years of service up to 30 years. That product is multiplied by the highest one-year base pay the member received during the final three years of the member's employment. A survivor's benefit is paid to a surviving spouse at 25% to 100% of the member's final pension, depending on the accrual rate selected (2.2 to 2.8) at the time of retirement.

Benefits Under the Old Plan

Prior to July 1, 1990, plan participants became eligible for pension benefits after 20 years of employment if they were 55 years of age, or after 25 years of employment if they were 50 years of age. Participants were not entitled to any retirement benefits except for refunds of their contributions into the plan unless they attained 20 years of service. Pension benefits were paid using the following formula: 2.0% multiplied by the number of years of service up to 30 years, multiplied by the current salary of a first-class firefighter or police officer, as defined in the plan. A survivor's benefit is paid to a surviving spouse based on a survivor annuity table and is up to 56% of the member's final pension.

DISABILITY & DEATH BENEFITS

This program provides for short-term and long-term time loss benefits for injuries or illness incurred in the line of duty as well as non-service connected injuries and illness, no-time loss medical benefits, vocational rehabilitation benefits, and funeral benefits to sworn members of the Fire and Police bureaus and their survivors.

- FY 2005-06 Budget** The budget for the program is based on an updated review of overall trends before inflationary adjustments in long-term and short-term time loss benefits and medical benefits, funeral benefits, and projected vocational rehabilitation costs. The inflation factor assumed for time loss benefits and death benefits is 3.0% and the factor assumed for medical benefits is 5.7% for FY 2005-06. In addition, the budget assumes a net increase of 15 New Plan members for long-term time-loss benefits, an annual decrease of 0.9% before inflationary adjustments for short-term time-loss benefits, an annual increase of 7.0% above inflation for medical benefits, and increased vocational rehabilitation costs, which include a total of eight limited duty wage subsidies.
- New Plan Benefits** Sworn Fire and Police members become eligible for membership in the plan immediately upon employment. The New Plan (as amended effective July 1, 1990) provides for occupational or service-connected disability benefits at 75% of the member's base pay reduced by 50% of any wages earned in other employment, with reduced percentages of base pay and offsets for wages earned in other employment for later years. The plan also provides for non-service connected disability benefits at reduced rates of base pay for members with ten or more years of service.
- Old Plan Benefits** Members receiving disability benefits on January 1, 1990, who were not expected to return to work, remained under the Old Plan and continue to receive benefits under its provisions. The Old Plan provides for benefits at a rate of 100% of pay initially, reduced to 60% of pay after four years on disability. Under the Old Plan, members on long-term disability remain in disability status until they reach disability retirement age at 64.
- The budget assumes that during FY 2005-06, 74 Old Plan members and 111 New Plan members will receive long-term disability benefits.

ADMINISTRATION

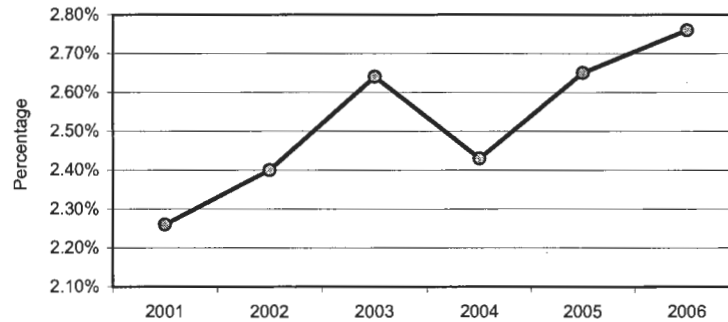
The Administration program provides funding for all activities and staffing in support of the provision of pension, disability, and death benefits for members of the Fire and Police bureaus and their survivors. Staffing is provided through an interagency agreement with the City Auditor's Office, as well as the Fire and Police bureaus. Administrative functions include processing applications for benefits, issuing payments for approved claims, tracking payments, and monitoring and forecasting the financial status of the fund. Staff also provides assistance to and answers inquiries from the Board of Trustees, members, attorneys, medical providers, and the public.

- FY 2005-06 Budget** The FY 2005-06 program budget includes two add packages in addition to the Current Appropriation Level budget which is determined by the current year budget plus the appropriate inflation rates. The add packages provide the funding for annualized costs of two disability claims coordinator positions and the funding for the FPDR Fund Study as proposed by the City Council. A cut package totaling \$46,508 or 2.1% of the CAL budget is also included in the budget.

Performance Measures

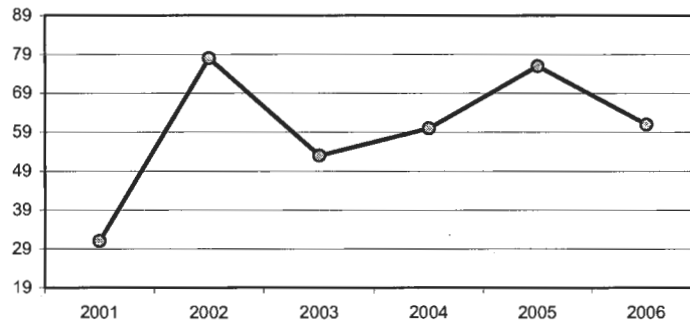
Administrative Cost as a Percent of Total Budget

- ◆ Administrative costs have historically been between 2% and 3% of the total operating budget. In FY 2005-06, the program includes funding for two disability claims coordinator positions and the FPD&R Fund Study.



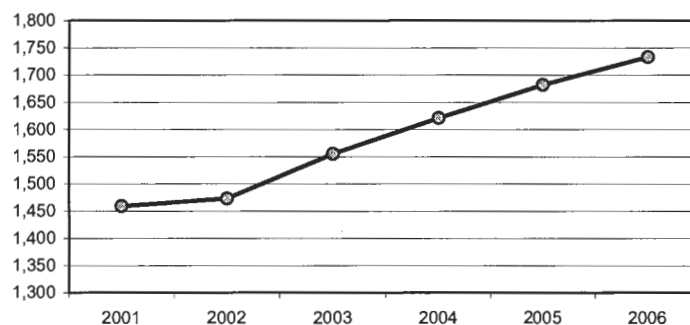
Number of Retirements from Active Service

- ◆ The number of retirements are largely due to the demographics of the Fire and Police Bureaus. In addition, factors such as labor negotiations also affect retirement patterns.



Number of Pension Recipients

- ◆ Longer life expectancies and hiring patterns affect the size of the retiree membership.



Fire & Police Disability & Retirement AU 337

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
FIRE & POLICE DISABILITY & RETIREMENT						
Administration						
Effectiveness						
Percentage of members reported satisfied with service via survey.	NA	99%	NA	99%	NA	100%
Efficiency						
Administrative Cost as a Percentage of Total Budget	2.26%	2.40%	2.64%	2.43%	2.65%	2.76%
Retirement System Payments						
Effectiveness						
Percentage of workshop participants who rated workshop helpful	100%	100%	100%	100%	100%	100%
Efficiency						
Percentage of pension estimates processed within one week	87%	93%	91%	84%	84%	84%
Workload						
Number of new plan retirees	31	78	53	60	76	61
Number of pension estimates	261	367	265	232	232	232
Number of Pension Recipients	1,459	1,473	1,555	1,621	1,682	1,733
Number of pre-retirement workshop participants	57	69	36	39	39	39
Disability & Death Benefits						
Effectiveness						
Medical cost savings	\$435,926	\$619,348	\$719,477	\$591,427	\$613,845	\$667,230
Savings as a % of total medical costs	20.5%	22.8%	26.1%	16.2%	16.2%	16.2%
Workload						
Number of new no-time-loss claims	176	162	170	171	153	153
Number of new time-loss claims	296	322	309	271	286	286
Number of members on short term disability	333	321	353	290	307	307
Number of medical bills	8,416	9,033	9,800	9,810	9,828	9,828
Number of New Plan members on long term disability	0	0	0	108	101	111

Fire & Police Disability & Retirement AU 337

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	0	0	0	0	0
External Materials and Services	71,393,764	76,113,640	83,262,247	86,120,334	86,120,334
Internal Materials and Services	1,185,823	1,151,266	1,296,170	1,382,262	1,382,262
Minor Capital Outlay	0	0	5,000	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	72,579,587	77,264,906	84,563,417	87,502,596	87,502,596
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 72,579,587	\$ 77,264,906	\$ 84,563,417	\$ 87,502,596	\$ 87,502,596
Allocated Overhead	116,839	93,172	69,973	81,532	101,332
Total Cost with Allocated Overhead	72,696,426	77,358,078	84,633,390	87,584,128	87,603,928
RESOURCES					
Fire & Police Disability & Retirement	72,579,587	77,264,906	84,563,417	87,502,596	87,502,596
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Administration	1,816,509	1,859,987	2,226,882	2,404,213	2,404,213
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Retirement System Payments	57,896,381	62,013,424	66,069,556	69,940,355	69,940,355
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Disability & Death Benefits	12,845,731	13,370,698	16,266,979	15,158,028	15,158,028
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Employee Assistance	20,966	20,797	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 72,579,587	\$ 77,264,906	\$ 84,563,417	\$ 87,502,596	\$ 87,502,596
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

Fire & Police Disability & Retirement AU 337

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	87,270,442	0	87,270,442	0.0	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.0	None
Mayor's Proposed Budget Decisions	158,662	0	158,662	0.0	Disability claims coordinators - M&S
	(46,508)	0	(46,508)	0.0	Administration reduction
	0	120,000	120,000	0.0	FPD&R fund study
Approved Budget Additions and Reductions	0	0	0	0.0	None
Adopted Budget Additions and Reductions	0	0	0	0.0	None
	112,154	120,000	232,154	0.0	Total FY 2005-06 Decision Packages
			\$ 87,502,596	0.0	Total Adopted Budget



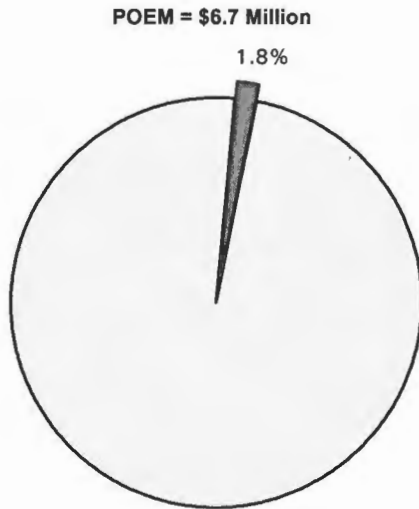
Portland Office of Emergency Management

Public Safety Service Area

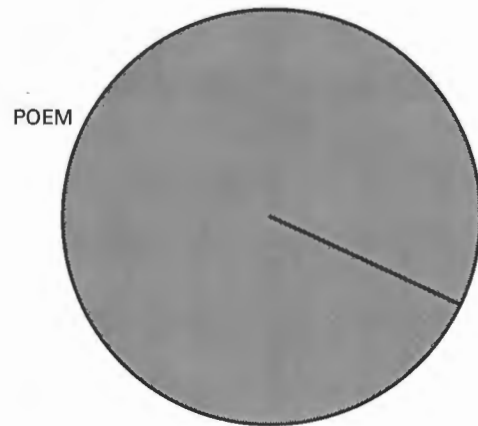
Mayor Tom Potter, Commissioner-in-Charge

Dave Sprando, Interim Director

Percent of General Fund



Bureau Programs

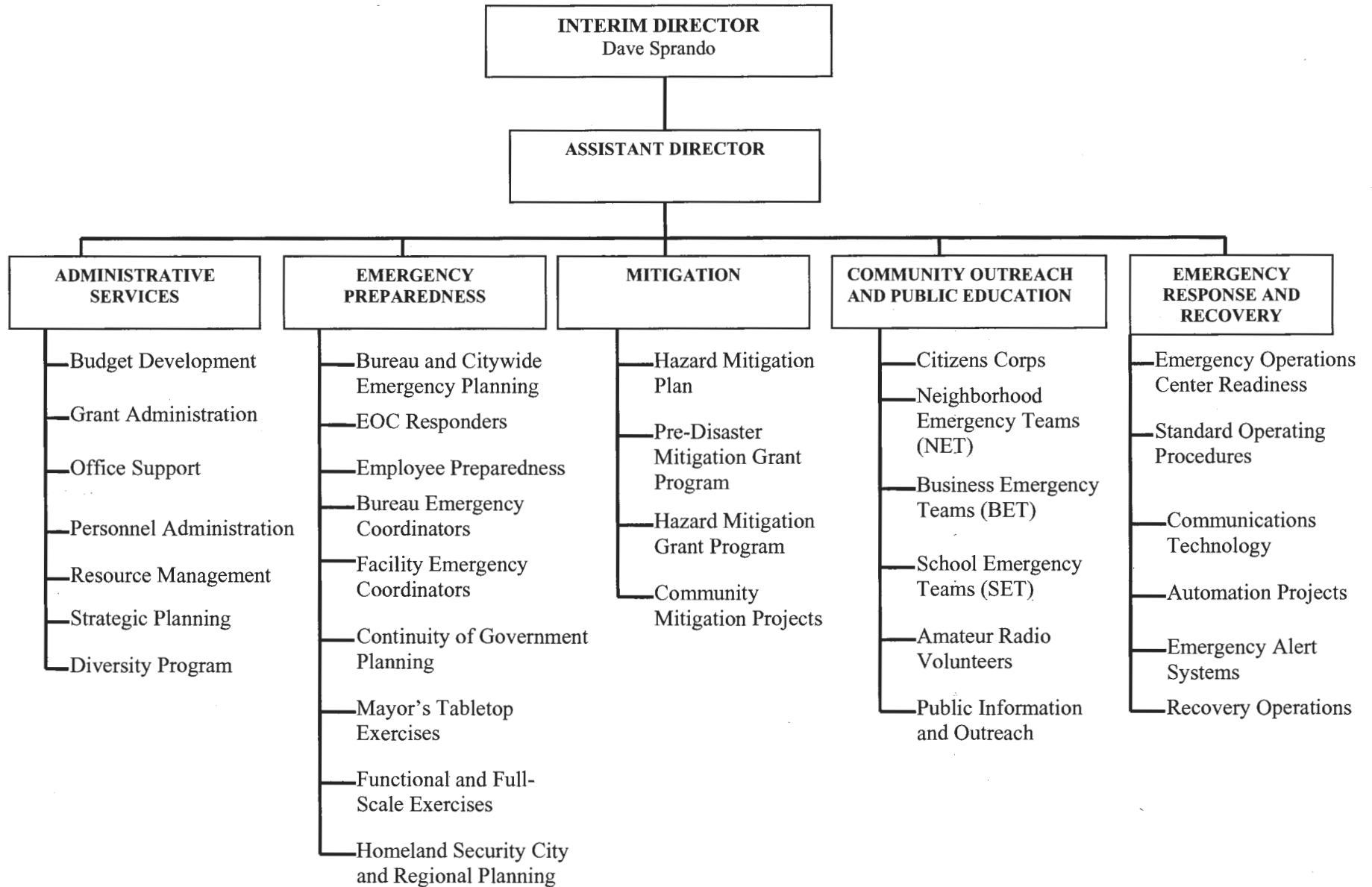


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	11,360,770	6,721,366	-4,639,404	-40.8%
Capital	0	0	0	0.0%
Total Expenditures	\$ 11,360,770	\$ 6,721,366	\$ -4,639,404	\$ -40.8%
Authorized Positions	8.00	10.00	2.00	25.0%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

PORTLAND OFFICE OF EMERGENCY MANAGEMENT



Bureau Summary

BUREAU MISSION

The mission of the Portland Office of Emergency Management (POEM) is to effectively lead the emergency preparedness, risk reduction, and response and recovery efforts of the City of Portland in order to protect lives and property in the event of a natural or human-caused disaster.

VISION AND VALUES

The Portland Office of Emergency Management will become a national leader in emergency management. We will build coalitions to provide the City of Portland with strategic leadership in comprehensive emergency planning. We will strive to establish best practices in planning, equipment readiness, and training. We will help develop an actively involved, well-prepared, and diverse community.

We value:

- ◆ Accountability
- ◆ Integrity
- ◆ Respect
- ◆ Leadership
- ◆ Open and consistent communication
- ◆ Inclusiveness and collaboration
- ◆ Building community partnerships
- ◆ Professional development
- ◆ Cultural awareness and diversity
- ◆ Continuous improvement

BUREAU OVERVIEW

POEM provides planning, training, exercises, and educational outreach programs to prepare citizens, government agencies, and private/nonprofit organizations for natural and human-caused disasters. POEM also leads the City of Portland's response during and after a local emergency or disaster. The office manages the City's Emergency Operations Center (EOC) during any major emergency or disaster and activates emergency warning systems. POEM serves as an interagency coordinator, partnering with local, state, federal, and private entities to provide comprehensive planning, response, mitigation, and recovery capabilities for all potential hazards facing the City of Portland.

POEM was created in FY 2003-04 to consolidate emergency management leadership and coordination into a single organization. POEM is supported by a mixture of General Fund discretionary resources, General Fund overhead recovery, and grant revenues.

SUMMARY OF BUDGET DECISIONS

The FY 2005-06 Adopted Budget for POEM extends one limited term assistant financial analyst position and adds two new limited term positions, an outreach coordinator and a program coordinator. The two new positions are fully funded with grants, while the assistant financial analyst position is primarily grant-funded. The assistant financial analyst is critical to POEM's ability to track and manage its growing grant revenues. The outreach coordinator will oversee emergency preparedness outreach services for residents of the entire Urban Areas Security Initiative (UASI) region, which includes Multnomah, Clackamas, Washington, Columbia, and Clark Counties. The program coordinator will update Citywide and bureau emergency operation plans, as required by homeland security grant programs and the National Response Plan, and coordinate emergency operation plan updates for other UASI jurisdictions.

The FY 2005-06 Adopted Budget includes a \$39,242 reduction in materials and services. The largest single item is a \$15,000 reduction in education and outreach.

Strategic Direction

SIGNIFICANT ISSUES

POEM has developed a first draft of its strategic plan, which identifies strategic goals or directions for emergency management in the City of Portland. The plan provides a vision and focus for annual POEM work plans, which are linked to performance measures.

MANAGEMENT GOALS & OBJECTIVES

Goals of the Strategic Plan

POEM's draft strategic plan identifies six priority goals for the next three years and beyond.

1. Increase risk reduction and citywide emergency preparedness.
2. Engage the various stakeholders and communities we serve in emergency management to ensure maximum coordination of effort.
3. Increase community preparedness.
4. Provide staff training and professional development opportunities.
5. Increase diversity in staff recruitment and public outreach activities.
6. Engage in continuous improvement activities designed to enhance our infrastructure and internal organizational processes.

These goals primarily link to the City goal of ensuring a safe and peaceful community.

Goal 1: Increase risk reduction and citywide emergency preparedness.

Emergency preparedness begins with risk reduction activities. To accomplish this goal, POEM will assist City bureaus in planning for mitigation activities and in identifying and securing funding for beneficial mitigation strategies. POEM will continue to work with bureaus and the community to implement projects and activities identified in the Natural Hazards Mitigation Plan.

Emergency preparedness is an ongoing effort to develop and update emergency plans, provide disaster training and exercise opportunities, and secure state and federal grants for preparedness activities. POEM will continue to make this a strategic priority for bureaus and the Portland community.

Goal 2: Engage the various stakeholders and communities we serve in emergency management to ensure maximum coordination of effort.

POEM will establish and maintain collaborative working relationships and coordinating procedures with stakeholders, including government agencies, nongovernmental organizations, private businesses, and other community groups. POEM will foster inter-bureau collaboration and work with the community to implement its strategic planning goals and objectives.

Goal 3: Increase community preparedness.

Emergency preparedness is every citizen's responsibility. We all have an important role to play in preparing our families and the community for potential disasters. POEM will engage various stakeholders and communities in preparedness and risk reduction activities.

POEM has established forums to address the goal of increasing community preparedness, including the City's Disaster Policy Council (DPC) and the Portland Citizen Corps Council (PCCC). The DPC is chaired by the Mayor and includes bureau directors from key emergency response bureaus. This body provides policy direction on Citywide emergency management priorities and fosters inter-bureau collaboration on related projects. The PCCC

is also chaired by the Mayor and has members from government and nongovernmental organizations, businesses, and community groups. The PCCC develops community partnerships to improve emergency preparedness and to assist POEM in achieving its strategic goals. POEM will continue to provide leadership and staff support to both the DPC and the PCCC.

Goal 4: Provide staff training and professional development opportunities.

POEM will develop a professional curriculum for emergency management staff. As the profession of emergency management continues to evolve, POEM strives to ensure its employees keep pace with professional development training. Staff will be encouraged to complete the Federal Emergency Management Agency Professional Development Series of courses with the goal of obtaining a Certified Emergency Management credential. As an organization, POEM will work to obtain national emergency management accreditation through the Emergency Management Accreditation Program.

Goal 5: Increase diversity in staff recruitment and public outreach activities.

This goal supports the Mayor's priority of increasing cultural awareness and workforce diversity. POEM reaches out to a diverse Portland community by developing education materials for culturally diverse and physically challenged populations. From recruitment to education, diversity and cultural awareness help POEM serve Portland's citizens more effectively.

Goal 6: Engage in continuous improvement activities designed to enhance our infrastructure and internal organizational processes.

POEM fosters an environment that supports responsible risk taking and continuous improvement of both the City's emergency management activities and internal organizational processes. POEM focuses on enhancing communication and managing change to increase effectiveness and efficiency. POEM uses tools such as staff focus sessions, after-action reports, and employee counseling and evaluation to create an organizational culture of continuous improvement.

Mayor and Council Priorities

POEM's mission, vision, and strategic planning goals support the City Council's goal of ensuring a safe and peaceful community. They also align with the Mayor's additional goals of:

- ◆ Increasing cultural awareness and workforce diversity;
- ◆ Fostering inter-bureau collaboration and eliminating silos;
- ◆ Enhancing customer service, both internal and external; and
- ◆ Incorporating Managing for Results in bureau operations.

Overview of Programs

POEM

POEM has four primary sections: emergency preparedness, mitigation, response and recovery operations, and community outreach and public education. Each section is tied to the City Council's goal of ensuring a safe and peaceful community.

Emergency Preparedness

Emergency preparedness is the process of ensuring that all segments of our community, both public and private, are prepared to manage the threat and consequences of a hazardous or potentially disastrous event. Preparedness includes planning, coordination, education, training, disaster exercises, warning system maintenance, and homeland security.

POEM partners with City bureaus and other governments to plan and prepare for natural and human-caused disasters. At present, plans have been completed for six of the eight federally-identified disaster types: earthquake, flood, winter storm, hazardous materials, terrorism, and wildland interface fire.

Training, education, and disaster exercises help emergency response staff understand their roles and responsibilities during a major emergency or disaster, and provide opportunities to test emergency plans and standard operating procedures. Well-trained emergency responders help ensure the City is prepared to respond and recover from major emergencies or disasters. In the event of an emergency, City bureaus need to have a plan to follow. Most City bureaus have disaster response procedures that have been written or revised within the last three years. POEM staff will continue to work to increase the number of bureaus with current disaster response procedures to 100%. During FY 2005-06, POEM will initiate a training program for bureau emergency responders (i.e., floor monitors, bureau emergency coordinators, etc.) assigned to City of Portland facilities. This program will help bureau emergency responders develop facility emergency plans and conduct annual evacuation drills. Procedures for reporting facility damage assessments during disasters will also be developed in collaboration with City bureaus.

To test the reliability of bureau emergency plans, POEM conducts various types of disaster exercises, including tabletop, functional, and full-scale exercises. During the past fiscal year, POEM coordinated five Mayor's tabletop exercises focused on the following scenarios: terrorism with a weapon of mass destruction, earthquake, power blackout, wildland fire, and winter storm. POEM also participated in a TriMet tabletop and full-scale exercise, an airport terrorist hijacking exercise, a statewide bioterrorism functional exercise, and a Regional Water Providers' Consortium bioterrorism tabletop exercise. In addition, POEM coordinated a full-scale earthquake exercise with over 150 participants from local, state, and federal agencies, with Portland Neighborhood Emergency Teams participating in an evening component of the exercise. Of particular note was the local and international media's involvement with City officials in a mock press briefing. The British Broadcasting Corporation developed a documentary using footage from the earthquake exercise. In FY 2005-06, POEM will conduct additional tabletop exercises focused on earthquake recovery, school siege, landslide, and evacuation scenarios.

Emergency warning systems and procedures make the community a safer place to live and work. In collaboration with the Bureau of Emergency Communications, the Fire Bureau, and the Police Bureau, POEM ensures emergency warning systems are maintained through simulated tests and written protocols. The City's two primary warning systems are the Portland Emergency Notification System (PENS) and the Emergency Alert System (EAS). As technology evolves and additional homeland security funding becomes available, POEM will identify other effective systems to warn and inform the public about impending hazardous or emergency conditions.

Homeland security has become an additional priority for emergency management agencies across the country during the last several years. POEM coordinates state and federal homeland security grant programs for the Portland metropolitan area, as well as associated training and disaster exercise requirements. POEM has been selected as the administrator for Citywide homeland security grants and region-wide UASI grants. Over the past three years, POEM has secured more than \$30 million in homeland security grant funding for the City and its regional partners. These funds have been used for equipment, training, planning, and staffing needs.

Mitigation

Mitigation is the reduction or elimination of exposure to any hazard that could lead to disaster. POEM coordinates Citywide mitigation planning activities, including updates to the City's Hazard Mitigation Plan and administration of pre- and post-hazard mitigation grant programs.

POEM will continue to prioritize hazard mitigation initiatives in FY 2005-06. During the next fiscal year, POEM will work with government agencies, businesses, and community groups to implement recommended actions in the City's Hazard Mitigation Plan, which was approved in December 2004. POEM will also identify and secure pre- and post-hazard mitigation grant funding for priority mitigation projects.

Response and Recovery

Response and recovery encompass all activities involved in responding to an emergency and returning the community to its pre-disaster condition or better. During a disaster, POEM would manage the information, decision-making, and coordination processes necessary to protect the lives and property of all Portlanders, safeguard the natural environment, and help protect the City's economic base.

POEM is responsible for maintaining a command and control facility (the Emergency Operations Center, or EOC) to coordinate response and recovery from a major disaster. The basis for response and recovery across the state is the Oregon Emergency Response System, which is accessed in the EOC. City employees who work in the EOC, or who support emergency response in the field, are required to have Incident Command System (ICS) training. To date, approximately 85% of City EOC responders have received ICS training. However, only 25% of the City's field responders (including elected officials, senior and executive staff, and field responders) will have received ICS basic training by the close of FY 2004-05. For FY 2005-06, POEM plans to provide key City leaders and bureau emergency responders with ICS basic training, in compliance with new federal National Incident Management System requirements.

Should a disaster occur in Portland, it may be possible to obtain outside financial assistance from the state or federal governments. POEM will seek the greatest cost recovery possible from both sources in the event of a disaster. During FY 2004-05 POEM secured over \$1.7 million in disaster recovery funds for the 2003-04 severe winter storm response.

**Community Outreach
and Public Education**

Public education and information services make citizens, civic groups, and neighborhoods aware of issues in local emergency management. Public outreach also provides an opportunity for these groups to influence emergency management policies and procedures. Citizens are a critical link in community disaster preparedness.

City Council established the PCCC in January 2005. The PCCC's mission is to build on community strengths and encourage every citizen to participate in community preparedness through personal responsibility, training, and volunteer service. The PCCC will provide local first responders with opportunities to work with volunteer organizations, local community leaders, and others to better prepare the community for a disaster or crisis situation. The charter programs under the PCCC will include the Neighborhood, Business, and School Emergency Teams; crime prevention initiatives; and the Medical Reserve Corps.

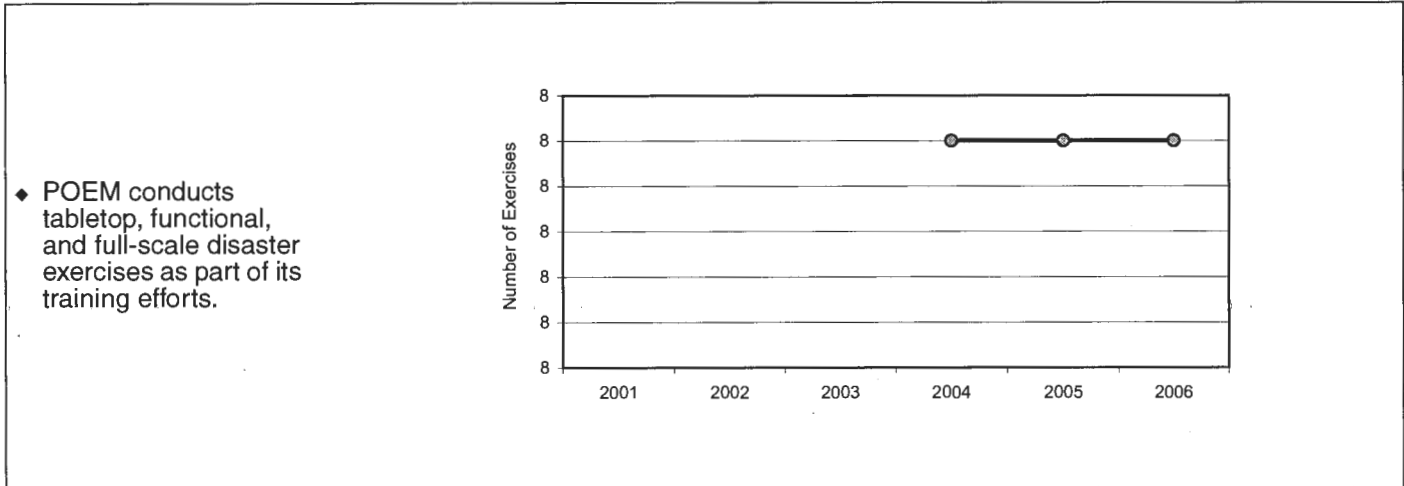
Through Neighborhood Emergency Teams (NETs), POEM strives to bring emergency response capacity into every neighborhood. Working in collaboration with the Portland Fire Bureau, POEM trains approximately 100 NET volunteers annually. Each NET is comprised of at least 20 citizens trained by the Portland Fire Bureau and POEM to provide emergency assistance in their own neighborhood for 72 hours following a disaster. POEM's goal is to organize and train a team in each of Portland's 96 neighborhoods. Currently, NET volunteers represent 86 neighborhoods. Since 1994, over 1,000 citizens have completed basic NET training, and nearly 75% of these remain active in the program. Exit survey responses collected after each series of NET classes indicate that all volunteers experience an increase in their personal preparedness.

POEM also trains volunteers from the Portland business community through Business Emergency Teams (BETs). In addition to direct training for business sector volunteers, POEM offers a train-the-trainer course for private sector safety officers, training managers, and property managers who want to establish their own in-house disaster response teams. The train-the-trainer approach allows POEM to reach a greater number of businesses, and also allows businesses to provide basic disaster training in a manner that best meets the needs of their own employees and operations.

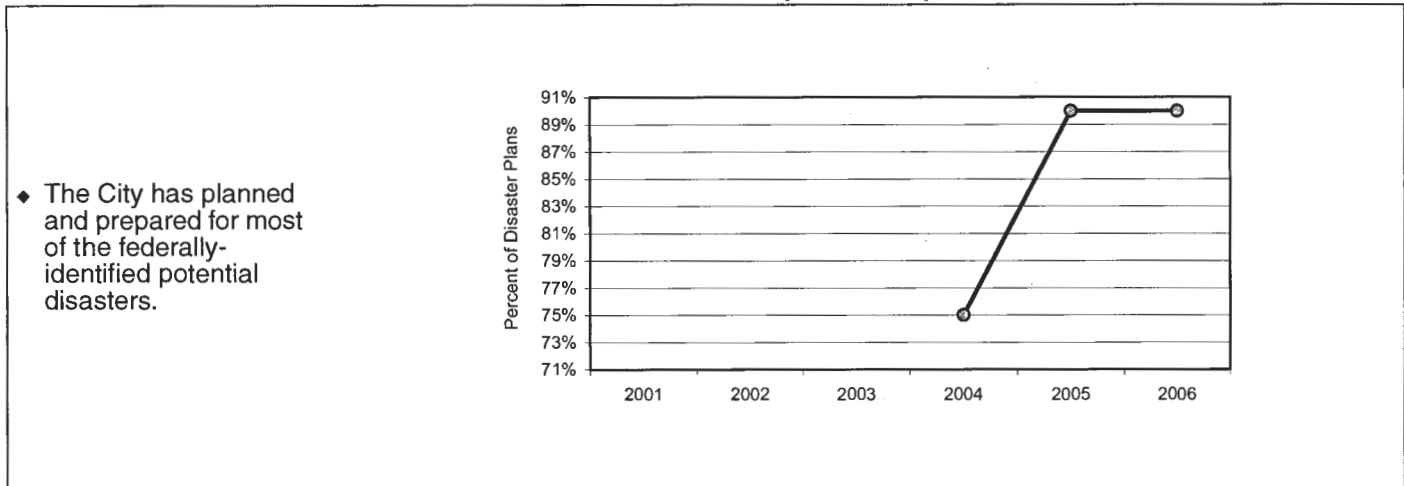
During FY 2004-05, POEM has also collaborated with the Portland School District to train School Emergency Teams (SETs). Through SETs, POEM trains key school officials, who in turn will train faculty and staff on emergency preparedness and response.

Performance Measures

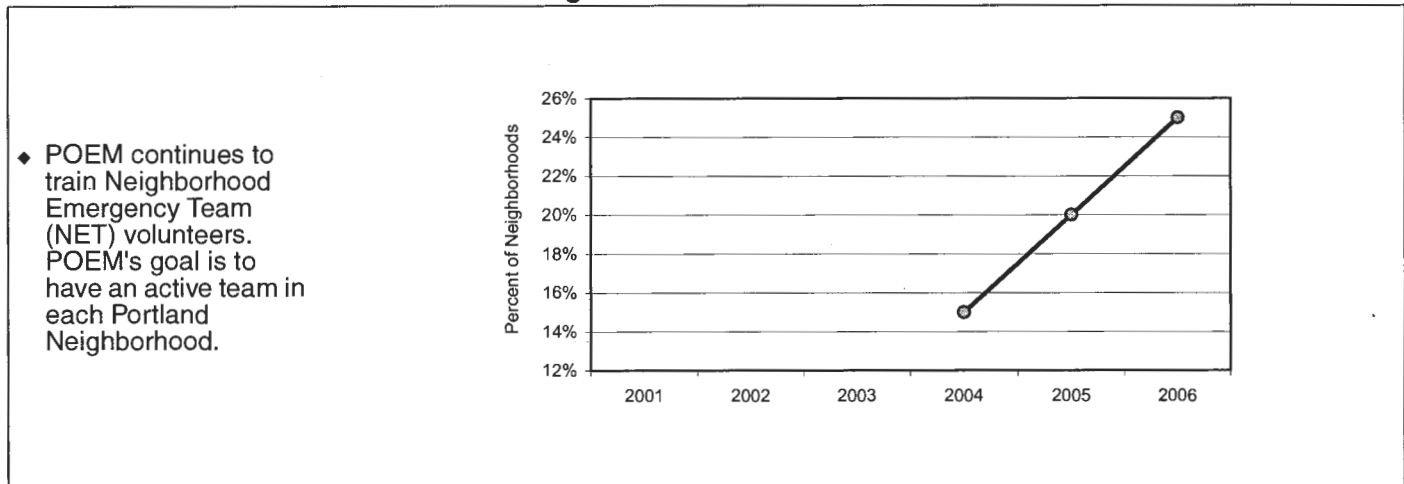
Disaster Exercises Conducted



Percent of Disaster Plans Completed or Updated

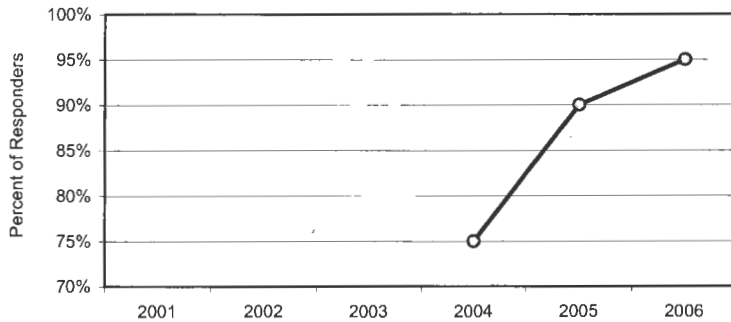


Percent of Neighborhoods With >20 NET Members



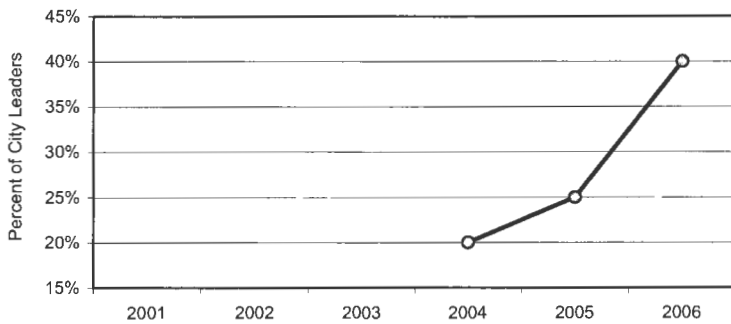
Percent of Responders Trained in ICS

- ◆ By the end of FY 2005-06, POEM plans to have trained all of the City's emergency operations center responders in the Incident Command System (ICS).



Percent of City Leaders Trained in ICS

- ◆ An increasing percent of City leaders and executive staff have also been trained in the Incident Command System (ICS).



Portland Office of Emergency Management AU 110

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
PORTLAND OFFICE OF EMERGENCY MANAGEMENT						
POEM						
Effectiveness						
Planning for Potential Disasters	NA	NA	NA	75%	90%	90%
Neighborhoods with 20 or More NET Members	NA	NA	NA	15%	20%	25%
Responders Trained in Incident Command System	NA	NA	NA	75%	90%	95%
City Leaders Trained in Incident Command System	NA	NA	NA	20%	25%	40%
Workload						
Disaster Exercises Conducted	NA	NA	NA	8	8	8
Disaster Preparedness Presentations and Training Sessions	NA	NA	NA	NA	50	60

Portland Office of Emergency Management AU 110

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	0	447,637	701,392	679,895	829,727
External Materials and Services	0	294,718	10,211,044	3,831,316	5,525,084
Internal Materials and Services	0	367,294	448,334	366,555	366,555
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	9,200	0	0	0
Total Operating Budget	0	1,118,849	11,360,770	4,877,766	6,721,366
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 0	\$ 1,118,849	\$ 11,360,770	\$ 4,877,766	\$ 6,721,366
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	0	1,118,849	11,360,770	4,877,766	6,721,366
RESOURCES					
Discretionary Revenue	0	340,780	373,896	369,708	371,888
Non-Discretionary Revenues					
Grants & Donations	0	316,558	10,464,396	3,999,916	5,843,516
Contract Revenues	0	0	0	0	0
Interagency Revenues	0	0	0	0	0
Program Revenue	0	0	0	0	0
Overhead Recovery	0	461,511	522,478	508,142	505,962
Total Non-Discretionary Revenues	0	778,069	10,986,874	4,508,058	6,349,478
TOTAL GENERAL FUND RESOURCES	\$ 0	\$ 1,118,849	\$ 11,360,770	\$ 4,877,766	\$ 6,721,366
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
POEM	0	1,118,849	11,360,770	4,877,766	6,721,366
<i>Positions</i>	<i>0.00</i>	<i>6.00</i>	<i>8.00</i>	<i>8.00</i>	<i>10.00</i>
TOTAL PROGRAMS	\$ 0	\$ 1,118,849	\$ 11,360,770	\$ 4,877,766	\$ 6,721,366
<i>Positions</i>	<i>0.00</i>	<i>6.00</i>	<i>8.00</i>	<i>8.00</i>	<i>10.00</i>

Portland Office of Emergency Management AU 110

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	0.00	0.00	1.00	27,564	1.00	31,924	1.00	31,924
7103	Administrative Assistant	0.00	1.00	1.00	45,636	1.00	47,508	1.00	47,508
7140	Bureau Director, Assistant to	0.00	1.00	1.00	79,680	1.00	81,864	1.00	81,864
7087	Emergency Management Director	0.00	1.00	1.00	88,752	1.00	91,176	1.00	91,176
7154	Program Coordinator	0.00	2.00	2.00	137,040	2.00	137,942	2.00	137,942
7156	Program Manager	0.00	1.00	1.00	72,276	1.00	72,444	1.00	72,444
TOTAL FULL-TIME POSITIONS		0.00	6.00	7.00	\$ 450,948	7.00	\$ 462,858	7.00	\$ 462,858
7204	Community Outreach and Informati	0.00	0.00	0.00	0.00	0.00	0.00	1.00	51,744
7375	Financial Analyst, Assistant	0.00	0.00	1.00	57,240	1.00	58,808	1.00	58,808
7154	Program Coordinator	0.00	0.00	0.00	0.00	0.00	0.00	1.00	51,744
TOTAL LIMITED TERM POSITIONS		0.00	0.00	1.00	\$ 57,240	1.00	\$ 58,808	3.00	\$ 162,296

Portland Office of Emergency Management AU 110

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	4,922,798	0	4,922,798	7.83	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	(39,242)	0	(39,242)	0.00	Reduction in supplies, services, education (5% cut)
	0	0	0	0.17	Extend limited term grant-funded position
	(5,790)	0	(5,790)	0.00	Interagency savings resulting from OMF 5% cut
Approved Budget Additions and Reductions	0	0	0	2.00	Add two limited term grant-funded positions
	0	1,843,600	1,843,600	0.00	Appropriate funds for extension of UASI 03 grant
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(45,032)	1,843,600	1,798,568	2.17	Total FY 2005-06 Decision Packages
			\$ 6,721,366	10.00	Total Adopted Budget



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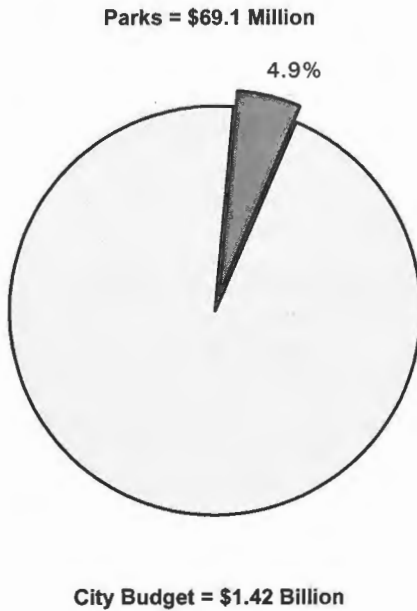
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 - Portland International Raceway Fund218



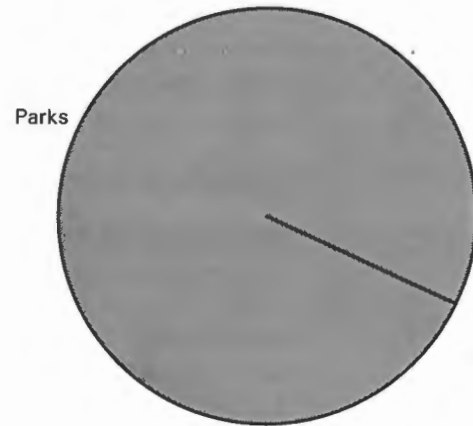
Parks, Recreation, and Culture

Portland Parks and Recreation

Percent of City Budget



Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	56,874,334	55,816,547	-1,057,787	-1.9%
Capital	20,104,684	13,324,643	-6,780,041	-33.7%
Total Expenditures	\$ 76,979,018	\$ 69,141,190	\$ -7,837,828	\$ -10.2%
Authorized Positions	425.10	410.41	-14.69	-3.5%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Service Area Highlights

DESCRIPTION

The Parks, Recreation, and Culture service area includes services for Parks, Golf, Portland International Raceway, the Regional Arts and Culture Council, the Spectator Facilities Fund, and the Parks Construction Fund.

MAJOR THEMES

Parks and Recreation **General Fund Reductions**

Portland Parks and Recreation (PP&R) made approximately \$715,000 in program and maintenance reductions. These reductions affect all areas of the parks system: recreation programs, horticulture and urban forestry, and operations.

General Approach to PP&R Budget Reductions

The FY 2005-06 Adopted Budget reflects the Mayor's decision to assist PP&R with a major reorganization and transition period. PP&R will be completely reorganized beginning July 1, 2005. The purpose of the organization is two-fold: create a streamlined budget strategy that will allow PP&R to provide services more effectively, and eliminate supervision and management redundancies. The reorganization will allow PP&R to operate under a clearly defined business strategy, and will also result in increased oversight of PP&R's financial condition. The net staffing impact of the reorganization is a reduction of eight FTEs.

A major element of PP&R's reorganization is to transition various facilities and programs to a new business model that will reduce their dependency on General Fund discretionary resources. Therefore, there are several ongoing reductions that are offset by one-time funding in the FY 2005-06 Proposed Budget to provide these facilities 12-24 months of transition time.

Capital Improvement Plan

The Portland Parks and Recreation budget capital improvement plan (CIP) budget totals approximately \$18 million. Of this amount, \$784,000 is supported by the City's General Fund with remaining funds coming from grants, Parks Local Option Levy, and various external and internal sources.

Significant projects supported by the General Fund include:

- ◆ Hillside Community Center Fire Repair - \$200,000
- ◆ Mt. Scott Pool Replastering - \$136,000
- ◆ Holly Farm Development - \$200,000
- ◆ Skateparks - \$248,000

Projects funded by the levy include the following:

- ◆ East Portland Community Center Pool \$300,000
- ◆ University Park Community Center \$4,863,000
- ◆ Play Structures \$208,000
- ◆ Skateparks \$260,000

- ◆ Maintenance Facility Replacement \$1,090,000
- ◆ Irving Park Sports Field Replacement \$72,500

**Regional Arts and
Culture Council**

In FY 2005-06 the City reduced its support for the Regional Arts and Culture Council (RACC) by 2.1% from its current appropriation level.

One-time funding of \$50,000 was approved to support the Murals program again in FY 2005-06. The total RACC FY 2005-06 appropriation is approximately \$2 million.



Portland Parks and Recreation

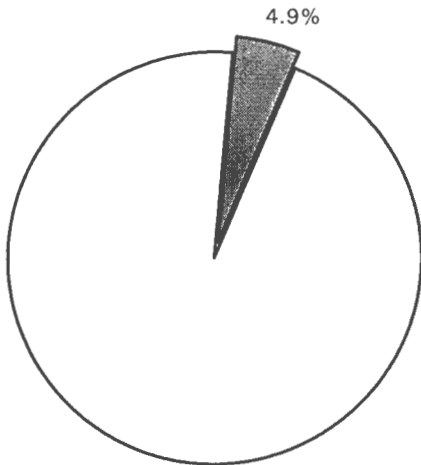
Parks, Recreation, and Culture Service Area

Dan Saltzman, Commissioner-in-Charge

Zari Santner, Director

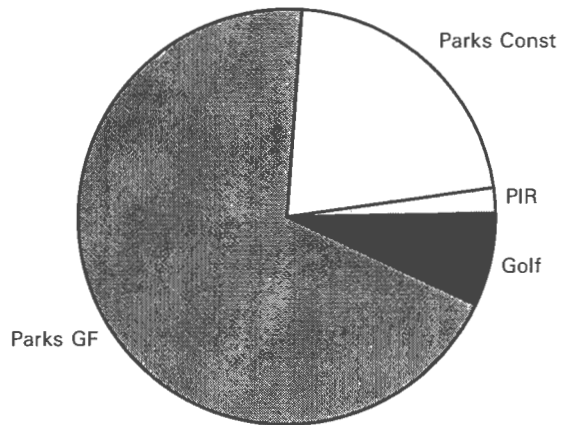
Percent of City Budget

Parks = \$69.1 Million



City Budget = \$1.42 Billion

Bureau Divisions

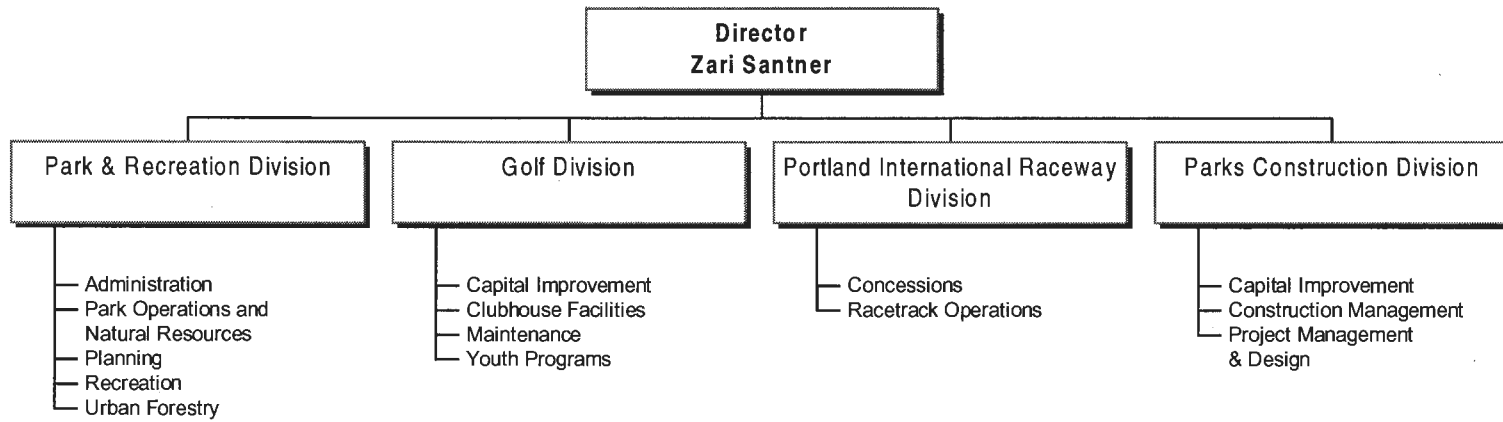


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Portland Parks & Recreation



Bureau Summary

BUREAU MISSION

Sustaining a healthy park and recreation system to make Portland a great place to live, work, and play is the core mission of Portland Parks & Recreation (PP&R). To fulfill that mission PP&R has three major areas of responsibility:

- 1) Establishing and safeguarding the parks, natural resources, and urban forest that are the soul of the city, ensuring that green spaces are accessible to all;
- 2) Developing and maintaining excellent facilities and places for public recreation, building community through play and relaxation, gathering, and solitude;
- 3) Providing and coordinating recreation services and programs that contribute to the health and well-being of residents of all ages and abilities.

VISION AND VALUES

These statements articulate the basic principles that guide delivery of services and the bureau's decisions.

Parks 2020 Vision

In July 2001, PP&R completed a two-year visioning process that drew heavily on community involvement. That effort resulted in the following long-range vision for parks and recreation in Portland. It continues to guide the bureau's work.

Portland's parks, public places, natural areas, and recreational opportunities give life and beauty to our city. These essential assets connect people to place, self, and others. Portland's residents will treasure and care for this legacy, building on the past to provide for future generations.

PP&R Values

In implementing this vision, PP&R is committed to the following values:

- ◆ Enthusiasm and passion for our work;
- ◆ Innovation, creativity, and excellence in all we do;
- ◆ Honesty, integrity, and respect in our relationships;
- ◆ Collaborative efforts that achieve positive change;
- ◆ Transparent, ethical, and accountable decisions;
- ◆ Sustainable practices in caring for our buildings, gardens, and parks;
- ◆ Responsible stewardship for the natural environment;
- ◆ Responsiveness to the needs of the public; and
- ◆ Commitment to the safety and well-being of our visitors and staff.

PP&R staff value their ability to make a difference to Portland residents, providing beauty, wonder, and joy in their lives.

BUREAU OVERVIEW

Areas of Responsibility PP&R is a large and complex organization. The bureau manages more than 10,500 acres of land, including 7,000 acres of natural areas, 171 developed parks, and 680 acres of maintained golf courses. Lands are managed for their natural resource, recreational, and open space values.

"Sustaining a healthy park and recreation system to make Portland a great place to live, work, and play."

PP&R operates and maintains 13 community centers, 14 pools, six art and cultural centers, and dozens of smaller recreation buildings. The bureau provides 365 sports fields and numerous courts for active recreation. It supplies thousands of amenities from drinking fountains and picnic tables to boat docks and skate parks. It cares for hundreds of miles of infrastructure - roads, lights, irrigation systems, paths, trails, and walks. It offers hundreds of recreation programs and services that change lives and build community.

Additionally, PP&R provides venues for regional attractions such as the Rose Festival and Cinco de Mayo Festival. The bureau provides and cares for many of Portland's finest tourist attractions, including the iconic Washington Park International Rose Test Gardens and Pittock Mansion. Over 5.6 million people visited Portland's park and recreation system last year.

Benefits

This system of parks, natural areas, and recreation facilities offers a diverse range of recreational and cultural experiences and provides a wide array of environmental, economic, and social benefits. Portland's parks and open spaces are vital to providing the high quality of life that Portland residents expect and help make Portland a great place to live.

Portland residents view parks and open spaces as a critical part of the fabric of the city.

Tangible benefits from a healthy and well-distributed park and recreation system include measurably cleaner air and water, reduced urban sprawl, and reduced crime. Parks and open spaces conserve a wide variety of ecosystems, provide multiple recreation opportunities, attract businesses, and increase property values. They anchor neighborhoods, build healthy communities, and provide connections between people, places, and nature.

PP&R Programs

PP&R includes General Fund programs and enterprise fund programs. Operations and Natural Resources, Recreation, Forestry, Planning and Development, and Administration are General Fund programs supported with a blend of taxpayer funding and program revenues. Golf and Portland International Raceway (PIR) are enterprise fund programs which are wholly supported by their own program revenues.

Park Operations and Natural Resources

This is PP&R's largest program, with several units that care for and maintain the City's parks, facilities, and natural resources. Their responsibilities are as follows:

Districts: Staff in seven geographic districts perform daily maintenance in the developed parks, make minor repairs, and provide ongoing plant care. They also provide support to the nonprofit groups who care for the Japanese Garden, Crystal Springs Rhododendron Garden, and Leach Botanical Garden.

Natural Resources: Staff are responsible for the ecological health of over 7,000 acres of natural areas, as well as the botanical collections in Hoyt Arboretum. Natural Resource staff maintain hundreds of miles of trails and revegetate and restore natural areas.

Turf, Horticultural Services, and Structures, and Equipment Services: Staff in these units provide specialized services and perform major work in parks in all areas of the city.

Operations Support: This unit provides engineering, surveying, administrative, and management support.

Reservation Center: Reservation Center staff work with both Operations and Recreation programs by registering customers for classes, coordinating special events, issuing permits for park use, and scheduling fields for athletic events.

Recreation

The Recreation program organizes and provides activities that promote good health, lifetime learning, and opportunities for neighbors to gather. Work units have the following responsibilities:

Community Centers: Staff at these 13 facilities provide and coordinate a wide variety of general recreation activities. The large community centers offer a full array of programs, including swimming at many centers.

Aquatics: Staff provides a variety of swim programs for youth and adults at 14 indoor and outdoor pools throughout the City.

Sports: PP&R Sports staff manage and provide a wide variety of competitive seasonal sports opportunities for people of all ages and abilities on hundreds of fields and courts.

Arts and Cultural Facilities: The Recreation program is responsible for the following specialty arts and cultural facilities: Pittock Mansion, Multnomah Arts Center, and the Community Music Center.

SUN Community Schools: The SUN Community Schools program offers recreation and academic enrichment opportunities for school-aged youth, and makes school buildings available to the broader community after hours.

Specialized Recreation Programs: These work units provide particular types of recreation to specialized market segments, including Disabled Citizens Recreation and Senior Recreation Services.

Outdoor Recreation: Outdoor Recreation provides an introduction to outdoor recreation activities for all ages.

Forestry

This program maintains trees in developed parks, inspects street trees, and issues permits for their care. The Urban Forestry Commission is very active in working collaboratively to advance the health of Portland's urban forest.

Planning and Development (CIP)

This program provides long-range and strategic planning for the system, master plans for specific parks, and design services and construction management for park projects included in the capital improvement plan (CIP). This program includes Property and Asset Management as well as Community Involvement.

Administration

Administration includes the Office of the Director with oversight of the whole bureau, as well as accounting, financial planning, communications services, volunteer coordination, and clerical support.

Golf

Golf is an enterprise program within PP&R. This self-sustaining operation provides high quality golf at affordable prices. PP&R manages five 18-hole courses at four sites that are well distributed throughout the city.

Portland International Raceway

PIR is another enterprise program within PP&R. This operation manages the world-class road course, a motor-cross track, open-air exhibit areas, and spectator facilities.

PP&R Funding Overview

Funding for PP&R programs and activities comes from the following sources (percentages given are based on current service level):

General Fund

General Fund monies support the Parks and Recreation Division, which is the largest part of the bureau. Included in the General Fund monies are discretionary funds, program fund revenues, interagency revenue, intergovernmental revenue, and some grant revenue.

Parks Construction Fund

This fund accounts for all PP&R capital activity except for capital projects funded by the two enterprise funds - Golf and PIR. Funds are used to acquire park land and manage the General Fund capital projects. The Parks Construction Fund consists of funding from the General Fund, the Parks Levy, grants, and some intergovernmental revenue from agencies such as Metro and the Portland Development Commission (PDC).

Parks Local Option Levy Fund

The Parks Local Option Levy was passed by voters in 2002 and is estimated to generate approximately \$9 million in FY 2005-06 and an average of \$9.2 million per year after property tax compression, delinquency, and discounts over the five-year term of the levy. The levy consists entirely of tax revenue dollars that fund restoration of services cut in the FY 2001-02 budget, service enhancements, and some capital projects.

Golf Fund

Golf is a separate enterprise fund within PP&R. It is a self-sustaining, fee-based operation. The Golf Fund's revenues come from greens fees and concessionaires.

Portland International Raceway Fund)

PIR is a separate enterprise fund within PP&R and is self-sustaining. The PIR Fund consists of revenues generated through spectator admissions, track rental, and concessionaires.

Parks Memorial Trust Fund

The Trust Fund, consisting of 13 separate trust accounts, receives donations from grants, neighborhood associations, foundations, friends organizations, and others who designate funds for specific parks or projects, typically for one-time expenditures such as small capital improvements. The Trust Fund also receives property income from leases and permits for the non-park use of park property.

Parks Endowment Fund

The Endowment Fund accounts for gifts, donations, and endowments of a permanent nature, whereby the principal is invested and earnings are available to support PP&R programs and activities.

SUMMARY OF BUDGET DECISIONS**Discretionary General Fund**

This Adopted Budget includes \$1.45 million of reductions to PP&R's General Fund budget, and is offset by \$1.0 million in additions to the budget. Another \$622,232 of ongoing reductions are offset in FY 2005-06 by the addition of one-time funding; the purpose being that these reductions are delayed one year. The bureau absorbed \$506,732 of internal city cost increases. One-time additions for capital projects total \$2.5 million.

The reductions include 23.5 FTE. Eleven new positions are created in this budget as part of the bureau reorganization. This results in a net reduction of 12.5 FTE. In addition, two half-time positions equivalent to one FTE will be cut in FY 2006-07.

The reductions offered by Parks do two things. First, they contribute to balancing the General Fund budget. Secondly, they demonstrate how City Council, by providing a limited amount of one-time funding, can assist in positioning PP&R to fulfill its mission and mandates in future years.

This budget reflects the transitional nature of the bureau as it moves from the current model of operation and service delivery to more business-like methods that will ensure its ability to fulfill its mission and realize the vision of the citizens. The goal is not to eliminate services but to find better ways to provide services.

The proposals described below will allow the bureau to develop more effective ways of providing recreation programming and facilities in the city. These will allow the bureau to align its resources with the recreation needs of the community.

This budget reflects the following bureau priorities:

PP&R priorities

- ◆ Protect the infrastructure: the natural resources and key buildings that serve the wider population.
- ◆ Retain and maintain the assets and facilities that are of enduring community value.
- ◆ Serve priority customers first: youth, disadvantaged, and underserved populations.
- ◆ Retain and fully support those programs that serve the greatest number of people at the most reasonable cost.

Council's Adopted Budget decisions are summarized below.

Reductions

Outdoor Recreation: Eliminates fall programming in Outdoor Recreation. Fall season has the least participation of the four seasons, and the lowest rate of cost recovery. Savings: (\$59,089) and 1.0 position cut.

Annual Display Beds: Reduces the number of annual flower beds in the parks. Perennial shrubs and turf will replace the annual beds, resulting in less color in the parks, and also less annual maintenance costs. Savings of (\$108,984) and 1.5 positions cut.

Theatre Program: Eliminates the Theatre program. Community Centers and SUN Schools will be able to continue individual theatre activities, but without a centrally coordinated program. Savings: (\$88,021) and 1.0 vacant position cut.

Pass-throughs: PP&R passes funds through the bureau to various agencies. These funds are reduced by a percentage comparable to the reduction target of the bureau. Savings: (\$60,345)

Self Enhancement, Inc. (SEI): General Fund resources passed through Parks to SEI is eliminated from this budget. SEI is encouraged to apply for additional funding from the Childrens Investment Fund. Savings: (\$236,623)

Camp Ky-o-wa: Eliminates Portland Parks & Recreation support for the Camp Ky-o-wa program. Regardless of this reduction, the camp was scheduled to close in 2007 because the property owner, PGE, is planning to close the private park at which the camp operates. The budget provides one-time funding of \$15,000 next year to help transition operation of this camp to another agency interested in continuing the service elsewhere. Savings: (\$70,231) ongoing; \$15,000 one-time funding.

Pier Pool: Close Pier Pool at the end of FY 2005-06. Pier Pool has the highest discretionary cost per visit (\$7.34) of any PP&R pool. It has remained part of PP&R's inventory so long because the youth it serves do not have the ability to travel to any other pool in the summer. However, Pier Pool is old, small, and in very poor condition. One-time funds to keep Pier Pool open have been included in the budget. Savings: (\$77,996); \$77,996 in one-time funding; 0.5 positions cut.

Interstate Firehouse Cultural Center (IFCC): Eliminates PP&R's pass-through support to IFCC. IFCC is an important cultural organization and is a valuable resource for Portland. However, at a time when PP&R is eliminating General Fund support for its own programs and facilities, it no longer seems appropriate to continue to subsidize an external organization that was intended to become independent in the late 1990s. Savings: (\$99,785).

Meadows: Converts 145.5 acres of currently maintained turf into meadow areas. Areas that have passive use (i.e., not sports), are not irrigated, and are the most labor-intensive due to terrain will be chosen. This package looks forward to identifying pilot areas for conversion to true meadows using seed blends developed for this purpose. Savings: (\$74,766); 1.0 position cut.

New Revenues

Scholarships: Shifts funding for scholarships from the Parks budget to the Portland Parks Foundation. Currently the cost of these scholarships is absorbed in the Parks General Fund budget. This package preserves the scholarships while shifting to a new funding source. Savings: (\$160,000).

Special Events: Offsets General Fund reductions with additional revenue that will be generated through three actions: 1) increasing the number of allowable events at Waterfront Park, 2) adding more concessionaires to the South Park Blocks near PSU, and 3) reducing the sponsorship awards for special events. New Revenue: \$87,500.

Transitions to Greater Self-Sufficiency

Six facilities are included in a strategy of transition to greater self-sufficiency. This strategy is designed to preserve these services while reducing the public subsidy by increasing the participation of other nonprofit and community groups. For each of these, one-time funding equivalent to 20% of their General Fund subsidy is included to provide a transitional time period of one year. Thus there is no change in funding in FY 2005-06. Beginning in FY 2006-07 20% of their General Fund subsidy will be eliminated. These facilities are Sellwood, Fulton, and Hillside Community Centers; Community Music Center; Multnomah Arts Center; and Pittock Mansion.

Portland Tennis Center: PTC is provided with one year of funding to support a transition to complete self-sufficiency by FY 2006-07. Savings (\$74,028); 0.5 position cut.

Reorganization and Position Reductions

Organizational Restructure: Implements the changes needed to consolidate and centralize some responsibilities that are currently replicated throughout the bureau. PP&R is in the process of an organizational restructuring that will ensure a more effective staff and management and increase the efficiency of service delivery. Savings come from eliminating duplicate supervisory functions that result from the consolidation, and reducing positions in administrative support and community outreach. Positions are added that focus on supporting partnerships and revenue development, asset management, and business development. These roles are key to improving Park's ability to address identified challenges in the long term.

Net Savings: (\$402,694); \$61,500 one-time funding for education and training; 19 positions cut and nine added for a net of ten positions cut.

New Responsibilities

Linnton Community Center: Includes pass-through support for the Linnton Community Center. This center is owned and operated independently by the Linnton community. Funding: \$50,000.

Operations and Maintenance

Funding for the operations and maintenance of new parks or additional responsibilities within existing parks. Funding: \$572,700 and two new positions.

Funding Internal Costs

Internal Cost Increases: Parks' share of costs for Human Resources and Risk Services increased based upon cost allocation methodologies. A share of the cost for the City's new financial system is also allocated to Parks: Cost: \$506,732.

OMF Interagency Savings: Reduces the cost of City agencies that provide internal services and charge through interagency billings. This package represents Parks' share of the savings. Savings: \$155,198.

BUDGET NOTES

Pier Park

In order to be eligible for \$100,000 in one-time General Fund resources for capital maintenance at Pier Park skateboard park, the Parks Bureau will obtain \$100,000 in matching donations from private sources. The Parks Bureau will report on its progress in raising matching funds during the quarterly budget monitoring processes. Upon completion of Pier Park and Glenhaven skateboard parks, the Parks Bureau will report to Council the ongoing maintenance funding required for the two parks.

Additional Parks Maintenance Funds

It is Council's intent to increase Parks maintenance. Toward that end, \$436,484 in ongoing General Fund discretionary resources has been dedicated to reducing the maintenance backlog. The Parks Bureau will prepare an ordinance to impose a \$1 golf fee surcharge and to authorize the revenue generated to be used for general parks maintenance. The Parks Bureau and the Office of Management and Finance will develop a financial plan for the use of this revenue, so that Council may reflect changes necessary to implement the plan in the fall 2005 major supplemental budget.

Parks Construction Fund

The Parks Construction Fund (Fund 505) will be renamed the Parks Capital Construction and Maintenance Fund. Expenditures will continue to include construction projects and will be expanded to include other work undertaken to reduce Portland Parks and Recreation's major maintenance backlog. Major maintenance shall be separately budgeted, monitored, accounted for, and reported.

Interstate Firehouse Cultural Center

Council will appoint an oversight committee for the Interstate Firehouse Cultural Center (IFCC). In order to be eligible for \$80,000 in one-time General Fund resources for the IFCC, the IFCC Board will obtain \$80,000 in matching donations from private sources and the approval of the oversight committee to disburse funds.

Limited Term Funding for Parks Facilities

The Mayor's Proposed Budget includes only limited term full funding for the following Parks facilities: Hillside Community Center, Fulton Community Center, Sellwood Community Center, Portland Tennis Center, Community Music Center, Pittock Mansion, and Multnomah Arts Center. The goal is to have these facilities begin to participate more in their ongoing sustainability. The Parks Bureau will report quarterly to Council on progress toward self-sufficiency for these centers, as part of the budget monitoring processes.

Strategic Direction

SIGNIFICANT ISSUES

Portland residents are justifiably proud of their park and recreation system and its many contributions to the city's livability, but caring for this system and providing its benefits equitably has many challenges. These include an uncertain revenue base, insufficient funds to maintain and operate facilities, and an aging infrastructure. Significant issues and the bureau's planned responses are as follows.

Organizational Restructure

PP&R is in the process of an organizational restructuring, driven by the need to better fulfill its mission. Reorganization will ensure a more effective staff and management and increase the effectiveness of recreation service delivery. The new structure will enable PP&R to:

- ◆ Shift away from providing direct services where appropriate and practical and toward facilitating and coordinating service delivery;
- ◆ Better meet community needs through geographic coordination of service delivery;
- ◆ Improve communication, management systems, and processes; and
- ◆ Increase accountability, responsibility, and transparency.

The basic structure of the reorganization is in place, but much work remains to complete the changes. Implementation will stabilize the bureau and allow it to develop a sustainable park and recreation system. The bureau reorganization will result in increased effectiveness and greater efficiencies.

Financial Sustainability

The two components of financial sustainability are establishing stability so the bureau can provide basic services throughout the city, and maintaining the current infrastructure.

Because of an uncertain and recently declining revenue base, it is difficult to provide basic park services and facilities. The current Parks Local Option Levy, which voters passed to replace General Fund cuts, will expire in FY 2007-08. Stable alternative sources of revenue must be found to manage projected increasing costs and flat or declining ongoing revenues.

Funds to maintain and operate bureau facilities are decreasing and insufficient to provide adequate care. While money can be raised to fund capital improvements, money to maintain the assets and operate the facilities is no longer included in the General Fund Financial Plan.

Dependable funding will stabilize and sustain the system. Focusing on the bureau's core services will help PP&R live within its means.

Service Delivery

Public use of parks and recreation facilities and programs continues to increase as the city's population grows. But before the bureau can accommodate growth, it must provide services in under-served areas. The bureau also needs to provide more diverse recreational opportunities such as skate parks and dog off-leash areas. More traditional facilities like sports fields are also needed. The community expects quality recreation services, and the blend of services desired by the community is changing. Community needs assessments are under way to focus service delivery planning.

Asset Management PP&R is challenged by an aging and deteriorating infrastructure that impedes its ability to deliver efficient and effective services. Older buildings are smaller and serve fewer people; they are often less energy efficient and cost more to operate. If allowed to deteriorate, they are more costly to reclaim. The bureau needs to provide assets and facilities that provide effective service.

Partnerships and Alliances The bureau's ability to meet community expectations for well-maintained parks and recreation facilities and access to affordable recreational programs is limited by reduced staff and increased work. Strong and dependable alliances with community partners are needed. Bureau friends groups and a committed base of volunteers provide an immensely valuable resource in sustaining the infrastructure and providing services. Last year, volunteers provided over 440,000 hours of service.

Communications Clear, coordinated communication is always important, but especially so in times of change. It is imperative that PP&R communicate well with its staff, customers, and partners. All are stakeholders in providing or enjoying PP&R services.

PP&R Strategic Direction PP&R's strategic direction derives from its mission of sustaining a healthy park and recreation system to make Portland a great place to live, work, and play; and from the 2020 vision which calls for Portland residents to "...treasure and care for this legacy, building on the past to provide for future generations."

Within those broad statements, PP&R has three major areas of responsibility: protecting the natural environment, providing places for public recreation, and ensuring that recreation opportunities are available to all. All have significant impacts on Portland's highly-valued quality of life.

How PP&R fulfill its responsibilities has changed over time.

Throughout Portland's history, PP&R has responded to changing community needs. In the early 1900s, PP&R's responsibility was to provide parks and open spaces for the working class. During the 1940s, the bureau provided hundreds of supervised recreation programs for children whose mothers were working to support the war effort. In the '50s, '60s and 70s, PP&R added large natural resource areas to ensure healthy habitats and protect our environment.

As Portland grew and became more populous in the '90s, PP&R provided more land and recreation facilities. Recently, as budgets have been cut, the bureau has augmented staff resources by actively recruiting volunteers and enlisting friends groups to help maintain the city's parks.

Significant changes are needed to position PP&R for success.

Although PP&R enjoys high approval ratings now, the bureau is stretched with an aging infrastructure and demands that continue to exceed what can be delivered. Without significant changes in the way the bureau does business, every year will find it less able to supply recreation services to the residents of Portland. PP&R is determined to get out of this downward spiral and find new ways to fulfill its mission and provide excellent service.

Currently, PP&R is engaged in a strategic management planning process that will position it for success. A significant aspect of that process is a new bureau organizational structure. The process of transitioning to that structure is underway.

New PP&R Organizational Structure

This organizational change will align the bureau with City goals and enable it to be more open, responsive, and service-oriented. It will provide greater accountability and expand opportunities for improved partnerships and closer collaboration. There will be four new departments with general responsibilities as follows:

City Nature

Will manage Portland's natural areas, urban forest, trails, and wildlife in an integrated and sustainable way by:

- ◆ Protecting and maintaining a healthy ecosystem for water and air quality,
- ◆ Connecting people to nature,
- ◆ Conserving biodiversity, and
- ◆ Enhancing the natural beauty of the city.

Park and Recreation Zones

Will respond to neighborhood needs within the context of a sustainable and healthy park and recreation system by:

- ◆ Maintaining natural and built assets,
- ◆ Providing quality leisure services,
- ◆ Working cooperatively to ensure equity of access, and
- ◆ Enhancing the natural beauty of the city.

Workforce and Community Alliances

Will nurture effective relationships for a sustainable and healthy park and recreation system by:

- ◆ Building and sustaining an inspired and diverse workforce,
- ◆ Ensuring a customer service ethic at all levels of the organization,
- ◆ Cultivating mutually beneficial community alliances, and
- ◆ Providing services with a specialized focus, including outreach to under-served communities.

Strategy, Finance, and Business Development

Will provide bureau-wide direction and guidance for the management of a sustainable and healthy park and recreation system by:

- ◆ Creating policies, business frameworks, strategies, systems, and processes;
- ◆ Increasing public awareness of the values and benefits provided by parks and recreation;
- ◆ Ensuring financial accountability; and
- ◆ Designing a sustainable park system.

MANAGEMENT GOALS & OBJECTIVES

Citywide Goal: **Protect and enhance the natural and built environment.**

PP&R Goal 1:

Establish and safeguard the parks, natural resources, and urban forest that are the soul of the city, ensuring that green spaces are accessible to all.

Natural Resources

The Natural Resources program has the following goals:

- ◆ A system of healthy and interconnected natural areas is maintained.
- ◆ Natural resources are protected and enhanced.
- ◆ Sufficient and appropriate land is acquired to protect natural resource habitat areas.
- ◆ Coordinated planning balances the competing needs and expectations for a diversity of recreational opportunities with asset protection and the conservation of natural resources.

The program's objectives and strategies are as follows:

- ◆ Develop a plan to acquire and protect important natural areas and important habitat to maintain biodiversity and environmental benefits.
- ◆ Continue to implement the PP&R Ecosystem Management Plan.
- ◆ Implement additional management practices to conserve water.
- ◆ Continue Integrated Pest Management program to reduce use of pesticides.

Urban Forestry

The Urban Forestry program has the following goals:

- ◆ A healthy urban forest throughout the city.
- ◆ Park trees that are healthy and well maintained.

The program's objectives and strategies are as follows:

- ◆ Inventory street trees and coordinate plans to complete plantings.

Citywide Goal:

Improve the quality of life in the neighborhoods.

PP&R Goal 2:

Develop and maintain excellent facilities and places for public recreation that build community through opportunities for play and relaxation, gathering, and solitude.

Planning and Development (CIP)

Planning and Development has the following goals:

- ◆ Sufficient and appropriate assets are provided and maintained to support effective delivery of identified services.
- ◆ Sufficient and appropriate land is acquired to meet current and future recreational open space needs.
- ◆ Uses of public assets and resources are coordinated for maximum community benefit.

The program's objectives and strategies are as follows:

- ◆ Complete and implement the Total Asset Management plan.
- ◆ Continue to develop the Capital Asset Investment plans that support identified service delivery.
- ◆ Finalize the land acquisition strategy and develop implementation methods, including establishment of a commercial systems development charge to finance acquisition in areas of development.

- ◆ Develop a trail system master plan that connects parks, neighborhoods, and destinations.
- ◆ Develop and implement effective volunteer programs, especially for park stewardship and maintenance.

Operations

Operations has the following goals:

- ◆ Well-managed parks and facilities that provide maximum benefits to Portland residents.

The program's objectives and strategies are as follows:

- ◆ Provide safe, clean, and accessible parks and facilities.
- ◆ Deliver maintenance services in a cost-effective manner.
- ◆ Ensure that facilities are energy efficient and cost effective.

Golf

The Golf program has the following goal:

- ◆ Provide high-quality golf at affordable prices.

The program's objectives and strategies are as follows:

- ◆ Update facilities to meet the needs of users.

PIR

PIR has the following goal:

- ◆ Provide world-class motor racing and spectator facilities.

PIR's objectives and strategies are as follows:

- ◆ Improve conditions for spectators and participants.

PP&R Goal 3:

Provide and coordinate recreation services and programs that contribute to the health and well-being of residents of all ages and abilities.

Recreation

Recreation has the following goals:

- ◆ Identified services are delivered in an efficient, effective, and equitable manner.
- ◆ Park visitors have positive experiences and enjoy quality services and facilities.
- ◆ Services and facilities are open, welcoming, and barrier-free.
- ◆ The recreation needs of under-represented groups are met.
- ◆ Residents understand and appreciate the values and benefits of parks and recreation.

The program's objectives and strategies are as follows:

- ◆ Develop a Service Delivery Strategy that defines which recreation services and programs are provided, how they are provided, and by whom.
- ◆ Review current service standards and align them with the Service Delivery needs.
- ◆ Develop a program of continual service evaluation and assessment.

- ◆ Conduct regular customer surveys and trend research.
- ◆ Develop system plans to determine standards for the provision of community centers, pools, sports fields, and courts.
- ◆ Develop effective partnerships with private, public sector, and nonprofit organizations that result in improved service delivery to meet community needs and expectations.
- ◆ Develop partnerships with school districts to ensure that children have ample opportunities for healthy exercise and effective social activities and programs.
- ◆ Provide easy access to PP&R information via the web and other news outlets.
- ◆ Strengthen the market presence of PP&R signature parks, specialty gardens, and enterprise programs to increase tourism.

Citywide Goal:

Deliver efficient, effective, and accountable municipal services.

PP&R Goal 4:

Achieve organizational excellence and financial sustainability.

Administration

Administration has the following goals:

- ◆ PP&R operates in a responsive, efficient, and business-like manner.
- ◆ Essential services are delivered at sustainable cost and in an equitable manner.
- ◆ Improved management information systems facilitate improved decision making and provide timely and responsive services to customers.
- ◆ Creative, customer-oriented staff reflect the diversity of the community.
- ◆ A stable, diversified revenue base supports efficient delivery of services.
- ◆ Resources are managed in a transparent and accountable manner.

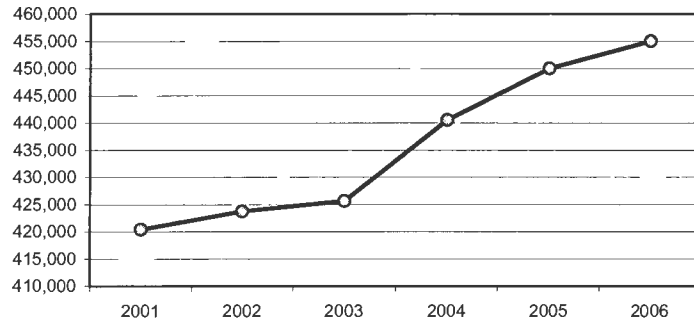
The program's objectives and strategies are as follows:

- ◆ Complete the bureau restructuring.
- ◆ Implement organizational and administrative efficiencies identified in organizational analysis.
- ◆ Develop a more diverse revenue base with less reliance on the General Fund.
- ◆ Develop an ongoing employee training program to ensure ample development opportunities and effective service delivery.
- ◆ Develop and implement a comprehensive workforce diversity program.
- ◆ Revise the Strategic Business Plan annually to respond to changing conditions and challenges.
- ◆ Perform systematic and annual review of management practices and work processes.
- ◆ Continue to assess current operations and program costs to achieve efficiencies where possible.
- ◆ Assess feasibility of a commercial SDC to finance park acquisition and development.
- ◆ Maximize sponsorship and grant opportunities.
- ◆ Develop funding strategies for specific assets and facilities such as trails.
- ◆ Examine feasibility of a bond or levy in 2008 to address deteriorating assets and growing needs for parks and recreation facilities.
- ◆ Secure City Council support for basic park and recreation facilities and services throughout the city.

Performance Measures

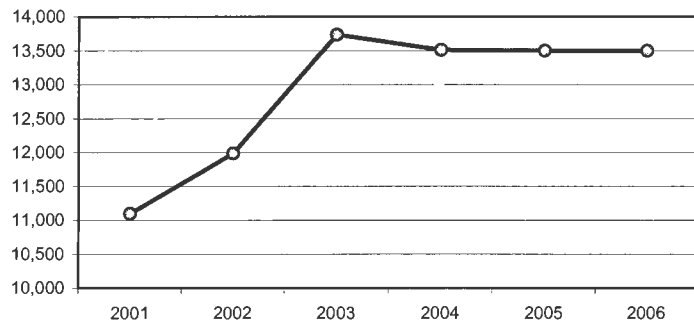
Number of Volunteer Hours

- ◆ Over 440,000 volunteer hours were recorded in FY 2004-05, representing labor valued at more than \$4 million.



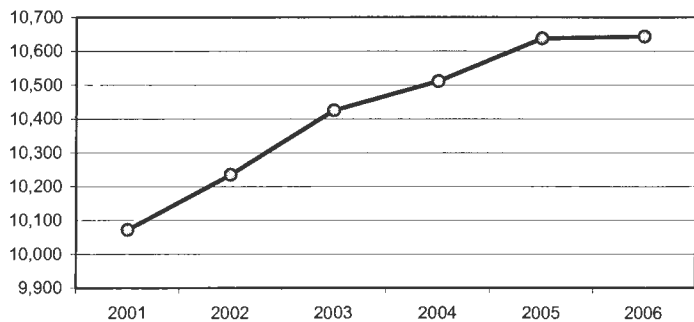
Number of Tree Inspections

- ◆ In FY 2001-02 and FY 2002-03 tree inspections increased due to improved productivity, as well as MIS upgrades.



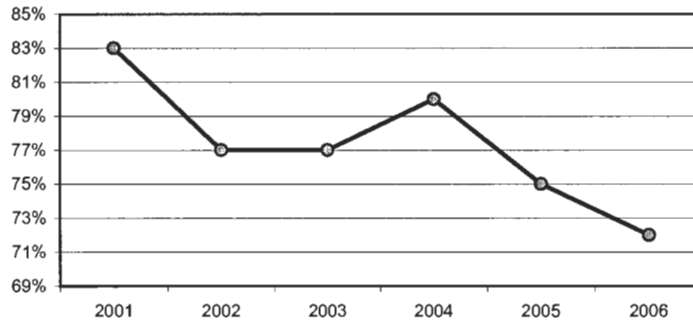
Number of Acres Maintained

- ◆ Total acreage continues to grow as parks are opened and donated property is land banked.



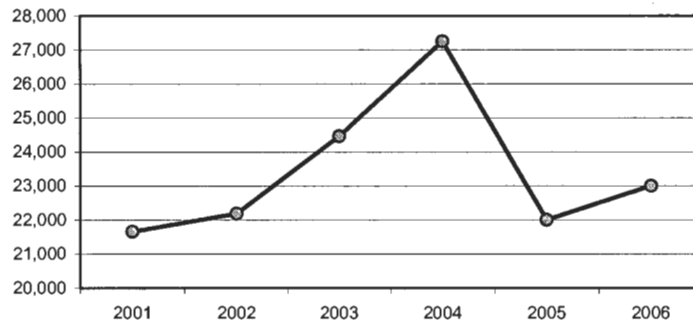
Park Grounds Maintenance - Citizen Satisfaction

◆ Citizen satisfaction increased in FY 2003-04, due to increased maintenance funded by levy dollars, but quickly declined in FY 2004-05 as more cuts were made.



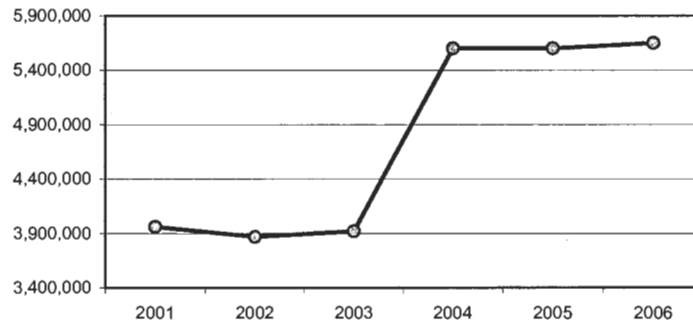
Number of Summer Swim Lessons Taught

◆ The Summer 2004 Wilson Pool renovation closure negatively affected the number of FY 2004-05 lessons.



Total Recreation Attendance

◆ A sharp FY 2003-04 attendance increase was due to an improved data collection methodology.



Portland Parks and Recreation AU 130, 325, 608, 617, 765, 766 SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	29,914,061	30,483,357	32,589,783	32,590,837	32,706,096
External Materials and Services	12,293,512	14,476,335	15,275,796	14,180,021	14,526,474
Internal Materials and Services	6,838,784	7,041,647	7,220,783	6,968,616	6,970,131
Minor Capital Outlay	46,341	205,659	1,647,849	1,613,846	1,613,846
Equipment Cash Transfers	142,109	140,314	140,123	0	0
Total Operating Budget	49,234,807	52,347,312	56,874,334	55,353,320	55,816,547
Capital Improvements	6,986,773	11,953,143	20,104,684	11,409,416	13,324,643
TOTAL BUREAU EXPENDITURES	\$ 56,221,580	\$ 64,300,455	\$ 76,979,018	\$ 66,762,736	\$ 69,141,190
Allocated Overhead	227,772	249,788	207,676	264,809	250,865
Total Cost with Allocated Overhead	56,449,352	64,550,243	77,186,694	67,027,545	69,392,055
RESOURCES					
Discretionary Revenues					
PP&R Operating Support	29,913,086	30,003,876	30,629,344	30,834,384	30,809,292
Parks Construction (Capital)	900,000	1,073,676	1,928,044	363,000	2,278,227
Parks Stores Revenue	2,525	53,344	24,880	25,000	25,000
Total Discretionary Revenues	30,815,611	31,130,896	32,582,268	31,222,384	33,112,519
Non-Discretionary Revenues					
PP&R Grants & Donations	290,796	251,425	369,770	172,616	172,616
PP&R Contract Revenues	163,393	0	34,300	48,884	48,884
PP&R Interagency Revenues	3,324,502	6,577,827	8,074,161	6,866,185	6,841,185
PP&R Fees & Permits	8,743,837	8,806,701	9,696,133	9,446,623	9,958,427
Parks Bond Construction Fund	0	0	0	0	0
Parks Construction Fund	5,376,734	9,747,481	19,402,050	12,630,960	12,632,475
Golf Fund Revenues	6,279,341	6,296,567	5,349,330	5,070,767	5,070,767
PIR Fund Revenues	1,227,366	1,489,558	1,471,006	1,304,317	1,304,317
Total Non-Discretionary Revenues	25,405,969	33,169,559	44,396,750	35,540,352	36,028,671
TOTAL RESOURCES	\$ 56,221,580	\$ 64,300,455	\$ 76,979,018	\$ 66,762,736	\$ 69,141,190
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
DIVISIONS					
Parks and Recreation - General Fund	42,435,614	45,639,829	48,803,708	47,368,692	47,830,404
<i>Positions</i>	<i>308.60</i>	<i>365.38</i>	<i>370.10</i>	<i>353.79</i>	<i>354.79</i>
Parks Stores	2,525	53,344	24,880	25,000	25,000
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Portland International Raceway Fund	1,227,366	1,489,558	1,471,006	1,304,317	1,304,317
<i>Positions</i>	<i>6.00</i>	<i>6.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
Golf Fund	6,279,341	6,296,567	5,349,330	5,070,767	5,070,767
<i>Positions</i>	<i>38.50</i>	<i>34.00</i>	<i>36.00</i>	<i>34.00</i>	<i>34.00</i>
Parks Construction Fund	6,276,734	10,821,157	21,330,094	12,993,960	14,910,702
<i>Positions</i>	<i>10.90</i>	<i>17.90</i>	<i>14.00</i>	<i>16.62</i>	<i>16.62</i>
TOTAL DIVISIONS	\$ 56,221,580	\$ 64,300,455	\$ 76,979,018	\$ 66,762,736	\$ 69,141,190
<i>Positions</i>	<i>364.00</i>	<i>423.28</i>	<i>425.10</i>	<i>409.41</i>	<i>410.41</i>

Portland Parks and Recreation AU 130, 325, 608, 617, 765, 766 BUREAU PROGRAMS BY DIVISION

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
PROGRAMS					
PARKS AND RECREATION - GENERAL					
Administration	3,841,212	3,128,307	4,445,169	4,890,649	4,898,422
<i>Positions</i>	15.50	19.16	21.76	23.13	23.13
C I P	1,461,716	1,580,604	1,586,865	1,296,812	1,296,812
<i>Positions</i>	13.10	15.85	15.88	10.95	10.95
Forestry	2,053,599	2,315,647	2,569,300	2,501,394	2,526,541
<i>Positions</i>	21.00	26.00	26.00	26.00	26.00
Parks/Natural Resources	17,829,291	19,810,444	21,302,877	20,231,794	20,386,753
<i>Positions</i>	155.00	180.69	184.99	175.24	175.24
Recreation	17,249,796	18,804,827	18,899,497	18,448,043	18,721,876
<i>Positions</i>	104.00	123.68	121.47	118.47	119.47
TOTAL PROGRAMS	\$ 42,435,614	\$ 45,639,829	\$ 48,803,708	\$ 47,368,692	\$ 47,830,404
<i>Positions</i>	308.60	365.38	370.10	353.79	354.79
PARKS STORES					
Stock Account	2,525	53,344	24,880	25,000	25,000
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
TOTAL PROGRAMS	\$ 2,525	\$ 53,344	\$ 24,880	\$ 25,000	\$ 25,000
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
PORTLAND INTERNATIONAL RACE-					
Portland International Raceway	1,227,366	1,489,558	1,471,006	1,304,317	1,304,317
<i>Positions</i>	6.00	6.00	5.00	5.00	5.00
TOTAL PROGRAMS	\$ 1,227,366	\$ 1,489,558	\$ 1,471,006	\$ 1,304,317	\$ 1,304,317
<i>Positions</i>	6.00	6.00	5.00	5.00	5.00
GOLF FUND					
Golf Operations	6,279,341	6,296,567	5,349,330	5,070,767	5,070,767
<i>Positions</i>	38.50	34.00	36.00	34.00	34.00
TOTAL PROGRAMS	\$ 6,279,341	\$ 6,296,567	\$ 5,349,330	\$ 5,070,767	\$ 5,070,767
<i>Positions</i>	38.50	34.00	36.00	34.00	34.00
PARKS CONSTRUCTION FUND					
CIP	6,276,734	10,821,157	21,330,094	12,993,960	14,910,702
<i>Positions</i>	10.90	17.90	14.00	16.62	16.62
TOTAL PROGRAMS	\$ 6,276,734	\$ 10,821,157	\$ 21,330,094	\$ 12,993,960	\$ 14,910,702
<i>Positions</i>	10.90	17.90	14.00	16.62	16.62

Parks and Recreation - General Fund

OVERVIEW

Organizational Description

The Parks and Recreation Division is the largest part of the bureau, and is accounted for in the General Fund. It consists of five programs: Park Operations and Natural Resources, Recreation, Forestry, Planning and Development, and Administration. Each program is discussed at greater length in the Overview of Programs section.

Overview of Programs

PARKS/NATURAL RESOURCES

Park Operations and Natural Resources is the largest program in the Parks and Recreation Division.

Operations

Park Operations is divided into seven park districts throughout the city. Park districts employees are generalists who maintain the developed parks by picking up litter, cleaning restrooms, performing safety inspections of play equipment, making minor repairs, and providing ongoing plant care. The district employees also provide support to the nonprofit groups who care for the Japanese Garden, Crystal Springs Rhododendron Garden, and Leach Botanical Garden. One of the park districts specializes in caring for Washington Park, Pittock Acres, and the City's three rose gardens.

The Park Operations program also includes four specialist work units: Turf Maintenance, Horticultural Services, Structures, and Equipment Services.

Turf Maintenance

This unit is responsible for mowing, overseeding, and fertilizing turf areas. It also runs the machine shop that maintains the mowers and other equipment.

Horticultural Services

Horticultural Services includes the Community Gardens program and the greenhouse/nursery operation. The unit also designs shrub and flower beds, carries out specialized planting projects across the park system, and oversees the Integrated Pest Management program. Horticultural Service also provides landscape maintenance services to other bureaus under interagency agreements.

Structures

The Structures unit includes carpenters, electricians, painters, swimming pool mechanics, a play equipment repair person, and other workers dedicated to maintaining over 200 buildings and numerous outdoor structures.

Equipment Services

The Equipment Services unit primarily does paving, grading, major ballfield renovations, irrigation repairs, hauling, tall grass mowing, brush grinding, and other services involving heavy equipment.

Natural Resources

Natural Resources is responsible for the ecological health and human access to over 6,000 acres of natural areas, such as Forest Park, Powell Butte, and the Oaks Bottom Wildlife Refuge. This includes promoting the ecological health of the areas by protecting them from soil erosion, invasive plant species, litter, illegal dumping, and other types of damage. This work unit also maintains trails such as the Springwater and Peninsula Crossing trails, along with trailhead parking lots and restrooms. The Natural Resources unit is also responsible for the tree collection at Hoyt Arboretum.

RECREATION

The Recreation program provides for a wide array of recreation services.

Community Centers and Community Schools

The Community Centers and Community Schools are managed by recreation generalists who are responsible for creating a wide variety of activities at the sites that they manage. There are 13 community centers, ranging from fully programmed sites like Dishman, Mt. Scott, and the new community centers in Southwest and East Portland, to smaller centers such as Hillside and Sellwood. The Community Schools focus on creating recreation and academic enrichment opportunities for school-aged youth, as well as making the school building an after-hours resource to the broader community. The staff in the community schools and centers also collaborate to provide summer playground programming at 28 parks and school sites across the city.

Other Programs

There are a variety of specialized programs within the Recreation program that focus on particular types of recreation or market segments: Outdoor Recreation, Disabled Citizens Recreation, Senior Recreation Services, Aquatics, and the Sports Office, which oversees ballfield maintenance and the tennis program, as well as the scheduling of sports leagues. There are also specialty facilities: the Pittock Mansion, the Multnomah Arts Center, the Children's Museum, the Community Music Center, and the Interstate Firehouse Cultural Center. Many of these programs recover a majority of their direct program costs through user fees.

The Reservation Center staff supports the above programs by registering customers for classes, coordinating Waterfront Park special events, and issuing permits for picnics, weddings, sports practices and games, rentals of community centers, and other events.

FORESTRY

The Forestry program is responsible for maintaining park trees, inspecting street trees, and issuing tree permits. The unit also works to prevent the spread of Dutch Elm disease in the city.

CIP

Planning and Development is responsible for the CIP and includes planning, design, and construction of capital improvements for the parks and recreation system. Its funding sources include discretionary General Fund resources, reimbursements from other City bureaus, the Portland Development Commission, systems development charges to property developers, and federal grants. This program also includes the Property Management function, which generates income from Portland Parks & Recreation assets not currently needed for park purposes.

ADMINISTRATION

The Administration program carries out typical administrative activities for a bureau the size and scope of PP&R. In addition to the Director, this program includes support functions such as accounting and financial planning, volunteer coordination, communications services, and some clerical support. Administrative services provided by the City's central service bureaus are also charged to this program area.

Parks and Recreation - General Fund AU 130

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
PORTLAND PARKS AND RECREATION						
Parks and Recreation - General Fund						
Administration						
Effectiveness						
Percent Employee Satisfaction	75%	72%	71%	NA	61%	70%
Efficiency						
Volunteer Hours Documented	420,415	423,727	425,623	440,526	450,000	455,000
Workload						
Number of Full-time Positions	386	403	366	425	420	420
Number of Part-time FTE	295	298	285	285	290	290
Forestry						
Effectiveness						
Average Backlog of Permits	2.50	2.50	2.75	3.00	3.00	3.00
Workload						
Number of Inspections Performed	11,100	11,989	13,734	13,509	13,500	13,500
Parks/Natural Resources						
Effectiveness						
Parks Grounds Maintenance - Citizen Satisfaction	83%	77%	77%	80%	75%	72%
Park Condition Rating	83%	79%	79%	78%	77%	76%
Workload						
Total number of acres maintained	10,072	10,235	10,425	10,511	10,637	10,643
Recreation						
Effectiveness						
Percentage of Youth Participating	53%	59%	59%	58%	57%	57%
Citizens' Rating of Recreation Programs	74%	73%	72%	71%	70%	69%
Workload						
Number of Summer Swim Lessons Taught	21,655	22,187	24,465	27,254	22,000	23,000
Total Recreation Attendance	3,961,622	3,869,242	3,920,606	5,599,485	5,600,000	5,650,000

Parks and Recreation - General Fund AU 130

SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	26,574,007	27,604,489	29,333,601	29,346,531	29,461,790
External Materials and Services	10,176,850	12,064,085	12,908,136	11,782,835	12,129,288
Internal Materials and Services	5,599,490	5,781,538	6,360,802	6,168,705	6,168,705
Minor Capital Outlay	41,341	46,903	65,646	70,621	70,621
Equipment Cash Transfers	43,926	142,814	135,523	0	0
Total Operating Budget	42,435,614	45,639,829	48,803,708	47,368,692	47,830,404
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 42,435,614	\$ 45,639,829	\$ 48,803,708	\$ 47,368,692	\$ 47,830,404
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	42,435,614	45,639,829	48,803,708	47,368,692	47,830,404
RESOURCES					
Discretionary Revenue	29,913,070	30,033,876	30,912,844	30,834,384	30,809,292
Non-Discretionary Revenues					
Grants & Donations	290,797	251,425	369,770	172,616	172,616
Contract Revenues	163,393	0	34,300	48,884	48,884
Interagency Revenues	3,324,499	6,577,827	8,074,161	6,866,185	6,841,185
Program Revenue	8,743,855	8,776,701	9,412,633	9,446,623	9,958,427
Total Non-Discretionary Revenues	12,522,544	15,605,953	17,890,864	16,534,308	17,021,112
TOTAL GENERAL FUND RESOURCES	\$ 42,435,614	\$ 45,639,829	\$ 48,803,708	\$ 47,368,692	\$ 47,830,404
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Administration	3,841,212	3,128,307	4,445,169	4,890,649	4,898,422
<i>Positions</i>	<i>15.50</i>	<i>19.16</i>	<i>21.76</i>	<i>23.13</i>	<i>23.13</i>
C I P	1,461,716	1,580,604	1,586,865	1,296,812	1,296,812
<i>Positions</i>	<i>13.10</i>	<i>15.85</i>	<i>15.88</i>	<i>10.95</i>	<i>10.95</i>
Forestry	2,053,599	2,315,647	2,569,300	2,501,394	2,526,541
<i>Positions</i>	<i>21.00</i>	<i>26.00</i>	<i>26.00</i>	<i>26.00</i>	<i>26.00</i>
Parks/Natural Resources	17,829,291	19,810,444	21,302,877	20,231,794	20,386,753
<i>Positions</i>	<i>155.00</i>	<i>180.69</i>	<i>184.99</i>	<i>175.24</i>	<i>175.24</i>
Recreation	17,249,796	18,804,827	18,899,497	18,448,043	18,721,876
<i>Positions</i>	<i>104.00</i>	<i>123.68</i>	<i>121.47</i>	<i>118.47</i>	<i>119.47</i>
TOTAL PROGRAMS	\$ 42,435,614	\$ 45,639,829	\$ 48,803,708	\$ 47,368,692	\$ 47,830,404
<i>Positions</i>	<i>308.60</i>	<i>365.38</i>	<i>370.10</i>	<i>353.79</i>	<i>354.79</i>

Parks and Recreation - General Fund AU 130

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	1.00	1.00	1.00	45,360	1.00	45,540	1.00	45,540
0515	Accountant II	2.00	2.00	2.00	103,824	2.00	104,232	2.00	104,232
0510	Accounting Technician	1.00	1.00	1.00	37,548	1.00	37,692	1.00	37,692
0100	Office Supp Spec I	1.00	3.00	3.00	83,030	3.00	91,362	3.00	91,362
0102	Office Supp Spec II	7.50	8.00	7.88	279,163	4.38	155,399	4.38	155,399
0104	Office Supp Spec III	0.00	1.00	1.00	41,043	1.00	43,779	1.00	43,779
0106	Office Supp Spec Lead	1.00	1.00	1.00	44,304	1.00	44,472	1.00	44,472
1219	Parks Maintenance Crew Lead	0.00	0.00	2.00	84,324	2.00	95,592	2.00	95,592
0406	Storekeeper/Acq Specialist II	2.00	2.00	2.00	73,680	2.00	73,968	2.00	73,968
7103	Administrative Assistant	1.50	2.00	3.00	158,448	1.75	97,138	1.75	97,138
7106	Administrative Supervisor I	1.00	1.00	1.00	57,996	1.00	60,372	1.00	60,372
7107	Administrative Supervisor II	1.00	1.00	1.00	65,400	0.00	0	0.00	0
7818	Aquatic Program Supervisor	1.00	1.00	1.00	55,872	1.00	58,164	1.00	58,164
6004	Architect	0.30	0.00	0.00	0.00	0.35	23,148	0.35	23,148
7810	Arts Programs Supervisor	1.00	1.00	1.00	61,740	1.00	64,260	1.00	64,260
1311	Automotive Equipment Operator I	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6011	Botanic Specialist I	2.00	2.00	2.00	104,032	3.00	153,726	3.00	153,726
6012	Botanic Specialist II	5.00	5.00	6.00	310,338	6.00	334,464	6.00	334,464
6001	Building/Landscape Designer I	0.00	0.50	0.00	0.00	0.25	10,957	0.25	10,957
7140	Bureau Director, Assistant to	0.00	1.00	1.00	69,906	1.00	72,770	1.00	72,770
6032	CAD Technician II	1.00	1.00	1.00	49,510	1.00	52,178	1.00	52,178
6033	CAD Technician III	0.00	1.00	0.00	0.00	0.50	33,048	0.50	33,048
1420	Carpenter	4.00	6.00	6.00	286,416	6.00	287,496	6.00	287,496
7842	City Forester	1.00	1.00	1.00	78,940	1.00	80,448	1.00	80,448
7202	Community Outreach & Information	0.00	0.00	2.00	114,114	(0.42)	20,531	(0.42)	20,531
7203	Community Outreach & Information	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7204	Community Outreach and Informati	1.90	2.80	1.00	66,372	1.00	69,012	1.00	69,012
1315	Construction Equipment Operator	1.00	2.00	2.00	84,516	2.00	84,840	2.00	84,840
1110	Custodian	1.00	1.00	1.00	33,180	1.00	33,300	1.00	33,300
7808	Deputy Director of Parks & Recrea	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7105	Director's Executive Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1453	Electrician	2.00	2.00	2.00	118,680	2.00	119,136	2.00	119,136
1457	Electrician, Supervising	1.00	1.00	1.00	65,412	1.00	65,664	1.00	65,664
7127	Executive Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1114	Fac Maintenance Tech Apprentice	0.00	0.00	1.00	28,932	1.00	29,040	1.00	29,040
7725	Facilities Construction Project	0.10	0.30	0.00	0.00	0.10	6,250	0.10	6,250
1115	Facilities Maintenance Tech	6.00	5.00	5.00	241,080	5.00	241,980	5.00	241,980
7376	Financial Analyst	1.00	1.00	1.00	64,296	1.00	65,539	1.00	65,539
7377	Financial Analyst, Senior	1.00	1.00	1.00	72,276	3.00	217,692	3.00	217,692
1524	General Mechanic	2.00	2.00	1.00	48,216	1.00	48,396	1.00	48,396
4110	High Climber	8.00	8.00	8.00	380,992	8.00	383,328	8.00	383,328
7864	Horticultural Services Superviso	1.00	1.00	1.00	71,427	0.00	(6)	0.00	(6)
4114	Horticulturist	24.00	27.00	26.00	1,146,080	22.50	1,015,232	22.50	1,015,232
4113	Horticulturist, Apprentice	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7790	Landscape Architect, Supervising	0.80	0.50	1.00	81,540	0.30	25,464	0.30	25,464
1240	Maintenance Mechanic	10.00	10.00	12.00	523,130	12.00	531,294	12.00	531,294
1200	Maintenance Worker	0.00	0.00	1.00	23,988	2.00	46,260	2.00	46,260
7132	Management Analyst, Senior	1.00	1.00	2.00	117,564	3.00	163,044	3.00	163,044
7130	Management Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7862	Natural Areas Horticulture Super	0.00	0.00	2.00	137,496	0.00	2	0.00	2
7866	Natural Areas Program Manager	1.00	1.00	1.00	75,252	1.00	75,924	1.00	75,924
7814	Outdoor Recreation & Env Educ Pr	1.00	1.00	1.00	59,766	1.00	62,214	1.00	62,214
1443	Painter	2.00	3.00	3.00	140,355	3.00	143,748	3.00	143,748
7825	Park Ranger Supervisor	1.00	1.00	1.00	48,252	1.00	50,232	1.00	50,232
1215	Park Technician	29.00	31.00	31.00	1,271,801	31.00	1,284,438	31.00	1,284,438
7080	Parks & Recreation Director	1.00	1.00	1.00	120,915	1.00	125,871	1.00	125,871
7807	Parks and Recreation Division Ma	4.00	4.00	4.00	371,083	3.90	372,308	3.90	372,308
7831	Parks Fac Maint Supervisor	0.00	2.00	2.00	130,800	0.00	0	0.00	0
7832	Parks Irrigation Maintenance Sup	1.00	1.00	1.00	59,708	1.00	62,150	1.00	62,150
7833	Parks Maintenance Superintendent	4.00	4.00	4.00	296,321	4.00	302,396	4.00	302,396
7830	Parks Maintenance Supervisor	9.00	8.00	9.00	507,595	9.00	522,363	9.00	522,363
7788	Parks Planner, Supervising	1.00	1.00	1.00	82,248	0.95	81,336	0.95	81,336
7826	Parks Security Manager	1.00	1.00	1.00	70,116	1.00	72,360	1.00	72,360
7816	Pittock Mansion Supervisor	1.00	1.00	1.00	68,748	3.00	172,412	3.00	172,412
7133	Principal Management Analyst	1.00	1.00	1.00	75,401	1.00	78,492	1.00	78,492
7154	Program Coordinator	1.00	1.00	1.00	59,316	1.00	61,752	1.00	61,752
7156	Program Manager	0.50	0.00	1.00	68,748	0.50	35,798	0.50	35,798
7153	Program Specialist	1.00	1.00	1.00	62,292	1.00	62,532	1.00	62,532
7152	Program Specialist, Assistant	0.00	0.80	1.00	56,892	1.70	81,012	1.70	81,012

Parks and Recreation - General Fund AU 130

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7678	Property Acquisition & Services	1.00	1.00	1.00	63,216	1.00	64,728	1.00	64,728
7208	Public Information Manager	1.00	1.00	1.00	77,064	1.00	80,220	1.00	80,220
4325	Recreation Coordinator I	45.00	53.00	54.00	2,203,385	53.00	2,190,456	54.00	2,232,336
4326	Recreation Coordinator II	9.00	13.00	13.00	561,775	13.00	564,101	13.00	564,101
4322	Recreation Leader - Fulltime	12.00	14.00	14.63	473,147	13.63	459,062	13.63	459,062
7805	Recreation Manager	3.00	3.00	4.00	283,892	5.00	375,809	5.00	375,809
7820	Recreation Program Supervisor, S	1.00	1.00	1.00	55,872	1.00	58,164	1.00	58,164
7802	Recreation Supervisor I	10.00	12.00	13.00	758,066	11.00	660,002	11.00	660,002
7803	Recreation Supervisor II*	4.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00
7860	Rose Garden Horticulture Supervi	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7192	Safety & Risk Officer I	1.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
6134	Senior City Planner	5.00	4.20	5.00	321,558	4.40	289,470	4.40	289,470
6111	Senior Engineering Associate	1.00	1.00	1.00	64,566	1.00	66,108	1.00	66,108
3123	Surveyor II	1.00	1.00	1.00	54,480	1.00	54,684	1.00	54,684
4112	Tree Inspector	7.00	7.00	7.00	366,492	7.00	367,920	7.00	367,920
1214	Turf Maintenance Technician	18.00	19.00	8.00	330,336	7.00	279,768	7.00	279,768
7840	Urban Forestry Supervisor	1.00	1.00	1.00	68,748	1.00	69,012	1.00	69,012
1210	Utility Worker I	3.00	10.00	8.50	314,271	8.50	319,260	8.50	319,260
1211	Utility Worker II	22.00	25.00	25.89	1,031,124	26.00	1,041,420	26.00	1,041,420
7212	Volunteer Program Coordinator	1.00	2.00	2.00	107,640	1.00	60,972	1.00	60,972
1510	Welder	1.00	1.00	1.00	47,736	1.00	47,916	1.00	47,916
TOTAL FULL-TIME POSITIONS		308.60	349.10	344.90	\$ 16,391,418	330.29	\$ 15,955,177	331.29	\$ 15,997,057
0515	Accountant II	0.00	0.50	0.58	30,108	0.58	30,228	0.58	30,228
0510	Accounting Technician	0.00	0.75	0.75	28,164	1.00	37,692	1.00	37,692
0100	Office Supp Spec I	0.00	0.88	0.88	29,928	0.88	30,048	0.88	30,048
0102	Office Supp Spec II	0.00	1.29	0.75	28,164	0.75	28,272	0.75	28,272
6011	Botanic Specialist I	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6012	Botanic Specialist II	0.00	0.80	0.80	38,310	0.80	46,356	0.80	46,356
7202	Community Outreach & Information	0.00	1.78	2.64	109,272	2.42	104,628	2.42	104,628
1110	Custodian	0.00	0.60	0.60	19,908	0.60	19,980	0.60	19,980
4114	Horticulturist	0.00	0.60	0.60	27,204	0.60	27,312	0.60	27,312
7156	Program Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	0.88	0.00	0.00	0.00	0.00	0.00	0.00
4325	Recreation Coordinator I	0.00	1.42	0.68	28,368	0.68	28,476	0.68	28,476
4322	Recreation Leader - Fulltime	0.00	4.78	4.68	149,034	4.68	156,500	4.68	156,500
1214	Turf Maintenance Technician	0.00	0.00	10.00	405,372	10.00	321,168	10.00	321,168
TOTAL PART-TIME POSITIONS		0.00	16.28	22.96	\$ 893,832	22.99	\$ 830,660	22.99	\$ 830,660
6011	Botanic Specialist I	0.00	0.00	0.00	0.00	0.26	11,328	0.26	11,328
7202	Community Outreach & Information	0.00	0.00	0.67	25,664	0.00	0.00	0.00	0.00
1200	Maintenance Worker	0.00	0.00	1.57	34,040	0.25	6,018	0.25	6,018
TOTAL LIMITED TERM POSITIONS		0.00	0.00	2.24	\$ 59,704	0.51	\$ 17,346	0.51	\$ 17,346

Parks and Recreation - General Fund AU 130

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	47,860,285	0	47,860,285	366.10	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	276,000	0	276,000	0.00	O&M Pipeline
	0	37,000	37,000	0.00	Children's Museum
	(25,000)	0	(25,000)	0.00	Parks Stores - AU 325
	(155,198)	0	(155,198)	0.00	Discretionary adj-OMF interagency changes
	(25,000)	0	(25,000)	0.00	Technical revenue adjustment-BES interagency
Mayor's Proposed Budget Decisions					
	0	0	0	0.00	Revenue True-ups (Park 34)
	209,308	0	209,308	0.00	BHR IA increase (Park 35)
	116,439	0	116,439	0.00	Risk IA increase (Park 36)
	180,985	0	180,985	0.00	ERP Debt Service (Park 37)
	50,000	0	50,000	0.00	Linnton Community Center (Park 52)
	28,200	0	28,200	0.00	O&M East Holladay Parking Lot, East Ridge Park
	(69,089)	0	(69,089)	(1.00)	Eliminate Fall Programs in Outdoor Rec (Park 10)
	(108,984)	0	(108,984)	(1.50)	Reduce annual display beds (Park 11)
	(110,506)	0	(110,506)	(1.00)	Cut the Theater Program (Park 15)
	(73,596)	0	(73,596)	0.00	Reduce all pass throughs 5.6% (Park 16)
	(81,231)	15,000	(66,231)	(1.00)	Eliminate Camp Ky-o-wa (Park 17)
	(74,766)	0	(74,766)	(1.00)	Convert to meadow-type mowing (Park 18)
	(160,000)	0	(160,000)	0.00	Eliminate GF scholarships to Park Foundation
	(210,903)	0	(210,903)	(1.00)	Close Buckman Pool (Park 33)
	(32,773)	0	(32,773)	0.00	Expense True-ups (Park 38)
	(9,137)	0	(9,137)	(1.00)	Staff cut - Planner (Park 41)
	(18,817)	0	(18,817)	(1.00)	Staff cut - Program Manager (Park 42)
	(159,418)	0	(159,418)	(4.00)	Set A Reorganization position changes (Park 44)
	81,100	0	81,100	0.00	O&M Catellus (Park 48)
	57,400	0	57,400	0.00	O&M OMF Recommended (Park 49)
	(70,000)	0	(70,000)	0.00	Reduce education and training (Park 50)
	(99,785)	0	(99,785)	0.00	Transition Interstate Fire Cultural Center (Park 51)
	(95,322)	11,500	(83,822)	(4.00)	Organizational restructure (Park 8)
	(77,996)	77,996	0	0.00	Close Pier Pool in 2006 (Park 23)
	(62,867)	62,867	0	0.00	Transition Hillside Community Center (Park 24)
	(61,987)	61,987	0	0.00	Transition Fulton Community Center
	(22,620)	22,620	0	0.00	Transition Sellwood Community Center
	(107,612)	107,612	0	0.00	Transition Community Music Center
	(170,784)	170,784	0	0.00	Transition Pittock Mansion
	(123,296)	123,296	0	0.00	Transition Multnomah Arts Center
	(87,500)	87,500	0	0.00	Special Events Selected Fee Increase (Park 19)
Approved Budget Additions and Reductions					
	62,867	(62,867)	0	0.00	Reverse-Transition Hillside Community Cnter
	61,987	(61,987)	0	0.00	Reverse-Transition Fulton Community Center
	22,620	(22,620)	0	0.00	Reverse-Transition Sellwood Community Center
	107,612	(107,612)	0	0.00	Reverse-Transition Community Music Center
	170,784	(170,784)	0	0.00	Reverse-Transition Pittock Mansion
	123,296	(123,296)	0	0.00	Reverse-Transition Multnomah Arts Center
	0	0	0	0.00	Reverse-Revenue True-ups (Park 34)
	210,903	0	210,903	1.00	Reverse-Close Buckman Pool (Park 33)
	32,773	0	32,773	0.00	Reverse-Expense True-ups (Park 38)
	(50,000)	50,000	0	0.00	Reduce Education and Training (Park 50)
	0	99,785	99,785	0.00	Transition IFCC
	(133,800)	133,800	0	0.00	20/80 Transition Plan
	(236,623)	236,623	0	0.00	Eliminate SEI Pass-through
	13,251	0	13,251	0.00	Pass-through Double-count
	130,000	0	130,000	0.00	Dog Off-leash O&M
	436,484	165,743	602,227	0.00	Parks Capital Maintenance

Parks and Recreation - General Fund AU 130

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
Adopted Budget Additions and Reductions					
	(436,484)	(165,743)	(602,227)	0.00	Parks Capital Maint-Handled as GF Fund Transfer
	(779,085)	749,204	(29,881)	(15.50)	Total FY 2005-06 Decision Packages
			\$ 47,830,404	350.60	Total Adopted Budget

Golf Fund

OVERVIEW

Mission

The mission of the Golf program is to provide high quality golf to area residents at an affordable price. In addition, because of its reputation for maintaining high quality courses, the program helps attract outside tourism and convention business. This benefits both resident golfers, by supplementing the Golf program revenue, as well as the Portland area in general. Golf course maintenance is performed by City employees, while clubhouse operations are managed by private concessionaires.

Recent Trends

Across the country, golf play over the past few years has been flat or declining, and the Portland area is no exception. Portland's City-owned courses are in better shape financially than many in the area, but they still struggle to maintain revenues in the face of a national recession and a local oversupply of competing golf courses. The number of nine-hole rounds played on the City's golf courses has dropped over the past seven years:

- ◆ FY 1997-98: 524,157 actual rounds
- ◆ FY 1998-99: 493,568 actual rounds
- ◆ FY 1999-00: 461,858 actual rounds
- ◆ FY 2000-01: 485,345 actual rounds
- ◆ FY 2001-02: 446,640 actual rounds
- ◆ FY 2002-03: 423,878 actual rounds
- ◆ FY 2003-04: 408,861 actual rounds
- ◆ FY 2004-05: 371,000 rounds projected to year-end

The FY 2005-06 Adopted Budget assumes 400,000 rounds of play, based on the projected level for FY 2004-05 rounds at mid-year.

Overview of Programs

GOLF OPERATIONS

- Maintenance** Maintenance of the golf courses is performed by City employees. Managed by the Director of Golf, each facility has a Golf Course Superintendent, an Assistant Superintendent, an on-site mechanic, and several greenskeepers to meet the agronomic needs of the site. The focus on course maintenance is to allow golf to be played in a high quality, challenging way, while at the same time targeting specific out-of-play areas to return to a more natural state, thereby creating habitat for wildlife.
- Clubhouse Facilities** Clubhouse facilities are managed by private concessionaires. These contracts are administered by the Director of Golf and include the collection of greens fees, sales of golf equipment and clothing, sales of food and beverage, cart rentals, golf lessons, and marshalling of the course. Each concessionaire has a pro shop staff and qualified food service personnel who act as the City's representatives to the public.
- Youth Programs** The golf program is active in reaching out to area youth. A teaching professional is employed to visit Portland Interscholastic League (PIL) schools, giving golf lessons. These classes take place over one to two weeks at each school and the students learn basic swing fundamentals and rules and procedures for the game.
- The EAGLE program, in its twelfth year and nationally acclaimed, selects deserving high school youth from disadvantaged backgrounds and puts them to work in the pro shops and on the golf courses. Students earn minimum wage and are given work study credits by their schools. Participation is for two years, and successful completion can lead to a full four-year scholarship to a state university funded by the Evans Scholarship Foundation. Fifty EAGLE Program participants have been awarded full four year scholarships over the last four years.

Golf Fund AU 617, 619

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
PORTLAND PARKS AND RECREATION						
Golf Fund						
Golf Operations						
Effectiveness						
Net Operating Income	\$1,452,946	\$928,570	\$506,325	\$1,027,024	\$1,021,500	\$1,337,421
Total Golf Rounds Played	485,345	446,640	423,878	408,861	371,000	400,000
Workload						
Total Course Acres Maintained	680	680	680	680	680	680

Golf Fund AU 617, 619

SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	2,686,919	2,374,520	2,469,709	2,485,981	2,485,981
External Materials and Services	1,604,913	1,723,552	1,567,888	1,701,737	1,701,737
Internal Materials and Services	966,344	855,461	636,131	603,049	603,049
Minor Capital Outlay	0	12,549	60,000	80,000	80,000
Equipment Cash Transfers	98,183	0	7,100	0	0
Total Operating Budget	5,356,359	4,966,082	4,740,828	4,870,767	4,870,767
Capital Improvements	922,982	1,330,485	608,502	200,000	200,000
TOTAL BUREAU EXPENDITURES	\$ 6,279,341	\$ 6,296,567	\$ 5,349,330	\$ 5,070,767	\$ 5,070,767
Allocated Overhead	88,012	119,304	106,032	133,534	113,911
Total Cost with Allocated Overhead	6,367,353	6,415,871	5,455,362	5,204,301	5,184,678
RESOURCES					
Golf Fund	6,279,341	6,296,567	5,349,330	5,070,767	5,070,767
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Golf Operations	6,279,341	6,296,567	5,349,330	5,070,767	5,070,767
<i>Positions</i>	<i>38.50</i>	<i>34.00</i>	<i>36.00</i>	<i>34.00</i>	<i>34.00</i>
TOTAL PROGRAMS	\$ 6,279,341	\$ 6,296,567	\$ 5,349,330	\$ 5,070,767	\$ 5,070,767
<i>Positions</i>	<i>38.50</i>	<i>34.00</i>	<i>36.00</i>	<i>34.00</i>	<i>34.00</i>

Golf Fund AU 617, 619

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7852	Director of Golf	1.00	1.00	1.00	77,520	1.00	79,960	1.00	79,960
7850	Golf Course Superintendent	4.00	4.00	4.00	253,692	4.00	258,906	4.00	258,906
1220	Greenskeeper I	23.00	18.00	14.00	570,540	12.00	497,376	12.00	497,376
1221	Greenskeeper II	5.00	5.00	5.00	211,740	5.00	217,980	5.00	217,980
1222	Greenskeeper III	5.00	5.00	5.00	238,680	5.00	239,580	5.00	239,580
TOTAL FULL-TIME POSITIONS		38.50	34.00	29.00	\$ 1,352,172	27.00	\$ 1,293,802	27.00	\$ 1,293,802
1220	Greenskeeper I	0.00	0.00	7.00	289,044	7.00	279,768	7.00	279,768
TOTAL PART-TIME POSITIONS		0.00	0.00	7.00	\$ 289,044	7.00	\$ 279,768	7.00	\$ 279,768

Golf Fund AU 617, 619

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	6,750,635	0	6,750,635	34.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	(3,630)	0	(3,630)	0.00	OMI IA reductions
	3,630	0	3,630	0.00	Contingency Offset
Approved Budget Additions and Reductions	400,000	0	400,000	0.00	Revenue increase due to fee.increase
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	400,000	0	400,000	0.00	Total FY 2005-06 Decision Packages
			\$ 7,150,635	34.00	Total Adopted Budget

Parks Construction Fund

OVERVIEW

The Parks Construction Fund accounts for all parks capital activity except for activities budgeted in the two enterprise funds for Golf and Portland International Raceway. A total of 16.6 full-time positions are accounted for in this fund. These positions acquire park land, using system development charges (SDC), and manage the General Fund capital projects.

Projects

For FY 2005-06, capital activity includes park land acquisition and improvements funded by the Parks SDC, levy revenue, and General Fund resources. The fund is receiving \$2,508,702 from the General Fund Capital Set-Aside for the following projects:

- ◆ \$248,000 for two skateparks: \$148,000 for Glenhaven Park and \$100,000 for Pier Park. Additional funding for skateparks comes from the Parks Local Option Levy.
- ◆ \$200,000 for the Hillside Community Center repairs following a fire. This repays the Parks Trust Fund.
- ◆ \$136,000 for Mt. Scott Pool replastering.
- ◆ \$230,000 for street improvements around the Holly Farm property.
- ◆ \$1,000,743 to address the backlog of deferred maintenance in the Parks system.

Deferred Maintenance

\$8.1 million is allocated to address the backlog of deferred maintenance in the parks system. Funding is provided from two sources: \$1 million of General Fund discretionary resources in the list above and approximately \$7.1 million in bond proceeds. Actual proceeds realized will depend upon the financing terms, the financing mechanism chosen by OMF Debt, and rates at the time of issuance. Debt service is funded from two sources: \$436,484 was cut from Portland Parks & Recreation's General Fund discretionary budget and redirected to debt service, and \$400,000 is anticipated in additional golf revenues from a surcharge of \$1 per nine hole round of play. These two sources provide an anticipated \$836,484 for debt service.

Parks Construction Fund AU 766

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
PORTLAND PARKS AND RECREATION						
Parks Construction Fund						
CIP						
Workload						
Number of Developed Parks	163	170	168	171	173	175
Number of Active Projects	43	40	65	35	25	30

Parks Construction Fund AU 766

SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	145,859	122,601	266,801	222,787	222,787
External Materials and Services	55,824	36,114	75,623	69,950	69,950
Internal Materials and Services	6,260	80,262	36,285	28,582	30,097
Minor Capital Outlay	5,000	146,207	1,495,203	1,463,225	1,463,225
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	212,943	385,184	1,873,912	1,784,544	1,786,059
Capital Improvements	6,063,791	10,435,973	19,456,182	11,209,416	13,124,643
TOTAL BUREAU EXPENDITURES	\$ 6,276,734	\$ 10,821,157	\$ 21,330,094	\$ 12,993,960	\$ 14,910,702
Allocated Overhead	111,588	106,059	75,360	98,979	109,657
Total Cost with Allocated Overhead	6,388,322	10,927,216	21,405,454	13,092,939	15,020,359
RESOURCES					
Parks Construction and Major Maint.	6,276,734	10,821,157	21,330,094	12,993,960	14,910,702
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
CIP	6,276,734	10,821,157	21,330,094	12,993,960	14,910,702
<i>Positions</i>	<i>10.90</i>	<i>17.90</i>	<i>14.00</i>	<i>16.62</i>	<i>16.62</i>
TOTAL PROGRAMS	\$ 6,276,734	\$ 10,821,157	\$ 21,330,094	\$ 12,993,960	\$ 14,910,702
<i>Positions</i>	<i>10.90</i>	<i>17.90</i>	<i>14.00</i>	<i>16.62</i>	<i>16.62</i>

Parks Construction Fund AU 766

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	0.50	0.00	0.00	0.00	0.50	18,852	0.50	18,852
0104	Office Supp Spec III	0.00	1.00	1.00	40,542	1.00	43,086	1.00	43,086
7103	Administrative Assistant	0.00	0.00	0.00	0.00	0.25	13,932	0.25	13,932
6004	Architect	0.70	1.00	1.00	65,856	0.65	42,960	0.65	42,960
3134	Architect	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6001	Building/Landscape Designer I	0.90	3.50	3.00	123,413	2.45	106,171	2.45	106,171
6002	Building/Landscape Designer II	1.10	1.00	1.00	51,540	1.00	51,744	1.00	51,744
6033	CAD Technician III	0.00	0.00	1.00	65,856	0.50	33,060	0.50	33,060
7202	Community Outreach & Information	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7204	Community Outreach and Informati	0.10	0.20	0.00	0.00	0.00	0.00	0.00	0.00
7728	Facilities Construction Project	1.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
7725	Facilities Construction Project	1.90	1.70	2.00	124,584	1.90	118,794	1.90	118,794
6003	Landscape Architect	1.60	2.00	2.00	125,088	2.00	128,596	2.00	128,596
7790	Landscape Architect, Supervising	0.00	0.50	0.00	0.00	0.70	59,412	0.70	59,412
7132	Management Analyst, Senior	0.00	1.00	0.00	0.00	1.00	65,373	1.00	65,373
7807	Parks and Recreation Division Ma	0.00	0.00	0.00	0.00	0.10	9,392	0.10	9,392
7788	Parks Planner, Supervising	0.00	0.00	0.00	0.00	0.05	4,284	0.05	4,284
7156	Program Manager	0.20	3.00	2.00	136,356	2.40	168,374	2.40	168,374
0970	Program Manager II	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	0.20	0.00	0.00	0.30	17,772	0.30	17,772
6134	Senior City Planner	0.00	0.80	0.00	0.00	0.60	39,516	0.60	39,516
3109	Technician III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		10.90	17.90	14.00	\$ 805,511	16.40	\$ 993,882	16.40	\$ 993,882
7202	Community Outreach & Information	0.00	0.00	0.00	0.00	0.22	9,120	0.22	9,120
TOTAL PART-TIME POSITIONS		0.00	0.00	0.00	\$ 0	0.22	\$ 9,120	0.22	\$ 9,120

Parks Construction Fund AU 766

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	18,288,468	0	18,288,468	16.62	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	0	200,000	200,000	0.00	Hillside Community Center
	0	163,000	163,000	0.00	Mt. Scott Pool Replastering
Approved Budget Additions and Reductions	0	248,000	248,000	0.00	Skateparks capital
	0	1,000,743	1,000,743	0.00	One-time funding for maintenance backlog
	436,484	0	436,484	0.00	Ongoing funding for maintenance backlog
	0	230,000	230,000	0.00	Holly Farm Development
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	436,484	1,841,743	2,278,227	0.00	Total FY 2005-06 Decision Packages
			\$ 20,566,695	16.62	Total Adopted Budget

Portland International Raceway Fund

OVERVIEW

Portland International Raceway (PIR) is a separate enterprise fund within Portland Parks and Recreation. It is a self-sustaining operation that manages a world-class road course, a motor-cross track, open air exhibit areas, and complementary spectator facilities.

PIR events attract over 500,000 spectators each year.

The facility attracts over 500,000 spectators to about 135 events annually and is in use nearly every day of the year. The raceway provides a safe place for groups, clubs, and organizations to conduct both racing and non-racing vehicle-oriented events. More than 25,000 people participate in driver training courses, recreational shows, and competitive events annually.

Overview of Programs

PORTLAND INTERNATIONAL RACEWAY

Revenues to maintain the facility come from track rentals and a multi-year concessions agreement that grants the exclusive rights to sell food and beverage at PIR events. Except for the evening dragstrip races, PIR does not directly promote the events held at the track. Instead, it rents the track to private promoters or clubs who in turn organize the events.

In late 2003, PIR completed a ten-year master plan that will guide future capital improvements to the track. The primary constraint on capital improvements now is the availability of capital funding.

Open-wheeled racing using Indy-style cars has been the most high-profile type of racing at PIR for the past 20 years. The race track is known for hosting the G.I. Joe's Portland 200 race. PIR also hosts the Champ car races, another open-wheeled race.

While the high-profile professional motorsports scene is very much up in the air, PIR's bread-and-butter business from local club events, drag races, driver training, and other track rentals has been relatively healthy. That type of business does not bring in enough revenue to sustain a major capital improvement program, but it has been adequate to maintain the track at the level needed for those activities.

Portland International Raceway Fund AU 608

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
PORTLAND PARKS AND RECREATION						
Portland International Raceway Fund						
Portland International Raceway						
Workload						
P.I.R. Number of Use Days	524	520	577	643	675	675
P.I.R. Attendance (est.)	350,000	350,000	325,000	253,772	266,461	279,784

Portland International Raceway Fund AU 608

SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	507,276	480,171	519,672	535,538	535,538
External Materials and Services	453,400	643,662	699,269	600,499	600,499
Internal Materials and Services	266,690	321,886	185,065	168,280	168,280
Minor Capital Outlay	0	0	27,000	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	1,227,366	1,445,719	1,431,006	1,304,317	1,304,317
Capital Improvements	0	43,839	40,000	0	0
TOTAL BUREAU EXPENDITURES	\$ 1,227,366	\$ 1,489,558	\$ 1,471,006	\$ 1,304,317	\$ 1,304,317
Allocated Overhead	28,172	24,425	26,284	32,296	27,297
Total Cost with Allocated Overhead	1,255,538	1,513,983	1,497,290	1,336,613	1,331,614
RESOURCES					
Portland International Raceway Fund	1,227,366	1,489,558	1,471,006	1,304,317	1,304,317
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Portland International Raceway	1,227,366	1,489,558	1,471,006	1,304,317	1,304,317
<i>Positions</i>	<i>6.00</i>	<i>6.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
TOTAL PROGRAMS	\$ 1,227,366	\$ 1,489,558	\$ 1,471,006	\$ 1,304,317	\$ 1,304,317
<i>Positions</i>	<i>6.00</i>	<i>6.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>

Portland International Raceway Fund AU 608

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
1240	Maintenance Mechanic	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1200	Maintenance Worker	0.00	0.00	1.00	23,988	1.00	24,072	1.00	24,072
7130	Management Assistant	1.00	1.00	1.00	51,420	1.00	53,520	1.00	53,520
7855	Raceway Maintenance Supervisor	1.00	1.00	1.00	67,824	1.00	69,012	1.00	69,012
7857	Raceway Manager	1.00	1.00	1.00	74,970	1.00	78,008	1.00	78,008
1214	Turf Maintenance Technician	1.00	1.00	1.00	33,744	1.00	33,864	1.00	33,864
1211	Utility Worker II	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		6.00	6.00	5.00	\$ 251,946	5.00	\$ 258,476	5.00	\$ 258,476

Portland International Raceway Fund AU 608

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	1,893,882	0	1,893,882	5.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	(1,570)	0	(1,570)	0.00	OMF IA reductions
	1,570	0	1,570	0.00	Contingency offset
Approved Budget Additions and Reductions	0	0	0	0.00	None
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	0	0	0	0.00	Total FY 2005-06 Decision Packages
			\$ 1,893,882	5.00	Total Adopted Budget



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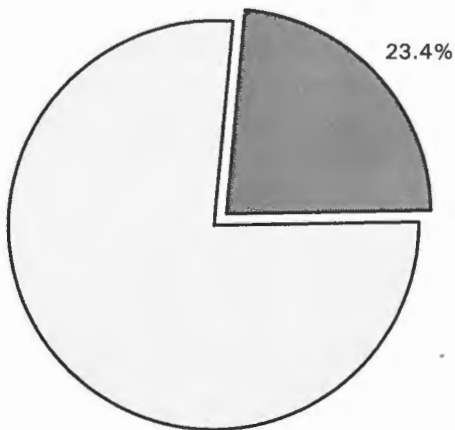
Public Utilities

Bureau of Environmental Services

Bureau of Water Works

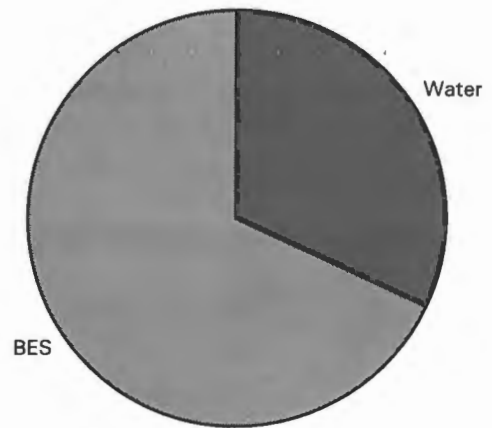
Percent of City Budget

Public Utility = \$332.2 Million



City Budget = \$1.42 Billion

Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	154,146,095	142,360,533	-11,785,562	-7.6%
Capital	193,817,424	189,798,249	-4,019,175	-2.1%
Total Expenditures	\$ 347,963,519	\$ 332,158,782	\$ -15,804,737	\$ -4.5%
Authorized Positions	922.84	936.90	14.06	1.5%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Service Area Highlights

DESCRIPTION

The Public Utilities service area includes utility services provided by the City. These services include water and sewer service, and stormwater management functions. This service area also includes administration of the Solid Waste and Recycling program, which is operated by private companies under franchise and permit systems for residential and commercial service, respectively. Solid Waste program administration is housed within the Office of Sustainable Development.

MAJOR THEMES

Utility Rate Increases

The Adopted Budget for FY 2005-06 includes an average effective retail rate increase for water service of 0.6%. The average single family sewer bill increase is 5.9%. The rate increase for water service is less than planned because of budget reductions. The sewer rate increase is consistent with the planned increase. Rates for residential solid waste and recycling service increase by 5.9%.

Bureau of Water Works

Adopted Budget

The FY 2005-06 Adopted Budget for the Bureau of Water Works (the Water Bureau) is \$105.7 million. The Water Bureau's budget consists of an operating budget of \$53.4 million (including \$566,204 for the Hydropower Division) and a capital budget of \$52.3 million. The operating budget decreased about \$7 million from the FY 2004-05 Revised Budget and the capital budget increased approximately \$9.7 million.

Merger with Powell Valley Road Water District

Pursuant to an intergovernmental agreement, the Powell Valley Road Water District merged with the Water Bureau on July 1, 2005. The City assumed responsibility for serving the approximately 11,000 customers in the former district.

Utility Customer Service

In FY 2004-05, the customer service functions of the Water Bureau were transferred to the Office of Management and Finance (OMF). OMF manages this service for the Water Bureau and Bureau of Environmental Services (BES), who reimburse OMF for the costs.

Customer Information System (CIS)

The City decided in FY 2004-05 to replace the current water and sewer CIS billing system. The Water Bureau is working with the Office of Management and Finance, the Bureau of Environmental Services, and the City Auditor's Office to complete the installation of the new system, which is scheduled for March 2006.

Bond Credit Rating

The Water Bureau continues to be assigned an Aa1 revenue bond credit rating from Moody's Investor's Service. This rating is one of the highest ratings held by a water utility nationally.

**Bureau of
Environmental
Services****Adopted Budget**

The FY 2005-06 Adopted Budget for the Bureau of Environmental Services is \$226.4 million. The total consists of an operating budget of \$88.9 million and a capital budget of \$137.5 million. The operating budget decreased about \$4.6 million compared to the FY 2004-05 Revised Budget, and the capital budget decreased approximately \$13.8 million.

Combined Sewer Overflow Program

The Combined Sewer Overflow (CSO) program continues to be the bureau's largest capital program, with surface water management, treatment, and maintenance being other significant areas of capital spending. The construction of the Westside Tunnel and Pump Station is in progress, and planning and design are underway for Eastside CSO projects.

Portland Harbor Sediments

This program manages the City's response to the federal Environmental Protection Agency's listing of the Willamette River Portland Harbor as a Superfund site. Funding for this program is budgeted at approximately \$4.1 million in FY 2005-06, a slight decrease from the FY 2004-05 Revised Budget.

**Office of Sustainable
Development****Adopted Budget**

The FY 2005-06 Adopted Budget for the Solid Waste and Recycling program is \$1.9 million, compared to the FY 2004-05 Revised Budget of \$2.1 million. Funding primarily supports the residential and commercial solid waste and recycling programs. Of the total, \$120,000 is budgeted for implementation of a food waste recycling program for large producers of food waste.

Solid Waste and Recycling is one program in the Office of Sustainable Development. See the Community Development section for discussion of this office.



Bureau of Environmental Services

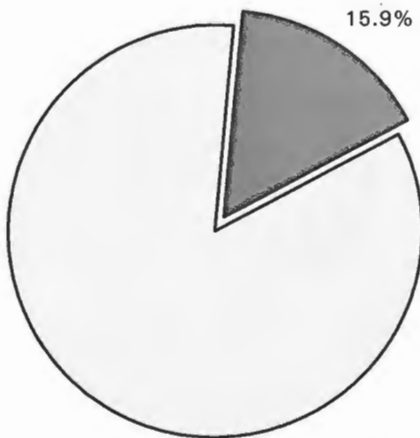
Public Utilities Service Area

Sam Adams, Commissioner-in-Charge

Dean Marriott, Director

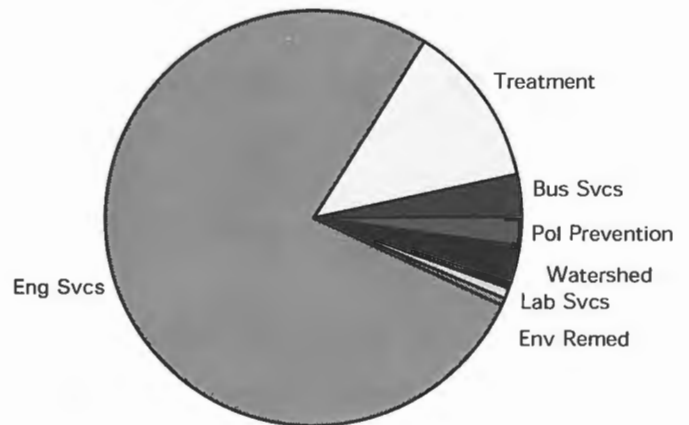
Percent of City Budget

BES = \$226.4 Million



City Budget = \$1.42 Billion

Bureau Programs

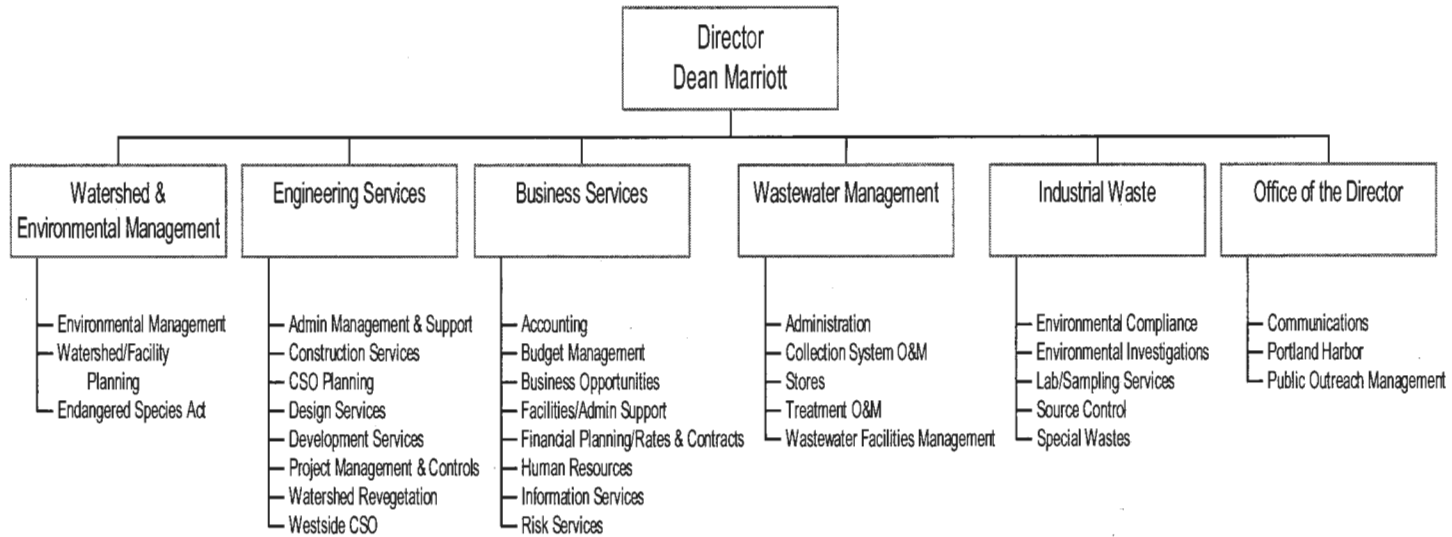


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	93,618,474	88,993,211	-4,625,263	-4.9%
Capital	151,252,042	137,456,249	-13,795,793	-9.1%
Total Expenditures	\$ 244,870,516	\$ 226,449,460	\$ -18,421,056	\$ -7.5%
Authorized Positions	486.09	480.50	-5.59	-1.2%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau of Environmental Services



Bureau Summary

BUREAU MISSION

The Bureau of Environmental Services serves the Portland community by protecting public health, water quality, and the environment.

We protect the quality of surface and ground waters and conduct activities that promote healthy ecosystems in our watersheds.

We provide sewage and stormwater collection and treatment services to accommodate Portland's current and future needs.

VISION AND VALUES

Bureau Values

The employees of the Bureau of Environmental Services

- ◆ Value Portland's natural environment;
- ◆ Practice environmental sustainability in their work;
- ◆ Promote environmental equity;
- ◆ Are proud of their work and accountable for their actions;
- ◆ Respect and honor the diversity and contributions of the bureau's co-workers;
- ◆ Help and encourage each other to succeed individually and as part of a team;
- ◆ Explore both traditional and innovative ways to achieve intended results;
- ◆ Provide responsive, cost effective, and reliable services to their customers;
- ◆ Value and promote the equitable development and use of historically underutilized businesses;
- ◆ Work in partnership with the community; and
- ◆ Promote a safe and healthy workplace.

Bureau Vision

A future built on sustainability that supports a vibrant community and assures a clean river legacy.

For the next five years the Bureau will focus on a set of guiding principles to help accomplish the Bureau vision. The Bureau's management goals will address four elements: stewardship of the sewer infrastructure, watersheds, and water quality; accountability for the community's investment in sewer and stormwater infrastructure, watersheds, and water quality in local rivers and streams; community partnership with private citizens, businesses, community and environmental groups, agencies and other jurisdictions; and environmental leadership, to influence both environmental and watershed health and national, state and local regulatory agendas.

BUREAU OVERVIEW

Organizational Description

The Bureau of Environmental Services is organized into six primary program areas: Engineering Services, Watershed and Environmental Management (formerly "Planning"), Pollution Prevention Services, Wastewater Treatment, Business Services and the Office of the Director.

The FY 2005-06 Adopted Budget reflects ongoing efforts to provide cost effective and efficient sanitary sewer and stormwater services, to meet state and federal regulatory requirements, and to promote healthy ecosystems in Portland's watersheds.

Total operating and capital program budgets decreased 5.6%.

The Bureau has maintained its commitment to restrain the growth of - and in some cases to reduce - operating and capital costs, while still meeting all service standards and regulatory mandates. The total Environmental Services budget, both operating and Capital Improvement Program (CIP) for sanitary and stormwater services, is \$226.4 million, 5.6% lower than the Revised Budget for FY 2004-05.

The bureau's operating budget reflects increased support for Portland Harbor Superfund.

The Adopted Budget reflects continued support for the CIP program, where 71% of the budget is attributable to the West and East Side Tunnel projects. It also includes increased costs for Portland Harbor Superfund remediation efforts, for geotechnical services for the CIP program, and Combined Sewer Overflow facility planning efforts. Several funding challenges materialized during the development of the FY 2005-06 Budget. These will be discussed within the Summary of Budget Decisions below.

SUMMARY OF BUDGET DECISIONS

Budget Changes

The Adopted Budget for FY 2005-06 reflects continuing efforts within the bureau to constrain growth in costs while supporting a high level of capital expenditures. In developing the Five Year Financial Plan, the bureau recognized an increase of \$200 million over previous estimates for the Eastside Tunnel project. This additional CIP funding put negative pressure on the Operating program, requiring about \$1.8 million of reductions from those programs to mitigate rate increases caused by the CIP. Further in the budget process, the bureau was informed that a permanent upward revision to the health care component of personal services costs would be necessary beginning in FY 2006-07, when the City's health care reserve will be depleted. This additional cost increase resulted in another \$825,000 in reductions to Operating programs. These reductions are taken a year in advance of the cost increase, with the cost reduction offset in FY 2005-06 by additional transfers from the Sewer Operating Fund to the Sewer Rate Stabilization Fund. The result of the reductions is detailed below.

Personal Services

The bureau is reducing 9.5 positions.

Personal Services remained the same primarily due to seven and one-half (net) position decreases. BES has a net reduction of 7.5 positions, including limited term, compared to the FY 2004-05 Revised Budget: seven technical positions were cut and two and one-half positions were cut primarily in overhead and operating personnel (one management, one clerical and one accounting position moved to half-time). Of the total position cuts, 6.5 are filled and 3 are vacant.

Two new positions include one technical staff to provide electrical/ instrumentation services for the Swan Island Pump Station and an extension of a limited term position that administers the Innovative Wet Weather Grant program. The entire staff (and resources) of the Portland Harbor Sediment program has been transferred to the Environmental Remediation Fund. This will reflect as a reduction of five positions to the Sewer Operating Fund and an increase of five positions to the Environmental Remediation Fund.

Operating expenses for External Materials and Services are decreased.

External Materials and Services

Funding of the bureau's total External Materials and Services (M&S) budget has decreased by 15.3%. The External M&S budget within the capital program has decreased 8.2%, reflecting a reduction of expenditures from design of the East Side Tunnel to infrastructure construction activities. Within operating programs, the External M&S budget falls by \$3.1 million or 12.1%. Changes are driven by reductions of over \$2.1 million that reflects 2004-05 Budget Adjustments made in the Fall of 2004. These budget adjustments are regarded as one-time only expenditures, allowing programs to carryover unspent budget for specific work items. Within the FY 2005-06 budget process, the Bureau reduced External Materials and Services another \$975,000.

Internal Materials and Services decreases 3.7% or \$1.5 Million in the Adopted Budget.

Internal Materials and Services

Internal Materials and Services, or services from other City bureaus, reflect a 3.7% decrease from the Revised Budget for:

- ◆ Reduction of \$4.6 million to the Water Bureau reflecting the reorganization of Water Bureau Customer Services to the Office of Management and Finance. The shift of services results in a separate interagency with "Customer Services" of \$6.5 million, an increase of this interagency over Revised Budget levels of \$2.5 million.
- ◆ Reduction of \$613,000 in BES Internal Services of Field and Laboratory Services and in the Watershed Revegetation Services to other programs. This reflects a reprioritization of services used in support of their programs and additional scrutiny of required needs.
- ◆ Reduction of \$232,000 in services from Parks. Most of the reduction is for CIP services with an additional targeted decrease of \$50,000 for services at the Columbia Blvd Wastewater Treatment Plant.
- ◆ Services from the Portland Transportation Bureau have been held to current budget levels reflecting a real decrease to PDOT of over \$450,000. Other increases and reductions are negligible.

Capital Outlay

Required funding for capital equipment of \$1.4 million within the operating programs has been reduced 50.4% from the Revised Budget due to changes in the bureau's equipment needs. A one-time purchase of \$330,000 for field monitors for EPA controls has been eliminated.

CIP infrastructure funding has decreased 2.9%, or \$3.3 million reflecting the completion of several projects.

BUDGET NOTES

The Bureau of Environmental Services and the Bureau of Water Works will conduct an analysis of the feasibility, costs, and potential savings of combining their finance and administrative functions. The bureaus will submit a joint report on their findings to Council by December 2005.

The Bureau of Environmental Services will work with the Office of Transportation (PDOT), Office of Sustainable Development, Bureau of Planning, and Bureau of Development Services (BDS) to prepare a Green Streets Development Opportunity Strategy. The effort will include partnerships with neighborhoods, business groups, and other interested parties. The goal is to develop a list of opportunities where the creation of green streets would fit with the character of the neighborhood, improve storm water management, and serve transportation needs. The list should include green street opportunities in higher profile areas, where visibility can assist in spreading the word about this approach to urban development. PDOT and BDS will identify and resolve permitting issues that might dampen the interest of private developers in participating in these innovative projects.

Strategic Direction

SIGNIFICANT ISSUES

Environmental Issues **Combined Sewer Overflows**

The City is subject to administrative orders issued by the Environmental Quality Commission relating to overflows from the combined sewer portion of the City's sewer system. The City has agreed to eliminate discharges that violate applicable water quality standards by December 1, 2011. CSO related capital costs total \$92.7 million in the FY 2005-06 Proposed Budget

Watershed Planning

BES leads the preparation of Portland's watershed plans to protect and restore urban waterways. The plans will provide a comprehensive framework to implement projects and apply management tools (within each sub-watershed) in a manner that achieves City River Renaissance goals to protect public health and safety, improve water quality, and restore watershed health. Watershed planning is a joint effort among a number of City bureaus to ensure a clean and healthy river.

Endangered Species Act

Listing of steelhead and Chinook salmon under the ESA.

In March of 1998 and March of 1999 the National Marine Fisheries Service (NOAA Fisheries) issued final rules to list the Lower Columbia steelhead and Chinook salmon as threatened species under the Endangered Species Act. The City has established a comprehensive framework for developing a Portland-specific recovery plan for these species. BES is developing comprehensive watershed plans for the Willamette River watershed as well as for the Fanno/ Tryon Creek, Johnson Creek, and Columbia Slough sub-watersheds. These comprehensive plans will provide the background information and recommendations for improved watershed health that will guide the City's fish recovery efforts.

Portland Harbor Sediments

EPA has listed Portland Harbor as a Superfund site.

The Environmental Protection Agency (EPA) has listed the Willamette River Portland Harbor as a Superfund site on the National Priorities List. The site is approximately six river miles in length, extending from the Multnomah Channel to the Swan Island industrial area, all within the corporate boundaries of Portland.

The City participates in the Lower Willamette Group, consisting of potentially responsible parties that have negotiated an administrative order with the EPA to fund and define the parameters of a remedial investigation and feasibility study to determine the extent of contamination in the Harbor. The City's potential contribution of contaminants is associated with stormwater discharges to the river through combined sewer outfalls and at two specific sites: the Water Pollution Control Laboratory site and the Linnton oil fire training ground site.

Total costs of cleanup are not known at this time.

The total costs associated with the clean up and the City's share of those costs is unknown, so the Bureau cannot predict the financial impact on the sewer system at this time. The Bureau is completing an outfall evaluation plan in cooperation with the Oregon DEQ. Information on current and past land uses in tributary areas will be used to identify upland sources of contaminants already noted through sampling and testing. Clean up and restoration will also make use of the bureau's comprehensive watershed planning efforts underway. The City is preparing to assess potential restoration activities with the Natural Resource Trustees, and is working with the U.S. Army Corps of Engineers to obtain substantial funding for natural resources restoration on the lower Willamette River under the Water Resources Development Act. Based on the first three years of the City's involvement with the Superfund site, the anticipated costs are approximately \$19 million over the next five years.

Water Quality Compliance

*National Pollutant Discharge Elimination System
Municipal Stormwater Permit*

The City's national Pollutant Discharge Elimination System (NPDES) stormwater permit, first issued in 1995, requires that the City and its co-permittees (Multnomah County and the Port of Portland) implement stormwater management programs to reduce pollutant discharges "to the maximum extent practicable" from their respective municipal stormwater systems. Although a renewed five-year permit was issued by the Oregon Department of Environmental Quality (DEQ) in March 2004, DEQ is reconsidering requirements in the permit. The reconsideration may result in more stringent permit conditions, expected to become final in FY 2005-06.

BES works to improve water quality to meet State DEQ requirements.

Most of the waterways in Portland are water quality limited under Section 303(d) of the Clean Water Act, and thus subject to the issuance of Total Maximum Daily Loads (TMDLs). For instance, the water quality of the Columbia Slough has been affected by municipal and industrial stormwater discharges.

Based on data from a City assessment of the slough, the DEQ has prepared draft TMDLs for bacteria, dissolved oxygen, toxic pollutants, and eutrophication. Specific implementation requirements of the TMDLs for the Columbia Slough are being negotiated between DEQ and the City as part of a watershed approach that also includes the sediment program. Implementation of stormwater-related components of the TMDL will be included in the City's renewed National Pollutant Discharge Elimination System (NPDES) stormwater permit. Early estimates on the cost of implementation range from \$2.5 to \$10 million over a five-year period.

New water quality standards issued for the Tualatin River.

The Tualatin River has recently been reissued TMDLs for an expanded list of water quality parameters including bacteria, dissolved oxygen, phosphorous, and temperature. The City is in the process of planning, pre-design, design, and implementation of various measures, including water quality facilities, to meet the TMDL requirements applicable within the city.

The next major TMDL issuance will be for the Willamette River and its tributaries. The DEQ is expected to finalize TMDLs for the Willamette basin during FY 2005-06. TMDLs will be prepared for bacteria, temperature, and mercury in the Willamette River, for DDT, dieldrin, bacteria, and temperature in Johnson Creek, and for temperature in the Columbia Slough and Tryon Creek. These new TMDLs are in addition to existing TMDLs already developed by DEQ for the Columbia Slough and the City's portion of the Tualatin Basin and

Fanno Creek. The Bureau is adjusting its water quality monitoring program to support the development of these TMDLs. The City is coordinating its data collection efforts with other regional jurisdictions and agencies (such as the Oregon Association of Clean Water Agencies) in order to be an effective participant in this process. The ultimate cost of complying with the new TMDLs is unknown at this time.

Columbia Slough Sediments

BES works with the State DEQ to identify contaminants in the Columbia Slough.

On October 7, 1993 the City entered into a consent order with the DEQ to conduct a remedial investigation and feasibility study of contaminated sediments in the Columbia Slough. The main purposes of the study were to determine which contaminants are present and at what levels, define the types of risks posed, identify hot spots of sediment contamination, and propose types of cleanup actions.

Of the 17 areas identified as potentially high risk by the City, so far 10 have been characterized. Only one of these sites, located in the Marx-Whitaker Slough between NE 122nd Avenue and NE 128th Avenue, is currently known to require any in-stream work. Costs for this work, projected to occur in FY 2006-07, range from \$375,000 to \$2 million. Implementation of this in-stream work depends on the time line required by DEQ, which will be negotiated in FY 2004-05. The remaining work, particularly in the Lower Slough, is focused on further characterization of seven of the high-risk sites.

Operational Issues

Sewer System Operations

The City is required to operate the wastewater utility to protect public health, water quality and the environment. The Bureau's requested operating budget includes \$37 million to support the operation and maintenance of the wastewater treatment and collection system to avoid sanitary sewer overflows. This include operation of the two treatment plants with combined secondary treatment capacity of 108 million gallons per day, cleaning and repair of approximately 2,341 miles of sewer pipe, operation and maintenance of 91 pumping stations, and pollution prevention activities to keep harmful wastes from entering the sewer system.

Maintenance and Reliability for Capital Assets

The City must have a comprehensive maintenance and reliability strategy to keep the sewer system operating effectively. The Bureau's requested budget includes \$16.7 million to support repair and replacement of sewer system assets to prevent catastrophic failures.

Rate Issues

Stormwater Management Charge Discounts

In FY 2000, Council instructed the Bureau to develop a stormwater management charge discount program that recognizes customers' on-site stormwater management actions. At the time it was recognized that the discount program would not be implemented until the Customer Billing System had been successfully replaced.

The specific design of that program and the rate impacts of implementing it require discussion before implementing it.

MANAGEMENT GOALS & OBJECTIVES

City and BES goals **City Goal: Protect and enhance the natural and built environment.**

BES Goal: Preserve, protect and improve infrastructure.

BES will plan, operate, maintain and construct wastewater and stormwater utilities that meet the community's current and future needs. The bureau will use effective project management and delivery systems in planning and constructing facilities. Objectives include:

- ◆ Preserve and enhance wastewater and stormwater assets through effective inventory assessment and reinvestment.
- ◆ Control sewer overflows and reduce basement flooding caused by the sewer collection system.
- ◆ Implement and evaluate innovative technologies through demonstration and pilot projects.
- ◆ Integrate natural system concepts into design, construction and maintenance of utility systems that retain or improve current service levels.

BES Goal: Improve watershed health within our urban community.

The Bureau will evaluate the impact programs, projects and actions have on watershed health and seek solutions that will improve watershed health, meet more than one regulatory requirement and reduce long term costs. Objectives include:

- ◆ Educate and communicate the advantages of watershed health evaluations before conducting programs and implementing projects.
- ◆ Develop watershed health evaluation procedures.
- ◆ Provide technical assistance and training on the evaluation procedures.

BES Goal: Face funding limitations and spend ratepayer dollars wisely.

The Bureau will ensure we have the financial resources to support current and planned activities while being sensitive to financial impacts and rate equitability. Objectives include:

- ◆ Prioritize programs in the financial planning process to limit rate increases.
- ◆ Improve employee understanding of the financial impact their work has on sewer rates.
- ◆ Seek funding sources to support programs and reduce the impact to ratepayers.

BES Goal: Meet regulatory requirements

The Bureau will meet all local, state and federal regulations through a multi-objective, proactive approach. Objectives include:

- ◆ Operate the utility to meet regulatory requirements.
- ◆ Develop programs that meet more than one regulatory requirement.
- ◆ Work in partnership with other agencies to shape regulations that apply to our work.
- ◆ Implement and enforce regulations in a fair and consistent manner.

BES Goal: Increase pollution prevention

The Bureau will develop effective, innovative programs to prevent or control pollution at its source to reduce pollution and long-term costs. Objectives include:

- ◆ Provide technical assistance on pollution prevention techniques.
- ◆ Inform and involve others in pollution prevention activities.
- ◆ Partner with customers to control pollutants at the source.

BES Goal: Communicate openly and effectively

The Bureau seeks to have a well-informed community that is involved in the Bureau's decision-making and understands the value they receive for their rate dollars. Objectives include:

- ◆ Involve citizens in decision-making for Bureau work priorities.
- ◆ Inform and educate citizens on what we do, how we do and what it costs.
- ◆ Improve internal communications.
- ◆ Monitor communications effectiveness.

BES Goal: Advocate for and support Team BES

The Bureau will provide a workplace that encourages safety, teamwork, collaboration and City-wide integration. Objectives include:

- ◆ Develop a training program to insure knowledge transfer necessitated by employee attrition.
- ◆ Manage performance and recognize excellence.
- ◆ Continue the Bureau's comprehensive safety program.
- ◆ Recruit employees with excellent skills and bring diversity to the workplace.

Overview of Programs

ENGINEERING SERVICES

The Engineering Services group is responsible for developing the bureau's capital improvement plan, system planning, managing implementation of capital projects, providing engineering services to all bureau programs, and managing the bureau's Development Services program.

Engineering Services Divisions and Programs

Program Management & Controls

Program Management & Controls develops the bureau's annual capital budget and five-year capital improvement plan. Project schedules and budgets are monitored to ensure timely and cost effective progress towards completion of capital projects. This division also has responsibility to maintain engineering standards and provide engineering support services to the rest of the group.

System Planning

System planning for the bureau is done within this division. Included are planning for all facilities including pump station, treatment plant and collection system as well as program management and coordination services for the Combined Sewer Overflow Program to ensure the requirements of the Amended Stipulation and Final Order are met in a timely, cost effective, and functional manner.

Design Services

The Design Services division provides project management and engineering design services, and is responsible for ensuring each assigned project accomplishes its intended purpose on schedule, within budget, at best value, and in a manner consistent with City and bureau missions and values. In addition, this division provides professional engineering expertise to other divisions and groups in the bureau. The Design Services division also administers the Revegetation program.

Construction Services

This division provides construction management and inspection services for bureau projects and provides materials testing services for both bureau projects and projects managed by other City bureaus.

Development Services

The Development Services division assists developers and other customers and supports City development goals, by reviewing and approving plans and issuing permits. This division also has primary responsibility to develop and revise the City's Stormwater Manual and to implement policies that protect water resources and stream integrity.

Administrative Services/Downspout Disconnect

This division is responsible for managing the group's operations and provides personnel and contract services. The Downspout Disconnection program is also managed within this division.

Willamette River CSO

The Willamette River CSO Program provides project management, engineering design, and construction management services for the large west and east side projects including the West Side Tunnel, East Side Tunnel, Swan Island Pump Station and Force Mains. The Chief Engineer responsible for the Willamette River CSO program reports directly to the Bureau Director.

Relationship to Goals	Engineering Services supports the City Goal of protecting and enhancing the natural and built environment by preserving, protecting, and enhancing infrastructure. Engineering Services manages wastewater and stormwater assets to preserve and enhance the value of the community's investment; aggressively controlling sewer overflows and basement flooding; exploring and evaluating innovative technologies and solutions; and integrating natural system concepts into design, construction and maintenance of systems that retain or improve the current service level.
Performance	<p>Measurements include:</p> <ul style="list-style-type: none"> ◆ An estimated 55% of combined sewer overflow volumes have been diverted from the rivers and receive treatment. This will increase only slightly until the West Side CSO abatement facilities come on-line in FY 2007. ◆ An additional 3,000 roof drains will be disconnected from the combined sewer in the coming fiscal year in accordance with the CSO program schedule, increasing the current number of 47,200 disconnected roof drains to 50,200. ◆ Construction management costs are forecast to total 12% of total construction costs. ◆ At a 99.9% disconnection rate, almost all cesspools in the Mid County area will be decommissioned, reflecting only a few properties left to be connected to the sewer system.
Changes to Services and Activities	No significant changes for 2005-06. Two vacant positions were eliminated, an Engineer and a GIS Technician III. Internal program adjustments include reassigning staff to facility planning in lieu of outside consulting.

WATERSHED AND ENVIRONMENTAL MANAGEMENT

The Watershed and Environmental Management (WEM) FY 2005-06 budget covers the fifth full year under integrated watershed management of the Clean River Plan (CRP). The CRP provides coordination of, and consistent direction for, the goals and priorities of all bureau activities in conjunction with the bureau's Strategic Plan and River Renaissance objectives.

The Watershed and Environmental Management (formerly "Planning") Group is responsible for developing a watershed management plan covering all of the City's urban watersheds, developing policies and programs needed to implement the Clean River Plan and meet federal and state regulations. Planning conducts watershed assessments, monitors and evaluates the effectiveness of stormwater management practices, promotes and implements sustainable site development projects, develops new policies, interprets state and federal surface and groundwater policies and regulations, and implements projects to protect and restore watershed functions.

Watershed and Environmental Management Group Responsibilities and Programs

Watershed Management Plans

The Watershed and Environmental Management Group develops and coordinates implementation of a watershed management plan (Plan), within the context of the City's Clean River Plan and River Renaissance Strategy, as well as regulatory requirements of the Clean Water Act, the Safe Drinking Water Act, the Endangered Species Act, and other laws and programs. Planning applies engineering, economic, and scientific principles and restoration guidelines to select or recommend courses of action to meet watershed specific needs and objectives. The Plan is reviewed by the public, the City's Watershed Science Advisory Group, and other venues. It becomes the basis for future budgeting and regulatory compliance. BES periodically updates or refines Plan elements based on effectiveness of actions taken.

Coordination and Policy Development

The Watershed and Environmental Management Group is responsible for developing environmental policies and coordinating with other bureaus, interest groups, and federal, state, and local agencies involved in environmental planning that may affect the City. The group helps shape environmental policy and regulations.

WEM also prepares BES' responses to federal and state regulations and facilitates BES' participation in development of policies made elsewhere in the City. Through partnerships and collaboration, WEM works to not only comply with regulations, but also influence environmental legislation and codes to meet the bureau's mission and goals.

Stormwater Management

The Watershed and Environmental Management Group is responsible for program development and coordination of activities related to the City's National Pollutant Discharge Elimination System (NPDES), Municipal Stormwater Permit, and its state water pollution control facility (WPCF) permit for the City's stormwater sumps. WEM coordinates permit implementation actions within BES and with other bureaus, as well as with stormwater NPDES permit co-permittees: the Port of Portland and Multnomah County.

In late 2001, the Environmental Protection Agency (EPA) classified subsurface stormwater infiltration facilities as Class V Underground Injection Control (UIC) wells. As a result of this classification, the City's stormwater sumps fall under Safe Drinking Water Act regulations. WEM is developing a UIC and groundwater protection program in coordination with other bureaus and jurisdictions.

The Watershed and Environmental Management Group also provides policy and technical assistance, education, and outreach to demonstrate and create incentives for projects related to sustainable stormwater practices. Those efforts assist the City in meeting resource protection and environmental compliance goals by integrating sustainable stormwater management practices into the urban environment. Sustainable practices reduce the volume of stormwater entering the combined system, mitigate impacts to sensitive habitats, and reduce stormwater pollutants. Projects that accomplish these goals include eco-roofs, green streets and parking lots, and downspout disconnections.

Endangered Species Act

The ESA Program transferred from the Bureau of Planning to BES in FY 2004-05. The ESA Program has had a number of successes over the past several years, including the recent release of the comprehensive "Framework for Integrated Management of River and Watershed Health," which is guiding the development and implementation of the watershed plan. The ESA Program also has spearheaded the successful permit streamlining agreement and team. The streamlining work has proved invaluable to a variety of BES and other bureaus' projects. The ESA Program's planning and analysis work has been integrated into the bureau's overall watershed programs. The program's work continues in support of other City bureaus and coordination at the regional level.

Relationship to Goals

Watershed and Environmental Management supports the City Goal of protecting and enhancing the natural and built environment by improving watershed health within our urban community. Watershed and Environmental Management promotes the advantages of considering watershed health when developing and implementing programs and projects; develops procedures for assessing the impacts that projects may have on watershed health, water quality and native salmon and other species; and provides technical assistance and training for BES and other City staff on how to assess projects and reduce impacts to watershed health.

Performance

Measurements include:

- ◆ An additional 3,000 feet of streambank will be restored in FY2006, bringing the cumulative total restored to 328,894 feet.
- ◆ Last year 11,000 people participated in projects organized or catalyzed by the Stewardship Program, the same number as in the previous year. Our goal for the coming year is to maintain the level of participation at 11,000.

Changes to Services and Activities

A GIS Technician II providing GIS modeling services to the Watershed Program is eliminated for FY 2005-06. This service will be provided by current staff dedicated to GIS.

Two Environmental Technician II Limited Term positions will be converted to FTEs, providing continuity in the work of sustainable stormwater management technology demonstration projects, policy development such as the Vegetation and Eco-Roof policies, point of contact with the public and the principle neighborhood liaison for community related sustainable stormwater projects. The other converted FTE designs and implements Willamette Watershed projects related to the assessment of watershed conditions and improvement of watershed health. These projects involve collecting and organizing complex data sets, communicating with impacted members of the community and working with our Capital Engineering Program staff to identify essential watershed health related activities (actions that are necessary and can be cost effectively integrated into infrastructure maintenance and repair. Examples include, SW Texas Green streets and Burlingame Sanitary Sewer pipe repair).

Further reductions to WEM include professional services (outside consulting) cuts of nearly \$175,000 specifically impacting ESA resources and planning and implementation of Fanno Basin Infiltration and Inflow issues (study is completed). The ESA professional services will be replaced by a recently received grant not shown in this budget. As compared to the 04-05 Adopted Budget, other resource shifting (+\$60,000) included emphasis on implementation of Sustainable Stormwater Projects and reducing planned agreements with other agencies as pilot projects wind down. Monitoring projects within WEM have been reduced by \$80,000 representing changes within WEM monitoring needs and monitoring timing protocol.

WASTEWATER TREATMENT

The Wastewater Group (WG) protects public health, water quality and the environment by operating and maintaining wastewater and stormwater collection and treatment facilities and managing programs in a manner that ensures compliance with applicable permits, regulations and contracts.

Operates and maintains sewer system infrastructure.

The WG operates and maintains sewage and stormwater collection, conveyance, and in-line treatment systems. In addition to two sewage treatment plants, this system includes 91 pump stations, 2,341 miles of pipeline, approximately 9,000 stormwater sumps, 122 miles of ditches, 20 miles of culverts, 160 pollution reduction facilities and 120 detention facilities.

Maintenance for sewer and stormwater collection facilities is provided through an interagency agreement with the City's Bureau of Maintenance.

Services provided by the WG also include GIS/Mapping and as-built services, stormwater residuals management, vector control contract management, emergency capital repair, and response to customer inquiries. The WG manages internal support services including computerized maintenance management, facilities management, and inventory management and acquisition, to support wastewater and stormwater collection and treatment operations.

Relationship to Goals

Wastewater Management supports the City Goal of protecting and enhancing the natural and built environment by meeting our regulatory requirements. Wastewater Management efficiently operates and maintains the wastewater system to meet regulatory requirements and creates, implements and evaluates innovative programs to respond to existing and new permit requirements.

Performance

Measurements include:

- ◆ For the current year, the wastewater treatment process removed 95% of biochemical oxygen demand from treated wastewater, compared with 96% for the previous year. Our goal for the coming year is to maintain this level of performance.
- ◆ During the current year, we processed 115 million gallons of wastewater per operating and maintenance employee (including Bureau of Maintenance employees), up from 113 for the previous year. Our goal for the coming year is to increase this to 117 million gallons per employee.
- ◆ Our treatment facilities processed an average of 28.1 billion gallons of wastewater for the current year, as in the previous year. Our projection is an average of 29.1 billion gallons for next year.

Changes to Services and Activities

The Wastewater Program budget maintains current service levels and will curb program growth and absorb increases for the second consecutive budget cycle. This budget will allow the Program to focus services in core areas of operation, inspection, condition-assessment, and preventive maintenance and planned corrective maintenance.

Increases to this program includes an Electrician/Instrumentation FTE and modest increases in utility costs for the Swan Island Pump Station, which will come on-line in the FY 2005-06. Reductions include an elimination of a filled Wastewater Operator II and holding the services received from the Bureau of Maintenance to current funding levels - a real reduction of over \$400,000 when compared to inflation, personnel services and materials increases passed through to Environmental Services.

POLLUTION PREVENTION SERVICES

The Pollution Prevention Services Group includes four functional divisions: Source Control, Environmental Investigations, Environmental Compliance and Enforcement, and Special Waste.

Pollution Prevention Services Responsibilities and Programs**Source Control**

The Source Control division provides environmental oversight and technical services to industrial and commercial customers to control or eliminate pollutants to wastewater or stormwater discharges. Services include permitting and enforcement activities, industrial and commercial development plan reviews, best management plans, education, and alternative discharge control strategies as well as development and support of voluntary partnerships with regional organizations and business associations.

Environmental Investigations

The Environmental Investigations division provides sampling and monitoring services, data collection and analysis, environmental process management, consultation and report development and preparation services for the bureau. Services include management of the bureau's hydrological data retrieval and alarm system, which provides remote telemetry sensing of sewer flows, rainfall, and pump station operations throughout the city, field sampling and flow monitoring and laboratory analysis, as well as sampling plan and protocol development and data interpretation.

Environmental Compliance and Enforcement

The Environmental Compliance division manages the bureau's regulatory enforcement process, which includes industrial pretreatment, stormwater, and other environmental regulations under the bureau's authority. The division also ensures bureau compliance with its state and federal regulatory obligations including permits governing wastewater collection and treatment. The division also includes the Spill Protection and Citizen Response section.

Special Waste

The Special Waste division is responsible for environmental assessment and clean-up of contamination on property in which the bureau has an interest. The division also provides this service on a cost-reimbursement basis to a large number of City bureaus, as well as designated Brownfield properties.

Public Utilities Service Area

Brownfield Program provides remediation efforts for contaminated property.

This Division also includes the Brownfield program. This program involves contaminated site assessment, cleanup and redevelopment activities through use of federal Brownfield grants, matching funds from the City and other public agencies and investment by private sector partners. The focus of the program is to return previously contaminated property to productive economic and community use through partnership with neighborhoods and businesses.

Relationship to Goals

Pollution Prevention Services supports the City Goal of protecting and enhancing the natural and built environment by increasing pollution prevention. Pollution Prevention Services provides technical assistance internally and externally to help others prevent pollution; informs and involves City staff and citizens in pollution prevention activities; and partners with customers to prevent or control pollution at the source.

Performance

Measurements include:

- ◆ This year we expect 99% of industrial enforcement tests to be in full compliance, which is the same level of performance as last year. Our goal for the coming year is to work with customers to maintain this level of performance.
- ◆ Site investigations and remediations required an average expenditure of \$2,000 down from \$2,130 per site for the previous year. Our goal for the coming year is to keep average site expenditures at or below the current level.
- ◆ Our Water Pollution Control Laboratory performed 35,000 lab analyses for the current year, down from 45,000 for the previous year. We are forecasting a return to 45,000 analyses for the coming year.

Changes to Services and Activities

The Pollution Prevention Program eliminated Three FTE positions and the entire Intern Program for 2005-06.

Two Environmental Technician IIs were eliminated. The service impact is as follows:

One FTE administered the mandatory industrial user survey (part of the Pretreatment portion of the NPDES permit), worked with the dentists and silver users to eliminate mercury and silver from the waste stream (the mercury prevention is part of our TMDL BMP) and provided enforcement activities on our "hot spot" grease program. These services will be continued at lower levels by the remaining staff and supervisory personnel.

The other 2 FTEs supported the Industrial Stormwater Program. The position was also to provide support in source investigation work and stormwater management programs at industrial/commercial properties in response to requirements of the UIC permit. These services will be continued by the remaining staff and supervisory personnel in their normal workloads since this is a vacant position.

An Office Support Specialist II was eliminated. This filled position served as the receptionist for the Water Pollution Control Lab facility. These duties will be absorbed by current administrative staff and temporary help.

The entire Intern Program for Pollution Prevention Services Program has been eliminated in this budget, a cut of over \$120,000, representing seven intern opportunities. Interns are used for short-duration information gathering projects and provide valuable technical work training for environmental college students. These program requirements will be done by the remaining staff.

BUSINESS SERVICES

The Business Services Group includes accounting and contract services, financial planning, human resources, risk services, information systems, grant administration, facilities and administrative services, bureau budget development and management, and Business Opportunity programs.

The Business Service Group develops and recommends bureau-wide policies and practices related to all aspects of financial operations and administrative services, including coordination with the Office of Management and Finance.

Business Services Group Programs and Divisions

Business Services Administration

Business Services Administration provides direction and support to divisions of the Group, and includes the functional areas of Budget Development and Management, Grant Administration, and the Business Opportunity Program.

Budget Development and Management

Budget Development and Management provides bureau-wide coordination for the annual budget development process, acts as the access point between the Office of Management and Finance related to the Bureaus' budget activities, and provides analysis and technical budget management activities throughout the year.

Grant Administration

Grant Administration oversees pursuit of grant funding for projects that support the goals and responsibilities of the Bureau. In addition, this area is responsible for managing, tracking, reporting, and closing out all grants activities for the Bureau

Business Opportunity Program

The Business Opportunity program has two primary goals: maximize the utilization of minority, women and emerging small businesses (M/ W/ESBs) in all bureau contracting opportunities and create a favorable business environment in which these businesses can expand their capability to become and remain competitive.

Facilities and Administrative Services Division

Facilities and Administrative Services coordinates and manages bureau-wide administrative services, including records management, training and development, human resources administrative support, property management and administration, and management of the interagency agreements for communications, fleet, space acquisition and facilities planning, and printing and distribution.

Information Services Division

Information Services manages information technology in support of bureau programs and manages the interagency agreement with the Bureau of Technology Services (BTS) for a variety of services. The Information Services Division provides bureau-wide planning of information requirements and solutions including application development and implementation, and in coordination with BTS, manages ongoing operations and improvements to the bureau's technology infrastructure and services.

Accounting and Contracts Services Division

Accounting and Contracts Services Division is responsible for all financial transaction processing and reporting for the bureau. This includes payroll, accounts payable, accounts receivable, grants, project tracking, contract tracking, and year-end financial reporting.

Additionally, the Accounting Services Division oversees the Contract Management function, including assistance with solicitation, selection, disputes and protests, and administration of contracts to ensure compliance with the bureau's contracting policy and procedures, City Code, and other applicable laws, regulations, and policies.

Risk Services Division

Risk Services administers loss control and safety for the bureau and owner controlled insurance programs for the capital program.

Financial Management Division

Financial Management is responsible for financial planning and forecasting, wholesale service contract development and administration, debt management, and user fee and system development charge ratemaking. The division develops and recommends policies relating to funding for bureau services and cost recovery methodologies. Division staff also coordinate with the Office of Management and Finance on customer service issues regarding rates and charges, and perform rate and billing calculations for specialized sewer services.

Relationship to Goals

Business Services supports the City Goal of protecting and enhancing the natural and built environment by facing funding limitations and ensuring that ratepayer dollars are spent wisely. Business Services plays a key role in prioritizing programs to limit rate increases and reflect those choices in the Bureau's financial plan; works to maintain a strong bond rating on the Bureau's revenue debt; works to improve employees' understanding of the financial impact their work and expenditures have on sewer and stormwater rates; and seeks funding sources to support programs and reduce impacts to ratepayers.

Performance

Measurements include:

- ◆ The Bureau's debt service coverage ratio for first-lien revenue bonds is 2.10 for the current year, and expected to be 1.86 for the coming year. Our goal is to reduce this to the financial planning standard of 1.50 over the coming five years.
- ◆ Our current bond rating is A1/A+, a strong rating for a sewer revenue credit. Our goal is to maintain this rating.
- ◆ Hours lost to injuries were 5.3 for the current year, up from 4.3 for the previous year. Our goal for the coming year is to reduce time lost to injuries to a level at or below 4.3 hours.

Changes to Services and Activities

The Business Services Program reduced FTEs by 2.5. Two FTEs were a vacant supervisory position in BES' Information Systems Division and a Senior Financial Analyst position in the Budget Section. An Accounting position was reduced to half-time. Additional cuts reduced reserves (for unanticipated costs) by \$130,000 and another \$100,000 of Debt interagency costs were moved to the Construction Fund to represent services related to bond issuance.

All reductions within Business Services will not require changes in service levels to customers and activities previously done by the positions will be absorbed within remaining staff.

Increases to this program are resources for debt auction fees and collection fees for customer service billing issues.

OFFICE OF THE DIRECTOR

The Office of the Director manages the Bureau of Environmental Services, coordinates the activities of the Bureau's five operating groups, and ensures timely and appropriate response to the public, City ratepayers, and regulatory agencies. Coordination includes overseeing the development of the Bureau budget and managing review of programs, projects, and services offered by the Bureau.

The Office of the Director develops and maintains Bureau policies, and develops environmental policy recommendations for City Council consideration. The office works closely with other City bureaus, regulatory agencies, and the Natural Resource Trustees and tribal governments on local, state, and national environmental issues. The Director provides immediate supervision of the bureau's Communications division and the Portland Harbor Superfund program.

Office of the Director Programs

Communications Division

The Communications division provides public information, communication planning, public involvement, environmental education and internal communication services to keep the public, ratepayers and bureau employees informed about the work of the Bureau. Such services are required to meet the mandates of several state permits.

- ◆ Public involvement services ensure there is a process for shared decision making with the community regarding our \$600 million capital program that will impact a number of neighborhoods in Portland.
- ◆ Public information services include graphic design, publications, signage, public notification, media relations and public service announcements and campaigns.
- ◆ Environmental Education services include classroom presentation, fieldwork with students, assembly programs and teacher workshops.

Portland Harbor Superfund

The Portland Harbor Superfund program is managed through the Office of the Director and is funded within the Environmental Remediation Fund. The program manager for the Portland Harbor Superfund clean-up activity reports to the bureau director. The existence of the bureau's Superfund program is recognition by Council that a strong City presence in the Superfund cleanup is critical.

The City is a member of the Lower Willamette Group, a group of private and public entities who have signed an agreement with the Environmental Protection Agency to fund a contaminated sediment investigation. Program staff work with natural trustee agencies on restoration efforts, and are developing long term working relationships with several tribal governments involved in the project. The City also has a role as a party potentially responsible for cleaning up contaminated sediments.

The City's involvement includes assessing the potential of the City's stormwater conveyance system to carry contamination from upland sources to the river sediments. Program staff, working with other City staff, are spearheading a Lower Willamette Ecosystem Restoration project with the Corps of Engineers under the authority of the Water Resources Development Act (WRDA). The program manager represents the City at a management level in the Lower Willamette Group, and with the Tribal governments and federal and state agencies.

Relationship to Goals

The Office of the Director supports the city goal of protecting and enhancing the natural and built environment by communicating openly and effectively. The Director's Office informs and educates citizens on what we do, how we do it and what it will cost; improves the internal communications network; monitors the effectiveness of our communications; and involves citizens in the decision-making process for the Bureau's work.

Performance

Measurements include:

- ◆ 10,000 students have been provided with Bureau education programs during the current year. This is less than the 22,208 students from the previous year, and reflects increasingly tight resource constraints. Our goal is to maintain the current level of educational outreach for the coming year.
- ◆ The Bureau has applied for and been awarded a grant from the Oregon Watershed Enhancement Board that will enable us to increase participation above the current year's level. The goal will be revised upward when the funds have been received.

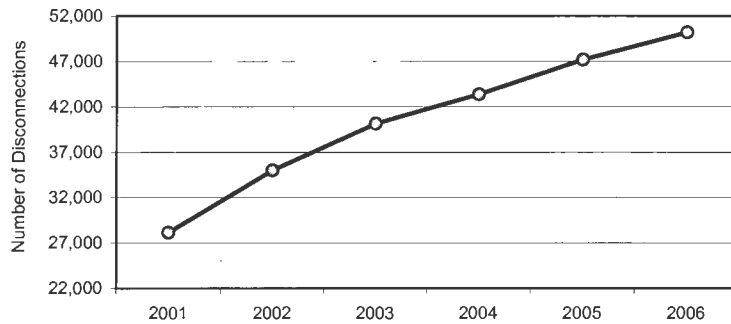
Changes to Services and Activities

No significant changes for 2005-06.

Performance Measures

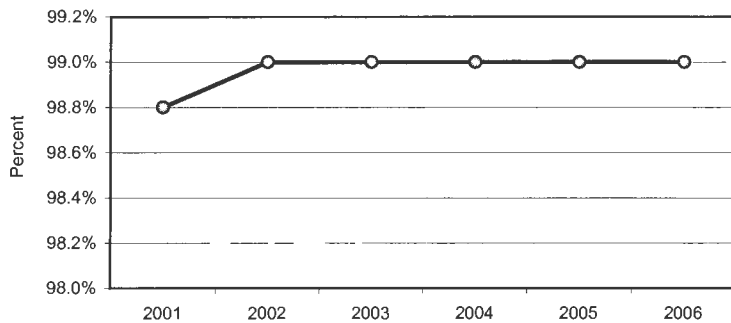
Roof Drain Disconnections

- ◆ Roof drain disconnections will proceed in accordance with CSO program schedules.



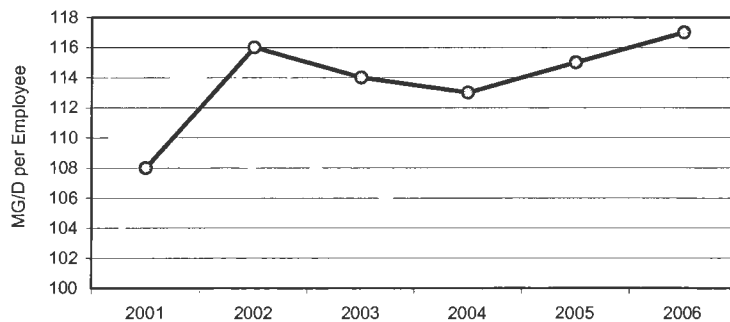
Enforcement Tests

- ◆ Percent of industrial enforcement tests in full compliance.



Wastewater Processed

- ◆ As millions of gallons per day of wastewater processed increases, the employees find operating efficiencies.



Bureau of Environmental Services AU 145-148, 150, 246

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF ENVIRONMENTAL SERVICES						
Business Services						
Effectiveness						
Maintain the bureau's debt service coverage ratio at 1.5 or greater	1.45	1.45	1.55	1.80	2.10	1.86
Maintain the bureau's combined 1st and 2nd debt service coverage ratio at 1.3 or greater	NA	NA	NA	1.54	1.65	1.46
Efficiency						
Time loss hours (due to injuries)	3.60	3.60	2.20	4.30	5.30	4.30
Engineering Services						
Efficiency						
Construction management costs as a percentage of total construction costs	13%	11%	10%	12%	12%	12%
Workload						
Number of roof drains disconnected (cumulative)	28,144	35,000	40,171	43,380	47,200	50,200
Office of the Director						
Effectiveness						
Percent of respondents on quarterly mailings	NA	NA	NA	0%	0%	50%
Percent of Portland homeowners agree/strongly agree on bureau's information effort	NA	NA	NA	0%	0%	75%
Percent of education programs rated as good, very good, or excellent	NA	NA	NA	0%	0%	90%
Workload						
Number of students provided with bureau education programs	26,391	25,701	25,222	22,208	10,000	10,000
Number of graphic jobs completed	0	0	0	0	0	50
Number of public meetings attended	0	0	0	0	0	20
Watershed and Environmental Management						
Workload						
Feet of streambank restored (cumulative)	177,494	219,034	269,643	310,894	320,894	328,894
Number of individual participants in projects catalyzed or hosted by the Stewardship Program	9,465	8,252	11,299	11,000	11,000	6,000
Pollution Prevention Services						
Effectiveness						
Percent of industrial enforcement tests in full compliance	98.8%	99.0%	99.0%	99.0%	99.0%	99.0%
Efficiency						
Average resources spent in site investigations and cleanup, per site investigated or remediated	\$2,842	\$2,921	\$2,900	\$2,130	\$2,000	\$2,000
Workload						
Number of lab analyses performed each year	51,662	53,923	55,000	45,000	35,000	45,000
Wastewater Treatment						
Effectiveness						
Percent of Biochemical Oxygen Demand (BOD) removed	95.1%	95.0%	96.0%	96.0%	95.0%	95.0%

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PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
Efficiency						
Millions of gallons per day wastewater processed per operating and maintenance employees, including Bureau of Maintenance staff.	108	116	114	113	115	117
Workload						
Wastewater processed in million gallons per day	25,395	27,898	27,575	28,100	28,100	29,100

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SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	27,954,289	27,877,104	30,769,241	30,906,628	31,138,144
External Materials and Services	16,460,742	18,469,580	26,396,867	22,696,487	22,344,412
Internal Materials and Services	31,288,905	30,832,041	33,943,162	34,105,448	34,071,095
Minor Capital Outlay	1,456,647	1,104,685	2,484,204	1,414,560	1,414,560
Equipment Cash Transfers	27,000	0	25,000	25,000	25,000
Total Operating Budget	77,187,583	78,283,410	93,618,474	89,148,123	88,993,211
Capital Improvements	110,559,599	146,254,956	151,252,042	137,456,249	137,456,249
TOTAL BUREAU EXPENDITURES	\$ 187,747,182	\$ 224,538,366	\$ 244,870,516	\$ 226,604,372	\$ 226,449,460
Allocated Overhead	2,502,079	2,159,187	2,613,604	2,788,584	2,691,316
Total Cost with Allocated Overhead	190,249,261	226,697,553	247,484,120	229,392,956	229,140,776
RESOURCES					
Sewage System Operating Fund	187,747,182	224,538,366	244,870,516	226,604,372	226,449,460
TOTAL RESOURCES	\$ 187,747,182	\$ 224,538,366	\$ 244,870,516	\$ 226,604,372	\$ 226,449,460
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Business Services	17,532,251	17,201,551	23,265,034	23,317,289	23,093,769
<i>Positions</i>	<i>34.00</i>	<i>41.00</i>	<i>37.15</i>	<i>35.65</i>	<i>35.65</i>
Engineering Services	115,486,252	150,082,047	153,494,368	139,295,377	139,432,667
<i>Positions</i>	<i>147.00</i>	<i>142.00</i>	<i>145.90</i>	<i>147.50</i>	<i>146.50</i>
Office of the Director	2,681,394	5,373,551	6,253,899	1,607,855	1,605,694
<i>Positions</i>	<i>14.00</i>	<i>15.00</i>	<i>15.80</i>	<i>11.00</i>	<i>11.00</i>
Watershed and Environmental	7,179,348	7,103,454	9,864,168	8,561,081	8,443,078
<i>Positions</i>	<i>40.00</i>	<i>48.00</i>	<i>46.91</i>	<i>43.90</i>	<i>45.90</i>
Pollution Prevention Services	5,152,784	5,429,158	7,614,193	6,092,915	6,074,771
<i>Positions</i>	<i>43.00</i>	<i>47.00</i>	<i>50.00</i>	<i>47.60</i>	<i>46.60</i>
Wastewater Treatment	35,174,968	35,331,825	38,545,231	38,462,161	38,340,489
<i>Positions</i>	<i>146.00</i>	<i>150.00</i>	<i>149.25</i>	<i>150.65</i>	<i>149.65</i>
Pollution Prevention: Sampling Svcs	0	0	879,426	914,879	914,879
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>9.00</i>	<i>9.00</i>	<i>9.00</i>
Pollution Prevention: Laboratory Svcs	0	0	1,789,386	1,676,922	1,592,922
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>15.00</i>	<i>15.00</i>	<i>15.00</i>
Engineering Svcs: Modeling Svcs	0	0	1,101,365	913,951	1,001,527
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>8.40</i>	<i>10.00</i>	<i>10.00</i>
Environmental Remediation	357,503	146,136	574,373	560,713	560,713
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Portland Harbor Superfund Site	0	0	0	4,117,824	4,202,621
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>5.00</i>	<i>5.00</i>
Engineering Services: Watershed	1,751,151	1,589,352	1,489,073	1,083,405	1,186,330
<i>Positions</i>	<i>9.00</i>	<i>8.00</i>	<i>8.68</i>	<i>7.68</i>	<i>7.68</i>
Pollution Prevention: Lab and Sampling	2,431,531	2,281,292	0	0	0
<i>Positions</i>	<i>23.00</i>	<i>23.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 187,747,182	\$ 224,538,366	\$ 244,870,516	\$ 226,604,372	\$ 226,449,460
<i>Positions</i>	<i>456.00</i>	<i>474.00</i>	<i>486.09</i>	<i>482.98</i>	<i>480.50</i>

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FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	3.00	3.00	2.00	90,720	1.50	68,304	1.50	68,304
0515	Accountant II	3.00	2.00	3.00	146,954	3.00	151,892	3.00	151,892
3288	Laboratory Production Spec	0.00	0.00	1.00	50,604	1.00	54,492	1.00	54,492
0100	Office Supp Spec I	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0102	Office Supp Spec II	9.00	11.00	10.90	385,055	11.00	399,652	10.00	357,652
0104	Office Supp Spec III	2.00	3.00	4.00	167,018	4.00	173,151	4.00	173,151
0406	Storekeeper/Acq Specialist II	3.00	3.00	3.00	135,144	3.00	135,684	3.00	135,684
0408	Storekeeper/Acq Specialist III	1.00	1.00	1.00	51,732	1.00	51,924	1.00	51,924
0532	Accounting Supervisor III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	0.00	4.00	4.90	263,357	4.90	267,621	4.90	267,621
0819	Administrative Assistant	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0926	Administrative Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0815	Administrative Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senio	0.00	4.00	3.00	134,952	3.00	140,336	3.00	140,336
7106	Administrative Supervisor I	0.00	2.00	3.00	171,460	3.00	173,846	3.00	173,846
0920	Administrative Supervisor I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0922	Administrative Supervisor II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2534	Applications Analyst IV	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0962	Assistant Program Specialist	4.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1314	Automotive Equipment Operator II	1.00	1.00	1.00	44,580	1.00	44,748	1.00	44,748
7628	Biosolids/Reuse Program Manager	0.00	1.00	1.00	80,148	1.00	80,348	1.00	80,348
4127	Botanic Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6012	Botanic Specialist II	0.00	6.00	5.00	264,986	4.00	219,132	4.00	219,132
4124	Botanic Specialist II	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4125	Botanic Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0928	Bureau Administrative Manager	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7140	Bureau Director, Assistant to	0.00	2.00	1.00	85,464	1.00	85,744	1.00	85,744
7112	Business Operations Manager	0.00	1.00	2.00	172,740	2.00	166,668	2.00	166,668
7113	Business Operations Manager, Sen	0.00	1.00	1.00	106,164	1.00	106,572	1.00	106,572
7110	Business Operations Supervisor	0.00	3.00	2.00	149,340	2.00	152,640	2.00	152,640
7121	Business Systems Analyst	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7120	Business Systems Analyst, Assist	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6034	CAD Analyst	0.00	1.00	1.00	65,856	1.00	66,108	1.00	66,108
6032	CAD Technician II	0.00	14.00	16.00	790,792	16.00	815,903	16.00	815,903
6033	CAD Technician III	0.00	5.00	5.00	270,184	5.00	279,643	5.00	279,643
3132	CADD Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7660	Capital Program Mgmt & Controls	0.00	1.00	1.00	74,148	1.00	74,436	1.00	74,436
6141	Capital Project Manager I	0.00	2.00	2.00	125,556	2.00	129,108	2.00	129,108
7656	Capital Project Manager II	0.00	3.00	1.00	73,464	1.00	75,873	1.00	75,873
7165	CDD Program Coordinator	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
3285	Chemist	5.00	5.00	5.00	269,879	5.00	273,830	5.00	273,830
0932	Chief Bureau Administrative Mgr	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3171	Chief Engineer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7685	Communications Engineer	0.00	1.00	1.00	64,860	1.00	67,512	1.00	67,512
7203	Community Outreach & Information	0.00	1.00	1.00	53,664	1.00	55,860	1.00	55,860
7205	Community Outreach & Involvement	0.00	1.00	1.00	66,916	1.00	69,654	1.00	69,654
7204	Community Outreach and Informati	0.00	2.00	2.00	126,360	2.00	128,988	2.00	128,988
7135	Contracts Devel & Review Admin	0.00	0.00	1.00	69,552	1.00	71,694	1.00	71,694
7116	Customer Service Supervisor	0.00	0.00	1.00	58,680	1.00	61,080	1.00	61,080
7630	Data Acquisition and Management S	0.00	1.00	1.00	76,470	1.00	79,206	1.00	79,206
7768	Development Services Manager	0.00	1.00	1.00	91,380	1.00	92,232	1.00	92,232
6041	Development Services Technician	0.00	1.00	1.00	42,432	1.00	42,600	1.00	42,600
7767	Development Supervisor	0.00	1.00	1.00	59,480	1.00	61,916	1.00	61,916
0942	Economist I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7386	Economist, Senior	0.00	1.00	1.00	60,012	1.00	62,062	1.00	62,062
7564	Electrical/Instrumentation Super	0.00	1.00	1.00	80,148	1.00	80,448	1.00	80,448
1453	Electrician	9.00	11.00	10.00	593,400	10.00	595,680	10.00	595,680
3190	Electronic Systems Specialist	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6160	Electronic Systems Technician	0.00	3.00	3.00	148,921	3.00	154,273	3.00	154,273
6112	Engineer	0.00	34.00	31.50	2,219,648	32.00	2,268,826	32.00	2,268,826
3164	Engineer	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7653	Engineer, Chief	0.00	1.00	2.00	209,862	2.00	218,463	2.00	218,463
7650	Engineer, Senior	0.00	8.00	8.90	699,751	9.00	718,489	9.00	718,489
7651	Engineer, Supervising	0.00	9.00	11.00	907,535	11.00	917,526	11.00	917,526
3153	Engineering Associate	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6110	Engineering Associate	0.00	2.00	2.00	113,410	2.00	116,576	2.00	116,576
6022	Engineering Technician II	0.00	27.00	24.00	1,163,355	23.00	1,153,706	22.00	1,104,410
6023	Engineering Technician III	0.00	6.00	6.00	376,668	7.00	441,672	7.00	441,672
7622	Environmental Monitoring Svcs Gr	0.00	1.00	1.00	106,164	1.00	106,436	1.00	106,436

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FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7608	Environmental Program Coordinato	0.00	3.00	3.00	193,148	3.00	198,508	3.00	198,508
7609	Environmental Program Manager	0.00	0.00	6.00	441,696	6.00	448,524	6.00	448,524
7610	Environmental Program Manager, S	0.00	1.00	2.00	170,928	2.00	171,600	2.00	171,600
7607	Environmental Program Specialist	0.00	2.00	2.00	121,488	2.00	124,152	2.00	124,152
2032	Environmental Resources Manager	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7040	Environmental Services Director	0.00	1.00	1.00	125,304	1.00	130,443	1.00	130,443
2018	Environmental Services Director	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010	Environmental Services Manager	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7605	Environmental Services Planning	0.00	1.00	1.00	106,164	1.00	106,470	1.00	106,470
7604	Environmental Services Planning	0.00	1.00	1.00	83,700	1.00	86,560	1.00	86,560
3194	Environmental Specialist	14.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6053	Environmental Specialist	0.00	16.00	22.60	1,349,494	23.00	1,414,302	23.00	1,414,302
3195	Environmental Svcs Supervisor	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6051	Environmental Technician I	0.00	5.00	6.00	197,712	6.00	205,151	6.00	205,151
6052	Environmental Technician II	0.00	28.00	31.50	1,507,648	29.83	1,491,270	31.83	1,582,878
7614	ESA Program Coordinator	0.00	0.00	2.00	141,236	2.00	144,320	2.00	144,320
7127	Executive Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7377	Financial Analyst, Senior	0.00	2.00	2.00	144,552	1.00	72,492	1.00	72,492
6061	GIS Technician I	0.00	2.00	2.00	73,776	2.00	75,852	2.00	75,852
6062	GIS Technician II	0.00	4.00	2.00	94,281	1.00	46,583	1.00	46,583
6063	GIS Technician III	0.00	2.00	3.00	172,893	3.00	182,418	3.00	182,418
6123	Graphics Designer III	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1803	Indust Maintenance Millwright	28.00	28.00	28.00	1,343,668	28.00	1,351,248	28.00	1,351,248
1520	Industrial Machinist	1.00	1.00	1.00	48,216	1.00	48,396	1.00	48,396
1445	Industrial Painter	1.00	1.00	1.00	47,736	1.00	47,916	1.00	47,916
2542	Information Systems Analyst II	1.00	1.00	1.00	64,104	1.00	64,356	1.00	64,356
2544	Information Systems Analyst IV	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2546	Information Systems Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7508	Information Systems Supervisor	0.00	1.00	0.50	42,732	0.00	0	0.00	0
3260	Instrument Technician	7.00	8.00	9.00	534,060	10.00	595,680	10.00	595,680
3261	Instrument Technician, Lead	0.00	1.00	1.00	62,316	1.00	62,556	1.00	62,556
7176	Insurance Specialist	0.00	1.00	1.00	46,716	1.00	46,896	1.00	46,896
0812	Intergovernmental Program Coord	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3280	Laboratory Analyst	8.00	8.00	7.00	315,164	7.00	321,016	7.00	321,016
2034	Laboratory Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7624	Laboratory Manager	0.00	1.00	1.00	85,464	1.00	85,800	1.00	85,800
7580	Maintenance Planner/Scheduler	0.00	4.00	4.00	234,082	4.00	238,144	4.00	238,144
7131	Management Analyst	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7132	Management Analyst, Senior	0.00	1.00	1.00	66,081	1.00	68,790	1.00	68,790
7130	Management Assistant	0.00	2.00	3.00	139,580	3.00	145,292	3.00	145,292
7666	Mapping & GIS Supervisor	0.00	1.00	1.00	80,148	1.00	80,423	1.00	80,423
6071	Materials Testing Technician I	0.00	1.00	1.00	39,591	1.00	41,755	1.00	41,755
6072	Materials Testing Technician II	0.00	3.00	3.00	162,432	3.00	163,044	3.00	163,044
6073	Materials Testing Technician III	0.00	1.00	1.00	65,856	1.00	66,108	1.00	66,108
3284	Microbiologist	1.00	1.00	1.00	55,224	1.00	55,440	1.00	55,440
7641	Portland Harbor Superfund Admini	0.00	1.00	1.00	95,536	1.00	98,448	1.00	98,448
7640	Portland Harbor Superfund Techni	0.00	1.00	1.00	81,240	1.00	83,464	1.00	83,464
7652	Principal Engineer	0.00	5.00	4.00	372,840	4.00	379,375	4.00	379,375
3169	Principal Engineer	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7378	Principal Financial Analyst	0.00	3.00	3.00	256,392	3.00	257,400	3.00	257,400
0832	Principal Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2545	Principal Info Systems Analyst	3.00	3.00	3.90	309,524	4.00	332,936	4.00	332,936
7507	Principal Information Systems An	0.00	1.00	1.00	89,736	1.00	85,800	1.00	85,800
7133	Principal Management Analyst	0.00	1.00	1.90	141,828	2.00	154,755	2.00	154,755
0953	Principal Management Analyst	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0966	Program Coordinator	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7156	Program Manager	0.00	5.00	4.00	286,680	4.00	289,232	4.00	289,232
0968	Program Manager I	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0970	Program Manager II	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0971	Program Manager III	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0972	Program Manager IV	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7158	Program Manager, Senior	0.00	0.00	2.00	170,928	2.00	171,488	2.00	171,488
7153	Program Specialist	0.00	1.00	1.00	47,112	1.00	48,400	1.00	48,400
0964	Program Specialist	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	0.00	2.00	96,396	2.00	99,996	2.00	99,996
0960	Program Technician	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7678	Property Acquisition & Services	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
7206	Public Information Officer	0.00	1.00	1.00	71,736	1.00	72,564	1.00	72,564

Bureau of Environmental Services AU 145-148, 150, 246

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
3152	Public Works Const/Inspect Supvr	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7662	Public Works Inspection Supervis	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
3150	Public Works Inspector	16.00	16.00	16.00	861,099	16.00	874,166	16.00	874,166
3151	Public Works Inspector, Senior	11.00	10.00	10.00	603,968	10.00	621,260	10.00	621,260
1952	Public Works Manager	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3359	Public Works Project Manager	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1954	Public Works Superintendent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0846	Risk Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7185	Risk Specialist	0.00	1.00	1.00	55,344	1.00	57,234	1.00	57,234
7186	Risk Specialist, Senior	0.00	2.00	2.00	135,580	2.00	137,667	2.00	137,667
7193	Safety and Risk Officer II	0.00	1.00	1.00	80,148	1.00	80,448	1.00	80,448
0816	Senior Administrative Specialist	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3166	Senior Engineer	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6111	Senior Engineering Associate	0.00	17.00	14.00	900,897	15.00	983,151	15.00	983,151
3163	Senior Engineering Associate	21.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012	Senior Environmental Svcs Mgr	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0828	Senior Financial Analyst	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0848	Senior Risk Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0414	Senior Stores System Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7619	Source Control Supervisor	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00
7620	Source Reduction and Control Man	0.00	1.00	1.00	91,872	1.00	92,172	1.00	92,172
7161	Stores System Supervisor II	0.00	1.00	1.00	66,060	1.00	66,060	1.00	66,060
3167	Supervising Engineer	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3107	Technician I	26.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3108	Technician II	63.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3109	Technician III	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7635	Wastewater Collections System Ma	0.00	1.00	1.00	98,736	1.00	99,120	1.00	99,120
7637	Wastewater Operations Group Mana	0.00	1.00	1.00	106,164	1.00	106,572	1.00	106,572
1815	Wastewater Operations Specialist	5.00	5.00	5.00	258,060	5.00	260,040	5.00	260,040
1811	Wastewater Operator II	40.00	39.00	41.00	1,945,985	41.00	1,973,453	40.00	1,927,913
1808	Wastewater Operator, Trainee	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
7633	Wastewater Treatment Manager	0.00	1.00	1.00	98,736	1.00	99,056	1.00	99,056
7632	Wastewater Treatment O&M Supervi	0.00	5.00	3.60	272,226	4.00	305,115	4.00	305,115
7238	Water Conservation Program Manag	0.00	1.00	1.00	76,104	1.00	76,404	1.00	76,404
7615	Watershed and Regulatory Program	0.00	3.00	2.00	153,504	2.00	158,910	2.00	158,910
7617	Watershed Revegetation Program M	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7616	Watershed Revegetation Program S	0.00	1.00	2.00	117,466	2.00	121,674	2.00	121,674
TOTAL FULL-TIME POSITIONS		456.00	474.00	477.20	\$ 28,074,880	475.23	\$ 28,538,111	472.75	\$ 28,492,883
6012	Botanic Specialist II	0.00	0.00	1.68	93,726	1.68	96,240	1.68	96,240
7120	Business Systems Analyst, Assist	0.00	0.00	0.65	38,280	0.65	38,676	0.65	38,676
6021	Engineering Technician I	0.00	0.00	1.00	33,762	1.50	41,182	1.50	41,182
6123	Graphics Designer III	0.00	0.00	0.90	53,724	1.00	63,000	1.00	63,000
7154	Program Coordinator	0.00	0.00	0.75	51,564	0.75	51,756	0.75	51,756
TOTAL PART-TIME POSITIONS		0.00	0.00	4.98	\$ 271,056	5.58	\$ 290,854	5.58	\$ 290,854
6053	Environmental Specialist	0.00	0.00	0.58	31,584	1.00	56,844	1.00	56,844
6052	Environmental Technician II	0.00	0.00	2.33	103,679	0.17	7,637	0.17	7,637
7152	Program Specialist, Assistant	0.00	0.00	1.00	41,604	1.00	43,308	1.00	43,308
TOTAL LIMITED TERM POSITIONS		0.00	0.00	3.91	\$ 176,867	2.17	\$ 107,789	2.17	\$ 107,789

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	230,282,785	0	230,282,785	488.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	(296,035)	0	(296,035)	0.00	No Growth in M&S
	(1,427,425)	0	(1,427,425)	0.00	Absorb Inflation Increases
	(419,597)	0	(419,597)	0.00	Implement New CIS and BRASS Systems
	(204,599)	0	(204,599)	0.00	Consolidate Modeling & Facility Planning
	(548,718)	0	(548,718)	0.00	Re-org Watershed Planning
	102,081	0	102,081	0.00	End Payments to Lower Willamette Group
	(84,463)	0	(84,463)	0.00	Reprioritize Bureau Field Operations
	(102,925)	0	(102,925)	0.00	Reduce M&S
	285,827	0	285,827	0.00	Portland Harbor Outfall Investigations
	597,249	0	597,249	0.00	BTS and PERS Obligations
	96,655	0	96,655	0.00	Swan Island Pump Station/CSO Treatment
Mayor's Proposed Budget Decisions					
	79,824	0	79,824	1.00	Wastewater Group Position Add
	(18,285)	0	(18,285)	0.00	BTS IA Service Realignment
	(71,508)	0	(71,508)	(3.00)	WEM (Planning) Position Cuts
	(237,888)	0	(237,888)	(2.50)	Business Services Position Cuts
	(87,576)	0	(87,576)	(1.00)	Modeling Position Cut
	(120,384)	0	(120,384)	(2.00)	Pollution Prevention Position Cuts
	(100,000)	0	(100,000)	0.00	Business Services Other Cuts
	(65,555)	0	(65,555)	0.00	Reduce ONI IA
	(209,183)	0	(209,183)	0.00	OMF IA Savings
	76,368	0	76,368	1.00	EPA Grant LT Position Extension
	(70,000)	0	(70,000)	(1.00)	Reduce Facilities Planning resources.
	(70,000)	0	(70,000)	0.00	Reduce Business Services IT budget.
	(95,431)	0	(95,431)	(1.00)	Eliminate upgrade of 800 MHz phone system.
	(55,518)	0	(55,518)	0.00	No increase in BOM IA for one year.
	(200,000)	0	(200,000)	0.00	Reduce outside proj mgnt/ legal assistance.
	(174,580)	0	(174,580)	0.00	Reduce the intern program.
	(159,812)	0	(159,812)	(1.00)	Reduce sampling and field operations.
Approved Budget Additions and Reductions					
	(300,000)	0	(300,000)	0.00	Reduce Business Services Group
	(200,000)	0	(200,000)	0.00	Reduce Materials & Services
	120,000	0	120,000	2.00	Restore 2 FTE In Watershed Management
	(25,000)	0	(25,000)	0.00	Reduce IA with Parks for Landscaping
	(15,000)	0	(15,000)	0.00	Reduce Planning Admin Prof Svcs (WW_Design,
	(10,000)	0	(10,000)	0.00	Reduce Communications Prof Svcs (Half of Public
	(10,000)	0	(10,000)	0.00	Reduce GF ESA Set-Aside
	34,000	0	34,000	0.00	Restore SWNI Portion of ONI
	102,925	0	102,925	0.00	Recognize FEM<A Grant for Revegetation
	16,000	0	16,000	0.00	IA with Planning for M37 Staff
	35,228	0	35,228	0.00	IA with SpecApps for COPPEA Training
Adopted Budget Additions and Reductions					
	0	0	0	0.00	None
	(3,833,325)	0	(3,833,325)	(7.50)	Total FY 2005-06 Decision Packages
			\$ 226,449,460	480.50	Total Adopted Budget

Bureau of Water Works

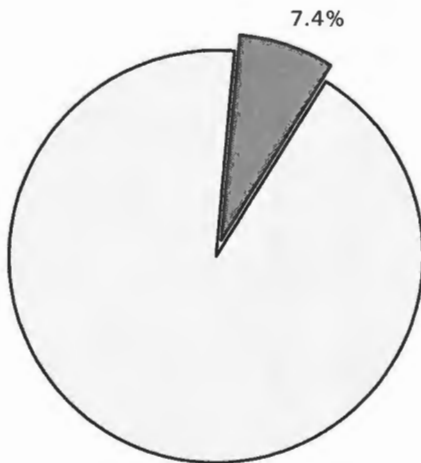
Public Utilities Service Area

Randy Leonard, Commissioner-in-Charge

David Shaff, Interim Administrator

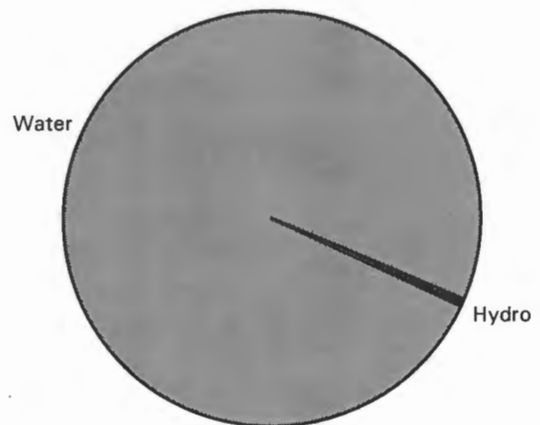
Percent of City Budget

Water = \$105.7 Million



City Budget = \$1.42 Billion

Bureau Divisions

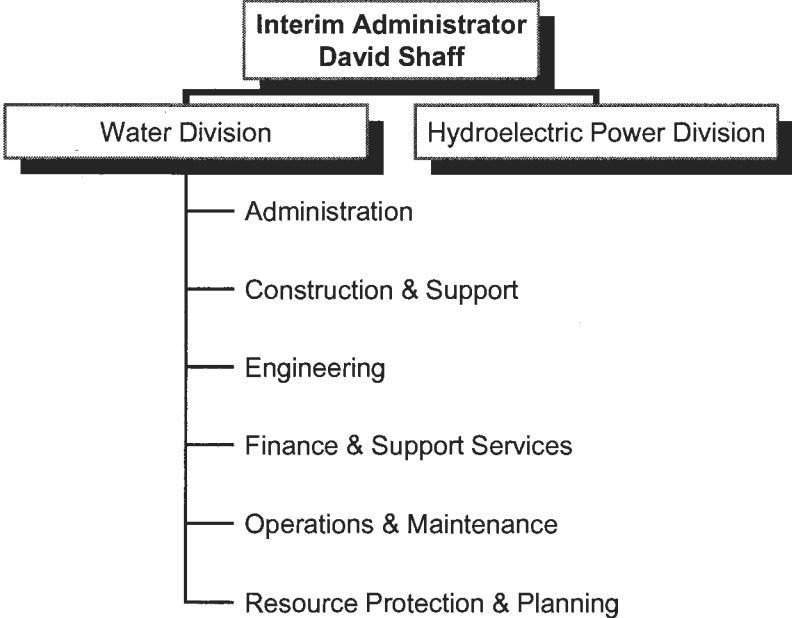


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	60,527,621	53,367,322	-7,160,299	-11.8%
Capital	42,565,382	52,342,000	9,776,618	23.0%
Total Expenditures	\$ 103,093,003	\$ 105,709,322	\$ 2,616,319	\$ 2.5%
Authorized Positions	436.75	454.92	18.17	4.2%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau of Water Works



Bureau Summary

BUREAU MISSION

The mission of the Bureau of Water Works is:

To provide reliable water service to customers in the quantities they desire and at a quality level that meets or exceeds both customer and regulatory standards;

To provide the highest value to customers through excellent business, management, and operational practices, and appropriate application of innovation and technology;

To be responsible stewards of the public's water infrastructure, fiscal, and natural resources; and

To provide the citizens and the City Council with a water system that supports their community objectives and overall vision for the City of Portland.

VISION AND VALUES

Vision

The Portland Bureau of Water Works provides the highest quality water, customer service, and stewardship of the critical infrastructure, fiscal, and natural resources entrusted to our care. We enhance public health and safety and contribute to the economic viability and livability of the Portland metropolitan region. We are a recognized leader among water service agencies across the country.

Values

Customers: Keep the needs and desires of our customers in the forefront of our thoughts and actions.

Service: Contribute responsively to the welfare of the community.

Financial Health: Maintain fiscal integrity, undertake sound financing practices, and ensure auditable results.

Employees: Recruit, maintain, motivate, and retain a highly qualified, diverse, and committed work force, and provide a safe work environment.

Partnership: Partner with our community, our customers, and regional water interests.

Leadership: Focus on goals, results, and accountability while promoting human health and development.

Responsiveness: React positively, cooperatively, and efficiently.

Effectiveness: Make the most appropriate use of resources and infrastructure.

Communication: Share information and knowledge openly.

Flexibility: Adapt to new, different, and changing requirements.

Equity: Ensure fair treatment and service to all.

Stewardship: Protect the natural environment so its benefits are available to meet today's needs as well as those of future generations.

BUREAU OVERVIEW

For budgetary purposes, the bureau contains two divisions: Water and Hydroelectric Power.

Water Division

The Bureau of Water Works is responsible for construction, maintenance, and operation of the municipal water system. The bureau ensures that the water system can provide a sufficient quantity of high-quality water to satisfy the existing and future needs of the community.

The Water Bureau serves 900,000 people.

Approximately 900,000 people (more than one-quarter of the state's population) are served by the Water Division on either a retail or wholesale basis. Prior to the July 1, 2005 merger with the Powell Valley Road Water District (PVRWD), the division's retail customers (165,400 accounts) consumed about 60% of the water produced. The other 40% is provided on a wholesale contract basis to 19 water purveyors, which include cities, water districts, private water companies, and a people's utility district. Approximately 80% of water sales revenue is from retail customers and 20% from wholesale contracts. The PVRWD merger transferred about 11,000 accounts from wholesale to the retail service area.

Hydroelectric Power Division

The Portland Hydroelectric Project has a combined power generation capacity of 36 megawatts.

The Hydroelectric Power Division manages the ongoing operation of the City's Portland Hydroelectric Project. This project is located about 25 miles east of Portland in the Bull Run Watershed. Most of the revenues supporting this division come from sales of power generated at the Portland Hydroelectric Project. Most of the division's expenses also relate directly to the administration and monitoring of that project. In addition to the Portland Hydroelectric Project work, this division also provides regulatory support for the Water Bureau's two other small hydroelectric power projects.

SUMMARY OF BUDGET DECISIONS

Water Division

The Water Division's budget of \$105,143,118 is composed of the operating budget of \$52,801,118 and the Capital Improvement Plan budget of \$52,342,000.

Water Operating Budget

The budget of \$52,801,118 is a decrease of about \$7 million from the FY 2004-05 Revised Budget of \$59,852,610. Major changes in the operating budget include:

- ◆ Transfer of Customer Services and Information Technology staff to the Office of Management & Finance (OMF);
- ◆ Increased service level from the PVRWD merger, GIS acceleration, increased maintenance, and open reservoir water quality monitoring;
- ◆ Decreased cost from 5% reduction packages, including PVRWD efficiencies, OMF interagency reductions, and position reductions.
- ◆ Decrease of \$6.85 million incurred as a one-time cost in FY 2004-05 to pay off PVRWD debt effective with the merger.

Water CIP Budget

The CIP budget of \$52,342,000 reflects an increase of about \$9.7 million from the FY 2004-05 Revised Budget of \$42,565,382. This increase in the capital budget is driven by:

- ◆ Aging infrastructure
- ◆ Water quality regulations
- ◆ Vulnerability and security needs
- ◆ Endangered Species Act
- ◆ Bull Run Watershed management

Staffing

The budget, including decision packages, funds 444 full-time positions and 12 part-time positions. This is an increase of 18 full-time positions from the FY 2004-05 Revised Budget, net of the 124 full-time and two part-time positions transferred to OMF. Four other full-time positions are being transferred to OMF in July 2005 to complete the consolidation of IT functions.

The increased service level decision packages add 25 full-time positions, a part-time position, and six two-year limited term positions. The 5% reduction packages eliminate 13 full-time positions.

Rate Increase

The FY 2005-06 average effective in-city retail water rate increase is 0.6%.

Adopted Budget Decisions

The Water Division's FY 2005-06 Adopted Budget of \$105,143,118 includes four add decision packages and five reduction decision packages.

The add decision packages are:

- ◆ Increased maintenance - \$1,645,000
- ◆ Powell Valley Road Water District annexation - \$1,537,000
- ◆ Open reservoir water quality monitoring - \$258,000
- ◆ GIS acceleration - \$354,000

The reduction decision packages are:

- ◆ Powell Valley Road Water District efficiencies - \$954,000
- ◆ OMF interagencies - \$647,000
- ◆ Elimination of vacant positions from the base budget- \$303,000
- ◆ Receptionist - \$80,000
- ◆ CIP management analyst - \$77,000

The budget request includes 444 full-time positions and 12 part-time positions for a total of 456 positions (452 FTE).

**Hydroelectric Power
Division**

Hydroelectric Power Operating Budget

The Hydroelectric Power Division's FY 2005-06 Adopted Budget is \$566,204. This budget supports the City's administrative and operational costs associated with the Portland Hydroelectric Project, using funds that are specifically dedicated for that purpose, and maintains the current service level with a staff of three full-time positions. In FY 2005-06, the division will transfer \$200,000 from the Hydropower Operating Fund to the General Fund to be used for other City needs. In recent years, the Hydroelectric Power Division has received budget adjustments to authorize equipment repair and replacement at the Portland Hydroelectric Project. No new major repair projects have been identified for the FY 2005-06 budget.

Adopted Budget Decisions

There were no substantive changes to the Hydroelectric Power Division's budget through the budget process.

BUDGET NOTES

The Bureau of Environmental Services and the Bureau of Water Works will conduct an analysis of the feasibility, costs, and potential savings of combining their finance and administrative functions. The bureaus will submit a joint report on their findings to Council by December 2005.

Strategic Direction

SIGNIFICANT ISSUES

Water Division

The Water Division will address the following major issues during FY 2005-06:

Aging Infrastructure

Increase the overall level of system maintenance, and begin to address the needs of the aging infrastructure.

Wholesale Contracts

Continue to negotiate new long-term wholesale contracts with regional partners.

Endangered Species Act

Continue to negotiate an agreement with the federal government regarding an approved ESA compliance plan.

Customer Service and Billing

Assist in completing the transition of customer service, billing, and collection functions to the Office of Management and Finance.

Long Term 2 Enhanced Surface Water Treatment Rule (LT2)

Continue to support the efforts of the City Council to achieve compliance with the pending LT2 rule (anticipated in late 2005) without requiring extensive additional treatment of the City's Bull Run water.

Powell Valley Road Water District

Incorporate the Powell Valley Road Water District service area, in accordance with a 1991 intergovernmental agreement for the City to take over the district's assets by July 1, 2005.

Phase II Interim Security Improvements

Implement Council Resolution No. 36237 for phase II of the interim security improvements and to respond to the Independent Review Panel recommendations for water quality monitoring.

Hydroelectric Power Division

As one of the provisions in the Portland Hydroelectric Project's power sales agreement with Portland General Electric Company, \$135,000 in direct payments will be provided to the Oregon Department of Fish and Wildlife for the project's off-site environmental mitigation requirement. This money will be used to raise approximately 320,000 salmon and steelhead smolts for release into the Sandy and Clackamas River systems.

MANAGEMENT GOALS & OBJECTIVES

Water Division Goal

Water Division Goals:

- ◆ Provide affordable and reliable water service.
- ◆ Contribute to the community quality of life.
- ◆ Protect drinking water sources and minimize the impacts of drinking water infrastructure on the natural environment.
- ◆ Provide cost-effective, responsible, and accountable drinking water service.

Water Division Objectives for FY 2005-06

The Water Division will pursue the following objectives in FY 2005-06:

- ◆ Provide reliable water service to customers in the quantities they desire and at a quality level that meets or exceeds both customer and regulatory standards.
- ◆ Provide the highest value to customers through excellent business, management, and operational practices and appropriate application of innovation and technology.
- ◆ Be responsible stewards of the public's water infrastructure, fiscal, and natural resources.
- ◆ Provide the citizens and the City Council with a water system that supports their community objectives and overall vision for the City of Portland.

Hydroelectric Power Division Goal

Hydroelectric Power Division Goal:

- ◆ Provide cost-effective, responsive, and accountable hydroelectric project administration.

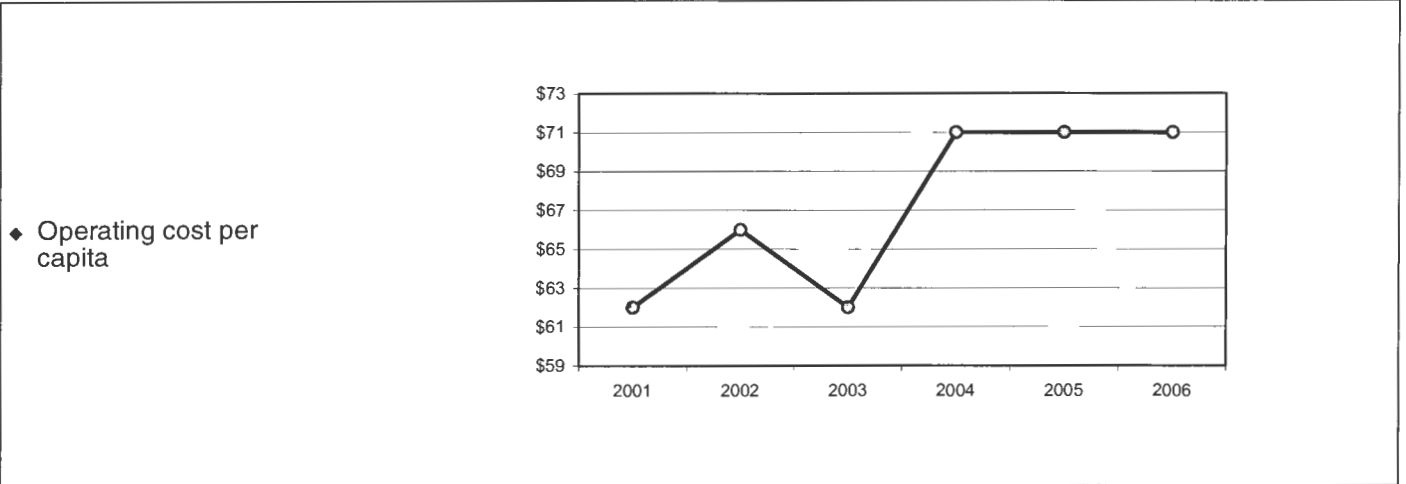
Hydroelectric Power Division Objectives for FY 2005-06

The Hydroelectric Power Division will pursue the following objectives in FY 2005-06 to provide ongoing operation of the City's Portland Hydroelectric Project:

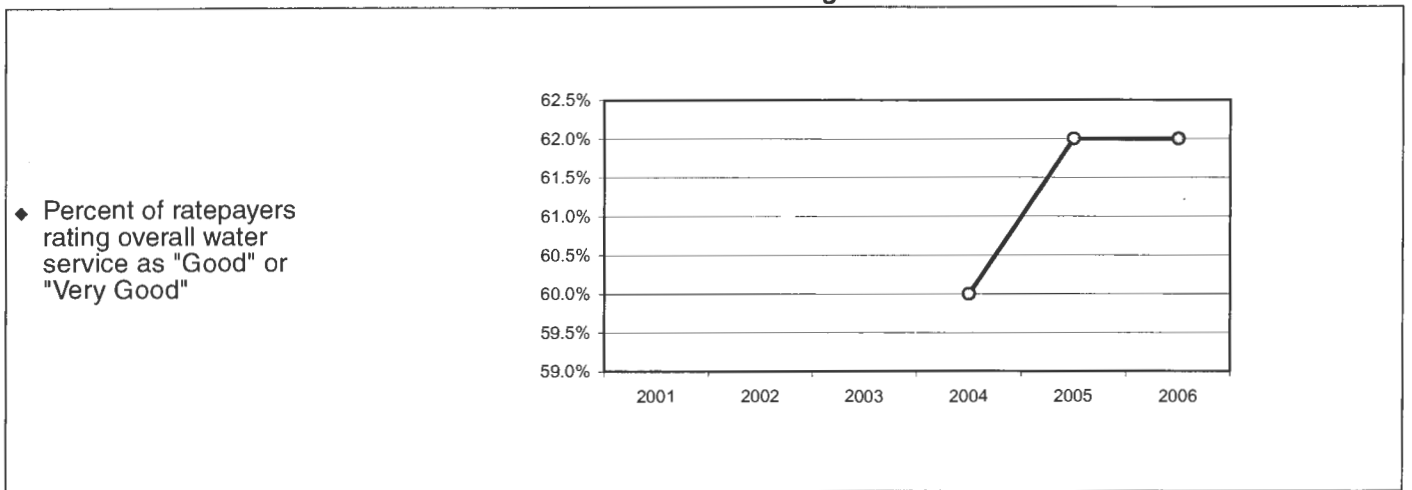
- ◆ Safeguard the City's investment in the \$50 million Portland Hydroelectric Project, and comply with the terms of that project's power sales agreement and revenue bond trust indentures.
- ◆ Meet all license/permit requirements within the timelines established by federal and state regulatory agencies.
- ◆ Coordinate closely with Portland General Electric Company in an effort to maximize the Portland Hydroelectric Project's power generation, while ensuring all license, permit, and water quality requirements are observed.
- ◆ Provide maximum revenue to the City's General Fund while accomplishing the first three objectives.

Performance Measures

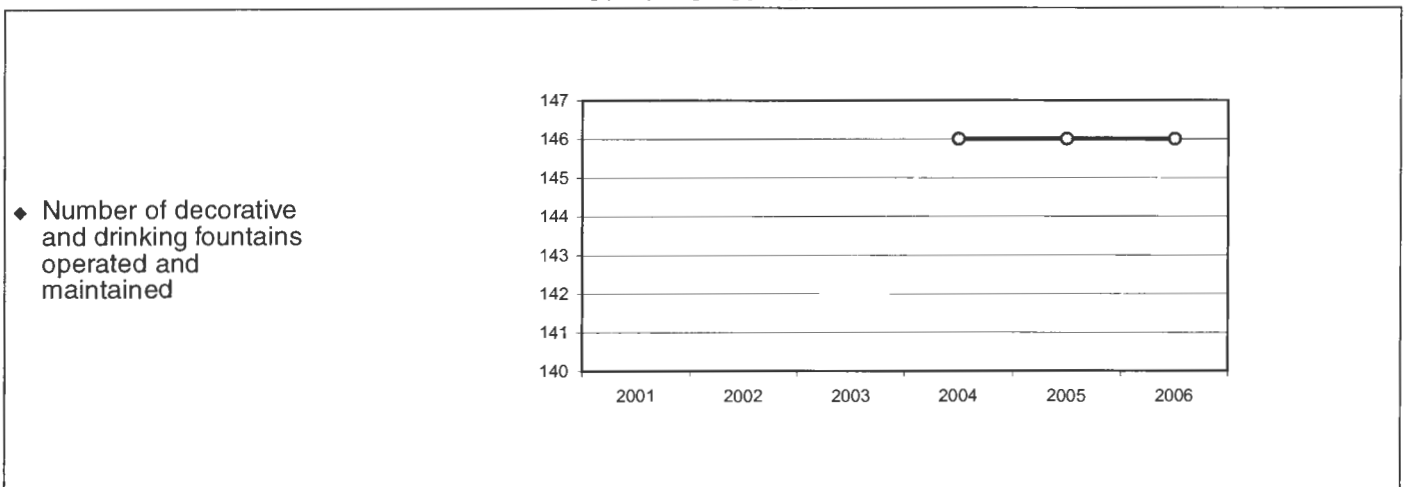
Operating Costs



Water Service Rating

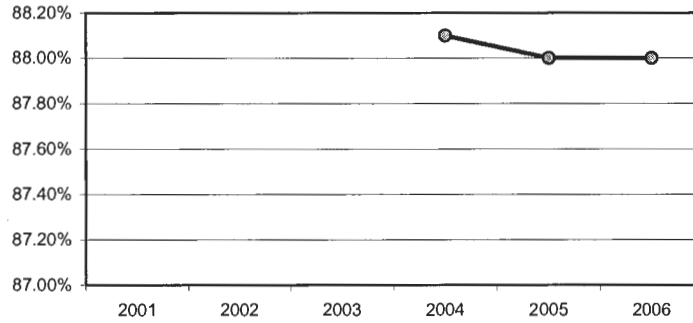


Decorative Fountains



Water Bill Comparison

◆ Typical single family water bill as a percent of six-city average (Auditor's Office SEA Report)



Bureau of Water Works AU 180, 637

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	27,905,396	27,646,554	27,305,765	24,453,172	24,453,172
External Materials and Services	5,276,300	10,156,191	19,064,703	11,110,702	11,224,261
Internal Materials and Services	10,150,049	10,773,749	14,140,653	17,778,102	17,689,889
Minor Capital Outlay	54,602	5,480	0	0	0
Equipment Cash Transfers	11,700	9,200	16,500	0	0
Total Operating Budget	43,398,047	48,591,174	60,527,621	53,341,976	53,367,322
Capital Improvements	22,358,343	29,720,794	42,565,382	52,342,000	52,342,000
TOTAL BUREAU EXPENDITURES	\$ 65,756,390	\$ 78,311,968	\$ 103,093,003	\$ 105,683,976	\$ 105,709,322
Allocated Overhead	1,004,849	1,939,822	2,507,894	2,162,909	2,266,705
Total Cost with Allocated Overhead	66,761,239	80,251,790	105,600,897	107,846,885	107,976,027
RESOURCES					
Discretionary Revenues					
Water Operating Fund	56,337,721	66,677,630	92,654,321	98,885,274	98,910,431
Hydroelectric Power Fund	0	0	0	0	0
Total Discretionary Revenues	56,337,721	66,677,630	92,654,321	98,885,274	98,910,431
Non-Discretionary Revenues					
Grants & Donations - Water	774,966	2,849,568	3,460,717	3,924,114	3,924,114
Contract Revenues - Water	317,378	380,700	302,670	313,263	313,263
Contract Revenues - Hydro	568,056	485,845	634,322	526,015	526,204
Interagency Revenues - Water	7,728,592	7,884,209	6,000,473	1,995,310	1,995,310
Interagency Revenues - Hydro	29,677	34,016	40,500	40,000	40,000
Total Non-Discretionary Revenues	9,418,669	11,634,338	10,438,682	6,798,702	6,798,891
TOTAL RESOURCES	\$ 65,756,390	\$ 78,311,968	\$ 103,093,003	\$ 105,683,976	\$ 105,709,322
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
DIVISIONS					
Water Division	65,158,657	77,792,106	102,417,992	105,117,961	105,143,118
<i>Positions</i>	<i>540.00</i>	<i>557.00</i>	<i>433.75</i>	<i>451.92</i>	<i>451.92</i>
Hydroelectric Power Division	597,733	519,862	675,011	566,015	566,204
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>
TOTAL DIVISIONS	\$ 65,756,390	\$ 78,311,968	\$ 103,093,003	\$ 105,683,976	\$ 105,709,322
<i>Positions</i>	<i>543.00</i>	<i>560.00</i>	<i>436.75</i>	<i>454.92</i>	<i>454.92</i>

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BUREAU PROGRAMS BY DIVISION

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
PROGRAMS					
WATER DIVISION					
Affordable and Reliable Water Service	37,676,492	47,239,653	58,156,499	63,973,652	63,973,652
<i>Positions</i>	304.00	307.00	346.68	332.96	332.96
Water System Related Community	2,811,762	2,930,842	7,689,895	13,828,291	13,828,291
<i>Positions</i>	0.00	0.00	13.00	30.82	30.82
Planning, Sustainability, and	4,188,789	3,887,466	6,063,951	5,901,517	5,901,517
<i>Positions</i>	0.00	0.00	18.33	27.24	27.24
Business Services and Office of	5,116,323	9,482,153	18,603,898	10,964,540	11,031,806
<i>Positions</i>	87.00	88.00	54.74	45.38	45.38
Customer Services	12,439,003	13,998,458	11,903,141	10,449,961	10,407,852
<i>Positions</i>	149.00	162.00	1.00	15.52	15.52
Customer Services Program	1,327,480	83,466	0	0	0
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
Water Distribution Program	1,298,066	8,603	0	0	0
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
Finance Program	2,360	0	0	0	0
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
Water Quality Program	294,846	158,250	0	0	0
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
Water Supply Program	3,536	3,215	608	0	0
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
TOTAL PROGRAMS	\$ 65,158,657	\$ 77,792,106	\$ 102,417,992	\$ 105,117,961	\$ 105,143,118
<i>Positions</i>	540.00	557.00	433.75	451.92	451.92
HYDROELECTRIC POWER DIVISION					
Hydroelectric Power Administration	597,733	519,862	675,011	566,015	566,204
<i>Positions</i>	3.00	3.00	3.00	3.00	3.00
TOTAL PROGRAMS	\$ 597,733	\$ 519,862	\$ 675,011	\$ 566,015	\$ 566,204
<i>Positions</i>	3.00	3.00	3.00	3.00	3.00

Water Division

OVERVIEW

FY 2005-06 Adopted Budget

The Water Division's FY 2005-06 Adopted Budget is \$105,143,118, composed of the operating budget of \$52,801,118 and the Capital Improvement Plan (CIP) budget of \$52,342,000.

Operating Budget

The operating budget of \$52,801,118 represents a decrease of about \$7 million from the FY 2004-05 Revised Budget of \$59,852,610. Major elements of the change are:

- ◆ An increase of \$550,000 in Office of Management & Finance (OMF) interagency services for the Enterprise Business System Project, Customer Billing System Replacement Project, and Facilities.
- ◆ A transfer of about \$450,000 from the capital to the operating budget related to meter maintenance.
- ◆ A transfer of about \$700,000 from personal services and materials & services to interagency costs as a result of the transfer of information technology staff to the Bureau of Technology Services.
- ◆ Increase of about \$258,000 for open reservoir water quality monitoring. This increased service level includes two full-time positions and the conversion of one limited term part-time position to a permanent part-time position. This package responds to Council Resolution No. 36237 for phase II of interim security improvements and to the Independent Review Panel recommendations for water quality monitoring.
- ◆ Increase of \$1.6 million for increased maintenance. This increased service level includes 14 full-time positions. Five positions are financed from the bureau's capital program. This package includes a hydrant crew, distribution maintenance team, service crew, large meter maintenance, and brushing of the rights-of-way and conduits. This increase responds to public input requesting an emphasis on increased maintenance as well as several recommendations by the City Auditor for enhanced system maintenance.
- ◆ Increase of about \$354,000 for Geographic Information System (GIS) acceleration. This increased service level includes six two-year limited term positions to aid in converting existing quarter section maps to "smart" maps.
- ◆ Increase of about \$1.5 million related to Powell Valley Road Water District (PVRWD) annexation. This increased service level includes nine full-time positions. PVRWD will be merged with the City of Portland, Water Bureau effective July 1, 2005. The merger with PVRWD represents an addition of approximately 11,000 accounts to the retail service area. This includes 110 miles of pipe, 650 hydrants, and associated valves and other control facilities, all requiring ongoing routine repair, maintenance, and replacement. An increase of \$400,000 for five full-time positions for PVRWD was added in the FY 2004-05 winter budget adjustment (BuMP) process.
- ◆ Decrease of about \$954,000 for cost savings from PVRWD efficiencies. The savings are the result of consolidating service functions within the current organization, including water supply, maintenance and storage, accounting, and administration. This package includes the elimination of four full-time positions.
- ◆ Decrease of \$6.9 million in one-time expenditures in FY 2004-05 to pay off PVRWD debt in conjunction with the merger.

- ◆ Decrease of about \$80,000 for receptionists. This efficiency package eliminates two part-time positions through consolidation of the bureau's Portland Building reception on one floor.
- ◆ Decrease of about \$77,000 from CIP support. This proposal would eliminate a full-time position that provides support for the planning, monitoring, and implementation of the capital improvement program.
- ◆ Decrease of \$760,559 in OMF interagencies. These are savings from the reduced costs of service provider agencies within the City.
- ◆ Decrease of \$303,000 in the operating budget for elimination of six vacant positions to partially offset positions added in other decision packages.
- ◆ Contribution to the City's Campaign Finance fund of \$122,000.

CIP Budget

The Capital Improvement Plan budget of \$52,342,000 reflects an increase of about \$9,539,000 from the FY 2004-05 Revised Budget of \$42,565,382. Major elements of the increase address:

- ◆ Aging infrastructure
- ◆ Water quality regulations
- ◆ Vulnerability and security needs
- ◆ Endangered Species Act
- ◆ Bull Run watershed management

Staffing

A total of 444 full-time and 12 part-time positions are funded in the FY 2005-06 Adopted Budget. Of the total 444 full-time positions, eight are limited term positions. In February 2005, 124 full-time and two part-time positions were transferred to OMF as part of the customer services transition. Four full-time positions will be transferred to OMF on July 1, 2005 to complete the consolidation of IT functions.

The FY 2005-06 increased service level programs add 31 full-time positions, of which nine are required as part of the PVRWD annexation, and convert a limited term part-time position to permanent part-time position. Reductions eliminate a total of 13 full-time positions. Excluding the customer services and IT staff transferred to OMF, this represents a net increase of 18 positions compared to the FY 2004-05 Revised Budget.

Overview of Programs

AFFORDABLE AND RELIABLE WATER SERVICE

The City's economic vitality is in part dependent on maintaining a safe and reliable supply of high quality water, which is a continuing focus of the bureau. More than 40% of the five-year CIP is directed to upgrading deteriorating physical infrastructure. Investments are planned to continue repair and rehabilitation work on the distribution system and the storage and transmission assets. In terms of ongoing operations, infrastructure maintenance is the largest single component of annual spending. Supply costs, meter expenditures, mains flushing, asset management, and security are examples of other elements of the bureau's program to provide affordable and reliable water service.

Relationship to Goals	The Affordable and Reliable Water Service program supports the City goal of promoting economic vitality and opportunity by providing high quality, reasonably priced water service, and supports the bureau goal of providing affordable and reliable water service.
Performance	The average single-family water bill was 88% of a six-city average in FY 2003-04, and the bureau's goal is to maintain that percentage in the coming year.
Changes to Services	Water system maintenance will receive greater emphasis in FY 2005-06, with the addition of \$1 million and 14 new positions in a decision package to increase maintenance. There is also the addition of 11,000 retail customers with the merger of the Powell Valley Road Water District.

WATER SYSTEM RELATED COMMUNITY INVESTMENTS

The Water Bureau supports the City's efforts to improve quality of life in the neighborhoods by operating and maintaining decorative and drinking fountains throughout the City. Small outlays of capital funding are planned for these fountains. The bureau also supports public quality of life by relocating and adjusting water facilities in City streets and roads to accommodate priority transportation and sewer projects, such as the Transit Mall, Interstate-205 Light Rail extension, and "Big Pipe" Combined Sewer Overflow projects. Grounds maintenance is another component of this program.

Relationship to Goals	Water System Related Community Investments supports the City goal of improving the quality of life in neighborhoods, and the bureau goal of contributing to the community quality of life.
Performance	The bureau operates and maintains 146 fountains, and will continue this level of activity.
Changes to Services	No significant changes in FY 2005-06.

PLANNING, SUSTAINABILITY, AND STEWARDSHIP

The Water Bureau takes seriously its responsibility for stewardship of the City's water resources. The bureau protects the environment by minimizing or mitigating the effects of water diversion and consumption. The primary capital project directly addressing environmental protection is the Endangered Species Act (ESA) project, which mitigates the effects of the water system infrastructure on the watershed's fish populations and habitat. In terms of ongoing operations, the bureau undertakes system planning, conservation, contaminant monitoring, groundwater protection, and some maintenance as part of this program to meet the City goal of protecting and enhancing the environment.

Relationship to Goals	The Planning, Sustainability, and Stewardship Program supports the City goal of protecting and enhancing the natural and built environment, and the bureau goal of protecting drinking water sources and minimizing the impacts of drinking water infrastructure on the natural environment.
Performance	The Water Bureau has historically met federal and state water quality standards 100% of the time, and will continue this target as its ongoing performance target.
Changes in Services	The CIP includes a project which will significantly increase its investment in Endangered Species Act compliance, with anticipated spending of over \$13 million in the five years of the CIP.

BUSINESS SERVICES AND OFFICE OF ADMINISTRATOR

To provide affordable water service, the Water Bureau focuses on delivering efficient, effective, and accountable performance on behalf of the approximately 900,000 people it serves. This includes the bureau's facilities support, financial management, and permitting services. The bureau also funds, with the Bureau of Environmental Services, the City's low-income assistance program for eligible residential customers. About 6,500 customers currently participate in the program. These activities are undertaken to provide cost-effective, efficient, responsible, and accountable service.

Relationship to Goals	Business Services and Office of Administrator is the principal bureau program supporting the City goal of delivering efficient, effective, and accountable municipal services. This program also supports the bureau goal of providing cost-effective, responsible, and accountable drinking water service.
Performance	The bureau targets an operating cost per capita of \$71, continuing the level achieved in FY 2003-04.
Changes in Services	No significant changes for FY 2005-06.

CUSTOMER SERVICES

Most of the bureau's customer service functions and costs were recently transferred to the Office of Management and Finance. The remaining bureau activities related to customer service include response to customers concerning water quality complaints, permits/plan reviews, public involvement activities, emergency crew services, and other general customer service tasks.

Relationship to Goals	The Customer Services program supports the City goal of delivering efficient, effective, and accountable municipal services, and the bureau's similar goal of providing cost-effective, responsible, and accountable drinking water service.
Performance	The Customer Services program will maintain its low-income bill discount program, anticipating an increase to 7,000 participants, up from 6,500 in FY 2003-04.
Changes in Services	This program is much smaller in the Water Bureau than in past years, with the transfer of over 120 Customer Services staff to the Utilities Customer Service program in the Office of Management and Finance. Remaining functions are limited to those outlined above.

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PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF WATER WORKS						
Water Division						
Affordable and Reliable Water Service						
Effectiveness						
Typical single family water bill as a percent of six-city average (Auditor's Office SEA Report)	NA	NA	NA	88.1%	88.0%	88.0%
Water System Related Community Investments						
Workload						
Number of decorative and drinking fountains operated and maintained	NA	NA	NA	146	146	146
Planning, Sustainability, and Stewardship						
Effectiveness						
Percent of time that State and U.S. EPA water quality standards are attained	100%	100%	100%	100%	100%	100%
Business Services and Office of Administrator						
Efficiency						
Operating cost per capita	\$62	\$66	\$62	\$71	\$71	\$71
Customer Services						
Effectiveness						
Percent of ratepayers rating overall water service as "Good" or "Very Good"	NA	NA	NA	60.0%	62.0%	62.0%

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SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	27,701,529	27,446,131	27,052,634	24,186,950	24,186,950
External Materials and Services	5,033,636	9,992,679	18,815,503	10,981,502	11,095,061
Internal Materials and Services	9,998,847	10,617,822	13,967,973	17,607,509	17,519,107
Minor Capital Outlay	54,602	5,480	0	0	0
Equipment Cash Transfers	11,700	9,200	16,500	0	0
Total Operating Budget	42,800,314	48,071,312	59,852,610	52,775,961	52,801,118
Capital Improvements	22,358,343	29,720,794	42,565,382	52,342,000	52,342,000
TOTAL BUREAU EXPENDITURES	\$ 65,158,657	\$ 77,792,106	\$ 102,417,992	\$ 105,117,961	\$ 105,143,118
Allocated Overhead	952,013	1,885,396	2,457,471	2,108,322	2,208,678
Total Cost with Allocated Overhead	66,110,670	79,677,502	104,875,463	107,226,283	107,351,796
RESOURCES					
Water Fund	65,158,657	77,792,106	102,417,992	105,117,961	105,143,118
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Affordable and Reliable Water Service	37,676,492	47,239,653	58,156,499	63,973,652	63,973,652
<i>Positions</i>	<i>304.00</i>	<i>307.00</i>	<i>346.68</i>	<i>332.96</i>	<i>332.96</i>
Water Related Community Investments	2,811,762	2,930,842	7,689,895	13,828,291	13,828,291
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>13.00</i>	<i>30.82</i>	<i>30.82</i>
Planning, Sustainability, Stewardship	4,188,789	3,887,466	6,063,951	5,901,517	5,901,517
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>18.33</i>	<i>27.24</i>	<i>27.24</i>
Business Services and Administrator	5,116,323	9,482,153	18,603,898	10,964,540	11,031,806
<i>Positions</i>	<i>87.00</i>	<i>88.00</i>	<i>54.74</i>	<i>45.38</i>	<i>45.38</i>
Customer Services	12,439,003	13,998,458	11,903,141	10,449,961	10,407,852
<i>Positions</i>	<i>149.00</i>	<i>162.00</i>	<i>1.00</i>	<i>15.52</i>	<i>15.52</i>
Customer Services Program	1,327,480	83,466	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Water Distribution Program	1,298,066	8,603	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Finance Program	2,360	0	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Water Quality Program	294,846	158,250	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Water Supply Program	3,536	3,215	608	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOTAL PROGRAMS	\$ 65,158,657	\$ 77,792,106	\$ 102,417,992	\$ 105,117,961	\$ 105,143,118
<i>Positions</i>	<i>540.00</i>	<i>557.00</i>	<i>433.75</i>	<i>451.92</i>	<i>451.92</i>

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FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	3.00	3.00	3.00	113,239	3.00	125,476	3.00	125,476
0515	Accountant II	0.00	0.00	1.00	50,172	0.00	0	0.00	0
0516	Accountant III	1.00	2.00	2.00	114,288	2.00	114,720	2.00	114,720
0510	Accounting Technician	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0131	Customer Accts Spec I	46.00	71.00	0.00	0.00	0.00	0.00	0.00	0.00
0132	Customer Accts Spec II	4.00	11.00	0.00	0.00	0.00	0.00	0.00	0.00
0100	Office Supp Spec I	5.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
0102	Office Supp Spec II	8.00	7.00	4.50	163,970	5.00	182,692	5.00	182,692
0104	Office Supp Spec III	3.00	4.00	5.00	198,507	4.00	174,267	4.00	174,267
7196	Sec & Emerg Mgmt Program Mgr	0.00	0.00	1.00	56,868	1.00	58,420	1.00	58,420
0310	Service Dispatcher	2.00	2.00	2.00	69,921	2.00	74,652	2.00	74,652
0406	Storekeeper/Acq Specialist II	2.00	2.00	2.00	90,096	2.00	90,456	2.00	90,456
0408	Storekeeper/Acq Specialist III	1.00	1.00	1.00	51,732	1.00	51,924	1.00	51,924
7352	Accountant, Systems	0.00	0.00	1.00	49,068	0.00	0	0.00	0
7362	Accounting Supervisor I, Senior	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0531	Accounting Supervisor II	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0532	Accounting Supervisor III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7103	Administrative Assistant	0.00	7.00	6.00	321,016	7.00	389,184	7.00	389,184
0819	Administrative Assistant	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0926	Administrative Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0815	Administrative Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senio	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7106	Administrative Supervisor I	0.00	3.00	3.00	167,556	3.00	177,956	3.00	177,956
0920	Administrative Supervisor I	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2532	Applications Analyst II	4.00	4.00	2.00	111,764	2.00	115,933	2.00	115,933
2533	Applications Analyst III	6.00	9.00	1.00	70,452	1.00	70,908	1.00	70,908
2534	Applications Analyst IV	1.00	1.00	1.00	74,604	1.00	74,796	1.00	74,796
0826	Assistant Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1311	Automotive Equipment Operator I	13.00	11.00	10.00	412,302	11.00	466,416	11.00	466,416
1314	Automotive Equipment Operator II	2.00	1.00	1.00	44,580	1.00	44,748	1.00	44,748
7140	Bureau Director, Assistant to	0.00	0.00	1.00	74,820	1.00	77,625	1.00	77,625
7112	Business Operations Manager	0.00	1.00	1.00	85,464	1.00	85,464	1.00	85,464
7113	Business Operations Manager, Sen	0.00	1.00	1.00	100,232	1.00	104,148	1.00	104,148
7110	Business Operations Supervisor	0.00	1.00	2.00	152,208	3.00	228,837	3.00	228,837
7121	Business Systems Analyst	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7120	Business Systems Analyst, Assist	3.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00
7122	Business Systems Analyst, Senior	0.00	1.00	1.00	68,844	1.00	71,676	1.00	71,676
6034	CAD Analyst	0.00	0.00	1.00	51,540	1.00	53,263	1.00	53,263
6031	CAD Technician I	0.00	1.00	1.00	42,432	7.00	273,000	1.00	42,600
6032	CAD Technician II	0.00	4.00	3.00	154,308	3.00	157,212	3.00	157,212
7656	Capital Project Manager II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7657	Capital Projects Manager III	0.00	0.00	1.00	80,148	1.00	80,373	1.00	80,373
1420	Carpenter	4.00	3.00	2.00	91,668	2.00	95,256	2.00	95,256
3285	Chemist	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
3171	Chief Engineer	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7203	Community Outreach & Information	0.00	0.00	2.00	94,072	2.00	97,456	2.00	97,456
7204	Community Outreach and Informati	0.00	1.00	1.00	68,748	1.00	69,012	1.00	69,012
1410	Concrete Finisher	2.00	2.00	2.00	95,472	2.00	95,832	2.00	95,832
1315	Construction Equipment Operator	15.00	13.00	15.00	696,298	16.00	757,136	16.00	757,136
7163	Contracts Compliance Specialist	0.00	0.00	1.00	54,564	1.00	56,052	1.00	56,052
7135	Contracts Devel & Review Admin	0.00	0.00	1.00	56,868	1.00	66,504	1.00	66,504
7116	Customer Service Supervisor	0.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
6043	Development Services Technician	0.00	1.00	1.00	59,700	1.00	63,000	1.00	63,000
0943	Economist II	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7562	Electrical Supervisor	0.00	0.00	1.00	62,529	1.00	65,094	1.00	65,094
1455	Electrical Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7564	Electrical/Instrumentation Super	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
1453	Electrician	5.00	5.00	5.00	293,442	5.00	297,840	5.00	297,840
7195	Emergency Management Program Man	0.00	1.00	1.00	69,120	1.00	71,244	1.00	71,244
6112	Engineer	0.00	6.00	6.80	454,550	7.00	506,421	7.00	506,421
3164	Engineer	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7653	Engineer, Chief	0.00	2.00	1.00	110,904	1.00	115,452	1.00	115,452
7655	Engineer, Chief - Water Bureau	0.00	0.00	1.00	106,732	1.00	111,114	1.00	111,114
7650	Engineer, Senior	0.00	8.00	11.00	817,512	11.00	850,014	11.00	850,014
7651	Engineer, Supervising	0.00	4.00	5.00	413,172	5.00	420,900	5.00	420,900
3153	Engineering Associate	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6110	Engineering Associate	0.00	4.00	3.00	137,881	3.00	144,993	3.00	144,993
7673	Engineering Survey Manager	0.00	1.00	1.00	80,148	1.00	80,448	1.00	80,448
3165	Engineering Surveying Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Water Division AU 180

FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
6021	Engineering Technician I	0.00	0.00	5.00	169,152	5.00	179,208	5.00	179,208
6022	Engineering Technician II	0.00	6.00	7.00	346,294	8.00	402,966	8.00	402,966
6023	Engineering Technician III	0.00	2.00	2.00	119,400	2.00	126,000	2.00	126,000
2010	Environmental Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6053	Environmental Specialist	0.00	3.00	3.00	191,412	3.00	195,216	3.00	195,216
3194	Environmental Specialist	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6052	Environmental Technician II	0.00	0.00	0.00	0.00	1.00	46,776	1.00	46,776
7127	Executive Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0827	Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7375	Financial Analyst, Assistant	0.00	2.00	2.00	93,300	2.00	97,116	2.00	97,116
7377	Financial Analyst, Senior	0.00	2.00	1.00	72,276	1.00	72,516	1.00	72,516
1524	General Mechanic	2.00	2.00	2.00	76,614	2.00	96,792	2.00	96,792
6061	GIS Technician I	0.00	5.00	6.00	197,922	6.00	210,163	12.00	440,563
6062	GIS Technician II	0.00	2.00	2.00	106,335	2.00	108,696	2.00	108,696
6063	GIS Technician III	0.00	2.00	2.00	116,363	2.00	122,693	2.00	122,693
7590	Ground Water Program Manager	0.00	1.00	1.00	76,416	1.00	79,548	1.00	79,548
4114	Horticulturist	1.00	1.00	2.00	90,696	2.00	91,032	2.00	91,032
1445	Industrial Painter	5.00	3.00	3.00	141,940	3.00	143,748	3.00	143,748
1446	Industrial Painter, Lead	1.00	1.00	1.00	46,032	1.00	50,316	1.00	50,316
2541	Information Systems Analyst I	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2542	Information Systems Analyst II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2543	Information Systems Analyst III	4.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
2544	Information Systems Analyst IV	3.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7506	Information Systems Analyst IV	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7509	Information Systems Manager	0.00	1.00	1.00	91,872	1.00	92,232	1.00	92,232
2550	Information Systems Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2546	Information Systems Supervisor	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7508	Information Systems Supervisor	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2523	Information Systems Tech II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2138	Inspection Supervisor I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3260	Instrument Technician	4.00	5.00	6.00	352,058	7.00	416,748	7.00	416,748
7560	Instrumentation Supervisor	0.00	1.00	1.00	65,208	1.00	65,467	1.00	65,467
3280	Laboratory Analyst	4.00	4.00	4.00	183,792	4.00	184,512	4.00	184,512
3287	Laboratory Analyst, Senior	0.00	0.00	1.00	50,142	1.00	53,568	1.00	53,568
2034	Laboratory Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7624	Laboratory Manager	0.00	1.00	1.00	85,464	1.00	85,800	1.00	85,800
7131	Management Analyst	0.00	0.00	2.00	98,136	1.00	57,240	1.00	57,240
7132	Management Analyst, Senior	0.00	1.00	1.00	54,144	1.00	63,216	1.00	63,216
7666	Mapping & GIS Supervisor	0.00	1.00	1.00	80,148	1.00	80,448	1.00	80,448
6026	Mapping Data Technician	0.00	0.00	1.00	42,432	1.00	46,776	1.00	46,776
7665	Maps & Records Supervisor	0.00	1.00	1.00	38,760	1.00	40,354	1.00	40,354
7596	Mechanical Systems Supervisor	0.00	1.00	1.00	61,536	1.00	64,056	1.00	64,056
1768	Operating Engineer I	0.00	0.00	1.00	41,376	1.00	42,012	1.00	42,012
1770	Operating Engineer II	4.00	3.00	4.00	185,010	5.00	250,552	5.00	250,552
1771	Operating Engineer III	13.00	13.00	13.00	668,860	13.00	693,884	13.00	693,884
1215	Park Technician	2.00	3.00	2.00	82,286	2.00	82,896	2.00	82,896
7387	Principal Economist	0.00	1.00	1.00	79,764	1.00	83,040	1.00	83,040
3169	Principal Engineer	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7652	Principal Engineer	0.00	6.00	6.00	563,580	6.00	580,396	6.00	580,396
0832	Principal Financial Analyst	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7378	Principal Financial Analyst	0.00	4.00	4.00	322,208	4.00	332,696	4.00	332,696
2545	Principal Info Systems Analyst	1.00	1.00	1.00	64,644	1.00	80,612	1.00	80,612
7154	Program Coordinator	1.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
0966	Program Coordinator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7156	Program Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0968	Program Manager I	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0970	Program Manager II	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0972	Program Manager IV	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7158	Program Manager, Senior	0.00	4.00	1.00	81,540	1.00	84,876	1.00	84,876
7153	Program Specialist	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0964	Program Specialist	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00
7208	Public Information Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7662	Public Works Inspection Supervis	0.00	0.00	1.00	54,144	1.00	63,216	1.00	63,216
3150	Public Works Inspector	4.00	5.00	3.00	166,536	3.00	167,184	3.00	167,184
3151	Public Works Inspector, Senior	2.00	3.00	3.00	183,852	3.00	186,984	3.00	186,984
3149	Public Works Inspector, Trainee	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1952	Public Works Manager	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05	FY 2004-05	FY 2005-06	FY 2005-06	FY 2005-06	FY 2005-06
		No.	No.	No.	Amount	No.	Amount	No.	Amount
1950	Public Works Supervisor	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7552	Public Works Supervisor I	0.00	0.00	2.00	104,148	2.00	108,420	2.00	108,420
7553	Public Works Supervisor II	0.00	9.00	10.00	585,000	10.00	603,461	10.00	603,461
7584	Regional Water Providers Consort	0.00	1.00	1.00	63,000	1.00	64,944	1.00	64,944
7125	Remittance Technician	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
7185	Risk Specialist	0.00	0.00	1.00	53,764	1.00	55,968	1.00	55,968
7192	Safety & Risk Officer I	0.00	1.00	1.00	68,748	1.00	70,863	1.00	70,863
7582	Security Supervisor	0.00	1.00	1.00	53,040	1.00	54,307	1.00	54,307
0816	Senior Administrative Specialist	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6134	Senior City Planner	0.00	1.00	0.90	58,572	1.00	66,108	1.00	66,108
3166	Senior Engineer	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6111	Senior Engineering Associate	0.00	18.00	17.00	1,067,055	17.00	1,097,071	17.00	1,097,071
3163	Senior Engineering Associate	18.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012	Senior Environmental Svcs Mgr	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0828	Senior Financial Analyst	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0952	Senior Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0537	Senior Management Auditor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3231	Senior Planner	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0414	Senior Stores System Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1212	Senior Water Utility Worker	0.00	1.00	1.00	42,264	1.00	42,432	1.00	42,432
1213	Senior Water Utility Worker	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7161	Stores System Supervisor II	0.00	1.00	1.00	65,400	1.00	65,652	1.00	65,652
3167	Supervising Engineer	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3121	Surveying Aide II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3124	Surveying Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7671	Surveying Supervisor/Water Right	0.00	1.00	1.00	76,104	1.00	76,354	1.00	76,354
3122	Surveyor I	2.00	2.00	2.00	101,808	2.00	102,192	2.00	102,192
3123	Surveyor II	2.00	2.00	1.00	54,480	1.00	54,684	1.00	54,684
3107	Technician I	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3108	Technician II	16.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3109	Technician III	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1054	Trades Supervisor	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0650	Training & Development Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7271	Training and Development Officer	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
1210	Utility Worker I	13.00	6.00	6.00	224,496	6.00	225,360	6.00	225,360
1211	Utility Worker II	63.00	42.00	37.00	1,470,860	42.00	1,694,244	42.00	1,694,244
1209	Utility Worker II, Apprentice	6.00	10.00	23.00	541,211	20.00	640,604	20.00	640,604
1532	Vehicle & Equipment Mechanic	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1744	Water Bureau Director	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7236	Water Conservation Program Coord	0.00	4.00	4.00	244,128	4.00	258,084	4.00	258,084
7238	Water Conservation Program Manag	0.00	0.00	1.00	74,400	1.00	75,903	1.00	75,903
7598	Water Group Manager	0.00	3.00	2.00	195,912	2.00	203,614	2.00	203,614
7595	Water Maintenance Supervisor, Se	0.00	3.00	4.00	275,520	4.00	292,079	4.00	292,079
1700	Water Meter Reader I	13.00	12.00	0.00	0.00	0.00	0.00	0.00	0.00
1701	Water Meter Reader II	1.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
1718	Water Meter Technician I	3.00	2.00	3.00	123,612	3.00	131,556	3.00	131,556
1719	Water Meter Technician II	4.00	4.00	5.00	226,761	6.00	301,704	6.00	301,704
1730	Water Operations Mechanic	16.00	15.00	30.00	1,443,196	32.00	1,560,360	32.00	1,560,360
1731	Water Operations Mechanic, Lead	29.00	24.00	0.00	0.00	0.00	0.00	0.00	0.00
7597	Water Ops & Support Manager	0.00	0.00	1.00	80,388	1.00	82,863	1.00	82,863
1725	Water Ops Mechanic Apprentice	6.00	0.00	8.00	267,456	8.00	306,258	8.00	306,258
7594	Water Quality Inspection Supervi	0.00	1.00	0.00	0.00	1.00	68,748	1.00	68,748
1713	Water Quality Inspector II	5.00	5.00	5.00	273,540	5.00	274,560	5.00	274,560
1714	Water Quality Inspector III	1.00	1.00	1.00	57,408	1.00	57,624	1.00	57,624
7586	Water Resources & Urban Affairs	0.00	1.00	1.00	72,276	1.00	72,492	1.00	72,492
7588	Water Resources Planning Manager	0.00	1.00	1.00	98,736	1.00	98,736	1.00	98,736
7600	Water Resources Program Manager	0.00	3.00	3.00	221,508	3.00	225,600	3.00	225,600
1709	Water Security Specialist	0.00	10.00	11.00	434,782	11.00	444,180	11.00	444,180
1705	Water Service Inspector	9.00	8.00	0.00	0.00	0.00	0.00	0.00	0.00
7592	Water Treatment Operations Super	0.00	1.00	1.00	59,592	1.00	61,428	1.00	61,428
1752	Water Treatment Operator II	9.00	9.00	9.00	464,340	9.00	477,614	9.00	477,614
7060	Water Utility Director	0.00	1.00	1.00	120,567	1.00	125,515	1.00	125,515
1761	Watershed Pipeline Specialist	0.00	0.00	1.00	39,660	1.00	42,432	1.00	42,432
1760	Watershed Specialist	6.00	5.00	4.00	149,497	6.00	241,732	6.00	241,732
1762	Watershed Specialist, Senior	1.00	1.00	1.00	42,102	1.00	42,432	1.00	42,432
TOTAL FULL-TIME POSITIONS		535.00	543.00	423.20	\$ 21,959,762	442.00	\$ 23,770,207	442.00	\$ 23,770,207
0515	Accountant II	1.00	1.00	0.89	46,212	0.76	39,852	0.76	39,852

Water Division AU 180

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0510	Accounting Technician	1.00	1.00	1.00	26,916	0.64	22,380	0.64	22,380
0131	Customer Accts Spec I	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
0100	Office Supp Spec I	1.00	1.00	0.50	14,505	0.50	15,528	0.50	15,528
0102	Office Supp Spec II	0.00	3.00	2.05	58,947	2.08	67,635	2.08	67,635
2532	Applications Analyst II	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6112	Engineer	0.00	1.00	0.50	36,276	0.50	36,420	0.50	36,420
6021	Engineering Technician I	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7607	Environmental Program Specialist	1.00	1.00	0.80	47,832	0.80	49,410	0.80	49,410
6051	Environmental Technician I	0.00	0.00	0.88	27,876	0.61	20,426	0.61	20,426
7152	Program Specialist, Assistant	1.00	2.00	1.68	80,076	1.53	77,281	1.53	77,281
TOTAL PART-TIME POSITIONS		5.00	14.00	8.30	\$ 338,640	7.42	\$ 328,932	7.42	\$ 328,932
2532	Applications Analyst II	0.00	0.00	0.50	30,540	0.66	37,434	0.66	37,434
7607	Environmental Program Specialist	0.00	0.00	0.75	35,037	1.00	48,316	1.00	48,316
7133	Principal Management Analyst	0.00	0.00	1.00	64,809	0.84	55,878	0.84	55,878
TOTAL LIMITED TERM POSITIONS		0.00	0.00	2.25	\$ 130,386	2.50	\$ 141,628	2.50	\$ 141,628

Water Division AU 180

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	103,536,550	0	103,536,550	433.42	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	1,073,870	571,000	1,644,870	14.00	Increased Maintenance
	185,112	73,000	258,112	2.50	Open Reservoir Water Quality Monitoring
	324,360	30,000	354,360	6.00	GIS Acceleration
	1,536,819	0	1,536,819	9.00	Powell Valley merger add
	(80,000)	0	(80,000)	0.00	Reception consolidation
	(76,740)	0	(76,740)	(1.00)	CIP Management Analyst
	(531,892)	0	(531,892)	0.00	IA reductions from 5% cut
	(156,162)	0	(156,162)	0.00	Interagency reductions
	(145,428)	0	(145,428)	(2.00)	Spring BuMP cut
	(953,678)	0	(953,678)	(4.00)	Powell Valley merger cut
	(302,964)	0	(302,964)	(6.00)	Position Reductions to Base
	34,114	0	34,114	0.00	Technical adjustment for Revenue Bureau
Approved Budget Additions and Reductions					
	113,559	0	113,559	0.00	Net Savings - Revenue Bureau decision
	(83,354)	0	(83,354)	0.00	Net of Technical Adjustments for Approved Budget
Adopted Budget Additions and Reductions					
	(5,048)	0	(5,048)	0.00	Technical Adjustments for Adopted Budget
	932,568	674,000	1,606,568	18.50	Total Decision Packages
			\$ 105,143,118	451.92	Total Adopted Budget

Hydroelectric Power Division

OVERVIEW

Organizational Description

Generated power is sold to PGE under a long-term power sales contract.

The Hydroelectric Power Division manages the ongoing operation of the City's Portland Hydroelectric Project (PHP). This project is located 25 miles east of Portland in the Bull Run Watershed and has a combined generation capacity of 36 megawatts. The power generated at this project is sold locally to the Portland General Electric Company (PGE) via a long-term power sales contract. The project is also subject to federal and state regulatory control via long-term licenses and permits.

Staff Functions

Three full-time staff manage the Hydroelectric Power Division.

The Hydroelectric Power Division's staff is responsible for:

Project Administration

Administration of all aspects of the PHP's long-term power sales agreement with PGE including coordination with PGE on financial, operations, maintenance, and repair issues.

Regulatory Compliance

Ensure compliance with all project-related regulatory requirements including surveillance, oversight, and reporting. Staff must monitor compliance for the Water Bureau's two Bull Run water supply dams and the Mt. Tabor Hydro Project, which has three large, open water supply reservoirs in the city.

Project Finances

Coordination of all PHP project-related financial matters, including the administration of the project's revenue bonds and related trust indentures, as well as the City's associated budget requirements for the division and the three related Hydroelectric Power Funds.

Project Operations

The Portland Hydroelectric Project continues to be operated in compliance with its various regulatory requirements and with a minimum of down-time interruptions.

FY 2005-06 Budget

The FY 2005-06 Adopted Budget for the Hydroelectric Power Division is \$566,204. This budget supports the PHP's administrative and operational costs with funds that are specifically dedicated to that purpose. The FY 2005-06 Adopted Budget maintains the current service level with a staff of three full-time positions.

Overview of Programs

HYDROELECTRIC POWER ADMINISTRATION

Mandated Administrative and Operational Activities

Four contractual or regulatory documents mandate activities.

The Hydroelectric Power Division has only one program, Hydroelectric Power Administration. This program provides for the administrative and operational activities that are mandated for the Portland Hydroelectric Project through the following contractual or regulatory documents:

- ◆ Power Sales Agreement between the City and PGE;
- ◆ Hydroelectric Power Revenue Bond Trust Indentures;
- ◆ Project license from the Federal Energy Regulatory Commission; and
- ◆ Permits from both the U.S. Forest Service and the Oregon Water Resources Department.

Activity Coordination

The Hydroelectric Power Division must coordinate activities with:

- ◆ The project's power purchaser and operator, PGE;
- ◆ Four different state and federal regulatory and/or resource agencies;
- ◆ The Independent Trustee for the Hydroelectric Power Revenue Bonds;
- ◆ The project's insurance underwriters;
- ◆ The Water Bureau's Water Operations group; and
- ◆ Various other City bureaus.

Other Hydropower Projects

This program also provides administrative support for the regulatory aspects of the Water Division's two small hydropower projects.

Relationship to Goals

The Hydropower Division supports the City goal of delivering efficient, effective, and accountable municipal services, and the bureau goal of providing cost-effective, responsible, and accountable drinking water service.

Performance

The division projects power sales of 85,000 megawatt hours in FY 2005-06, up from 79,488 in FY 2003-04. Power sales are very dependent on stream flows, which in turn are dependent on the weather, so it is difficult to predict power sales from year to year. The division also plans to transfer \$200,000 to the General Fund for general City purposes in the coming year.

Changes in Services

No significant changes are anticipated in FY 2005-06.

Hydroelectric Power Division AU 637

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF WATER WORKS						
Hydroelectric Power Division						
Hydroelectric Power Administration						
Effectiveness						
Power Sold to PGE (mwh)	59,118	97,814	72,510	79,488	68,937	85,000
Efficiency						
Transfer of Hydropower Profits to General Fund	\$200,000	\$150,000	\$200,000	\$200,000	\$300,000	\$200,000
Workload						
Hydropower Project Monitoring Reports	2	2	2	2	2	2

Hydroelectric Power Division AU 637

SUMMARY OF DIVISION BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	203,867	200,423	253,131	266,222	266,222
External Materials and Services	242,664	163,512	249,200	129,200	129,200
Internal Materials and Services	151,202	155,927	172,680	170,593	170,782
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	597,733	519,862	675,011	566,015	566,204
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 597,733	\$ 519,862	\$ 675,011	\$ 566,015	\$ 566,204
Allocated Overhead	52,836	54,426	50,423	54,587	58,027
Total Cost with Allocated Overhead	650,569	574,288	725,434	620,602	624,231
RESOURCES					
Hydropower Operating Fund	597,733	519,862	675,011	566,015	566,204
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Hydroelectric Power Administration	597,733	519,862	675,011	566,015	566,204
Positions	3.00	3.00	3.00	3.00	3.00
TOTAL PROGRAMS	\$ 597,733	\$ 519,862	\$ 675,011	\$ 566,015	\$ 566,204
Positions	3.00	3.00	3.00	3.00	3.00

Hydroelectric Power Division AU 637

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	1.00	1.00	1.00	26,916	1.00	37,548	1.00	37,548
2534	Applications Analyst IV	1.00	1.00	1.00	74,604	1.00	74,796	1.00	74,796
7651	Engineer, Supervising	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7601	Hydro Power Project Manager	0.00	0.00	1.00	85,464	1.00	85,772	1.00	85,772
3167	Supervising Engineer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		3.00	3.00	3.00	\$ 186,984	3.00	\$ 198,116	3.00	\$ 198,116

Hydroelectric Power Division AU 637

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	566,270	0	566,270	3.00	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions	(255)	0	(255)	0.00	Net Interagency Adjustments
Approved Budget Additions and Reductions	189	0	189	0.00	Technical Adjustment for Approved
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(66)	0	(66)	0.00	Total Decision Packages
			\$ 566,204	3.00	Total Adopted Budget

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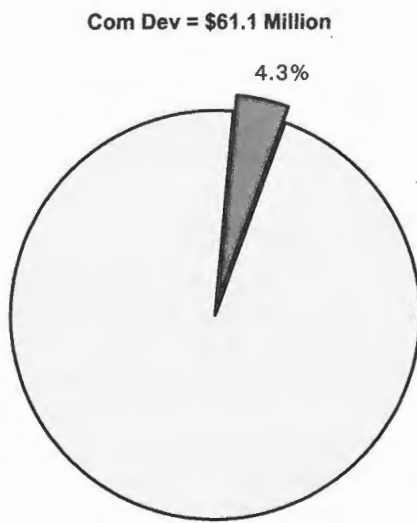


Community Development

Bureau of Development Services
 Bureau of Housing and Community Development
 Bureau of Planning

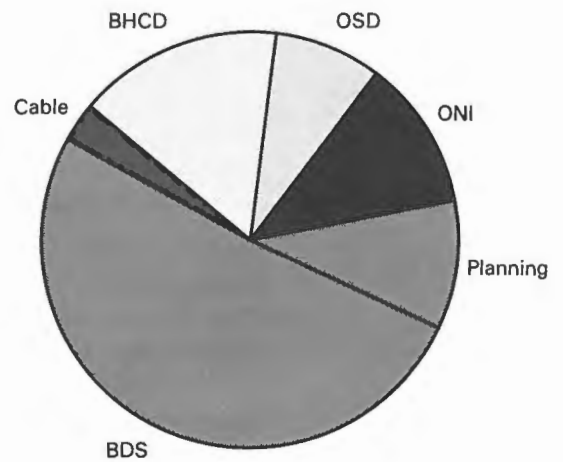
Cable Communications and Franchise Management
 Office of Neighborhood Involvement
 Office of Sustainable Development

Percent of City Budget



City Budget = \$1.42 Billion

Bureau Pie Chart



Service Area Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	72,622,520	61,093,412	-11,529,108	-15.9%
Capital	0	0	0	0.0%
Total Expenditures	\$ 72,622,520	\$ 61,093,412	\$ -11,529,108	\$ -15.9%
Authorized Positions	461.38	464.98	3.60	0.8%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Service Area Highlights

DESCRIPTION

The Community Development service area includes programs in the Bureau of Development Services, Bureau of Housing and Community Development, Bureau of Planning, Office of Cable Communications and Franchise Management, Office of Neighborhood Involvement, and Office of Sustainable Development. There are several new initiatives for FY 2005-06 in this service area, including the allocation of \$2.0 million in one-time funds to homelessness and housing assistance programs, and the creation of a \$0.5 million community visioning and empowerment account.

MAJOR THEMES

Bureau of Development Services

Through the review of proposed development, the Bureau of Development Services (BDS) implements the City's policies, plans, and codes related to land use, building, and plumbing. The bureau ensures compliance with site-related regulations, such as erosion control, grading, and onsite stormwater treatment and disposal. The bureau also enforces the zoning code, as well as structural, mechanical, plumbing, and electrical codes.

The FY 2005-06 Adopted Budget for BDS is over \$32 million. This represents a 5.2% increase over the FY 2004-05 Revised Budget and a net addition of 11.6 FTE. The City's Noise Control program and its three filled positions will be transferred from the Office of Neighborhood Involvement to BDS. In addition, seven positions will be added to the Land Use Services program to expedite land use reviews, four positions will be created in the new Apprenticeship program, and two positions will be added to the Process Management program. BDS will also transfer four positions to the Bureau of Technology Services as part of the information technology services consolidation and will reclassify a part-time position to a lower level.

Housing and Community Development

The Bureau of Housing and Community Development (BHCD) manages federal funds channeled to the City by the U.S. Department of Housing and Urban Development. Entitlement grants include the Community Development Block Grant (CDBG), HOME, Housing for People with AIDS, and the Emergency Shelter grant. The bureau is meeting the challenge of declining federal entitlement funds (CDBG and HOME) by analyzing each program in light of its strategic goals to make the most effective use of these diminishing resources.

BHCD also receives General Fund discretionary resources. The Adopted Budget includes a 4%, or \$111,093, reduction in ongoing General Fund discretionary revenues. These funds are partially restored for FY 2005-06 through the addition of \$73,109 in one-time funds. The bureau is also responsible for allocating the General Fund resources transferred annually into the Housing Investment Fund (HIF). An ongoing amount of \$482,122 is added in the FY 2005-06 Adopted Budget; these funds will be used to support homeless programs. The HIF's FY 2005-06 Adopted Budget also includes:

- ◆ \$1 million in one-time General Fund resources for the Chronic Homelessness program;
- ◆ \$1 million in one-time General Fund resources for the Housing Assistance program;
- ◆ \$800,000 in one-time funds carried over from FY 2004-05 for the Homeless Housing Risk Mitigation Pool program;

- ◆ The second of two \$500,000 one-time installments for the Transitions to Housing program; and
- ◆ \$67,400 in one-time funding for the homeless management information system.

At the end of the budget process, \$269,834 in one-time General Fund discretionary resources was also added to restore detoxification services provided by Central City Concern.

Bureau of Planning

The Bureau of Planning helps to set goals and to create long-range plans and strategies to guide Portland's future. The bureau's efforts are focused on managing growth, promoting livability and economic health, and preserving the city's heritage and environment.

The FY 2005-06 Adopted Budget includes a reduction in the services and supplies budget, the elimination of an office support position (1.0 FTE) and vacant planner positions (1.5 FTE), reclassification of a management position to a lower level, and consolidation of two management positions into one management position. In addition, the Adopted Budget moves the Regulatory Improvement function and an additional district planning position into the bureau's ongoing budget, and funds the River Renaissance Initiative staff with a one-time appropriation. The Adopted Budget also funds a code development position through an interagency agreement with the Bureau of Development Services, a position assigned to Measure 37 claims, and a housing demographer position.

Cable Communications and Franchise Management

The Office of Cable Communications and Franchise Management administers utility and telecommunications franchises, protects the public's interest in cable communications, and regulates private use of telecommunications public rights-of-way. To avoid further loss of public access to cable services provided by Portland Community Media and to prevent any loss of General Fund revenues, the bureau's Cable Communication and Utility Franchises programs were held harmless from General Fund reductions.

In FY 2005-06, the bureau will continue work on the update of the Utility Licence Fee Code and will oversee audits of several utilities, including point-to-point telecommunication companies. The bureau will continue its aggressive compliance program, which performs lower-level audits, financial reviews, and a variety of other compliance activities. The program continues to identify additional outstanding franchise fees that are owed to the City.

Office of Neighborhood Involvement

The Office of Neighborhood Involvement (ONI) continues to coordinate efforts to make the city's neighborhoods more livable and to promote meaningful and diverse civic participation. ONI's FY 2005-06 Adopted Budget is essentially equivalent to its current appropriation level. Notable changes for FY 2005-06 include:

- ◆ Creation of a \$500,000 Community Visioning and Empowerment account. These funds will be used for a variety of purposes, including visioning and strategic planning processes.
- ◆ Return of the Noise Control program to the Bureau of Development Services. This transfer will reduce ONI's budget by \$302,146 and ONI's staff by four positions.
- ◆ Elimination of three positions: an assistant bureau director, a management analyst, and a Neighborhood Resource Center program coordinator.
- ◆ Adoption of a new graffiti abatement model that will save \$60,000 per year. The City will also pursue additional savings in this program by soliciting private funds for abatement on large commercial properties. The FY 2005-06 budget makes \$80,000 available to match these private donations on a dollar-for-dollar basis.

- ◆ Conversion of a neighborhood inspections position from limited term to permanent. The position will be funded with a combination of General Fund resources and new fee revenue generated by changes to the housing fee schedule.

Office of Sustainable Development

The Office of Sustainable Development (OSD) continues to pursue options to protect the City's economic, environmental, and public interest goals. Funding for OSD originates primarily from residential and commercial solid waste fees, grants, and charges to other bureaus. General Fund discretionary support, about \$420,000 in FY 2005-06, represents 8.2% of OSD's total budget of \$5 million. More than \$800,000 of OSD's budget is from grants, contracts, and agreements, as OSD continues to leverage City funding with non-City sources.

The only reduction to OSD's FY 2005-06 budget is a \$10,660 decrease in internal service fund charges. The FY 2005-06 Adopted Budget also includes one-time Special Appropriations for the Block by Block Fix-it Fair events and the newly created Sustainable Food Initiative.

In FY 2005-06, OSD will seek to enhance two of Portland's nationally recognized programs: recycling and green building. To reach a City goal to recycle 60% of waste, OSD will implement a planned food waste recycling program and will intensify efforts to increase recycling of construction and demolition materials.

Bureau of Development Services

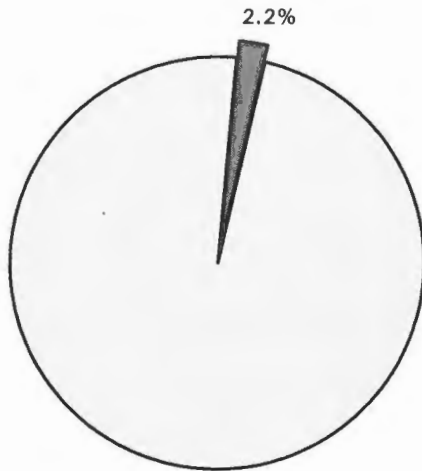
Community Development Service Area

Randy Leonard, Commissioner-in-Charge

Ty Kovatch, Interim Director

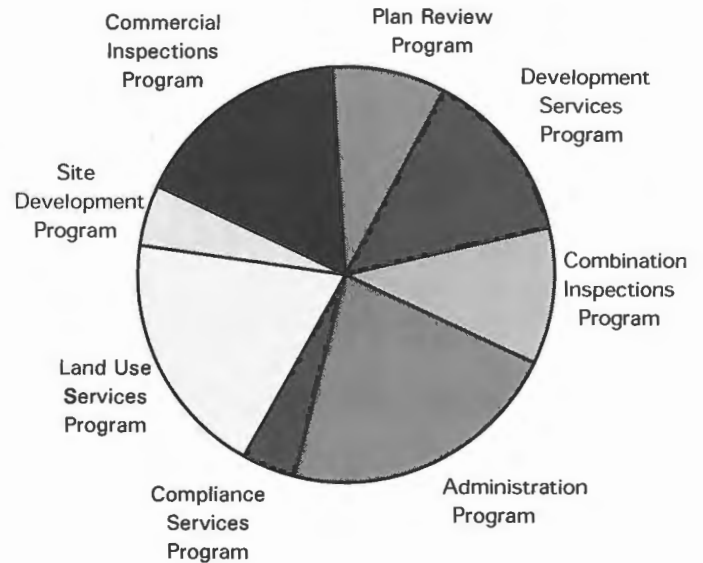
Percent of City Budget

BDS = \$31.3 Million



City Budget = \$1.42 Billion

Bureau Programs

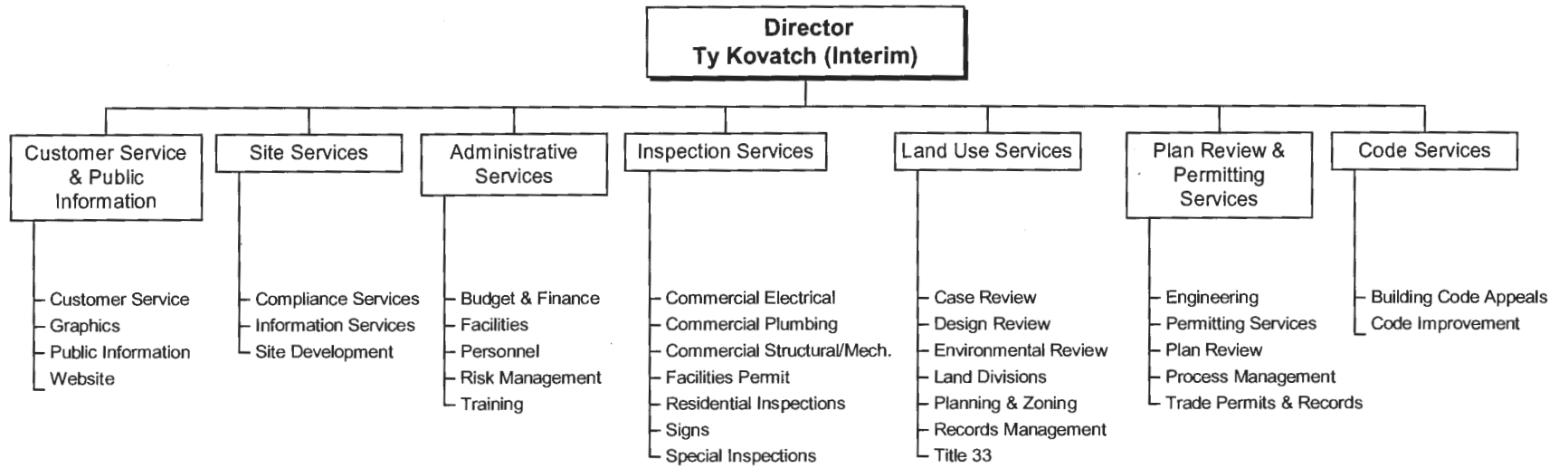


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	29,601,847	31,271,639	1,669,792	5.6%
Capital	0	0	0	0.0%
Total Expenditures	\$ 29,601,847	\$ 31,271,639	\$ 1,669,792	\$ 5.6%
Authorized Positions	276.94	292.25	15.31	5.5%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau of Development Services



Bureau Summary

BUREAU MISSION

The Bureau of Development Services (BDS) promotes safety, livability, and economic vitality through efficient and collaborative application of building and development codes.

VISION AND VALUES

To meet the needs of the community, we pursue the following goals:

- ◆ Promote community vitality and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations .
- ◆ Provide cooperative and responsive internal and external customer service.
- ◆ Process all bureau functions efficiently.
- ◆ Support continual professional growth of the workforce and organization through education, technology, and diversity.
- ◆ Create a collaborative workplace that promotes mutual respect through trust, fairness, and open communication.

Our values include:

- ◆ Dedication to public service
- ◆ Pride in our work
- ◆ Care for the long-term viability of our community
- ◆ Recognition of the worth, quality, and importance of each employee and member of the community
- ◆ Support of continual learning, education, and innovation

BUREAU OVERVIEW

Labor Management Committee Produces FY 2005-06 Budget Submittal

The bureau's Labor Management Committee (LMC) was tasked to review the bureau's budget by section and line item to produce recommendations for the overall budget that carried out the Mayor's direction to present a 5% budget reduction. The LMC reached out to all employees for their ideas and set up task forces to look at 19 different budgets. They identified \$1.5 million (5%) in savings but did not recommend cutting the bureau's budget because current permit revenues are sufficient to maintain the current service level in all areas except Land Use Services. However, the LMC did identify approximately \$450,000 from a number of areas that it recommended for redistribution to improve customer-focused program areas. The FY 2005-06 budget incorporates many of the recommended savings and includes the LMC's recommendation to fund an apprenticeship program to provide training for minority and women candidates to ultimately become inspectors, plans examiners, or land use planners.

General Description

The Bureau of Development Services is an integral part of development in the City of Portland. Bureau staff work with developers, builders, and homeowners to guide them through the development process. BDS has 280 employees and a budget of \$30.6 million, and is funded primarily through fees. The bureau manages programs that ensure construction and land use codes are followed. The bureau is instrumental in enhancing the

safety of buildings and the livability of Portland's neighborhoods. To this end, staff reviews construction plans and issues permits, and inspects industrial, commercial, and residential construction to ensure compliance. The bureau also provides permit records, answers customer inquiries about the development review process, tracks plans, and provides early assistance for customers all the way through permit issuance. BDS is responsible for implementing the City's land use policies, plans, and codes through the review of proposed development, and ensures compliance with site-related regulations, such as erosion control, grading, and onsite stormwater treatment and disposal. The bureau also enforces the zoning code, as well as structural, mechanical, plumbing, and electrical code violation cases.

Customer Service Culture

The bureau continues to focus its efforts on creating a customer service culture to improve its service to customers. BDS business is providing service to all the stakeholders in the development or compliance process - neighbors, business owners, code violators, and developers. Because BDS is a regulatory agency and citizens have no place else to receive these services, it is essential that the bureau provide outstanding customer service. Central to this approach is treating customers with respect, dignity, and understanding. The goals are for BDS staff help solve customers' particular project-related problems in constructive and creative ways, to help customers understand what the rules and regulations are and how they apply to their project/proposal, and to work with customers to develop alternative solutions to their problems. Each employee is empowered and responsible to be a collaborative problem solver in assisting customers through the development process.

Diversity

The bureau is taking on the responsibility of creating an inclusive work environment and a diverse and culturally competent workforce. The bureau's Diversity Committee comprised of line staff and management is creating the bureau's Diversity Development Program to achieve these goals. In order to meet the Mayor's goal of being representative of the community, the percentage of minorities in the bureau needs to double.

State Statutes and Administrative Rules

City enforces a variety of state and local statutes.

The City is required to enforce state- adopted codes with state-certified personnel. The responsibility of enforcing the state construction codes is delegated to the bureau through the state's local option program. State statutes govern the building, mechanical, plumbing and electrical codes; subsurface sewage disposal; mobile homes and mobile home parks; and recreational vehicle parks. Through an intergovernmental agreement with Multnomah County, BDS provides construction code enforcement in the area from the Portland-Gresham urban services line to the western Multnomah County line.

In addition to the programs assumed from the state, BDS is assigned responsibility by the City Council for administering a variety of regulations adopted within the City Code. The largest of these is the application and administration of the Planning and Zoning Code under Title 33 of the City Code. BDS is also responsible for Floating Structures (Title 28), Erosion Control (Title 10), and Signs (Title 32).

Fees

Construction permits and inspections do not use General Fund resources.

BDS has the traditional "building department" functions of inspections, permit issuance, and review of architectural and engineering plans. These programs are funded solely through permit fees and charges. State statutes regulate these programs and, in most circumstances, prohibit revenue from these programs being used for other local programs. Fees support the site development, code compliance, and environmental soils programs. Land Use Services is also housed in BDS; land use review fees and General Fund discretionary funds support this program. Building permit fees finance some land use review functions in the Development Services Center.

SUMMARY OF BUDGET DECISIONS

For the first time, the bureau's requested budget was created by the LMC. Many of the LMC's recommendations are included in the FY 2005-06 Adopted Budget.

Development Services Fee & Reduction in Building Permit Fees

In December 2004, City Council proposed the creation of a Development Services fee to assist in solving a critical funding issue in the Land Use Services program. Council approved an ordinance to enact the new fee effective May 2, 2005. The ordinance included a 10% reduction in building permit fees to mitigate the impact of the new fee to customers. Revenue from the fee will support seven new staff in the Land Use Services Division and will improve the speed, quality, and predictability of the land use review process for BDS customers.

Interagency Reduction

This represents the central services interagency rate reduction.

General Fund Reduction

The budget includes a reduction of General Fund discretionary revenues for the Land Use Services program, which will result in cuts in training, overtime, equipment and supply purchases, and printing expenses.

Resource Reallocation/ Apprenticeship Program

The LMC identified cost savings in a variety of bureau programs. A portion of these savings is being reallocated to fund an apprenticeship program to train participants to become building inspectors, plans examiners, or land use planners. Cost savings are also realized by reducing interagency services.

Noise Control Program

The FY 2005-06 Adopted Budget includes the transfer of the Noise Control Program from the Office of Neighborhood Involvement (ONI) to BDS. Moving this program will help coordinate the code enforcement work of Noise Control with the work of the bureau's Code Compliance program.

Regulatory Improvement

BDS has been funding half of a Senior City Planner position in the Bureau of Planning. The FY 2005-06 Adopted Budget calls for BDS to fully fund this position. The position will assist in the implementation of the Regulatory Improvement Workplan by managing a process that updates and streamlines the City's land use regulations. The Code Maintenance function (minor code changes) that BDS was responsible for in the past has been folded into this work program and is being carried out as a consolidated effort by the Bureau of Planning. The new work program now includes technical amendments and major and minor policy amendments to the Zoning Code.

TRACS Program

The FY 2005-06 Adopted Budget includes the transfer of the Tracking, Review, and Construction System (TRACS) from BDS to the Bureau of Technology Services (BTS). TRACS is the bureau's permit tracking database, and is used by BDS and other bureaus involved in development review. The TRACS Program is moving to BTS as part of the City's centralization of Information Technology services.

Strategic Direction

SIGNIFICANT ISSUES

Functional Labor/ Management System

In 2002, the BDS LMC was created. The LMC is a body of represented and non-represented frontline employees, supervisors, and managers who work collaboratively to address issues facing the bureau. Successes of this model include a dramatic drop in employee grievances, alternative methods of dispute resolution, improved communication, and most recently, the complete development of the FY 2005-06 budget submittal. The LMC will continue to bring labor and management together to work on significant bureau issues.

Building a Strong Environment for Business

As one of several City agencies who regularly interface with the business community, BDS understands that it plays a key role in the City's effort to provide a welcoming environment for business. The bureau recognizes the importance of the jobs and tax base that businesses provide, which in turn provide our citizens and municipal governments the resources needed to sustain a stable and vibrant community.

BDS recognizes the key role that small businesses play in driving economic growth, and continues to make a concerted effort to serve small business customers who want to develop or expand their businesses. The bureau's Small Business Program establishes relationships with small business owners and organizations and provides resources and staff expertise to help them navigate the development process.

Responsiveness to Industry, Neighborhoods, and Citizens

The bureau's mission requires being responsive to both the development community and to neighborhoods and citizens. Industry is under many constraints in terms of funding and timelines; therefore, the bureau needs to have development review systems that ensure that industry needs are met. At the same time, neighborhood organizations and citizens have concerns about the quality of development and want access to information, and the bureau also needs to satisfy their concerns.

Continuing Issues

There are several issues that continue to be significant for the bureau:

- ◆ Continue to make customer service a priority and to solidify a customer service culture within the bureau.
- ◆ In order to respond to industry's needs, continue creating a diverse but targeted mix of "niche" programs.
- ◆ Determine the changing needs of small business owners and provide resources and assistance with the development process.
- ◆ Respond to the increasing volume and complexity of federal, state and city regulations, such as Federal Endangered Species Act and Clean Water mandates, state adoption of new model construction codes, City regulations for onsite stormwater facilities, and the Regulatory Improvement Workplan.
- ◆ Match private industry in the acquisition and use of information technology: for example, the use of the internet for accepting permit applications and the ability to review plans online.
- ◆ Attract and retain experienced and qualified staff, be flexible in promotions and assignment of work, and provide capable leadership at all levels of the bureau.

BDS Strategic Plan

The bureau's strategic direction is guided by four operating principles:

- ◆ Help customers achieve success.
- ◆ Occupy buildings as quickly as possible.
- ◆ Promote code compliance.
- ◆ Recognize the quality, worth, and importance of each employee and member of the community.

Commitment to provide high-quality customer service

In following these principles, the bureau has pursued organizational change in two key areas. The first is the introduction of a culture within the bureau that values and delivers high-quality customer service. The bureau's customers have been clear that they need BDS staff to function as project facilitator and problemsolver, as well as code regulator and enforcer. The bureau has instilled this vision and provided staff with the tools to help get customers to success.

The second area of organizational change is facilitating the bureau's development to successfully meet the regulatory and technical challenges of the future. BDS has implemented a flexible organizational structure capable of supporting "fast-track" programs designed for frequent customers, as well as enhanced traditional programs. Maintaining levels of staffing, fee revenues, financial reserves, and technology adequate to support both types of programs have been crucial to the success of these changes.

Finally, the bureau has also recognized the significance of its role in promoting reasonable and appropriate codes. BDS is required to enforce many regulations in which the bureau has little input. This disconnect has created enforcement problems for staff at times and has been frustrating for customers pursuing development. BDS is therefore committed to becoming more active in the state and City code development process.

Funding of Land Use Services

New development services fee, lower building permit fees

The City Council recently directed BDS to solve the Land Use Service program's chronic funding problem by working with stakeholders to create a new development services fee, which was approved by the Council and went into effect on May 2, 2005. The new fee will be charged at the time of issuance of building, site development, and zoning permits. Revenues from this new fee will help fund the Land Use Services program. To offset the impact of this new fee, building permit fees will be reduced by approximately 10%.

Diversity

Over the past years, the bureau has made significant improvements in the number and percentage of female employees in the bureau. However, there is more work ahead. In order to be representative of the community, the percentage of employees of color in the bureau needs to double. In addition, it is critical that all employees feel comfortable in the workplace and that the bureau provides outstanding customer service to its diverse customers. The FY 2005-06 budget includes funding for diversity and cultural competency training for all employees and for outreach recruitment.

Implementation of Ballot Measure 37

Ballot Measure 37 entitles property owners to compensation when land use regulations reduce the fair market value of their property by restricting its use. The recent passage of this measure will have an impact on the bureau's land use functions and operating budget. The City has received approximately one claim per week since the measure went into effect, and it is expected that this volume will continue.

Reserve Policy

Goals for the reserve levels of each bureau program have been reviewed, and most have been revised downward. Reserves are an important part of the bureau's financial plan because they allow BDS time to recognize and respond to unanticipated declines in revenues, and to maintain the staffing needed to provide services on permits that have already been paid. In FY 2004-05 the bureau was directed to work with the Office of Management and Finance to review the reserve goals for its programs.

The bureau completed a survey that gathered information from a number of comparable jurisdictions regarding their development services programs, reserves, and reserve policies. As a result of the review, the bureau has lowered its reserve goals for several programs, because experience has shown that the higher goals are not necessary.

MANAGEMENT GOALS & OBJECTIVES

Promote community vitality and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations.

Strategies

BDS enables customers to comply with applicable codes and regulations by offering innovative programs and services in response to customer needs. The bureau approaches code enforcement as a collaborative partner in the development process.

Revisions to Existing Building and Seismic Program

Major revisions made to City Code Chapter 24.85, Seismic Requirements for Existing Buildings, increase flexibility and encourage the re-development of existing and historic buildings. It will now be more affordable and easier for our customers to develop existing buildings, thereby protecting new resources and the character of the City.

Get Legal Program

The newly formed "Get Legal" program uses a team approach to provide assistance to customers in need of legalizing past construction work done without a permit. The Get Legal team meets with customers to identify the scope of work and develop a work plan, and then assists the customer through the permit issuance and approval processes.

Proactive Community Outreach

The bureau will host booths at the Portland Home Improvement & Remodeling Show and the Portland Home & Garden Show in 2005. Bureau staff will continue to make monthly guest appearances on a local home improvement radio talk show. BDS staff participate with the City's Office of Sustainable Development and Portland General Electric in quarterly Fix-It Fairs, which provide an opportunity for outreach regarding permits, inspections, and other bureau services.

Accessory Dwelling Unit (ADU) Program

The ADU Program assists single-family property owners who want to add a dwelling unit to their home. For a small fee, residential inspectors visit the site, discuss the project details with the applicant, and work with them to meet their needs and the requirements of the code.

Programs

The programs in this area include:

- ◆ Administration
- ◆ Commercial Inspections

- ◆ Compliance Services
- ◆ Combination Inspections
- ◆ Land Use Services
- ◆ Development Services
- ◆ Site Development
- ◆ Plan Review

Provide cooperative and responsive internal and external customer service.

Strategies

The bureau needs to be able to tailor programs to meet changing customer needs and is continually reviewing its customers' needs to ensure that they are being met. A series of fast-track programs have been developed for experienced customers, while conventional programs have been maintained for one-time applicants. The bureau is actively partnering with other bureaus and other agencies, such as the Portland Development Commission, to ensure quality service.

Process all bureau functions efficiently.

Strategies

All BDS employees are given the responsibility to seek efficiencies in their own work and other bureau programs and processes. The bureau also uses the Specific Measurable Attainable Results-oriented and Time-based (SMART) Program, cross-functional work groups, and other strategies to target specific bureau divisions or programs for efficiency improvements.

Support continual professional growth of the workforce and organization through education, technology, and diversity.

Strategies

The bureau supports its employees by providing a variety of training and other professional growth programs.

Create a collaborative workplace that promotes mutual respect through trust, fairness, and open communication.

Strategies

The bureau has a wide variety of employee/management teams that focus on a variety of bureau-wide issues, such as labor relations, diversity, safety, and environmentally sound business practices. In addition, the bureau promotes a culture of supporting not only external customer services but also internal customer service and strives to keep lines of communication open.

Overview of Programs

ADMINISTRATION PROGRAM

Description	The Administration program provides overall direction to the bureau so all program objectives are met. Included within this program's budget are the Office of the Director, budget, emergency management, finance, personnel, training, code development, communications, customer service, information technology, loss control/risk management, general reception, and office management.
Relationship to Goals	The Administration program supports the Citywide goal to protect and enhance the natural and built environment and the five bureau goals discussed in the previous section.
Changes to Services and Activities	<p>Diversity Development</p> <p>The bureau will implement the Diversity Development Plan currently being written. Anticipated components of the actions for FY 2005-06 include outreach recruitment, employee training, and apprenticeship.</p> <p>Tree and Landscape Manual</p> <p>The Code Services Division will produce a Tree and Landscape Manual to guide enforcement of tree and landscaping requirements in City Code.</p> <p>Outreach to Limited-English Speaking Customers</p> <p>The Customer Service and Public Information Division will be making a concerted effort to conduct outreach to limited-English speaking customers regarding the bureau's services through meetings in community centers, churches, and other arenas serving these communities. The bureau will also be increasing the number of customer handouts available in multiple languages, and will be adding signage in multiple languages in the Development Services Center.</p>

COMMERCIAL INSPECTIONS PROGRAM

Description	The Commercial Inspections program performs state-mandated construction inspections on industrial, commercial, and multi-family construction projects in Portland and the urban services area of Multnomah County. The inspections provided under this program ensure compliance with the state's structural, mechanical, plumbing, and electrical codes. Inspections are also carried out to determine compliance with the City's sign, planning, zoning, and site development codes requirements. The Commercial Inspections program is composed of several sections: Structural/Mechanical, Electrical, Signs, Plumbing, Special Inspections, and the Facility Permit program.
Relationship to Goals	The Commercial Inspections program supports the Citywide goal to protect and enhance the natural and built environment and the bureau goal to promote community vitality and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations.

Performance The number of commercial inspections has decreased from just under 90,000 in FY 2000-01 to 76,820 in FY 2003-04. The bureau estimates that the number of inspections will fall to approximately 67,000 in FY 2004-05.

Due to leaving vacant inspector positions unfilled to meet budget requirements, the number of inspections per day, per inspector has increased from 13.84 in FY 2002-03 to an estimated 15.0 in FY 2004-05. Since FY 2002-03, the percentage of inspections made within 24 hours of request has remained constant at 98-99%.

Changes to Services and Activities

Mobile Office Pilot

The bureau plans to pilot a program to allow inspectors to work primarily from their cars, with limited time spent in the office. If successful, the program could result in substantial savings for the bureau related to office space and infrastructure.

COMPLIANCE SERVICES PROGRAM

Description

The Compliance Services program processes code violation cases and enforces the City's Zoning Code. Program staff inspects and approves zoning permits and ensures compliance with Title 33 property development standards. This program also administers home occupation permit issuance, responds to citizen and industry inquiries and complaints concerning construction and site-related issues, and enforces structural, mechanical, plumbing, and electrical codes. Compliance Services also includes the Dangerous Building and Multi-Family Inspections Programs, and adds the Noise Control program in FY 2005-06.

Relationship to Goals

The Compliance Services program supports the Citywide goal to protect and enhance the natural and built environment and the bureau goal to promote community, vitality and protect life, and natural resources by ensuring compliance with applicable codes and regulations.

Performance

The number of cases presented to the Code Hearings Officer has declined significantly in recent years (from 38 in FY 2001-02 to an estimated 20 in FY 2004-05) as the program has focused on working more with property owners to resolve violations without formal enforcement. The numbers of planning and zoning violations, code enforcement fee assessments, and home occupation permits have remained relatively stable or increased slightly over the last few years.

Changes to Services and Activities

Tow Program

The Tow program is projected to be implemented after Title 3 of the City Code is revised to incorporate this function. Currently, Compliance Services cannot tow vehicles in violation of zoning code regulations from private property because the code does not provide this authority. Parking violations make up the highest percentage of zoning violation cases.

Noise Control Program

The FY 2005-06 budget includes the transfer of the Noise Control program from the Office of Neighborhood Involvement to the Code Compliance program in BDS.

COMBINATION INSPECTIONS PROGRAM

Description	The Combination Inspections program administers the Oregon One and Two Family Dwelling Specialty Code. In this program, the goal is for all inspectors to obtain State certification in all four specialties: structural, mechanical, plumbing, and electrical. Currently 15 of 20 inspectors have all four certifications. This approach saves contractors time and money in scheduling inspections and allows the City to perform more inspections with fewer staff.
Relationship to Goals	The Residential Inspections program supports the Citywide goal to protect and enhance the natural and built environment and the bureau goal to promote community vitality and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations.
Performance	<p>The number of residential inspections has increased from 86,959 in FY 2000-01 to an estimated 95,500 in FY 2004-05. Low interest rates during these years have kept the number of residential permits issued at a high level.</p> <p>The number of inspections per day, per inspector has increased significantly, from 14.76 in FY 2000-01 to an estimated 22.0 in FY 2004-05. The increase stems from both an increase in the number of inspections requested and a decrease in the number of inspectors, as budget constraints have caused several vacant positions to be left unfilled or eliminated.</p> <p>Due to the higher number of inspections overall, the number of trips saved by using inspectors with multiple certifications has increased from 17,515 in FY 2001-02 to an estimated 19,000 in FY 2004-05.</p>
Changes to Services and Activities	<p>Mobile Office Pilot</p> <p>See discussion under Commercial Inspections.</p>

LAND USE SERVICES PROGRAM

Description	<p>The Land Use Services program (LUS) is responsible for implementing the goals and policies of the City's Comprehensive Plan, including neighborhood and community plans. This is done specifically through administering the Portland Zoning Code (Title 33 of the City Code) which now includes the city's Land Division Code, Metro's Functional Plan, the Oregon State Transportation Planning Rule, and Oregon State Land Use Goals. LUS is divided into three areas:</p> <ul style="list-style-type: none"> ◆ Planning and Zoning - review building permits to ensure conformance with Title 33, and provide information to the public; ◆ Case Review - responsible for review and recommendations on quasi-judicial and use reviews as specified by Title 33; ◆ Records Management - provide support for the legally-mandated record-keeping and public notice functions related to land use reviews.
Relationship to Goals	The LUS program supports the Citywide goal to protect and enhance the natural and built environment and the bureau goal to promote community vitality and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations.

Performance The number of land use reviews is rapidly on the rise, from 659 in FY 2002-03 to an estimated 1,180 in FY 2004-05. The number of zoning plan checks has increased from approximately 5,000 the last two fiscal years to an estimated 5,750 in FY 2004-05.

Changes to Services & Activities **Concept-to-Construction Pilot Program**

LUS will seek to implement the Concept-to-Construction pilot program on a limited scale, depending on adequate staffing levels and completion of cross-training. Customers are able to retain the same planner from pre-application appointment through permit issuance, which will enhance predictability and continuity.

Technology Efficiencies

LUS staff will help enable other development-related bureaus to use TRACS (BDS's permit database) for performing and tracking land use reviews. LUS will also pursue the creation of a new folder type in TRACS to document early assistance to land use customers, and will implement the Residential Permit Cover Sheet, providing inspectors with all of the land use and zoning information they need for a project on one cover sheet.

Response to Measure 37

In coordination with the Measure 37 Program Manager and other City bureaus, LUS will play a lead role in the processing and evaluation of Measure 37 claims. This includes reviewing claims, evaluating claim merit, and preparing recommendations for City Council.

DEVELOPMENT SERVICES PROGRAM

Description BDS staff manage the flow of public permitting information and processes from early assistance for customers planning their project to maintaining the records for completed projects.

Resource/Records and Trade Permit staff review and issue over 33,000 plumbing, electrical, mechanical and sign permits each year; maintain historical building permit records; and assist customers in permit history, land use inquiries, and utility location inquiries. Small Business staff provide resources and expertise to small business owners seeking to develop or expand their businesses.

Relationship to Goals The Development Services program supports the Citywide goal to protect and enhance the natural and built environment and the bureau goal to promote community vitality, and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations.

Performance The number of building permits (commercial and residential combined) has increased from 8,828 in FY 2000-01 to an estimated 9,690 in FY 2004-05. The number of other permit types issued has decreased from a combined total of 33,506 in FY 2000-01 to an estimated 30,106 in FY 2004-05. Much of the decrease is in electrical permits.

The program's performance in efficiency measures has remained relatively constant over the last few years. Approximately 65% of building permits are issued over the counter the same day as intake, and over 99% of permits eligible for the Money Back Guarantee program have been issued within guidelines. The percentage of pre-issuance checks completed within two working days of last review approval has varied from a high of 97% in FY 2002-03 to an estimated 90% in FY 2004-05.

Changes to Services and Activities

SMART Program Expansion

The SMART program is a continuous quality improvement program designed to improve processes and programs. In 2005, SMART will expand its scope beyond the Development Services Program and broaden its reach into other areas of the bureau to identify problems, analyze information, and develop and implement quality enhancement programs.

SITE DEVELOPMENT PROGRAM

Description

The Site Development program work includes plan review for geo-technical, flood plain, grading, private street, and site preparation issues, as well as onsite stormwater treatment/disposal and erosion control requirements on private property. Staff reviews all land use cases, identifying any land suitability issues and conditions. Field staff performs all related inspections, including those required by the Stormwater Manual, Trees and Landscaping requirements for Titles 20 and 33, and all required erosion control measures.

The Environmental Soils program works with property owners who have subsurface sanitary systems in need of repair, replacement, or disposal as the City provides public sanitary systems for their use.

Relationship to Goals

The Site Development program supports the Citywide goal to protect and enhance the natural and built environment and the bureau goal to promote community vitality and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations.

Performance

The number of site development inspections has increased significantly, from 6,966 in FY 2001-02 to an estimated 9,800 in FY 2004-05. The number of plan reviews has remained relatively constant for the last several years, ranging from approximately 5,300 to 5,800 per year.

The average time to first checksheet has decreased significantly, from 18.8 days in FY 2002-03 to an estimated 11.0 in FY 2004-05. The percentage of inspections made within 24 hours of request has remained consistently at or above 99%.

Changes to Services and Activities

Tree and Landscaping Certification Program

Site Development is responsible for the new Tree and Landscape Certification program designed to improve compliance with the various city codes related to these requirements. The program encourages compliance using a combination of city and third party inspection procedures. A new manual is being produced to help property owners meet city standards.

PLAN REVIEW PROGRAM

Description

The Plan Review program reviews and approves building and mechanical permits for residential and commercial structures. Plans Examiners review building projects and provide general information on life safety, energy conservation, accessibility, and related building issues. They assist permit applicants to understand building codes and the review process in order to successfully obtain permits for their projects.

Relationship to Goals The Plan Review program supports the Citywide goal to protect and enhance the natural and built environment and the bureau goal to promote community vitality and protect life, property, and natural resources by ensuring compliance with applicable codes and regulations.

Performance The program's performance in meeting review timeframes has been improving in the last few years. The percentage of residential plans reviewed within scheduled end dates has increased from 62.9% in FY 2002-03 to an estimated 75% in FY 2004-05, while the percentage for commercial plans has increased from 56.6% in FY 2002-03 to an estimated 65% in FY 2004-05.

Changes to Services and Activities

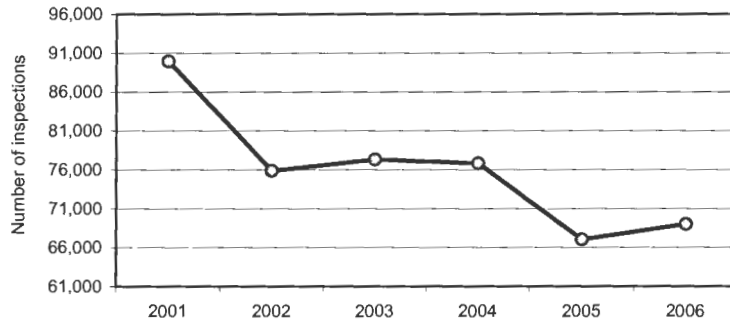
Residential Plan Review Improvement Team

The Plan Review Section will create and implement a team specifically to review and process permits for residential additions and new construction. The team will include both structural engineers and life/safety plans examiners. The goal is to enhance customer service and reduce the review turnaround times.

Performance Measures

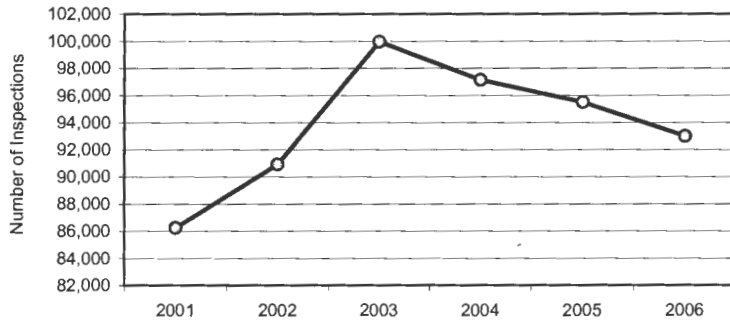
Commercial Inspections

- ◆ Inspections are expected to increase slightly during FY 2005-06.



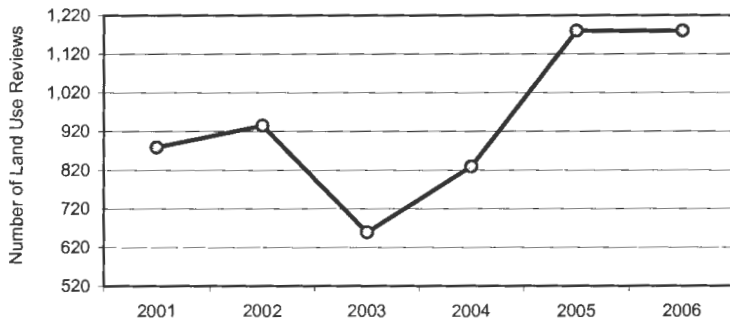
Residential Inspections

- ◆ Residential inspections peaked in FY 2002-03 due to increased number of residential permits prompted by lower interest rates. Inspections are expected to continue to drop slightly.



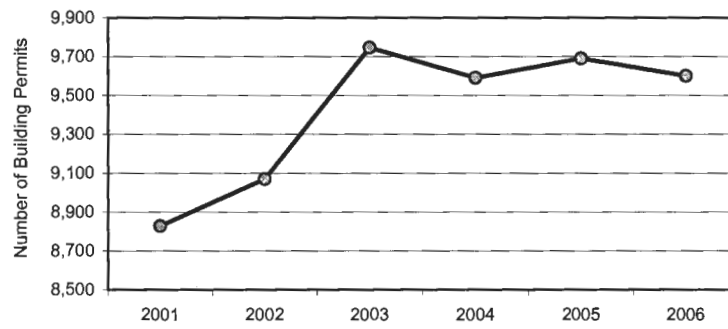
Land Use Reviews Processed

- ◆ The number of cases received dropped in FY 2002-03 due to the economic slowdown but is projected to stabilize.



Total Building Permits (Commercial & Residential)

- ◆ Number of building permits increased in FY 2004-05 mostly due to an increase in the number of residential permits and is projected to stabilize.



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PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF DEVELOPMENT SERVICES						
Commercial Inspections Program						
Effectiveness						
Number of inspections per day, per inspector	14.04	13.65	13.84	14.81	15.00	15.00
Percent of inspections made within 24 hours of request	93%	95%	99%	98%	98%	98%
Workload						
Commercial Inspections	89,959	75,858	77,328	76,820	67,000	69,000
Compliance Services Program						
Workload						
Enforcement cases prepared and presented to Code Hearings Officer	28	38	13	15	20	25
Planning & zoning violation cases	5,499	4,859	5,423	6,182	6,400	6,700
Home occupation permits	135	135	142	151	160	170
Number of properties assessed code enforcement fees	350	334	130	124	135	145
Combination Inspections Program						
Effectiveness						
Number of inspections per day, per inspector	14.76	18.68	21.50	22.84	22.00	21.00
Percent of inspections made within 24 hours of request	97%	99%	99%	98%	98%	98%
Efficiency						
Number of inspection trips reduced due to multi-hatted inspectors	35,610	17,515	19,745	19,758	19,000	19,000
Workload						
Residential Inspections	86,255	90,917	99,948	97,143	95,500	93,000
Land Use Services Program						
Workload						
Land Use Reviews Processed	879	935	659	829	1,180	1,180
Zoning Plan Checks Processed	5,041	4,996	5,058	4,938	5,750	5,750
Development Services Program						
Efficiency						
Percentage of building permits issued over the counter the same day as intake	66%	62%	66%	63%	65%	65%
Pre-issuance checks completed within 2 working days of last review approval	0%	0%	97%	87%	90%	90%
Percent of permits eligible for Money Back Guarantee program issued within guidelines	0%	0%	99%	99%	99%	99%
Workload						
Building Permits - Commercial	3,524	3,394	3,738	3,485	3,890	3,800
Building Permits - Residential	5,304	5,676	6,008	6,105	5,800	5,800
Total Building Permits (Commercial and Residential)	8,828	9,070	9,746	9,590	9,690	9,600
Electrical Permits	14,622	14,533	15,457	16,212	12,700	12,700
Mechanical Permits	8,598	9,008	9,965	10,056	8,800	8,800
Plumbing Permits	9,280	9,707	10,671	10,815	7,700	7,700
Sign Permits	1,006	968	836	882	906	900
Site Development Program						
Effectiveness						
Average time to first checksheet	14.50	15.60	18.80	11.00	11.00	11.00

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
Percent of inspections made within 24 hours of request	96%	97%	99%	99%	99%	99%
Workload						
Site Development Inspections	3,009	6,966	7,993	9,776	9,800	9,800
Site Development Plan Reviews	5,481	5,824	5,728	5,270	5,300	5,300
Plan Review Program						
Effectiveness						
Percent of residential plans reviewed within scheduled end dates (new measure)	0%	0%	63%	70%	75%	80%
Percentage of commercial plans reviewed within scheduled end dates (new measure)	0%	0%	57%	57%	65%	75%

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SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	20,906,303	19,612,684	22,062,765	23,808,412	23,904,250
External Materials and Services	1,568,026	1,330,556	1,851,517	1,155,459	1,175,054
Internal Materials and Services	5,434,129	5,383,358	5,652,836	6,177,706	6,192,335
Minor Capital Outlay	14,348	0	12,389	12,674	0
Equipment Cash Transfers	7,426	2,000	22,340	0	0
Total Operating Budget	27,930,232	26,328,598	29,601,847	31,154,251	31,271,639
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 27,930,232	\$ 26,328,598	\$ 29,601,847	\$ 31,154,251	\$ 31,271,639
Allocated Overhead	821,144	1,198,440	856,318	1,088,416	771,634
Total Cost with Allocated Overhead	28,751,376	27,527,038	30,458,165	32,242,667	32,043,273
RESOURCES					
Discretionary Revenues					
General Fund	2,129,886	1,143,072	1,153,361	1,280,572	1,314,837
Total Discretionary Revenues	2,129,886	1,143,072	1,153,361	1,280,572	1,314,837
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
General Reserve Fund	454,000	0	0	0	0
Interagency Agreements	305,709	138,458	208,701	127,596	127,596
Cash Transfers	225,762	100,000	0	0	0
Bureau Program Revenue	24,780,391	24,947,068	28,239,785	29,746,083	29,829,206
Overhead Revenue	34,484	0	0	0	0
Total Non-Discretionary Revenues	25,800,346	25,185,526	28,448,486	29,873,679	29,956,802
TOTAL RESOURCES	\$ 27,930,232	\$ 26,328,598	\$ 29,601,847	\$ 31,154,251	\$ 31,271,639
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Administration Program	5,161,957	5,599,241	7,110,450	6,990,258	6,837,840
<i>Positions</i>	<i>25.30</i>	<i>29.28</i>	<i>35.80</i>	<i>35.28</i>	<i>35.28</i>
Commercial Inspections Program	4,219,746	4,577,438	4,983,586	5,348,088	5,223,123
<i>Positions</i>	<i>47.00</i>	<i>56.20</i>	<i>57.40</i>	<i>57.00</i>	<i>56.00</i>
Compliance Services Program	672,181	1,016,407	1,103,745	1,328,079	1,335,558
<i>Positions</i>	<i>9.20</i>	<i>12.85</i>	<i>12.65</i>	<i>16.25</i>	<i>15.85</i>
Combination Inspections Program	3,186,385	2,938,934	3,136,194	3,229,862	3,295,740
<i>Positions</i>	<i>37.50</i>	<i>35.50</i>	<i>33.90</i>	<i>34.70</i>	<i>34.70</i>
Land Use Services Program	5,152,304	4,888,213	5,332,641	5,979,102	6,016,842
<i>Positions</i>	<i>60.00</i>	<i>59.05</i>	<i>58.19</i>	<i>67.05</i>	<i>67.05</i>
Neighborhood Inspections Program	2,389,635	0	0	0	0
<i>Positions</i>	<i>30.50</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Development Services Program	3,455,388	3,527,355	3,792,598	3,943,053	4,225,579
<i>Positions</i>	<i>33.00</i>	<i>32.50</i>	<i>34.10</i>	<i>34.50</i>	<i>37.50</i>
Site Development Program	1,162,433	1,196,442	1,392,410	1,485,950	1,486,448
<i>Positions</i>	<i>13.50</i>	<i>15.37</i>	<i>16.00</i>	<i>16.37</i>	<i>16.37</i>
Plan Review Program	2,530,203	2,584,568	2,750,223	2,849,859	2,850,509
<i>Positions</i>	<i>30.00</i>	<i>29.50</i>	<i>28.90</i>	<i>29.50</i>	<i>29.50</i>
TOTAL PROGRAMS	\$ 27,930,232	\$ 26,328,598	\$ 29,601,847	\$ 31,154,251	\$ 31,271,639
<i>Positions</i>	<i>286.00</i>	<i>270.25</i>	<i>276.94</i>	<i>290.65</i>	<i>292.25</i>

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FTE SUMMARY

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05		FY 2005-06		FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0131	Customer Accts Spec I	2.00	2.00	2.00	77,212	2.00	81,192	2.00	81,192
0100	Office Supp Spec I	6.00	5.00	6.00	182,648	6.00	192,984	6.00	192,984
0102	Office Supp Spec II	19.00	12.00	11.90	420,158	13.00	490,120	13.00	490,120
0104	Office Supp Spec III	8.00	8.00	7.50	315,118	8.00	351,294	8.00	351,294
0106	Office Supp Spec Lead	1.00	2.00	1.00	44,304	1.00	44,472	1.00	44,472
2159	Senior Site Development Insp.	0.00	0.00	1.00	69,408	1.00	69,672	1.00	69,672
7103	Administrative Assistant	0.00	2.00	1.00	42,264	1.00	43,992	1.00	43,992
0819	Administrative Assistant	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0926	Administrative Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senio	0.00	3.00	3.95	176,862	4.00	185,953	4.00	185,953
7106	Administrative Supervisor I	0.00	0.00	1.00	47,736	1.00	49,692	1.00	49,692
0920	Administrative Supervisor I	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0922	Administrative Supervisor II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7107	Administrative Supervisor II	0.00	2.00	1.00	65,400	1.00	65,652	1.00	65,652
2531	Applications Analyst I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2532	Applications Analyst II	2.00	3.00	3.00	180,216	0.00	0.00	0.00	0.00
2534	Applications Analyst IV	1.00	1.00	1.00	71,346	0.00	0.00	0.00	0.00
0826	Assistant Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0962	Assistant Program Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3228	Associate Planner	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6131	Associate Planner	0.00	0.00	0.00	0.00	1.00	29,232	1.00	29,232
2143	Building Inspection Manager	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2140	Building Inspector II	11.00	10.00	11.00	644,540	11.00	682,710	11.00	682,710
2141	Building Inspector, Senior	7.00	9.00	11.00	741,653	11.00	765,888	11.00	765,888
0928	Bureau Administrative Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7113	Business Operations Manager, Sen	0.00	1.00	1.00	105,396	1.00	106,572	1.00	106,572
7110	Business Operations Supervisor	0.00	1.00	1.00	75,252	1.00	76,116	1.00	76,116
7121	Business Systems Analyst	0.00	1.00	1.00	65,400	2.00	123,120	2.00	123,120
7120	Business Systems Analyst, Assist	0.00	3.00	3.00	120,848	2.00	87,692	2.00	87,692
3236	Chief Planner	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6132	City Planner I	0.00	10.00	4.80	225,476	6.00	299,780	6.00	299,780
6133	City Planner II	0.00	21.00	24.10	1,288,807	27.00	1,524,639	27.00	1,524,639
2201	Code Specialist I	0.00	0.00	0.00	0.00	4.00	96,816	4.00	96,816
2202	Code Specialist II	6.00	5.00	4.90	224,196	7.00	314,364	6.00	273,852
2204	Code Specialist III	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2127	Combination Inspector	21.00	20.00	17.90	1,109,594	18.00	1,192,104	18.00	1,192,104
2128	Combination Inspector, Senior	4.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
7492	Community Relations Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7074	Development Services Director	0.00	1.00	1.00	98,568	1.00	117,732	1.00	117,732
6044	Development Services Project Co	0.00	5.00	5.60	336,335	6.00	389,655	7.00	446,763
6041	Development Services Technician	0.00	15.00	14.84	582,188	15.00	608,364	15.00	608,364
6042	Development Services Technician	0.00	10.00	10.80	527,986	11.00	565,108	12.00	612,064
6043	Development Services Technician	0.00	1.00	1.00	51,540	1.00	54,348	1.00	54,348
7767	Development Supervisor	0.00	2.00	2.00	136,092	2.00	138,996	2.00	138,996
2122	Electrical Inspector	6.00	9.00	10.00	578,814	10.00	606,136	10.00	606,136
2124	Electrical Inspector, Senior	4.00	6.00	7.00	475,287	7.00	486,060	7.00	486,060
3164	Engineer	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6112	Engineer	0.00	11.00	11.50	801,219	12.00	857,406	12.00	857,406
7650	Engineer, Senior	0.00	1.00	1.00	80,148	0.00	0.00	0.00	0.00
7651	Engineer, Supervising	0.00	1.00	1.00	79,278	2.00	168,330	2.00	168,330
6110	Engineering Associate	0.00	1.00	1.00	59,700	1.00	59,928	1.00	59,928
3153	Engineering Associate	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7795	Environmental Planner, Supervisi	0.00	0.00	1.00	85,464	1.00	85,800	1.00	85,800
2105	Environmental Soils Inspector	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2106	Environmental Soils Inspector Sr	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7775	Facilities Program Supervisor	0.00	1.00	1.00	73,544	1.00	76,560	1.00	76,560
7376	Financial Analyst	0.00	0.00	1.00	49,068	1.00	63,816	1.00	63,816
0827	Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7375	Financial Analyst, Assistant	0.00	2.00	1.90	111,504	2.00	110,860	2.00	110,860
6121	Graphics Designer I	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6122	Graphics Designer II	0.00	0.00	1.00	42,605	1.00	47,304	1.00	47,304
3270	Graphics Illustrator I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2135	Housing Inspector	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2136	Housing Inspector, Senior	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7771	Inspection Manager	0.00	3.00	3.00	288,704	3.00	293,216	3.00	293,216
7770	Inspection Supervisor	0.00	8.00	6.90	538,723	7.00	554,718	7.00	554,718
2138	Inspection Supervisor I	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2139	Inspection Supervisor II	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3226	Land Use Review Supervisor	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Bureau of Development Services AU 520

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
6003	Landscape Architect	0.00	0.00	1.00	51,540	1.00	59,700	1.00	59,700
7131	Management Analyst	0.00	3.00	4.00	228,540	4.00	246,132	4.00	246,132
7132	Management Analyst, Senior	0.00	0.00	2.00	137,146	2.00	141,892	2.00	141,892
7130	Management Assistant	0.00	0.00	1.00	47,148	1.00	49,080	1.00	49,080
2150	Noise Control Officer	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7773	Noise Control Officer	0.00	0.00	0.00	0.00	0.00	0.00	1.00	69,012
7760	Plan Review Code Specialist	0.00	1.00	1.00	73,152	1.00	73,152	1.00	73,152
3224	Plan Review Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3223	Plan Review Supervisor	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7761	Plan Review Supervisor	0.00	1.00	1.00	69,150	1.00	71,988	1.00	71,988
3229	Planner	26.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7752	Planner, Supervising	0.00	4.00	5.00	383,537	5.00	395,517	5.00	395,517
2145	Planning & Devel Review Director	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3221	Plans Examiner, Commercial	15.00	15.00	12.90	756,821	13.00	840,310	13.00	840,310
3225	Plans Examiner, Senior	2.00	2.00	4.00	238,650	4.00	279,888	4.00	279,888
2110	Plumbing Inspector	9.00	8.00	7.00	424,580	7.00	431,078	7.00	431,078
2111	Plumbing Inspector, Senior	3.00	4.00	5.00	343,752	5.00	348,360	5.00	348,360
7753	Principal Planner	0.00	2.00	2.00	183,708	2.00	189,108	2.00	189,108
7154	Program Coordinator	0.00	0.00	0.90	49,569	1.00	57,330	1.00	57,330
0966	Program Coordinator	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0968	Program Manager I	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0972	Program Manager IV	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7153	Program Specialist	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
0964	Program Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	0.00	0.00	2.00	77,916	2.00	90,010	2.00	90,010
7208	Public Information Manager	0.00	1.00	1.00	73,029	1.00	76,026	1.00	76,026
0816	Senior Administrative Specialist	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6134	Senior City Planner	0.00	13.00	12.90	767,007	16.00	1,009,095	16.00	1,009,095
3166	Senior Engineer	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6111	Senior Engineering Associate	0.00	1.00	1.00	57,126	1.00	63,504	1.00	63,504
3163	Senior Engineering Associate	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0828	Senior Financial Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0952	Senior Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3231	Senior Planner	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2120	Sign Inspector	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2158	Site Development Inspector I	1.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
2160	Site Development Inspector II	2.00	2.00	5.00	294,088	5.00	303,388	5.00	303,388
0900	Staff Assistant	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3107	Technician I	15.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3108	Technician II	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3109	Technician III	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7271	Training and Development Officer	0.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
TOTAL FULL-TIME POSITIONS		286.00	266.00	272.29	\$ 15,619,336	286.00	\$ 16,956,515	288.00	\$ 17,089,079
0100	Office Supp Spec I	0.00	0.50	0.50	17,004	0.50	17,064	0.50	17,064
0102	Office Supp Spec II	0.00	0.70	0.70	19,521	0.70	22,440	0.70	22,440
6132	City Planner I	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
6133	City Planner II	0.00	1.55	2.05	109,407	2.05	114,711	2.05	114,711
2202	Code Specialist II	0.00	0.50	0.90	37,650	0.90	39,820	0.50	22,120
3220	Plans Examiner, Residential	0.00	0.50	0.50	24,984	0.50	26,712	0.50	26,712
TOTAL PART-TIME POSITIONS		0.00	4.25	4.65	\$ 208,566	4.65	\$ 220,747	4.25	\$ 203,047

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	30,651,320	0	30,651,320	280.65	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	550,957	0	550,957	7.00	Development Services Fee
	(90,454)	0	(90,454)	0.00	Interagency Reductions
	(82,152)	0	(82,152)	0.00	General Fund Reduction
	238,129	0	238,129	3.00	Noise Control Program
	43,776	0	43,776	0.00	Full Fund City Planner Position
	137,904	0	137,904	4.00	Apprenticeship Program
	(230,811)	0	(230,811)	0.00	Cut Materials and Services
	(64,418)	0	(64,418)	(4.00)	Transfer TRACS to BTS
Approved Budget Additions and Reductions					
	40,500	0	40,500	0.00	Noise Program: eliminate lower-paid position
	141,108	0	141,108	2.00	Add Process Management Program
	(91,977)	0	(91,977)	(0.40)	Reduce Part-time and Materials & Services
	0	16,000	16,000	0.00	Measure 37
	0	17,992	17,992	0.00	COPPEA Training Fund
Adopted Budget Additions and Reductions					
	(6,235)	0	(6,235)	0.00	Technical Adjustment for Noise Control Program
	586,327	33,992	620,319	11.60	Total FY 2005-06 Decision Packages
			\$ 31,271,639	292.25	Total Adopted Budget

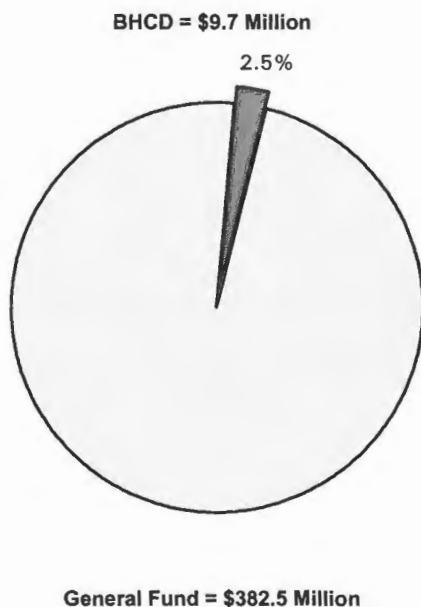
Bureau of Housing and Community Development

Community Development Service Area

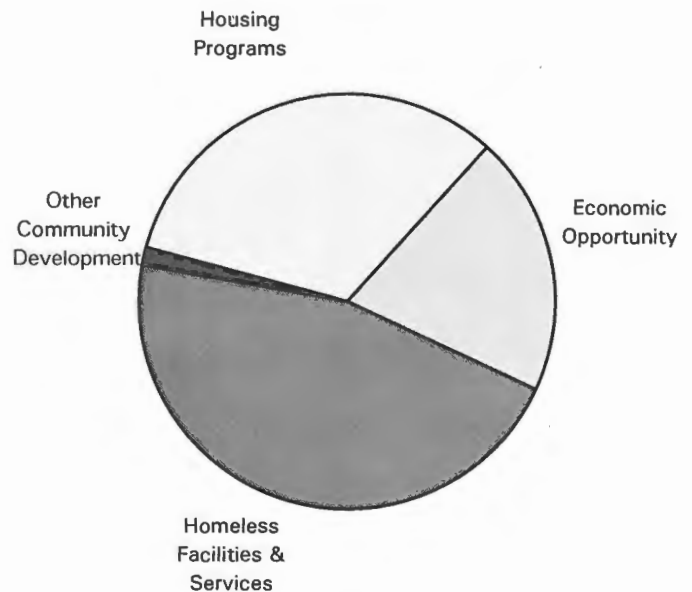
Erik Sten, Commissioner-in-Charge

William White, Director

Percent of General Fund



Bureau Programs

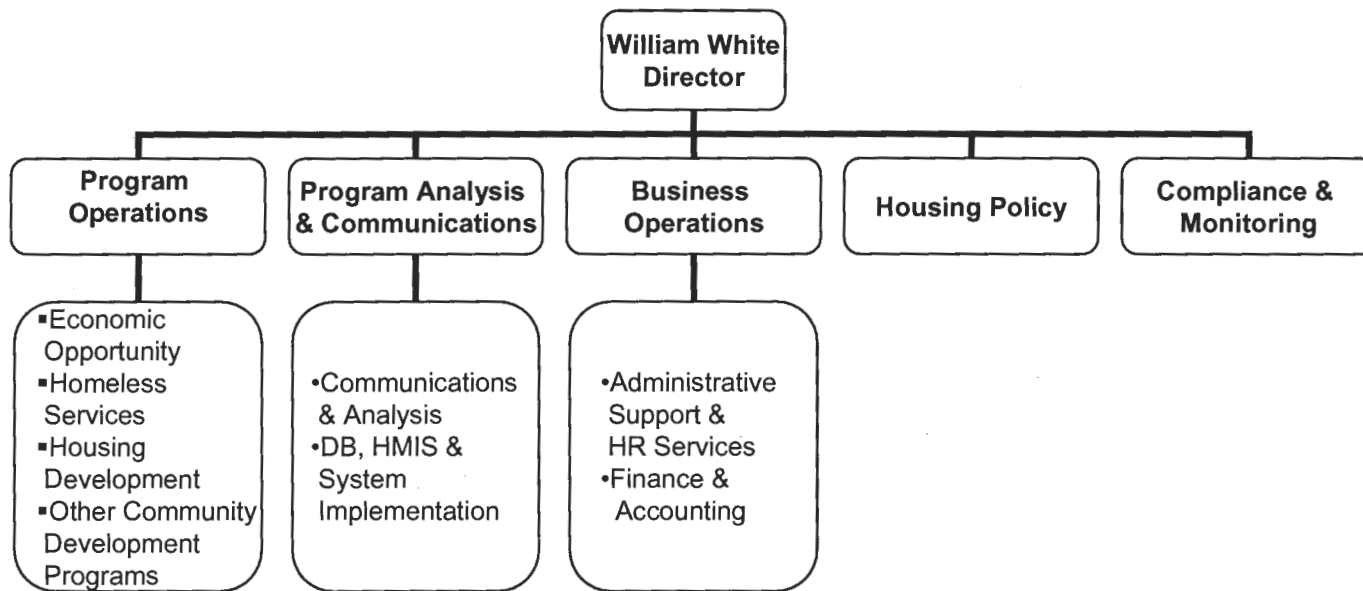


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	20,281,851	9,748,700	-10,533,151	-51.9%
Capital	0	0	0	0.0%
Total Expenditures	\$ 20,281,851	\$ 9,748,700	\$ -10,533,151	\$ -51.9%
Authorized Positions	27.36	27.06	-0.30	-1.1%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau of Housing and Community Development



Bureau Summary

BUREAU MISSION

The mission of the Bureau of Housing and Community Development is to make Portland a more livable city for all by bringing low-income people and community resources together.

VISION AND VALUES

Vision

The vision of the Bureau of Housing and Community Development is a city with strong communities built on a foundation of affordable housing and economic opportunity for all.

Values

The bureau's operations are guided by the following values:

- ◆ Involvement of low-income citizens and communities who most closely experience the problems of poverty in identifying and prioritizing their needs and solutions.
- ◆ Collaboration with citizens, City Council, community-based organizations, service providers, and other public agencies to develop and implement community development programs.
- ◆ Continual assessment of needs and evaluation of programs to ensure the effectiveness and efficiency of all programs.
- ◆ Creative exploration of new ways of meeting community needs and leveraging scarce public resources.
- ◆ Accountability and compliance with regulations governing bureau funding.
- ◆ High standards of accountability to the community.
- ◆ Recognition of the contributions of citizens, staff, and other partners in the bureau's accomplishments.

BUREAU OVERVIEW

Introduction

The Bureau of Housing and Community Development (BHCD) manages federal funds granted to the City by the U. S. Department of Housing and Urban Development (HUD) and other federal agencies. The federal resources managed by the bureau are comprised of four entitlement grants: the Community Development Block Grant (CDBG), HOME, Housing for People with AIDS (HOPWA), and the Emergency Shelter Grant (ESG), as well as a number of other categorical grants for homeless services and other community development programs. The total award for the four entitlement grants in FY 2005-06 is \$17.7 million. This represents a decrease of 5.7% from FY 2004-05. All indicators are that these federal funds will continue to decrease as the Bush Administration has signaled its intention to cut domestic spending, particularly on anti-poverty entitlement programs.

The bureau provides centralized support for the planning, tracking, reporting, and evaluation of these federal grant funds. The bureau also manages General Fund resources appropriated to support other community development program areas.

BHCD implements its new community-driven strategic plan.

In FY 2003-04, the bureau completed a strategic planning process that examined how to focus its programs toward more specific goals and achieve measurable outcomes. The strategic planning process involved extensive outreach efforts and discussions with existing community contractors, other community organizations, and representatives of specific communities of color. BHCD staff worked with these groups and individuals to identify needs and ideas for addressing those needs. Outreach efforts included community focus groups, discussions with many community organizations and boards, and workshops where community representatives put forth new ideas and concepts.

The result of this outreach was a consensus that the bureau should realign its program areas into three primary campaigns:

- 1) Campaign I: to end the institution of homelessness in ten years;
- 2) Campaign II: to increase the range of housing opportunities for low-income people; and,
- 3) Campaign III: to expand opportunities for low-income residents to improve their economic situation.

The BHCD strategic plan also reflects community consensus to target BHCD's resources to the very lowest-income residents, those living with household incomes at or below \$33,950 (50% of median family income per year for a family of four).

During FY 2004-05 BHCD made several major steps to advance its strategic goals.

In August 2004, the bureau launched its \$1.7 million Economic Opportunity Initiative based on national and local research demonstrating that small, comprehensive, evidence-based programs were most effective at assisting low-income people to increase their income and assets. The first round of funding was competitively awarded to 22 community-based workforce development programs and micro-enterprise providers. The workforce developers will assist private businesses that have agreed to hire project graduates to create new jobs.

In December 2004, capping a long and multi-faceted planning process with extensive public involvement, the Citizens Commission on Homelessness released Home Again: A Ten-Year Plan to End Homelessness in Multnomah County. This groundbreaking plan sets an aggressive agenda for the community and local government to partner to end homelessness.

Housing program staff is also working actively to increase the supply of permanent supportive housing, to close the minority homeowner gap, and to identify new resources for affordable housing.

Operations

BHCD contracts with numerous public and private nonprofit organizations to provide services to lower-income residents and neighborhoods. BHCD has Citywide policy planning responsibilities for affordable housing and community services issues, and is the designated lead agency to staff the Housing and Community Development Commission.

BHCD is the lead agency for the HOME and HOPWA grant consortiums.

BHCD acts as the lead agency for two regional grant consortiums: HOME and HOPWA. The HOME program funds affordable housing development; the HOME consortium includes Portland, Gresham, and Multnomah County. The HOPWA program provides funding for housing and facility development, as well as services for persons with HIV/AIDS. The HOPWA consortium includes the City of Portland and Multnomah, Washington, Clackamas, Yamhill, and Columbia counties in Oregon, as well as Clark and Skamania counties in Washington. BHCD manages a combined budget of \$30 million, including the budgets in the HOME and CDBG (Housing and Community Development) grant funds, with 26 full-time employees.

During FY 2004-05 the Commissioner-in-Charge and the BHCD Director reconfigured the organizational structure of the bureau to better carry out its three strategic campaigns, steward public funds, and comply with federal regulatory requirements. Formerly a very flat organization with little structural coordination of programs and administrative operations, BHCD now has housing, homelessness, and economic opportunity teams under the leadership of a senior program manager; fiscal and administrative teams under the leadership of a business operations manager; a policy, planning, and communications team; and a compliance officer.

SUMMARY OF BUDGET DECISIONS

The FY 2005-06 budget responds to a projected downward trend in core federal funding for the next several years. BHCD's overall base entitlement funding is down roughly 5.7% from the current year funding and the CDBG award is the lowest since 1993. In preparing the budget, BHCD analyzed each program in light of the adopted strategic campaigns and the need to make the most effective use of declining resources. There are no across-the-board reductions. Specific budget limitations include:

- a) Estimated \$1.3 million reduction in available CDBG funding;
- b) Public service and administrative caps that restrict the amount of funding that may be applied to public service activities, planning, and administrative activities;
- c) Projected 30% reduction of foundation funding from the Corporation for Supportive Housing (CSH).

General Fund Reductions

Ongoing General Fund discretionary resources were reduced by \$111,093 in this budget as follows:

- ◆ Ongoing funding for the homeless program was reduced by a total of \$73,109. This reduction is offset by one-time funding of the same amount for no net change for FY 2005-06.
- ◆ Ongoing funding for institutional providers in the youth employment and community services system were reduced by \$37,984. This is a 50% reduction in ongoing General Fund support for this program.

Program Changes

BHCD has accepted new challenges and responsibilities.

The following are the major highlights of program changes in this budget.

- ◆ Eliminate the Street Improvements program and fund improvements in conjunction with affordable housing development.
- ◆ Eliminate the Home Repair Training program at Portland Public Schools and reserve a portion of these funds for alternate workforce programming development.
- ◆ Eliminate Multnomah County Youth Gang Outreach program.
- ◆ Add \$100,000 to the Chronic Homeless Rental Assistance program that will provide two years of rental assistance to approximately 20 households.
- ◆ Add \$269,834 in one-time discretionary General Fund support to restore detoxification services provided by Central City Concern, which were reduced as a result of Multnomah County budget decisions.

Strategic Direction

SIGNIFICANT ISSUES

The Changing Economy

Oregon's High Unemployment Rate

Oregon continues to have a higher rate of unemployment than the nation as a whole. In March 2005 Oregon's unemployment rate was still at 6.4%, while the national rate had fallen to 5.2%. The recession requires some special short-term efforts to address human needs and stimulate the hoped-for economic recovery. Although the bureau has fewer resources, it must think creatively and partner with others to prioritize activities and leverage funding that addresses the current crisis. The bureau's focus is on low- and moderate-income populations, often the most vulnerable during recessions.

Increasing Economic Opportunities: A People-Based Approach

During FY 2004-05 BHCD phased out the Target Area Designation program as existing target areas completed their work. In its place, a new model of community-directed economic opportunity is being developed. The new Economic Opportunity request for proposal for community-based initiatives is based on best practices in the field. This people-based approach responds to the economic disenfranchisement of Portland's lowest-income residents.

The Community Initiatives program will continue and will focus its efforts on low- to moderate-income populations, regardless of where they live geographically. It will identify populations and/or areas underserved by community resources and facilitate the community's efforts to identify and address community development concerns and issues.

Housing

The housing focus continues to be on production and preservation of affordable rental housing to meet community need.

Affordable Housing Preservation

During the past decade, the City has made a substantial investment in affordable rental housing. At the same time, what were affordable housing units are moving out of range of lower-income households. Over the past several years the bureau has worked with the Portland Development Commission (PDC) and the Housing Authority of Portland (HAP) in both preserving existing affordable housing and constructing new units. Preservation involves three related strategies:

- ◆ Preservation through sound property and asset management of the properties the City has made investments in during the past decade;
- ◆ Preservation of project-based Section 8 properties at risk of conversion;
- ◆ Acquisition of currently affordable rental housing to secure it from market rent increases.

The cooperative efforts of BHCD, PDC, and HAP have been seen in the consolidated funding RFPs that the agencies have offered over the past two years. This effort will continue, and with the Campaign to End Homelessness, there will be a stronger emphasis on "supported housing" - housing linked with social services to insure that individuals and families are able to stay in permanent housing.

Connecting People to Stable Housing

The Housing Connections program is a web-based housing information system developed by BHCD in partnership with the Bureau of Technology Services. It has created a single system to link people to the thousands of diverse, affordable units available.

Other efforts by the bureau and its community partners have been to focus on linking social service funding to capital funding to develop special-needs housing, developing and tracking housing placement outcomes in the homeless service system, and developing innovative strategies for short-term rent assistance through the Transitions to Housing pilot projects.

Homelessness

Adoption of a Ten-Year Plan to End Homelessness will require long-term investment to meet the challenge.

At the direction of the Council, the bureau has undertaken the mandate to serve as the City's lead agency in implementation of the Ten-Year Plan to End Homelessness. The plan calls for a shift in focus from temporary relief and sheltering to making systemic changes that will provide rapid and lasting access to housing for all homeless residents.

The Ten-Year Plan to End Homelessness has three primary strategies:

- ◆ End chronic homelessness by increasing the supply of permanent, affordable, supportive housing;
- ◆ Relieve situational homelessness by increasing the supply of permanent, affordable housing and rapidly re-housing those who become homeless;
- ◆ Preventing homelessness by providing flexible assistance to deter evictions and respond to other housing crises.

Federal Acts and Regulations

Addressing lead-based paint hazards, relocating displaced residents, and following key federal regulations raises program costs.

Increased Enforcement of Federal Regulations

There are a number of federal regulations promulgated to protect the health, safety, and welfare of citizens with which the City must comply. Included are new regulations that address lead-based paint in affordable rental units, compliance with the Uniform Relocation Act, the Davis-Bacon prevailing wage rules, and a host of other federal regulatory conditions. Meeting these rules does not come without a cost. Many of the bureau's programs are affected, and as a result, these programs are completing fewer units of service with the same historic level of funding.

Restrictions on the Use of Community Development Block Grant

CDBG funding restricts the percentage of resources that can be spent on public services, such as services for the homeless, and on administration and planning. These two spending caps continue to be an issue, because lower total resources mean reduced spending on specific activities that are usually ongoing and address high priorities of the City Council. Most BHCD programs are affected by these caps, including homeless and housing services, youth employment, workforce development, and community and targeted initiatives. In addition, some of the emerging needs based on state and county budget reductions are not eligible for CDBG funding. To reduce the pressure on the caps, the bureau continues to explore and pursue other options within the regulations.

MANAGEMENT GOALS & OBJECTIVES

The BHCD strategic plan recognizes the changing needs of low-income persons in our community.

The Three Campaigns The BHCD strategic plan is organized around three campaigns, each with a set of strategies.

Citywide goal: Improve the quality of life in neighborhoods.

Two campaigns support this Citywide goal on quality of life.

- ◆ Campaign I: End the Institution of Homeless in Ten Years
 - ❖ End chronic homelessness by increasing the supply of permanent affordable supportive housing that serves formerly homeless people. Leverage the City's housing development pipeline with services provided by mainstream systems of care such as health and mental healthcare providers. Use a Housing First approach focused on the hardest to house (i.e., get them in housing first, then address other needs).
 - ❖ Use housing services to relieve situational homelessness, by increasing the supply of permanent affordable housing for very low-income persons (below 30% median family income) and those who are financially at risk to become homeless. Rapidly re-house and stabilize those who become homeless. Increase earning power through education, training, and jobs.
 - ❖ Prevent homelessness by providing flexible assistance to deter evictions, and respond to other housing crises. Do comprehensive discharge planning from treatment facilities, jails, hospitals, and other institutions. Employ economic opportunity strategies.
 - ❖ Program: Homeless Facilities and Services
- ◆ Campaign II: Increase the Range of Housing Opportunities for Low-Income People
 - ❖ Rental Housing: 1) Produce more 0-30% median family income (MFI) units for households with special needs and/or with major barriers to housing access; 2) produce more family-sized units (FSUs) with three or more bedrooms; 3) stabilize the existing subsidized housing units, including expiring federally subsidized properties; and 4) support a community-based infrastructure to own and manage affordable rental housing, emphasizing asset management capacities and organizing asset and property management.
 - ❖ Homeownership: 1) Continue current methods and explore new ones to close the minority homeownership gap; 2) assist in stabilizing existing homeowners.
 - ❖ Housing Services: 1) Streamline community access to information about housing opportunities, rental assistance, and service linkages; 2) target funding to services that have a proven ability to promote housing stability, particularly for households at 0-30% MFI; and 3) support services that affirmatively further fair housing and reduce disparities in access to housing opportunities.
 - ❖ Program: Housing Programs

Citywide goal: Promote economic vitality and opportunity.

The third campaign supports the economic opportunity goal.

- ◆ Campaign III: Expand Opportunities for Low-Income Residents to Improve their Economic Condition
 - ❖ Workforce Development: Short-term, intensive training/placement/retention of low-income residents in career track jobs.

- ❖ Income/Asset Improvements, such as Individual Development Accounts (IDAs), Cooperative Ownership Initiatives, Resident Ownership Mechanisms (ROMs), and Property-Based Equity Development.
- ❖ Entrepreneurship through such approaches as Micro-enterprise Loan and Technical Assistance programs, CD Venture Capital and Equity Infusion Models, and Sectoral Initiatives.
- ❖ Development of policies, resources, and alliances to ensure local economic development benefits residents at 0-50% MFI.
- ❖ Programs: Economic Opportunity and Other Community Development

Management Objectives

The bureau will continue to work toward the following administrative and management objectives during FY 2005-06.

- ◆ Maintain fiscal integrity and sound management of the City's housing and community development grant programs by providing the highest quality administrative services to achieve program goals. Develop an internal administrative cost allocation plan with guidance from HUD and the City's Office of Management and Finance.
- ◆ Implement a new program database that will provide better tracking and contract management. Improve the bureau's data systems to track outcomes and evaluate existing programs.
- ◆ Implement the Homeless Management Information System.
- ◆ Develop creative and effective outreach efforts to economically, socially, and ethnically diverse populations in our community.

Overview of Programs

HOUSING PROGRAMS

Description

BHCD's Housing program provides affordable housing. Housing activities focus primarily on developing and preserving housing for people with the greatest need, including those who have historically had limited access to housing or are particularly vulnerable to housing loss. The vision of the Housing program is that in five years:

- a) The city's stock of affordable rental housing will increase at the 0-50% income range with an emphasis on larger family units to meet clearly-defined gaps;
- b) Home ownership programs will be actively focused on closing the minority homeownership gap;
- c) Community access to all affordable housing units will be streamlined;
- d) The portfolio of subsidized affordable rental housing will be financially stable; and
- e) Lower-income households will have access to an array of housing services that will assist to stabilize and/or retain their living arrangement of choice.

Programs focusing on the stock of affordable housing include capital funding for rental housing development (new construction, rehabilitation, and/or preservation), homeowner repair, financial assistance for homebuyers, and special-needs housing. Programs focusing on housing services include information and referral, homebuyer education, fair housing, access to housing, and housing counseling services.

Relationship to Goals

The Housing program supports the Citywide goal to improve the quality of life in neighborhoods and the bureau's campaign to increase the range of housing opportunities for low-income people.

Performance

The measures of success will be the number of housing units programmed at 0-50% of MFI, the number of new housing units built with three or more bedrooms, the percent of existing housing units stabilized, and an increased participation rate in homebuyer programs by minority residents.

Changes to Services and Activities

This budget continues the current level of service for most Housing activities. Changes in the Housing program are:

- ◆ CDBG funding to affordable rental housing development is increased to advance the implementation of the Ten-Year Plan to End Homelessness. The increased CDBG and HOME funding will be allocated to projects with units available to homeless people through a competitive RFP process.
- ◆ BHCD will be looking at more effective home rehabilitation approaches. Through an RFP process, the proposal is to increase funding to nonprofit, community-based organizations that leverage high neighborhood participation (both in donated labor and materials) and decrease funding to PDC for the traditional rehabilitation loan program.
- ◆ The HousingConnections.org program is now provided by the 211 Oregon program sponsored by the United Way.

- ◆ The third-year funding (\$1,020,000) of the five-year commitment to the New Columbia project for street improvements and infrastructure is included in the budget.
- ◆ A new Lead Hazard Reduction Grant from HUD is contracted to PDC for regional implementation.
- ◆ Funding to the Sewer-On-Site loan program to complete mid-county improvement projects increases. This is an interagency agreement with the Bureau of Environmental Services, which is not anticipated to extend beyond December 2005 when the remaining projects are anticipated to be completed.

ECONOMIC OPPORTUNITY

Description	BHCD’s Economic Opportunity program works to increase the income and assets of Portland’s lowest-income households. Because no two people take the same route to income or asset creation, BHCD anticipates funding a wide array of projects for a variety of populations. Successful projects will build on the skills/assets of specific low-income population groups. Mentoring and community building will be components of successful projects. Quality outside evaluation will be a component of each project from the outset. Initiatives in the economic marketplace are inherently risky and must be flexible. These services fill a void that has existed in services to very low-income, multi-barriered residents of Portland.
Relationship to Goals	The Economic Opportunity program supports the Citywide goal to promote economic vitality and opportunity and the BHCD campaign to expand economic opportunities for low-income persons. In five years the program’s objective is to have direct experience with a number of strategies that have demonstrated success in increasing the income and assets of youth and adults at 0-50% of MFI.
Performance	To measure success, BHCD will look at changes in income and wealth, as well as job placement rates, small business growth, and job retention.
Changes to Services and Activities	<p>Workforce Development</p> <p>Worksystems, Inc. (WSI) adult funding will be reduced to transfer funds into the Economic Opportunity Initiative competitive RFP process. This process will encourage proposers, including one-stop providers currently under contract, to tailor programs to target populations and best practice models. Funds remaining at WSI will be reprogrammed to serve BHCD’s target population.</p> <p>Based on the strategic plan, BHCD has changed target population, program models, and the procurement process for youth programs. Current and past contractors must adapt their programs to meet these changes when they compete for funds through the Economic Opportunity Initiative.</p>

HOMELESS FACILITIES & SERVICES

Description	The Homeless Facilities and Services program supports the community’s continuum of care for homeless individuals and families. Program activities include outreach services to homeless people living on the streets; winter emergency shelter; homeless shelter services, including special services to individuals with mental illness and alcohol and drug issues; transitional housing and rent assistance; housing placement into permanent housing; and the development and operation of homeless facilities for all homeless populations.
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The bureau anticipates that the Plan to End Homelessness in Ten Years will result in significant program changes. Many of these changes will be implemented gradually over the 10-year period. There are nine action steps and outcomes that the bureau will be tracking by December 2005.

There is no intention of cutting any program that has a direct impact on homeless people. There is, however, a shift in direction that ensures that existing programs are all working to end people's homelessness. BHCD hopes to modify the existing system of homeless service to adults to better address the vast need, while also being realistic about keeping safety net options available for people who experience homelessness. In all programs, internally and externally, BHCD will ensure streamlined bureaucracy to get the most money to the people who need the assistance.

In summary the Homeless Facilities and Services program will:

- ◆ Create a shift toward rental assistance and housing services and away from shelters and facilities (gradual).
- ◆ Create a shift in affordable housing development toward supportive housing at 0-30% MFI.
- ◆ Lead BHCD to seek ongoing and expanded General Fund resources, foundation funding, and other support for Transitions to Housing and other efforts that successfully implement the Housing First approach.

Relationship to Goals The Homeless Facilities and Services program supports the Citywide goal to improve the quality of life in neighborhoods and the BHCD campaign to end the institution of homeless in ten years.

Performance BHCD placed 1,433 homeless or at-risk individuals in more stable or permanent housing in FY 2003-04 and expects to serve almost as many people in FY 2005-06.

Changes to Services and Activities The changes reflected in this budget are related to grant awards received in FY 2004-05 and service direction undertaken as a result of those grants and some demonstration programs, such as Transitions to Housing. There are some slight increases in service based on additional funds received from HUD and new funds received from the Corporation for Supportive Housing but also one critical shortcoming due to the limitations on using CDBG funds for public services.

- ◆ Funds received from HUD will fund the implementation of the Homeless Management Information System.
- ◆ Because of the significant shortfall in CDBG funding, Central City Concern's single-room occupancy maintenance program will be eliminated completely.

OTHER COMMUNITY DEVELOPMENT

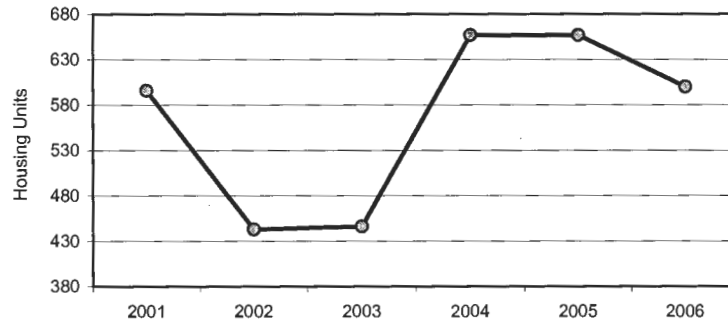
Description The Other Community Development program supports low- to moderate-income communities and neighborhood residents through projects that do not fit within the other three programs.

Relationship to Goals	The Other Community Development program supports the Citywide goal to promote economic vitality and opportunity and the BHCD campaign to expand economic opportunity for low-income persons. These projects have the additional goals of improving the quality of life in neighborhoods and promoting community responsibility and commitment.
Performance	BHCD successfully completed 88% of its Community Initiative projects in FY 2003-04 and expects to continue this completion rate in FY 2005-06.
Changes to Services and Activities	<p>Target Area Designation</p> <p>The Target Area program has been discontinued with the exception of the Latino Network funded at a total of \$51,000 to complete their work in FY 2005-06.</p> <p>Community Initiatives Small Grant Program</p> <p>The Community Initiatives program has been reduced by 50% to \$100,000. Due to the limited resources available, only one competitive round of proposals will be sought.</p> <p>Other Services and Initiatives</p> <p>The Citizen Participation program includes two projects: Northeast Coalition of Neighborhoods' Livability Project, funded at \$30,125 and Southeast Uplift Neighborhood Program's Citizen Participation Project, funded at \$45,269. Both of these projects are included in the bureau's public service cap and provide a variety of outreach and technical assistance to low- to moderate-income and underserved populations in inner north/northeast and inner southeast neighborhoods.</p>

Performance Measures

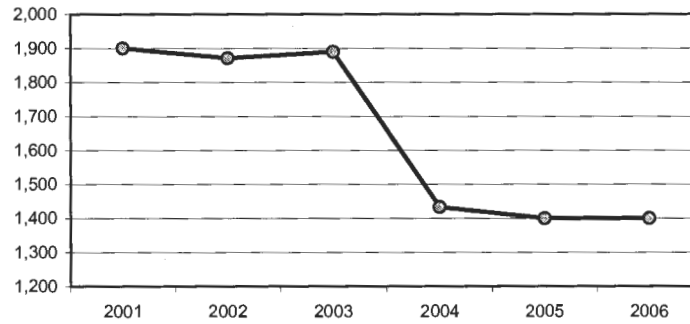
Housing Units

- ◆ Housing development will continue to decrease due to changes in local resource allocations.



Homeless People Placed in More Stable Housing

- ◆ The figures are stabilizing at a lower level.



Bureau of Housing and Community Development AU 540

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF HOUSING AND COMMUNITY DEVELOPMENT						
Housing Programs						
Effectiveness						
City residents rating housing affordability Good or Very Good	44%	44%	44%	40%	44%	44%
Efficiency						
Average BHCD funds invested per unit on new housing	\$24,664	\$35,528	\$31,185	\$32,000	\$32,000	\$32,000
Average amount of outside capital leveraged per unit of new housing	\$0	\$127,944	\$92,032	\$100,052	\$92,000	\$92,000
Average BHCD funds invested per unit on rehab housing.	\$14,320	\$14,170	\$11,251	\$11,500	\$11,500	\$11,000
Workload						
New housing built	596	443	446	657	657	600
Housing units rehabilitated	86	89	90	149	100	100
Economic Opportunity						
Effectiveness						
Economic Opportunity program participants demonstrating increased income.	0	0	0	350	350	350
Percentage of adults placed in job after receiving intensive workforce services	0%	0%	73%	58%	60%	60%
Number of youth entering employment or continuing education	549	634	609	724	700	700
Efficiency						
Cost per youth placed in employment or continuing education	\$2,691	\$26,810	\$1,222	\$1,500	\$1,300	\$1,300
Workload						
Individuals participating in Economic Opportunity programs	0	0	0	400	400	400
Adults receiving workforce development services	0	0	2,194	2,886	2,800	2,800
Youth placed in subsidized or unsubsidized summer or year round employment.	1,117	1,142	1,271	1,283	1,250	1,250
Homeless Facilities & Services						
Effectiveness						
Homeless or at risk individuals placed in more stable or permanent housing	1,900	1,871	1,889	1,433	1,400	1,400
Efficiency						
Adults in permanent housing after six months.	973	1,183	1,435	1,400	1,450	1,450
Adults in permanent housing after 12 months.	0	0	1,190	1,200	1,250	1,250
Workload						
Number of unduplicated single adults provided emergency shelter and transitional housing	6,977	8,592	9,146	9,200	9,700	9,700
Other Community Development						
Effectiveness						
Community Initiative projects successfully completed	87%	85%	80%	88%	88%	88%
Efficiency						
Percent of resources leveraged by Community Initiative projects	200%	190%	190%	190%	200%	200%

Bureau of Housing and Community Development AU 540**PERFORMANCE MEASURES**

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
Workload						
Number of Community Initiative Projects started	19	22	21	17	15	9

Bureau of Housing and Community Development AU 540

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	1,885,402	1,779,543	2,059,836	2,196,101	2,196,101
External Materials and Services	6,692,707	13,047,790	17,890,685	7,022,198	7,292,032
Internal Materials and Services	263,664	240,680	326,830	260,567	260,567
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	4,500	0	0
Total Operating Budget	8,841,773	15,068,013	20,281,851	9,478,866	9,748,700
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 8,841,773	\$ 15,068,013	\$ 20,281,851	\$ 9,478,866	\$ 9,748,700
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	8,841,773	15,068,013	20,281,851	9,478,866	9,748,700
RESOURCES					
Discretionary Revenue	3,034,120	2,981,576	2,831,123	2,729,366	2,999,200
Non-Discretionary Revenues					
Grants & Donations	3,162,989	9,627,075	14,894,877	4,183,685	4,183,685
Contract Revenues	417,889	394,819	394,820	360,000	360,000
Interagency Revenues	2,224,141	2,060,899	2,143,520	2,205,815	2,205,815
Program Revenue	2,634	3,644	17,511	0	0
Total Non-Discretionary Revenues	5,807,653	12,086,437	17,450,728	6,749,500	6,749,500
TOTAL GENERAL FUND RESOURCES	\$ 8,841,773	\$ 15,068,013	\$ 20,281,851	\$ 9,478,866	\$ 9,748,700
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
BHCD Administration	1,668,057	1,498,391	45,000	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>21.20</i>	<i>0.00</i>	<i>0.00</i>
Housing Programs	2,246,157	3,435,028	5,872,706	3,184,823	3,155,531
<i>Positions</i>	<i>15.17</i>	<i>13.94</i>	<i>4.16</i>	<i>10.20</i>	<i>10.20</i>
Economic Opportunity	1,156,055	2,751,983	2,163,765	1,966,018	1,977,826
<i>Positions</i>	<i>3.38</i>	<i>2.32</i>	<i>0.00</i>	<i>6.51</i>	<i>6.51</i>
Neighborhood Improvements	0	3,935,740	7,445,606	0	0
<i>Positions</i>	<i>0.49</i>	<i>0.56</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Homeless Facilities & Services	3,193,845	3,373,152	4,577,889	4,193,009	4,477,015
<i>Positions</i>	<i>4.34</i>	<i>3.59</i>	<i>2.00</i>	<i>9.10</i>	<i>9.10</i>
Youth Employment & Involvement	518,966	50,620	0	0	0
<i>Positions</i>	<i>0.38</i>	<i>0.45</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Public Safety	58,693	23,099	0	0	0
<i>Positions</i>	<i>0.11</i>	<i>0.11</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Other Community Development	0	0	176,885	135,016	138,328
<i>Positions</i>	<i>2.13</i>	<i>2.03</i>	<i>0.00</i>	<i>1.25</i>	<i>1.25</i>
TOTAL PROGRAMS	\$ 8,841,773	\$ 15,068,013	\$ 20,281,851	\$ 9,478,866	\$ 9,748,700
<i>Positions</i>	<i>26.00</i>	<i>23.00</i>	<i>27.36</i>	<i>27.06</i>	<i>27.06</i>

Bureau of Housing and Community Development AU 540

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	1.00	1.00	1.00	32,508	1.00	32,640	1.00	32,640
0100	Office Supp Spec I	1.00	1.00	1.00	34,008	1.00	34,140	1.00	34,140
0104	Office Supp Spec III	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senio	0.00	0.00	1.90	98,631	1.90	102,142	1.90	102,142
7107	Administrative Supervisor II	1.00	1.00	1.00	63,672	1.00	65,487	1.00	65,487
7112	Business Operations Manager	0.00	0.00	1.00	79,908	1.00	83,234	1.00	83,234
7110	Business Operations Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7202	Community Outreach & Information	4.00	4.00	1.00	51,612	1.00	53,728	1.00	53,728
7376	Financial Analyst	1.00	1.00	1.00	62,292	1.00	65,422	1.00	65,422
7375	Financial Analyst, Assistant	1.00	1.00	1.00	43,620	1.00	46,668	1.00	46,668
7222	Housing Program Manager, Senior	1.00	0.00	1.00	72,720	1.00	75,696	1.00	75,696
7026	Housing/Community Development Di	1.00	1.00	1.00	92,832	1.00	100,816	1.00	100,816
7131	Management Analyst	1.00	1.00	1.00	59,708	1.00	62,150	1.00	62,150
7130	Management Assistant	0.00	0.00	1.00	38,496	1.00	39,938	1.00	39,938
7133	Principal Management Analyst	0.00	0.00	0.80	59,856	0.80	64,461	0.80	64,461
7154	Program Coordinator	4.00	4.00	3.40	191,212	3.60	219,240	3.60	219,240
7156	Program Manager	5.00	4.00	5.00	349,311	5.50	394,132	5.50	394,132
7153	Program Specialist	2.00	1.00	2.36	127,908	2.36	131,514	2.36	131,514
7152	Program Specialist, Assistant	1.00	1.00	2.90	134,424	1.90	101,572	1.90	101,572
TOTAL FULL-TIME POSITIONS		26.00	23.00	27.36	\$ 1,592,718	27.06	\$ 1,672,980	27.06	\$ 1,672,980

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	9,516,850	0	9,516,850	27.06	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					
	0	0	0	0.00	None
Proposed Budget Decisions					
	(37,984)	0	(37,984)	0.00	Reduce Economic. Opp. contracts.
	(73,109)	0	(73,109)	0.00	Reduce ongoing for Homeless Svs. programs.
	0	73,109	73,109	0.00	Provide one-time for Homeless Svs. programs.
Approved Budget Decisions					
	0	0	0	0.00	None
Adopted Budget Decisions					
	0	269,834	269,834	0.00	Provide one-time for detox services.
	(111,093)	342,943	231,850	0.00	Total FY 2005-06 Decision Packages
			\$ 9,748,700	27.06	Total Adopted Budget



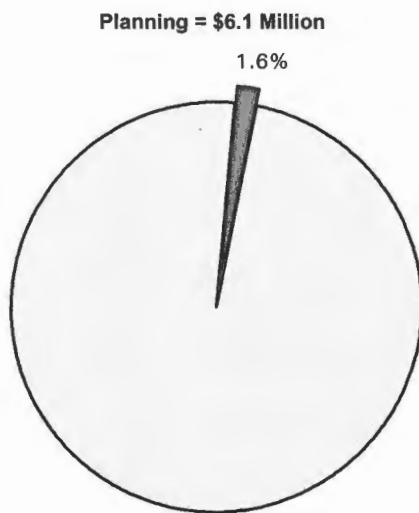
Bureau of Planning

Community Development Service Area

Mayor Tom Potter, Commissioner-in-Charge

Gil Kelley, Director

Percent of General Fund



Bureau Programs

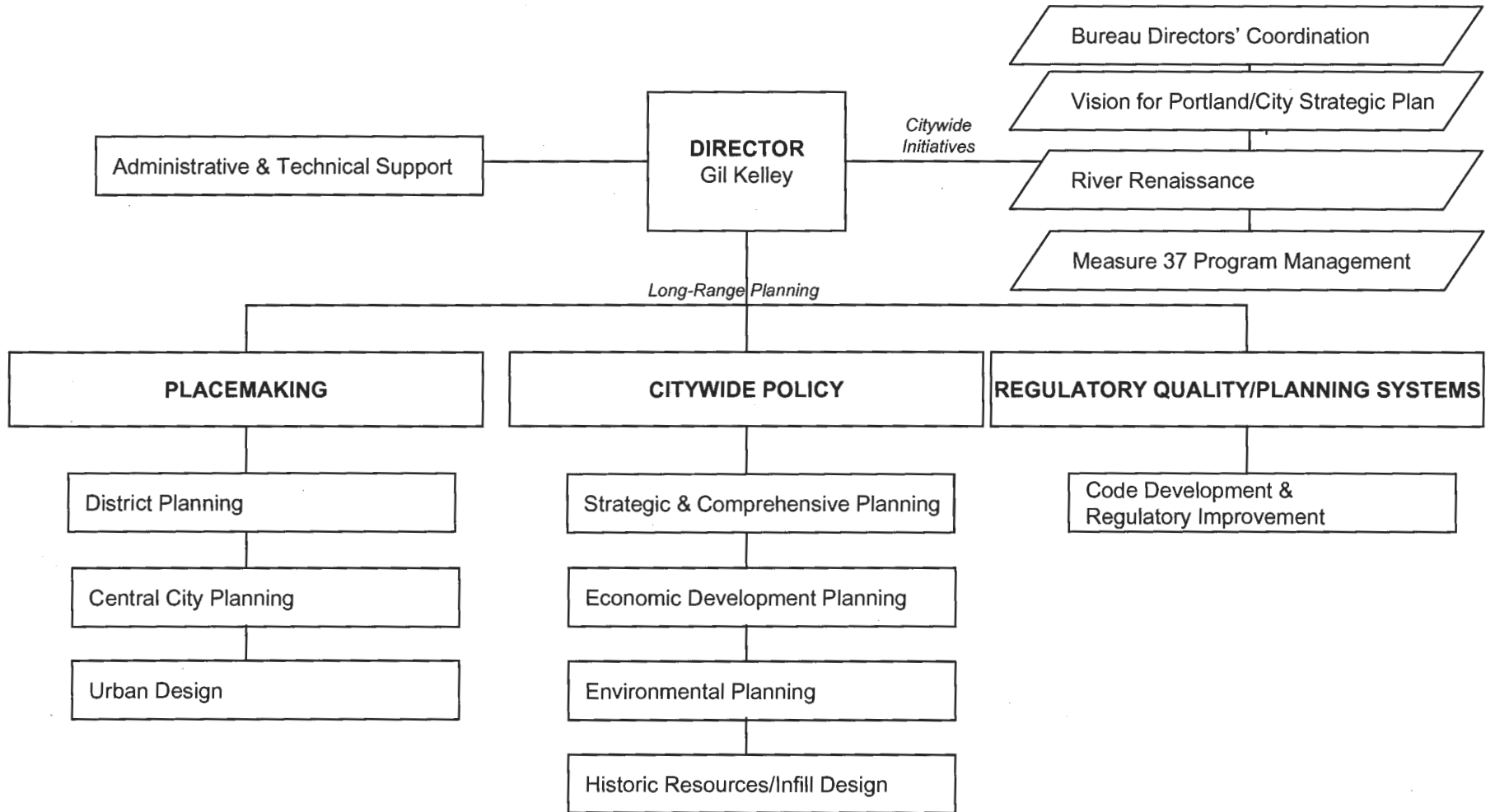


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	6,831,707	6,083,800	-747,907	-10.9%
Capital	0	0	0	0.0%
Total Expenditures	\$ 6,831,707	\$ 6,083,800	\$ -747,907	\$ -10.9%
Authorized Positions	58.47	52.90	-5.57	-9.5%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Bureau of Planning



Bureau Summary

BUREAU MISSION

The Bureau of Planning assists the people of Portland in achieving a quality urban environment through comprehensive planning that responds to the changing needs and values of the community.

To do this, the bureau will:

- Guide change and development to enhance both the built and natural environment
- Preserve Portland's heritage
- Provide a fair and open process for citizen involvement
- Propose projects and programs to strengthen the local and regional economy and enhance livability
- Develop and maintain a comprehensive database and analytic capacity
- Develop the bureau's resources to promote excellence in professional performance and work products
- Nurture a caring attitude about the city

VISION AND VALUES

Bureau Vision

In the 21st century, the Bureau of Planning envisions a city that is the epitome of urban life. Portland's environment is economically healthy, physically attractive, and excitingly diverse. The Bureau of Planning provides guidance for the future and stewardship of the past. Working with citizens and trusted by the community, the staff of the Bureau of Planning is respected for its excellence and service. The bureau is the City's planning and data resource center, and is a key factor in City policy formulation and decision making.

Bureau of Planning Values

As a planning agency we value:

- ◆ Conservation and enhancement of our natural environment
- ◆ Promotion of a high-quality built environment
- ◆ Preservation of our community heritage
- ◆ Stewardship of Portland quality of life for the future
- ◆ Balancing of diverse interests
- ◆ Economic vitality
- ◆ Working toward positive change
- ◆ Public participation

As an organization we value:

- ◆ Public service
- ◆ Honesty, integrity, and accountability
- ◆ Respect for the individual
- ◆ Participatory decision making
- ◆ Excellence in our work

- ◆ Our leadership role in the community
- ◆ Innovation and creativity
- ◆ Fun and enthusiasm

BUREAU OVERVIEW

Working with the City Council and Planning Commission, City bureaus, citizens, businesses, and public agencies, the Bureau of Planning develops plans, policies, and strategies to guide the city's future. The bureau is also charged with coordinating planning and development activities among City bureaus and with spearheading certain catalytic projects and programs.

Principal Activities

- ◆ Research and policy analysis in urban design, economic development, land use, transportation, housing, natural resources, and historic and cultural resources
- ◆ Community engagement in defining issues and opportunities, and formulating plans and policies
- ◆ Coordination of planning and development activities across bureaus
- ◆ Leadership of Council-directed Citywide initiatives including the Vision for Portland/ City Strategic Plan and River Renaissance
- ◆ Serve as the primary liaison to regional and state governments for community development activities

Approach

- ◆ The bureau takes a holistic view of what it means to be a healthy community - economy, environment, urban form, and cultural diversity - and plans for all aspects.
- ◆ The focus of the bureau's work is the long-term future of the community and the values the community wants to carry forward through growth and change. The bureau strives to articulate choices and steps along the way to that long-term future.
- ◆ The bureau utilizes and continues to develop a full array of tools to implement plans and policies - investment, regulation, partnership, advocacy, and education.
- ◆ The bureau engages stakeholders in constructive dialogue and decision making through the whole "life cycle" of a project, from identifying issues to evaluating alternative courses of action and beyond.

Organization

The bureau's long-range planning activities are organized into three divisions: Citywide Policy, Placemaking, and Regulatory Quality/Planning Systems. As shown on the organizational chart, the bureau's eight planning programs (in addition to the Director's Office and Administrative & Technical Support), are divided among the three divisions:

Citywide Policy Division Programs

- ◆ Strategic & Comprehensive Planning
- ◆ Economic Development Planning
- ◆ Environmental Planning
- ◆ Historic Resources/Infill Design

Placemaking Division Programs

- ◆ District Planning
- ◆ Central City Planning
- ◆ Urban Design

Regulatory Quality/Technical Services Division Programs

- ◆ Code Development/Regulatory Improvement

The Director's Office provides oversight and direction for the entire bureau and directs selected Citywide initiatives on behalf of the Mayor and Council.

SUMMARY OF BUDGET DECISIONS

The FY 2005-06 Adopted Budget reduces the bureau's ongoing funding level by \$375,912 and increases its one-time funding by \$574,650.

The Adopted Budget includes elimination of an office support position, vacant half-time city planner II, and vacant city planner I; reclassification of a management position to a lower level; and consolidation of two management positions into one management position. In addition, the Adopted Budget moves the Regulatory Improvement function and an additional District Planning position into the bureau's ongoing budget, and funds the River Renaissance Initiative staff with a one-time appropriation. The Adopted Budget also funds an existing code development position through an interagency agreement with the Bureau of Development Services (BDS).

External and internal materials and services cuts of approximately \$200,000 include reductions to professional services, office and operating supplies, minor equipment, out-of-town travel and education, and interagency agreements with the Office of Management & Finance (OMF) for fleet, printing & distribution, telecommunications, and a shared public information officer.

The Adopted Budget transfers the position assigned to work on Measure 37 claims from the Mayor's Office to the Bureau of Planning. The position is supported through interagency agreements. The Adopted Budget also includes \$30,000 of one-time General Fund discretionary to support the Public Market project.

The Citywide Vision and Strategic Plan is funded through a \$150,000 special appropriation and a portion of the Community Visioning and Empowerment account in the Office of Neighborhood Involvement (ONI).

BUDGET NOTES

The Planning Bureau will submit an implementation plan for the reorganization of long-range planning functions in the City, as well as a fiscal impact analysis of the reorganization, to Council by December 2005.

The Planning Bureau will submit a report to Council by December 2005 on the status of the River Renaissance program, to include an assessment of the ongoing need for positions that support this program. The positions are funded with one-time monies in FY 2005-06 and will be reevaluated for FY 2006-08 funding based on Council priorities.

Partial General Fund support is provided for a limited term position to work on developing a public market in the city. The balance required for full funding will be pursued and secured by the person hired into that position. Possible funding sources include grants, partnership, sponsorship, and private donations.

Strategic Direction

SIGNIFICANT ISSUES

In addition to the alteration of the bureau's programs and organization described above, the most significant changes to the bureau's programs are the result of the Mayor's charge to the bureau to lead the City's efforts to create a Vision for Portland and City Strategic Plan. This has resulted in some realignment within the bureau's programs in FY 2004-05. In addition to core staffing from the bureau's Strategic and Comprehensive Planning program, each of the bureau's programs will participate in this initiative at varying levels while also continuing ongoing activities and projects. Additional support for the Citywide Vision and Strategic Plan is provided through a \$150,000 special appropriation and a portion of the ONI Community Visioning and Empowerment account.

Another significant issue for the bureau relates to the potential impacts of Ballot Measure 37 on the work of the bureau. Staff from several bureau programs are involved in the effort to respond to this measure - working on specific claims as well as on broader policy, communication, and coordination issues. While claims have been relatively few at this point, the numbers could increase dramatically and potentially have a much larger impact.

MANAGEMENT GOALS & OBJECTIVES

Each of the bureau's ten programs link directly to one of six bureau goals that link to four of the six Citywide goals.

Promote economic vitality and opportunity.

- ◆ Promote a vibrant and prosperous central city and support Portland's success as a location for businesses, jobs, and the next economy through support for industries and small businesses, arts and culture, and neighborhood commercial districts.

Improve the quality of life in neighborhoods.

- ◆ Improve community livability and vitality through plans and actions that integrate design, economy, environment, culture, growth management, and citizen participation.

Protect and enhance the natural and built environments.

- ◆ Protect the city's land, water, air, fish and wildlife habitat, and open spaces.
- ◆ Enhance and preserve the built environment and important historic and cultural assets.

Deliver efficient, effective, and accountable municipal services.

- ◆ Deliver responsive, competitive governmental services through comprehensive planning, intergovernmental coordination, housing policy development, and quality management and support services.
- ◆ Coordinate evaluation and improvement of the City's development codes including regular updates to the Zoning Code to reflect City and community goals, priorities, challenges, and opportunities.

While each of the bureau's programs link primarily and directly to one bureau and one City goal each, the bureau's overall work program emphasizes multi-objective analysis and outcomes. Each project and program takes into consideration a variety of community and City goals, weaving together community livability, economic vitality, natural resources protection and enhancement, urban design, and coordination and collaboration across bureaus.

Overview of Programs

DIRECTOR'S OFFICE

Program Description	<p>The Director's Office guides and supports the work of the Bureau of Planning as well as provides direction and some limited staffing for Citywide initiatives.</p> <p>The Planning Director has two primary responsibilities: direction, management, and guidance of the bureau and its work; and Citywide planning coordination. The director leads and co-leads inter-bureau coordination efforts as directed by the Mayor and Council, including River Renaissance, Managing for Results, and the Citywide Vision for Portland and Strategic Planning efforts.</p> <p>The River Renaissance management function resides in the Director's office, reflecting the multi-objective and cross-bureau coordination responsibilities of this program area. In FY 2005-06, the initiative manager will focus on building community partnerships, fundraising, and work program development.</p> <p>The Director's Office program also includes budget development, accounting and payroll, and oversight and monitoring of contracts, grants, and interagency and intergovernmental agreements.</p>
Relationship to Goals	<p>Citywide Goal: Deliver efficient, effective, and accountable municipal services.</p> <p>Bureau Goal: Deliver responsive, competitive governmental services through comprehensive planning, intergovernmental coordination, housing policy development, and quality management and support services.</p>
Performance	<p>The performance measure for this program is the citywide livability rating as provided by the Auditor's office's SEA survey. Overall city livability ratings have remained fairly high, but east neighborhoods are significantly less satisfied with city livability than several years ago.</p>
Changes to Services and Activities	<p>In the Adopted Budget, the River Renaissance Initiative and two associated staff positions are moved from ongoing funding to one-time funding. This is to allow for three other positions that have historically been funded by one-time funding to be moved into the bureau's core budget. For future budget years, the appropriate funding source for the River Renaissance program will be considered as part of a larger Citywide consideration of ongoing programs and activities that are funded with one-time General Fund allocations.</p>

STRATEGIC & COMPREHENSIVE PLANNING

Program Description	<p>The Strategic and Comprehensive Planning program includes five subprograms.</p> <p>Strategic Planning: The primary responsibility of this subprogram is to conduct the citywide visioning project and the strategic plan that implements the visioning conclusions. The project's major products will be a vision for Portland and City Strategic Plan. The vision process will be community based, engaging Portlanders of diverse experiences and perspectives in creating a shared vision for Portland's future, addressing all issues affecting</p>
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the livability and functioning of Portland. The Strategic Plan will be a City of Portland project, with extensive involvement from Portlanders; community, civic, and business groups; and county and regional agencies. The Strategic Plan will translate Portlanders' vision into initial priorities for the next five to ten years that will inform City budgeting, policy making, capital improvements, and program development.

Bureau Directors and Coordination: This includes the ongoing coordination of the Bureau Directors' and Planning and Development Directors' work plans and meetings and capital planning. The Citywide Capital Plan will both fulfill state planning requirements and provide a coordinated long-range capital plan for the City.

Intergovernmental Coordination: This subprogram represents the City's interests with Metro and other local governments as well as the State of Oregon. Ongoing activity includes participation in Metro technical committees and staffing Portland's elected officials serving on Metro advisory committees. The subprogram also manages urban service and urban growth boundary studies and annexation.

Comprehensive Plan: Staff will prepare ongoing amendments to the plan to keep it up to date with state, regional, and City.

Housing: This subprogram provides policy review of major planning initiatives, and staff support to the Home Ownership Advisory Committee, Planning Commission, and Community Development Commission. Staff also administers the nonprofit housing property tax abatement program.

Relationship to Goals	<p>Citywide Goal: Deliver efficient, effective, and accountable municipal services.</p> <p>Bureau Goal: Deliver responsive, competitive governmental services through comprehensive planning, intergovernmental coordination, housing policy development, and quality management and support services.</p>
Performance	<p>The performance measures for this program are the number of new housing units and the percentage of new housing units in the Urban Growth Boundary that are within city limits.</p>
Changes to Services and Activities	<p>Because of the similar and overlapping functions of the Intergovernmental Coordination and Comprehensive Planning programs, the bureau has combined these two programs into Strategic and Comprehensive Planning.</p>

ECONOMIC DEVELOPMENT PLANNING

Program Description	<p>In FY 2005-06, the Economic Development program will continue to advance economic development in the City's strategic and policy planning, and promote public investments and policies that foster competitive local supplies of labor, land, and infrastructure. The program will profile the city's commercial market areas (except the central city), providing demographic and business inventories of commercial areas and consultation with area businesses.</p>
Relationship to Goals	<p>Citywide Goal: Promote economic vitality and prosperity.</p> <p>Bureau Goal: Promote a vibrant and prosperous central city and support Portland's success as a location for businesses, jobs, and the next economy through support for industries and small businesses, arts and culture, and neighborhood commercial districts.</p>

Changes to Services and Activities Economic Development Planning formerly was a subprogram within the bureau's Area & Neighborhood Planning program.

ENVIRONMENTAL PLANNING

Program Description Under the umbrella of River Renaissance, the bureau's Environmental Planning program contributes towards the goal of a "clean and healthy river for fish, wildlife, and people" in concert with bureau efforts that advance the city's economic, urban, and cultural vitality.

The Environmental Planning program will include two major efforts in FY 2005-06. The Natural Resources Inventory is an update of Portland's information base on our rivers, streams, vegetation, and wildlife habitat. A second project will design an approach to coordinate and integrate natural resource conservation and restoration within the Columbia Corridor area, tailored to reflect the area's industrial, employment, and freight distribution characteristics, as well as its hydrology and managed floodplain. The project also will be designed to reduce regulatory complexity and contribute towards compliance with regional, state, and federal requirements.

Relationship to Goals Citywide Goal: Protect and enhance the natural and built environments.
Bureau Goal: Protect the City's land, water, air, fish and wildlife habitat, and open spaces.

Changes to Services and Activities Because of the Citywide emphasis on strategic planning and the Mayor's charge to the Planning Director to lead the effort to create a Vision for Portland and City Strategic Plan, the bureau reallocated staff from Environmental Planning to Strategic & Comprehensive Planning. The bureau also decided, as part of its reorganization, to move River Planning from Environmental Planning to District Planning to better reflect the multi-objective, place-based work of that group in the coming years.

HISTORIC RESOURCES/INFILL DESIGN

Program Description The bureau's Historic Resources/Infill Design program includes two subprograms that utilize both regulatory and nonregulatory strategies to help preserve and enhance the built environment and important historic and cultural assets.

The Historic Resources subprogram serves the following functions:

- ◆ Develop and manage the city's Historic Resources program.
- ◆ Provide historic resources expertise, support, and consultation to the city projects working on development strategies and projects.
- ◆ Fulfill state-mandated requirements for a "Certified Local Government" for historic preservation activities.

The Infill Design subprogram will continue work on the recently initiated Infill Design project. In the upcoming year, staff will implement the report recommendations with the assistance of other bureaus, provide design-related information for the citywide strategic plan, and begin work on the next development type.

Relationship to Goals Citywide Goal: Protect and enhance the natural and built environments.
Bureau Goal: Enhance and preserve the built environment and important historic and cultural assets.

Changes to Services and Activities In response to reorganization of the bureau's management and organizational structure, the Urban Design/Historic Resources program has been divided into two programs: Historic Resources/Infill Design and Urban Design.

DISTRICT PLANNING

Program Description The District Planning program integrates planning and development for Centers and Corridors and for River Planning projects. The program has six full-time and two part-time staff. Two staff members are assigned full time to River Planning. The remaining staff are responsible for one of the five districts established outside the central city, with the two part-time staff sharing one district.

The district liaison planners serve as on-the-ground experts on the planning and development issues of the district. They provide district neighborhoods and businesses with a clear point of contact with City government on planning functions. They develop and refine plans, strategies, and policies, and work on finding ways to implement the recommendations of the district's plans.

The program's River Planning staff undertake planning, policy, and design projects to implement the River Renaissance strategy. In FY 2005-06, the program intends to complete the plan for the north reach of the Willamette River, an area that includes most of the city's industrial port, Linnton, and St. Johns. These action plans will update the Willamette Greenway Plan and Code.

Relationship to Goals Citywide Goal: Improve the quality of life in neighborhoods.
Bureau Goal: Improve community livability by effectively managing growth and development, integrating economic, urban, and natural aspirations, and encouraging citizen participation.

Changes to Services and Activities For FY 2005-06, the bureau decided to move the River Planning program from Environmental Planning to District Planning. In past budgets, District Planning functions and staff have been funded through a combination of one-time and ongoing General Fund allocations. The Adopted Budget shifts the one remaining District Planning position that has been funded in the past with one-time dollars into the bureau's core ongoing budget.

CENTRAL CITY PLANNING

Program Description The Central City Planning program provides planning coordination, design, and implementation services essential to maintaining the Portland central city as the economic and cultural center of the region. Planned projects include:

- ◆ Central City Assessment: This project will continue our review of conditions in the central city in terms of development, the central city economy, status of existing central city plan policies, and design issues.
- ◆ Downtown Waterfront: The Bureau of Planning, with the Portland Development Commission (PDC), will move forward with the redevelopment strategy for the Ankeny Plaza area. The project will include an urban design study of the area to guide and facilitate future development. It will include consideration of the reuse of the Fire Station 1 site, the potential site for the Public Market, as well as alternatives to successfully animate the connection between the plaza area and the part of the district north of Burnside Street. It may also include an update of the design guidelines for the Skidmore-Old Town Historic District.

- ◆ South Waterfront: The bureau will continue to staff and actively participate in the planning, design, and decision-making processes involved with implementation of the South Waterfront development plan.

Relationship to Goals

Citywide Goal: Promote economic vitality and prosperity.

Bureau Goal: Promote a vibrant and prosperous central city and support Portland's success as a location for businesses, jobs, and the next economy through support for industries and small businesses, arts and culture, and neighborhood commercial districts.

Changes to Services and Activities

The Adopted Budget includes one-time funding to support two senior planner positions.

URBAN DESIGN**Program Description**

The Urban Design program provides direction on urban form, design, and development frameworks for both central city projects and key areas throughout the city. The program works to promote high design standards in both public and private projects. It also provides related urban design services and consultation to other Planning Bureau projects.

The Urban Design program has the following projects planned for FY 2005-06:

- ◆ Design elements of the central city area work plan: This set of projects will assess the current state of the central city and examine key study sub-areas within it (for example, Old Town-Chinatown/River District).
- ◆ Skidmore/Ankeny Plaza studies: The program will undertake a study of this area to assess and develop conceptual frameworks for development and restoration of this historic area, as well as PDC's Downtown Waterfront Development Opportunities Strategy (DOS) and consideration of a potential public market and reuse of the Fire Station 1 site.
- ◆ Park Avenue: The program, with PDC, Bureau of Parks and Recreation, and the Office of Transportation (PDOT), will continue to carry out activities to refine and implement the Park Avenue Vision for the Midtown Blocks area through an integrated approach.
- ◆ Transit Mall: The program will continue to be the bureau's lead on the transit mall project as it moves into its next phase.
- ◆ Town Center/Corridors/Mainstreets: The program will continue to support the bureau's and City's efforts to implement the Region 2040 Plan. Staff will assist Metro, TriMet, and PDOT with design studies and advice for I-205 light rail station area planning.

Relationship to Goals

Citywide Goal: Protect and enhance the natural and built environments.

Bureau Goal: Enhance and preserve the built environment and important historic and cultural assets.

Changes to Services and Activities

In response to reorganization of the bureau's management and organizational structure, the Urban Design/Historic Resources program has been divided into two programs: Urban Design and Historic Resources/Infill Design. The Adopted Budget eliminates a city planner I position.

CODE DEVELOPMENT

Program Description The Code Development program consists of three main functions: code editing, regulatory improvement, and code monitoring and evaluation. These functions focus on improving regulations to remove outmoded, contradictory, and overly complex regulations.

The regulatory improvement function provides coordination and oversight for the City's Regulatory Improvement Workplan. Specific focuses include Regulatory Rethink, Regulatory Improvement Code Amendments Packages (RICAP), and Post-Adoption Evaluation and Monitoring.

As the bureau moves toward improving the use of nonregulatory tools to achieve City goals and policies, the Code Development program retains the responsibility to ensure that where regulatory approaches are used, they are as simple as possible, as easy to implement as possible, and are coordinated with other regulations and programs.

Changes to Services and Activities In FY 2003-04 and FY 2004-05, core staffing for the Regulatory Improvement Work Plan was provided through one-time add packages. The Adopted Budget shifts two positions from one-time funding to ongoing, and also includes full funding of a third position through an interagency agreement with BDS.

ADMINISTRATIVE AND TECHNICAL SUPPORT

Program Description The Administrative and Technical Support program of the bureau provides key support to all the bureau's programs. Areas of support include the following:

- ◆ Human Resources, including employee evaluations and professional development, position descriptions, and analysis.
- ◆ Staffing and support for the City of Portland's Planning Commission.
- ◆ Graphics: staff coordinate and work in collaboration with planning staff to develop and format all publications. This includes illustration and design, development of electronic and printed visual materials, support for the bureau's web page, coordination and maintenance of the bureau's images for the visual library database, and assistance in developing templates and standards for bureau documents and presentations.
- ◆ Geographic Information Systems: GIS staff work closely with staff throughout the Bureau of Planning and with Corporate GIS and BDS on GIS applications. The program area includes database design, development, and maintenance project mapping.

The Administrative and Technical Support program also includes overhead costs for insurance, fleet, facilities, and other interagency agreements.

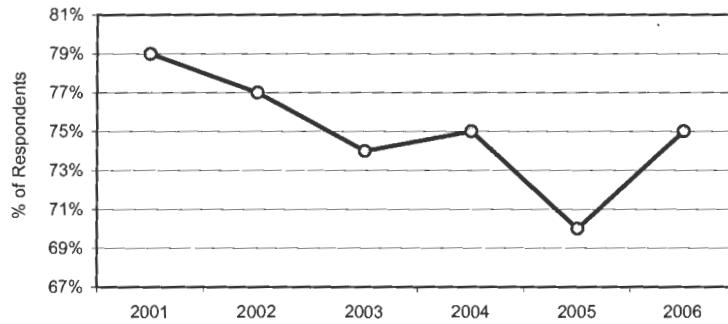
Relationship to Goals Citywide Goal: Deliver efficient, effective, and accountable municipal services.
Bureau Goal: Deliver responsive, competitive governmental services through comprehensive planning, intergovernmental coordination, housing policy development, and quality management and support services.

Changes to Services and Activities The bureau has combined two related programs, Administrative Support and Technical Support, into one program. An additional change involves moving the finance section of the bureau to the Director's Office program to reflect actual organizational and reporting relationships.

Performance Measures

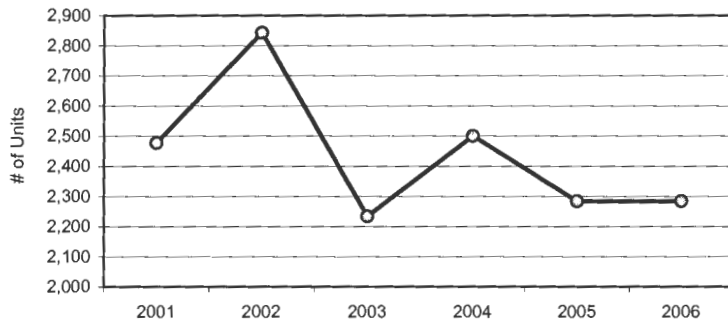
Citywide Livability Rating

- ◆ Overall city livability ratings have remained fairly high, but some neighborhoods are significantly less satisfied with city livability than several years ago.



New Housing Units in the City

- ◆ The city continues to exceed its goal for units built within the Urban Growth Boundary.



Bureau of Planning AU 510

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
BUREAU OF PLANNING						
Director's Office						
Effectiveness						
Citywide livability rating	79%	77%	74%	75%	70%	75%
Strategic & Comprehensive Planning						
Effectiveness						
New housing units	2,477	2,843	2,234	2,500	2,284	2,284
% of UGB housing within city limits	NA	NA	NA	24%	32%	20%

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	4,967,483	4,884,251	4,852,875	4,487,301	4,757,305
External Materials and Services	1,003,901	827,676	730,871	342,434	246,430
Internal Materials and Services	1,634,977	1,432,938	1,247,961	1,080,065	1,080,065
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	7,606,361	7,144,865	6,831,707	5,909,800	6,083,800
Capital Improvements	132,631	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 7,738,992	\$ 7,144,865	\$ 6,831,707	\$ 5,909,800	\$ 6,083,800
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	7,738,992	7,144,865	6,831,707	5,909,800	6,083,800
RESOURCES					
Discretionary Revenue	5,625,353	5,792,562	5,952,971	5,610,585	5,712,852
Non-Discretionary Revenues					
Grants & Donations	56,279	6,721	409,245	0	0
Contract Revenues	522,841	352,530	248,600	70,116	70,116
Interagency Revenues	1,271,882	856,089	90,765	95,971	159,971
Program Revenue	163,915	10,802	0	0	0
Overhead Recovery	98,722	126,161	130,126	133,128	140,861
Total Non-Discretionary Revenues	2,113,639	1,352,303	878,736	299,215	370,948
TOTAL GENERAL FUND RESOURCES	\$ 7,738,992	\$ 7,144,865	\$ 6,831,707	\$ 5,909,800	\$ 6,083,800
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Current Planning	1,566	0	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Director's Office	482,890	610,191	870,215	745,552	855,556
<i>Positions</i>	<i>4.00</i>	<i>5.50</i>	<i>5.00</i>	<i>7.00</i>	<i>8.00</i>
Admin and Technical Support	1,122,404	1,201,444	1,407,350	1,843,437	1,917,437
<i>Positions</i>	<i>13.00</i>	<i>12.15</i>	<i>12.00</i>	<i>9.00</i>	<i>9.00</i>
Urban Design	386,215	611,185	703,375	275,154	270,150
<i>Positions</i>	<i>7.00</i>	<i>7.00</i>	<i>6.90</i>	<i>3.00</i>	<i>3.00</i>
District Planning	1,255,021	997,160	1,333,564	756,674	751,674
<i>Positions</i>	<i>19.00</i>	<i>14.00</i>	<i>13.30</i>	<i>8.30</i>	<i>8.30</i>
Code Development	403,222	546,562	823,817	535,799	535,799
<i>Positions</i>	<i>3.00</i>	<i>5.50</i>	<i>6.80</i>	<i>5.90</i>	<i>5.90</i>
Strategic & Comprehensive Planning	859,169	716,358	787,868	818,956	818,956
<i>Positions</i>	<i>6.00</i>	<i>6.00</i>	<i>6.67</i>	<i>8.00</i>	<i>8.00</i>
Environmental Planning	2,759,037	2,461,965	905,518	352,376	352,376
<i>Positions</i>	<i>20.00</i>	<i>17.85</i>	<i>7.80</i>	<i>3.80</i>	<i>3.80</i>
Urban Renewal Plans	469,468	0	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Central City Planning	0	0	0	174,036	174,036
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2.00</i>	<i>2.00</i>
Economic Development Planning	0	0	0	173,072	173,072
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2.00</i>	<i>2.00</i>
Historic Resources/Infill Design	0	0	0	234,744	234,744
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2.90</i>	<i>2.90</i>
TOTAL PROGRAMS	\$ 7,738,992	\$ 7,144,865	\$ 6,831,707	\$ 5,909,800	\$ 6,083,800
<i>Positions</i>	<i>72.00</i>	<i>68.00</i>	<i>58.47</i>	<i>51.90</i>	<i>52.90</i>

Class	Title	Actual	Actual	Revised		Proposed		Adopted	
		FY 2003	FY 2004	FY 2004-05	Amount	FY 2005-06	Amount	FY 2005-06	Amount
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0510	Accounting Technician	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0100	Office Supp Spec I	1.00	2.00	1.00	27,420	1.00	30,012	1.00	30,012
0102	Office Supp Spec II	3.00	2.00	3.00	95,768	3.00	102,808	3.00	102,808
0104	Office Supp Spec III	2.00	1.00	1.00	44,304	0.00	0	0.00	0
7103	Administrative Assistant	0.00	0.00	1.00	62,292	1.00	62,292	1.00	62,292
7102	Administrative Specialist, Senio	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7107	Administrative Supervisor II	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6131	Associate Planner	2.00	2.00	0.90	42,624	0.00	0.00	0.00	0.00
7112	Business Operations Manager	0.00	0.00	0.00	0.00	1.00	75,108	1.00	75,108
7110	Business Operations Supervisor	1.00	1.00	1.00	74,880	0.00	1	0.00	1
3236	Chief Planner	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6132	City Planner I	9.00	3.00	2.90	141,421	1.90	96,936	1.90	96,936
6133	City Planner II	9.00	13.00	13.20	721,713	14.10	791,456	14.10	791,456
7204	Community Outreach and Informati	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7795	Environmental Planner, Supervisi	1.00	1.00	1.00	68,664	1.00	80,940	1.00	80,940
7608	Environmental Program Coordinato	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
2010	Environmental Services Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3194	Environmental Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6053	Environmental Specialist	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
6051	Environmental Technician I	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
6062	GIS Technician II	0.00	1.00	1.00	49,104	0.00	0.00	0.00	0.00
6063	GIS Technician III	0.00	0.00	0.00	0.00	1.00	51,540	1.00	51,540
6122	Graphics Designer II	1.00	1.00	1.00	52,625	1.00	54,348	1.00	54,348
6123	Graphics Designer III	1.00	1.00	1.00	59,700	1.00	63,000	1.00	63,000
2542	Information Systems Analyst II	1.00	1.00	1.00	64,104	1.00	64,356	1.00	64,356
7508	Information Systems Supervisor	0.00	1.00	1.00	85,464	1.00	85,716	1.00	85,716
7130	Management Assistant	2.00	2.00	1.00	51,339	1.00	53,439	1.00	53,439
7666	Mapping & GIS Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7752	Planner, Supervising	0.00	2.00	2.00	159,426	1.00	85,547	1.00	85,547
7076	Planning Director	1.00	1.00	1.00	117,042	1.00	137,952	1.00	137,952
7754	Planning Director, Assistant to	2.00	1.00	1.00	74,340	1.00	77,388	1.00	77,388
7753	Principal Planner	3.00	4.00	4.00	389,535	3.00	297,360	3.00	297,360
7156	Program Manager	0.00	0.00	0.00	0.00	0.00	0.00	1.00	59,928
0971	Program Manager III	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0972	Program Manager IV	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7158	Program Manager, Senior	1.00	3.00	0.00	0.00	1.00	85,800	1.00	85,800
6134	Senior City Planner	10.00	12.00	7.90	520,260	9.90	654,468	9.90	654,468
3231	Senior Planner	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3107	Technician I	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3108	Technician II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7756	Urban Design Program Manager	0.00	1.00	1.00	90,000	1.00	92,156	1.00	92,156
TOTAL FULL-TIME POSITIONS		67.00	64.00	47.90	\$ 2,992,025	46.90	\$ 3,042,623	47.90	\$ 3,102,551
6133	City Planner II	5.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PART-TIME POSITIONS		5.00	4.00	0.00	\$ 0	0.00	\$ 0	0.00	\$ 0
7755	River Renaissance Init Mgr	0.00	0.00	1.00	68,976	1.00	90,000	1.00	90,000
6131	Associate Planner	0.00	0.00	2.00	81,864	0.00	0.00	0.00	0.00
6133	City Planner II	0.00	0.00	1.00	54,357	0.00	0.00	0.00	0.00
7204	Community Outreach and Informati	0.00	0.00	1.00	69,468	1.00	69,468	1.00	69,468
7154	Program Coordinator	0.00	0.00	0.67	34,360	1.00	51,744	1.00	51,744
7158	Program Manager, Senior	0.00	0.00	1.00	84,494	0.00	0.00	0.00	0.00
6134	Senior City Planner	0.00	0.00	3.90	242,085	2.00	131,304	2.00	131,304
TOTAL LIMITED TERM POSITIONS		0.00	0.00	10.57	\$ 635,604	5.00	\$ 342,516	5.00	\$ 342,516

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	5,771,146	113,916	5,885,062	50.50	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	(61,536)	0	(61,536)	(1.00)	Cut OSS III position
	(33,924)	0	(33,924)	(0.50)	Cut vacant City Planner II
	(15,386)	0	(15,386)	0.00	Reclass Principal Planner to Program Mngr
	(63,500)	0	(63,500)	0.00	Various reductions in M&S
	(135,808)	0	(135,808)	(1.00)	Cut vacant City Planner I and M&S
	0	174,036	174,036	2.00	Continue 2 limited term pos in Central City
	(210,614)	210,614	0	0.00	Shift River Renaissance to 1-Time
	87,576	0	87,576	1.00	Convert 1 District Planner to Ongoing
	155,976	0	155,976	1.90	Convert 2 FTE in Reg Improv to Ongoing
	(23,467)	0	(23,467)	0.00	Cut IA with OMF for communications support
	(102,876)	0	(102,876)	(1.00)	Consolidate Bus Ops into 1 position
	(18,507)	0	(18,507)	0.00	Various reductions in M&S
	0	0	0	0.00	BDS IA to fully fund code develop pos
	0	80,000	80,000	0.00	Housing Demographer funding
	(3,668)	0	(3,668)	0.00	Reduction in HR Interagency
	(14,178)	0	(14,178)	0.00	Reductions in OMF Interagencies
Approved Budget Additions and Reductions					
	64,000	0	64,000	1.00	Measure 37 position from Mayor's Office
	0	30,000	30,000	0.00	Public Market Project
	0	0	0	0.00	Overhead Adjustment
Adopted Budget Additions and Reductions					
	0	80,000	80,000	0.00	Carryover for personnel actions
	(375,912)	574,650	198,738	2.40	Total FY 2005-06 Decision Packages
			\$ 6,083,800	52.90	Total Adopted Budget



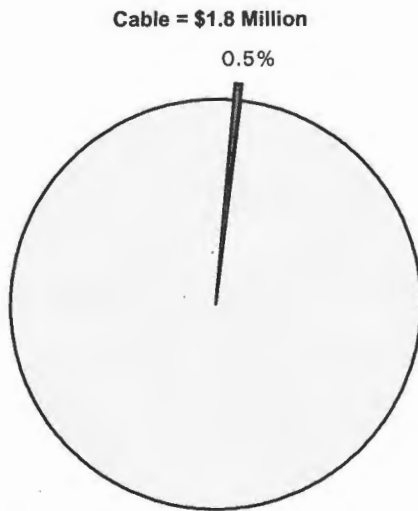
Cable Communications and Franchise Management

Community Development Service Area

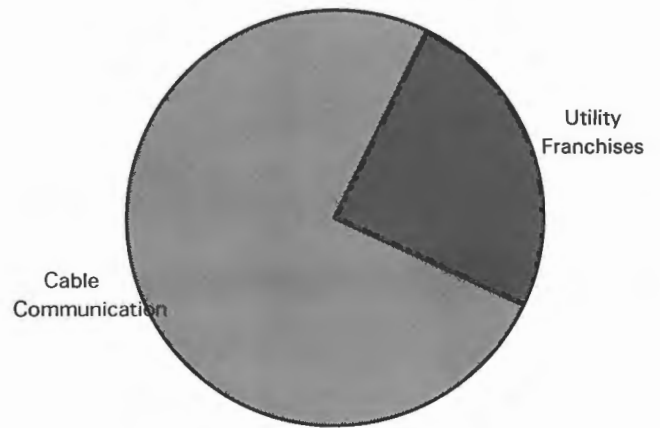
Dan Saltzman, Commissioner-in-Charge

David Olson, Director

Percent of General Fund



Bureau Programs

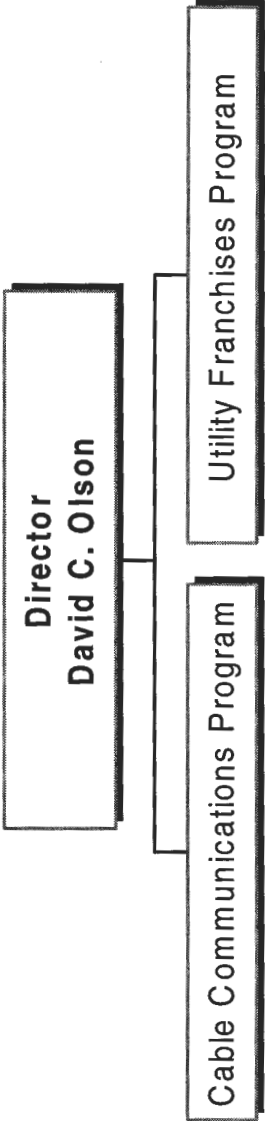


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	1,825,776	1,791,628	-34,148	-1.9%
Capital	0	0	0	0.0%
Total Expenditures	\$ 1,825,776	\$ 1,791,628	\$ -34,148	\$ -1.9%
Authorized Positions	6.80	6.70	-0.10	-1.5%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Cable Communications and Franchise Management



Bureau Summary

BUREAU MISSION

The mission of the Office of Cable Communications and Franchise Management is to ensure the City of Portland and its citizens are fairly compensated for private use of the public rights of way; to defend local government's role and the public interest in rapidly changing telecommunications and utility markets, including the power to levy taxes and fees; and to carry out cable franchise responsibilities while advocating for the public interest in cable communications by providing staff support for the Mt. Hood Cable Regulatory Commission (MHCRC).

BUREAU OVERVIEW

The Office of Cable Communications and Franchise Management has two major programs: Cable Communications and Utility Franchise Management.

Cable Communications

The Cable Communications program provides staff support to the Mt. Hood Cable Regulatory Commission. Through the MHCRC, the City has been instrumental in forging and maintaining an effective and successful multi-jurisdictional partnership with Multnomah County and the cities of Gresham, Fairview, Troutdale, and Wood Village. The commission contracts for staff and services through a service agreement with the City of Portland. The MHCRC funds an equivalent of 3.25 FTE and related materials and services.

The MHCRC advocates for and protects the public interest in the regulation and development of cable communications systems, resolves cable subscribers' concerns, and facilitates the planning and implementation of community uses of cable communications technologies that make use of the public rights-of-way. The MHCRC also provides oversight and funding for Portland Community Media and Multnomah Community Television.

Utility Franchise Management

The Utility Franchise Management program administers receipt of a significant revenue source to the General Fund and continues its leadership role in developing the City's policy and legal interests regarding the development of advanced telecommunications infrastructure. This program pursues revenue opportunities arising from both the City's management of the rights-of-way and its ability to levy taxes and fees. The program also plays a significant role in monitoring and protecting City and consumer interests in the new era of competition and deregulation of the telecommunications and energy industries. The Utility Franchise Management program is supported by the General Fund and consists of 3.45 FTE.

SUMMARY OF BUDGET DECISIONS

The bureau received \$1,448,416 in General Fund appropriations.

The FY 2005-06 Adopted Budget is \$1,791,628. Resources include \$1,448,416 in General Fund appropriations and \$343,212 in interagency transfers from other funds.

The General Fund allocation for the Cable Communications and Utility Franchise Management programs is \$692,061, and is \$756,355 for Portland Community Media (PCM). The Bureau has 6.7 FTE in the Adopted Budget.

Strategic Direction

SIGNIFICANT ISSUES

Implement Utility License Fee Reform

The bureau will continue to work to update and implement the Utility License Fee Code to establish uniform utility license fee rates, provide equity among all companies, and accommodate technological advances. The last overhaul of this section of the code was in the 1940s.

Negotiate PGE Successor Franchise

Staff will address and resolve issues to bring this important Citywide effort to a successful conclusion in cooperation with the Office of Sustainable Development, City Attorney's Office, Portland Office of Transportation, Bureau of Parks and Recreation, Bureau of Environmental Services, and Water Bureau.

Defend City Authority from Legal Attacks

The bureau, in conjunction with the City Attorney's Office, will fight ongoing attacks by multiple companies in the telecommunications industry to preempt local government from any regulation of rights-of-way, including but not limited to the ability to charge fair market value for private use of rights-of-way. Currently the City is in litigation as both plaintiff and defendant in several federal court cases. The bureau oversees the receipt of about \$7 million per year in telecommunications franchise fee payments. These franchise fees and other public interest obligations may be affected by the final results of these cases. Current lawsuits include Qwest v. Portland, Portland v. ELI, and Time Warner v. Portland.

Advocate for City Authority at the State and National Levels

The bureau works strategically with other City bureaus, local governments, and organizations to advocate at the Oregon State Legislature, Public Utility Commission, Federal Communications Commission, and U.S. Congress for the City's authority to levy taxes and fees, obtain fair compensation for private use of the public rights-of-way, and preserve various public interest obligations. Examples of public interest issues include compensation (both for use of the rights of way and taxing authority), public safety (9-1-1 and E-9-1-1), consumer protection and customer service, universal service, and number portability.

MANAGEMENT GOALS & OBJECTIVES

Citywide Goal - Deliver efficient, effective, and accountable municipal services.

Bureau Goal - Provide responsible and effective utility, cable, and telecommunication franchise regulation to maintain the City's financial condition.

- ◆ Enforce cable franchise requirements and address issues.
- ◆ Manage utility franchise regulation so that it fosters competition, creates the least negative impact on public streets and infrastructure, serves the public interest, and generates revenue for the City.
- ◆ Inform, educate, and assist our constituents regarding cable, telecommunications, and utility issues and regulations.

- ◆ Regularly communicate with our six jurisdictions and the public in a way that meets their needs and expectations.
- ◆ Provide information and networking opportunities for community groups and citizens to increase knowledge about local community communications resources.
- ◆ Provide leadership and advocacy for public policy.
- ◆ Operate and conduct business to efficiently and effectively achieve City Council and organizational mission and goals.

Citywide Goal - Improve the quality of life in neighborhoods.

Bureau Goal - Effectively administer cable television franchises so citizens, member jurisdictions, and public access providers contribute to improved quality of life in our neighborhoods.

- ◆ Manage the Public, Educational, and Government (PEG) Grant program to maximize benefits to the community.
- ◆ Ensure citizens benefit from resources provided by the cable company which are managed by the public access providers for the benefit of the community.

Citywide Goal - Promote economic vitality and opportunity

Bureau Goal - Ensure access to services available through cable system technology for citizens, local governments, and community institutions.

- ◆ Maximize resources available through the franchises to create accessible communication networks to ensure growth and development.
- ◆ Guide the development and use of the Institutional Network (I-Net) in order to provide community stakeholders with the highest level of connectivity, capacity, and capability.
- ◆ Maximize the use of City and public communication networks through City-specific franchise benefits and proactive support of related regional governmental and public partnerships.

Overview of Programs

CABLE COMMUNICATIONS

An intergovernmental partnership in Multnomah County regulates cable franchises.

The Cable Communications program provides staff support for the Mt. Hood Cable Regulatory Commission (MHCRC), an intergovernmental partnership created by Multnomah County and the cities of Portland, Gresham, Troutdale, Fairview and Wood Village, to oversee and regulate the cable services franchises and related public benefits. The MHCRC (comprised of eight citizen representatives) provides local regulation and consumer protection and directs disbursement of over \$6 million annually in cable franchise-related revenues.

Community Access Capital Grant program

The Community Access Capital Grant program improves the quality of life in neighborhoods.

The bureau manages a grant program that provides funds for technology projects to community organizations, libraries, educational institutions, and local government agencies throughout Multnomah County. A recently completed evaluation of the grant program found that 76% of all grant awards resulted in educational benefits for students, teachers, parents, and schools; 32% of all grant awards benefited governmental agencies, which in turn also provided more efficient and cost effective services for the general public; and 16% served ethnically diverse communities or citizens with special needs. Nearly half the grantees reported their grant awards served as a catalyst for formation of new partnerships and the ability to attract new funding. In FY 2003-04, the program granted nearly \$636,000 for seven new projects that will leverage over \$1.1 million in matching resources for these community-based projects.

Portland Community Media (PCM)

PCM facilitated programming in eight languages other than English and provided direct services to many ethnic, minority, and underserved constituencies.

PCM is a nonprofit organization that creates partnerships and provides technology and communications resources to the community to promote broad participation in civic and cultural life. PCM provides direct services to a diverse group of individuals, nonprofits, community organizations, and government agencies. In FY 2003-04, PCM provided resources for community members to produce nearly 5,400 new video programs. Organizations used these programs at community meetings, on web sites, and through local cable channels to educate, involve, and encourage dialogue on issues of importance to that constituency.

Some of the FY 2004-05 highlights of this program include: launching a new emphasis on media education and literacy through the Oregon Lab for Information Education and youth media programs; participating in Multnomah County's Everybody Reads program; covering Oregon Public Utility Commission hearings, including hearings on the sale of PGE; producing a Martin Luther King, Jr. Day celebration at the University of Portland's Chiles Center; producing Portland City Council meetings and budget forums, Metro meetings, and City Club meetings; and initiating new partnership projects, such as the Media Education Summit and Creative Rights Conference.

Emergency Alert System (EAS) on Cable Systems

The bureau reviewed the local cable system's emergency alert capabilities and operations in response to reports from other communities concerning inadequacies in the functionality of emergency alert systems during actual emergencies. Bureau analysis confirmed the effective operation of the EAS for both analog and digital cable subscribers throughout the Portland metro area.

Consumer Protection and Complaint Resolution

The bureau conducts franchise compliance activities to protect the City's and consumers' interests.

The bureau helps citizens who have problems with their cable, telecommunications, electric, or gas company in areas such as company infringement on private property, billing and rate issues, telephone responsiveness, and cable subscriber policies. The bureau also actively pursued changes to Comcast's privacy policy, which Comcast reissued in 2004.

Institutional Network (I-Net) and Integrated Regional Network Enterprise (IRNE)

This project is managed by both the Cable Communications and Utility Franchise Management programs. The bureau facilitates partnerships, pursues network assets under the franchises, and participates in network planning for both I-Net, which is overseen by the MHCRC and operated by Comcast, and IRNE, which is managed by the City's Bureau of Technology Services.

The bureau engages in partnerships and advocacy to provide services more efficiently and protect local authority.

The bureau identified and pursued over \$3.5 million worth of telecommunications assets for IRNE and oversaw the deployment of I-Net assets worth over \$6.5 million. Both cable and telecommunications franchises provide for communications network assets and infrastructure as part of their public benefit obligations. The bureau developed and continues to facilitate the partnership between Comcast's I-Net and the City's IRNE. This network partnership provides the highest level of service at the least cost to 200 schools and public agencies throughout Multnomah County for critical communications. The partnership has increased capacity ten-fold while producing savings of up to 33%.

UTILITY FRANCHISES

Utility Franchises maximizes General Fund resources by providing responsible and effective utility, cable, and telecommunications franchise regulation.

The Utility Franchise Management program administers receipt of a significant revenue source to the General Fund and continues its leadership role in developing the City's policy and legal interests regarding the development of advanced telecommunications infrastructure. This program pursues revenue opportunities arising from both the City's management of the rights-of-way and its ability to levy taxes and fees.

The bureau also advocates on the local, state, and national levels for local franchise and taxing authority, consumer issues, and accessible media resources in communities.

Franchise and Utility License Fee Revenues

General Fund franchise and utility license fee revenues have experienced sluggish growth over the last few years, and this trend is projected to continue. In the telecommunications sector Qwest revenues have dropped 31% since FY 2000-01. Electric and natural gas revenues are flat, and water and sewer revenues have been capped. The bureau has taken aggressive action to mitigate this decline in revenue through audits and a utility license fee reform proposal.

Audits and Litigation

The bureau helps maintain a healthy City financial condition.

In FY 2000-01, the Bureau began auditing a large utility or utility sector each year. Since FY 2000-01, these audits have provided over \$2.5 million in one-time and ongoing revenues for the General Fund. Audits of Qwest and Verizon are in process and will continue through FY 2005-06. Audits of Pacific Power and Northwest Natural Gas should be completed by July 2005. Based on prior audit results and preliminary information from these companies, the bureau anticipates similar audit revenues as in the past.

Telecommunications sector audits are planned for FY 2005-06.

In FY 2005-06 staff will audit the point-to-point telecommunications sector, which is comprised of approximately 12 companies. The bureau will also audit some of the Competitive Local Exchange Carriers based on funding availability.

The bureau will continue to fight ongoing attacks by multiple companies in the telecommunications industry to preempt the City from its ability to regulate use of, and receive fair compensation for, private use of the rights-of-way. Currently the City is in litigation as both plaintiff and defendant in several federal court cases that may affect the City's franchise fee revenues and other public benefits provided under telecommunications franchises.

The bureau aggressively defends the City's interests in bankruptcy and related state court litigation. Several telecommunications carriers and one pipeline company are currently in bankruptcy. Bureau efforts have resulted in continued receipt of franchise fees by companies in bankruptcy.

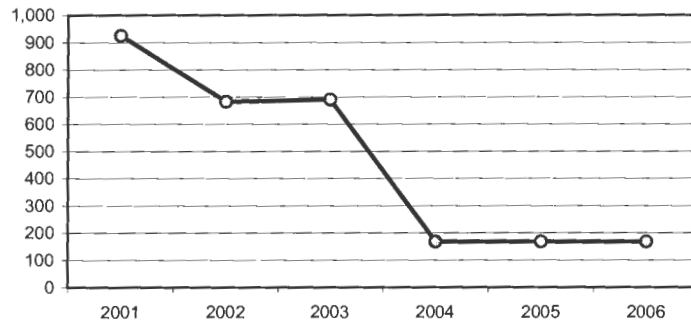
Non-Monetary and Public Interest Franchise Requirements

The bureau tracks all aspects of contracts and franchises including insurance, bonds, acceptances, maps, deeds, system acquisitions, and sales. All non-monetary issues are prioritized and pursued based on risk to the City. Substantial gains were made this year, with most companies now having current bonds and insurance.

Performance Measures

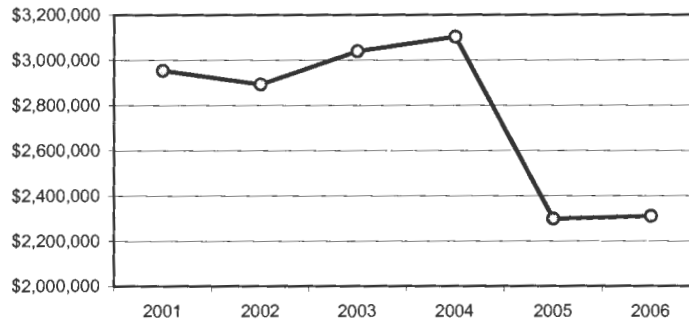
Cable Subscriber Complaints Handled

- ◆ The Cable Commission continues to enforce reliable customer service standards. As a result, complaints from Comcast cable subscribers are declining.



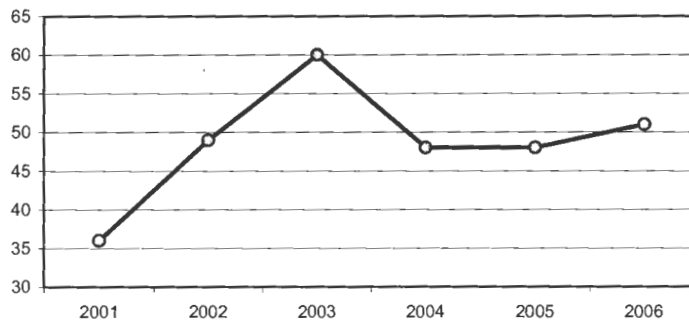
Public, Educational, and Government Grants

- ◆ The PEG grants provides capital funding to nonprofit, educational, community groups and local governments.



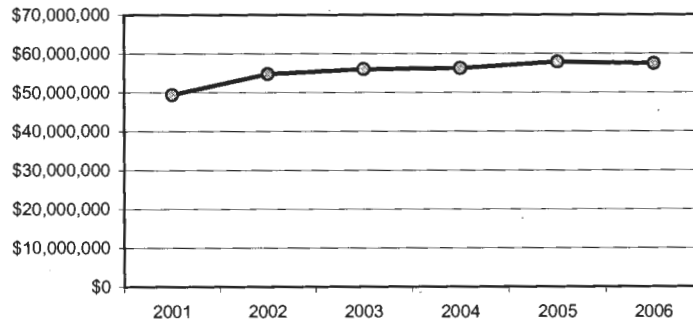
Number of Franchises Administered

- ◆ Frequent changes in technology and services continue to challenge the telecommunication franchise administration. Recent mergers and bankruptcies reduced the number of franchises.



General Fund Revenues

- ◆ The bureau oversees receipt of nearly \$57 million in General Fund revenues from cable and utility franchises.



Cable Communications and Franchise Management AU 300

PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
CABLE COMMUNICATIONS AND FRANCHISE MANAGEMENT						
Cable Communications						
Effectiveness						
PEG Funding and Grants	\$2,954,161	\$2,892,174	\$3,039,156	\$3,102,507	\$2,298,263	\$2,309,259
Workload						
Cable TV Complaints Handled	925	683	690	167	167	167
Utility Franchises						
Effectiveness						
General Fund Revenues	\$49,428,775	\$54,768,754	\$55,989,107	\$56,247,023	\$57,836,158	\$57,446,428
Workload						
Franchises Administered	36	49	60	48	48	51

Cable Communications and Franchise Management AU 300

SUMMARY OF BUREAU BUDGET

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	583,674	624,289	646,933	663,520	663,520
External Materials and Services	851,335	785,090	874,685	821,012	821,012
Internal Materials and Services	265,342	271,303	304,158	307,096	307,096
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	1,700,351	1,680,682	1,825,776	1,791,628	1,791,628
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 1,700,351	\$ 1,680,682	\$ 1,825,776	\$ 1,791,628	\$ 1,791,628
Allocated Overhead	248,264	309,877	270,348	270,348	331,778
Total Cost with Allocated Overhead	1,948,615	1,990,559	2,096,124	2,061,976	2,123,406
RESOURCES					
General Fund Discretionary	1,236,043	1,361,089	1,479,893	1,448,416	1,448,416
Non-Discretionary Revenues					
Grants & Donations	0	0	0	0	0
Interagency Revenue	464,308	319,593	345,883	343,212	343,212
Contract Revenue	0	0	0	0	0
Program Revenue	0	0	0	0	0
Total Non-Discretionary Revenues	464,308	319,593	345,883	343,212	343,212
TOTAL GENERAL FUND RESOURCES	\$ 1,700,351	\$ 1,680,682	\$ 1,825,776	\$ 1,791,628	\$ 1,791,628
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Cable Communications	1,287,812	1,287,386	1,323,492	1,347,667	1,347,667
<i>Positions</i>	<i>3.35</i>	<i>3.25</i>	<i>1.80</i>	<i>3.25</i>	<i>3.25</i>
Utility Franchises	412,539	393,296	502,284	443,961	443,961
<i>Positions</i>	<i>3.45</i>	<i>3.45</i>	<i>5.00</i>	<i>3.45</i>	<i>3.45</i>
TOTAL PROGRAMS	\$ 1,700,351	\$ 1,680,682	\$ 1,825,776	\$ 1,791,628	\$ 1,791,628
<i>Positions</i>	<i>6.80</i>	<i>6.70</i>	<i>6.80</i>	<i>6.70</i>	<i>6.70</i>

Cable Communications and Franchise Management AU 300

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
7070	Cable/Franchise Director	1.00	1.00	1.00	97,592	1.00	101,590	1.00	101,590
7696	Cable/Franchise Prog Mgr, Senior	0.90	0.90	1.00	85,464	0.90	77,120	0.90	77,120
7695	Cable/Franchise Program Manager	1.00	1.00	1.80	126,714	1.80	130,442	1.80	130,442
7377	Financial Analyst, Senior	1.00	1.00	1.00	72,276	1.00	72,564	1.00	72,564
7153	Program Specialist	2.00	2.00	2.00	117,060	2.00	119,170	2.00	119,170
TOTAL FULL-TIME POSITIONS		5.90	5.90	6.80	\$ 499,106	6.70	\$ 500,886	6.70	\$ 500,886
7695	Cable/Franchise Program Manager	0.90	0.80	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PART-TIME POSITIONS		0.90	0.80	0.00	\$ 0	0.00	\$ 0	0.00	\$ 0

Cable Communications and Franchise Management AU 300

BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	1,792,219	0	1,792,219	6.70	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	(591)	0	(591)	0.00	Discretionary Adj. OMF Interagency Changes
Mayor's Proposed Budget Decisions	0	0	0	0.00	None
Approved Budget Additions and Reductions	0	0	0	0.00	None
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(591)	0	(591)	0.00	Total FY 2005-06 Decision Packages
			\$ 1,791,628	6.70	Total Adopted Budget

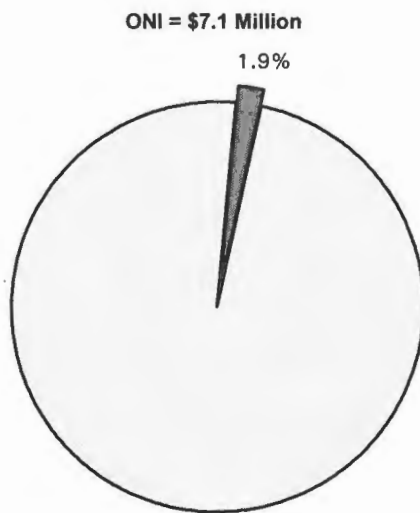
Office of Neighborhood Involvement

Community Development Service Area

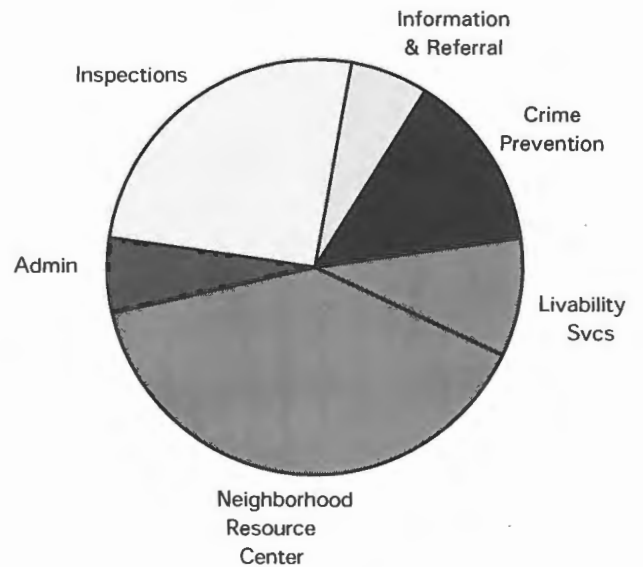
Mayor Tom Potter, Commissioner-in-Charge

Jimmy Brown, Director

Percent of General Fund



Bureau Programs

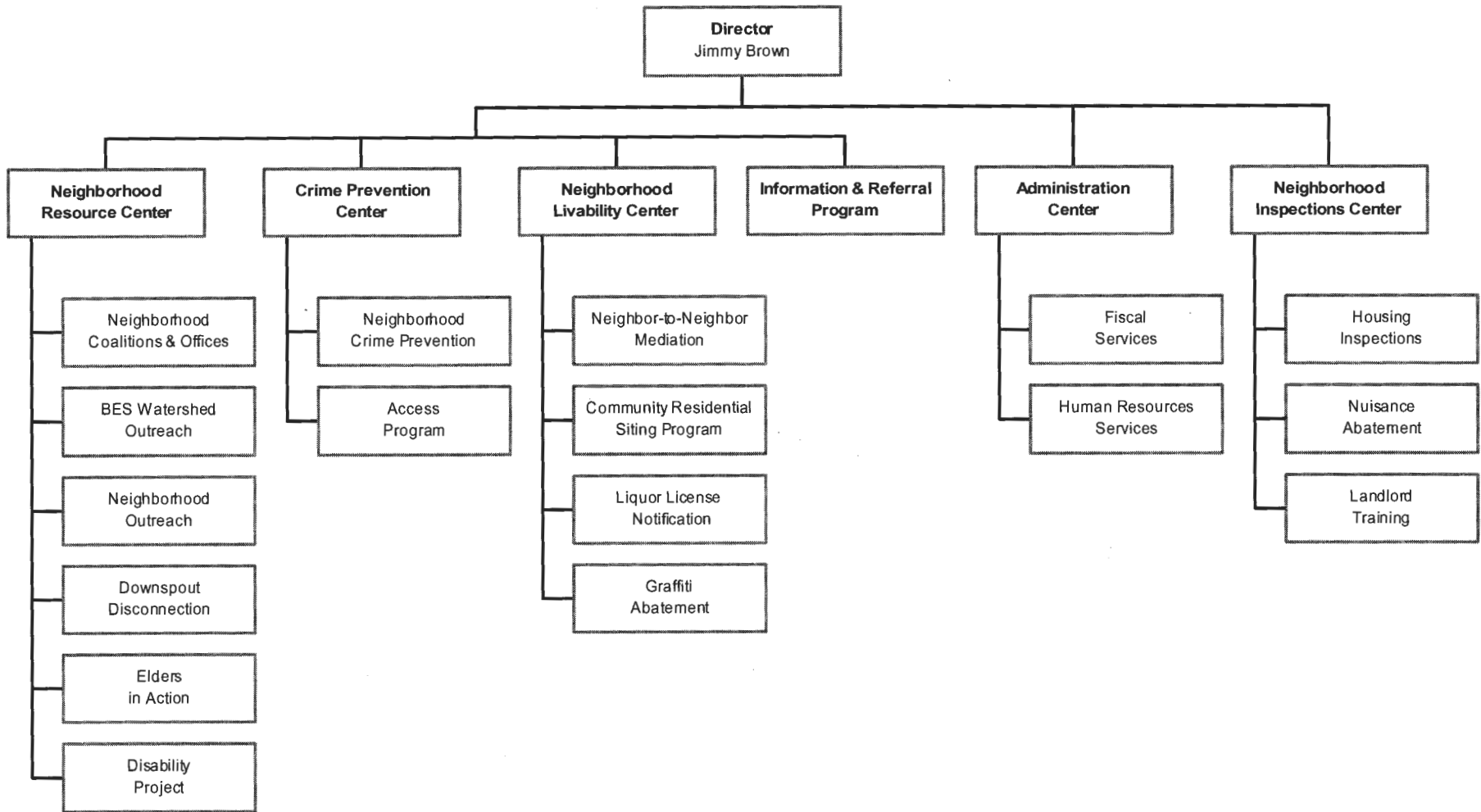


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	7,140,752	7,112,244	-28,508	-0.4%
Capital	0	0	0	0.0%
Total Expenditures	\$ 7,140,752	\$ 7,112,244	\$ -28,508	\$ -0.4%
Authorized Positions	61.78	53.63	-8.15	-13.2%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Office of Neighborhood Involvement



Bureau Summary

BUREAU MISSION

The Office of Neighborhood Involvement's mission is to enhance the quality of Portland's neighborhoods through community participation. The Office of Neighborhood Involvement (ONI) provides opportunities for Portland neighbors to interact with their City government and help build safe and livable neighborhoods. The bureau's overall purpose is to facilitate open, inclusive community processes for discussion of important civic decisions among neighbors, neighborhood associations, businesses, and government.

VISION AND VALUES

ONI staff are committed to and guided by the following values:

- ◆ Advocating for collaborative, fair, and accessible community processes
- ◆ Fostering community-centered activism
- ◆ Embracing diversity, understanding, and mutual learning
- ◆ Communicating in a respectful and timely manner
- ◆ Providing service with integrity
- ◆ Establishing a climate of equality, respect, and community empowerment
- ◆ Promoting a safe and healthy environment for everyone

BUREAU OVERVIEW

ONI is a key resource for citizens and City employees seeking to improve neighborhood and citizen involvement. ONI's purpose is to enhance the quality of Portland's neighborhoods through community participation. ONI programs also give Portland residents a voice in City Hall. The bureau is organized into six distinct program areas:

- ◆ Crime Prevention
- ◆ Information and Referral
- ◆ Administration
- ◆ Neighborhood Inspections
- ◆ Neighborhood Resource Center
- ◆ Neighborhood Livability

A seventh program area, Noise Control, has been transferred from ONI to the Bureau of Development Services in the FY 2005-06 Adopted Budget.

SUMMARY OF BUDGET DECISIONS

The Adopted Budget includes a number of changes for ONI. The net impact on the bureau will be a \$28,508 reduction in resources from the FY 2004-05 Revised Budget and the loss of six full-time positions. Four positions will be eliminated, three positions will be transferred to another bureau, and one new position will be added. Significant budget changes for FY 2005-06 are discussed in more detail below.

Community Visioning & Empowerment Account	The FY 2005-06 Adopted Budget establishes a \$500,000 "Community Visioning and Empowerment Account" at ONI. Although the uses of these funds have not yet been defined, at least some of the \$500,000 will likely support community visioning and strategic planning in FY 2005-06.
Noise Control Transfer	The FY 2005-06 Adopted Budget transfers the Noise Control program from ONI to the Bureau of Development Services. The transfer will reduce ONI's budget by \$302,146 and four full-time staff.
Staffing Reduction	The FY 2005-06 Adopted Budget eliminates three full-time positions in the Neighborhood Resource Center and ONI Administration. These position cuts will result in \$255,210 in savings.
Graffiti Abatement Service Delivery Shift	ONI's graffiti abatement services are currently provided by the Youth Employment Institute. ONI anticipates savings of \$60,000 from contracting instead with Multnomah County Juvenile Services or the neighborhood associations for abatement on public rights-of-way. In addition, the Mayor and the Commissioner of Public Utilities will pursue private funding from the business community for graffiti removal on large commercial business properties. The FY 2005-06 Adopted Budget sets aside \$80,000 to match these private contributions on a dollar-for-dollar basis. ONI will bring an amendment to the graffiti abatement contract before Council authorizing an increase in the contract for the amount of any private donations received, plus the matching City funds.
Maintain Neighborhood Inspections Service Levels	To maintain permanent staff and current service levels in the Neighborhood Inspections program, Council has authorized a drawdown of the program's reserve fund. A total of \$67,000 will be transferred from reserve to operating funds in FY 2005-06.
Convert Limited Term Neighborhood Inspections Position to Permanent	The FY 2005-06 Adopted Budget converts a housing program specialist position in the Neighborhood Inspections program from limited term to permanent. Converting this position to permanent is critical to the ongoing viability of program operations, as this position is responsible for the case management database, administration of the case review process, transmission of program revenue billings, and collaboration with the Office of the City Auditor on the foreclosure program. To partially fund the position, \$59,652 of ONI's General Fund appropriation will be redirected from other uses. The remainder of position funding will come from new revenue that will be generated by the creation of a new tier in the housing fee schedule. The new tier will target negligent owners of rental properties with 20 or more units.
BES Service Level Reduction	The Bureau of Environmental Services (BES) has reduced funding for watershed and naturescaping outreach in southwest Portland by \$21,555, and to community outreach services related to Columbia Slough issues by \$10,000. As BES funds these activities via interagency agreement with ONI, these decisions will reduce ONI's budget by \$31,555.

BUDGET NOTES

The Mayor and the Commissioner of Public Utilities will lead an effort to raise private donations for graffiti abatement on large commercial properties. Council has appropriated \$80,000 in one-time General Fund resources that will be used to match, on a dollar-for-dollar basis, any donations obtained for graffiti abatement from private sources. ONI will bring an amendment to the graffiti abatement contract before Council authorizing an increase in the contract for the amount of any private donations received, plus the matching City funds. Any unused portion of the \$80,000 in General Fund resources will be returned to General Fund contingency during one of the FY 2005-06 budget update and monitoring processes.

Strategic Direction

SIGNIFICANT ISSUES

Neighborhood Inspections Funding Gap

The Neighborhood Inspections program may continue to face a funding gap in future years. Declines in General Fund support, code enforcement revenue receipts, and interagency funding over the past several years have created a shortfall in the program, despite significant expenditure cuts.

The Adopted Budget addresses this funding gap through two means. First, to maintain permanent staff and current service levels, Council has authorized a drawdown of the program's reserve fund. A total of \$67,000 will be transferred from reserve to operating funds in FY 2005-06. If necessary, the same amount can be transferred in each of the following four years while still maintaining a healthy reserve balance.

MANAGEMENT GOALS & OBJECTIVES

Major Bureau Goals for FY 2005-06

ONI has the following overarching goals for FY 2005-06.

- ◆ Develop and improve working relationships and collaborative opportunities with Portland's neighborhood associations and coalitions.
Program: Neighborhood Resource Center
- ◆ Provide advocacy and technical assistance to district coalitions and neighborhood associations related to growth and development issues that impact neighborhoods.
Program: Neighborhood Resource Center
- ◆ Improve and measure the effectiveness of the neighborhood associations and coalitions in providing opportunities for community members to be engaged in neighbor-to-neighbor, civic, and public policy activities.
Program: Neighborhood Resource Center
- ◆ Increase partnerships with other bureaus, municipalities, community groups, and public entities at the state and local level to maximize public involvement and determine effectiveness in meeting Council objectives.
Programs: Neighborhood Livability Services and Information & Referral
- ◆ Provide excellent Neighborhood Inspection services and continue to integrate this program with ONI's other neighborhood livability services.
Program: Neighborhood Inspections
- ◆ Increase the involvement of underrepresented groups in Portland's neighborhood system.
Program: Neighborhood Resource Center
- ◆ Partner with other City bureaus to ensure the use of consistent public involvement policies.
Program: Neighborhood Livability Services
- ◆ Implement and monitor the effectiveness of the revised ONI guidelines, which define the roles and responsibilities of the neighborhood offices and associations.
Program: Neighborhood Resource Center
- ◆ Increase and monitor the effectiveness of public safety efforts through ONI's Crime Prevention program.
Program: Crime Prevention
- ◆ Coordinate the development of a strategic planning process that will better align the mission, vision, goals, and objectives of ONI with those of the City of Portland.
Program: Administration

Each of these goals aligns with the City goal of improving the quality of life in neighborhoods. The Crime Prevention program goal also aligns with the City goal of ensuring a safe and peaceful community.

Overview of Programs

CRIME PREVENTION

Neighborhood-based crime prevention services are an important part of the City of Portland's community policing efforts. The Crime Prevention program provides public safety information and training to neighborhood associations and other community groups, businesses, and individual residents. Services include community organizing to improve public safety, establishing neighborhood watch and foot patrols, graffiti abatement, and problem-solving training to help citizens resolve issues like nuisance liquor outlets, drug houses, and gang-related concerns.

Inter-bureau partnerships are a critical component of the Crime Prevention program. Partnerships include:

- ◆ Project Safe Neighborhoods with the U.S. Attorney, Multnomah County District Attorney, Multnomah County Sheriff, Multnomah County Parole and Probation, the Portland Police Bureau, and community organizations; and
- ◆ Gang Outreach with the Drug and Vice Division of the Portland Police Bureau, senior neighborhood officers, and grassroots organizations.

The ACCESS Project

In late 2004, ONI Crime Prevention and the Portland Police Bureau partnered to provide street intervention services for the Downtown-Old Town-Chinatown Livability Pilot Project. The goal of this project, known as ACCESS, is to reduce the incidence of livability crimes in downtown Portland neighborhoods. Other partners in the effort are BHCD, the business community, the Downtown and Old Town-Chinatown neighborhood associations, and various social service agencies. The program reduces crime by helping individuals in need of intervention - for their own personal safety or for the safety of the community - find emergency, short-term, and long-term services. These services include:

- ◆ Emergency solutions, such as emergency food, clothing, shelter, and medical/mental/addiction health services;
- ◆ Short-term solutions, such as supportive or service-enriched housing, job training and placement, financial assistance, and monitored health services; and
- ◆ Long-term solutions, such as permanent housing, outpatient resources, and financial stability.

Goals and Performance

ONI's primary goal for the Crime Prevention program in FY 2005-06 is to enhance and monitor the effectiveness of the program's public safety efforts. This bureau goal links to the City goals of ensuring a safe and peaceful community and improving the quality of life in neighborhoods. Specific program objectives for FY 2005-06 are to:

- ◆ Provide neighborhood-based crime prevention services, including Neighborhood Watch and Community Foot Patrol, in each of the seven neighborhood offices;
- ◆ Promote community involvement through neighborhood-based public safety committees that build and maintain community policing partnerships;
- ◆ Increase community awareness of neighborhood livability and public safety issues by providing crime prevention training and technical assistance to business and community groups;

- ◆ Engage neighbors in community problem-solving processes to address issues such as burglaries, graffiti, drug houses, and chronic nuisance properties; and
- ◆ Make crime prevention tools available to business and community groups, including good neighbor agreements, enforcement education, referral, and environmental design assessments, which teach property owners how property modifications can minimize criminal activity.

ONI plans to increase the number of Crime Watch programs from 600 to 650 for FY 2005-06. ONI also intends to provide crime prevention tools, such as good neighbor agreements, environmental design assessments, and training and referral services to an ever broader array of business and community groups.

INFORMATION & REFERRAL

The City of Portland/Multnomah County Information and Referral (I&R) program is a central resource for basic information and referral to City and County programs. I&R also provides information and referral services for other government and nonprofit agencies, as well as staffing for the information desk in the Portland Building. The program's mission is to be an ambassador for both the City and the County and to simplify citizen access to services. I&R program costs are shared equally between Multnomah County and the City of Portland.

In FY 2004-05, the I&R program received an average of 14,000 calls per month. The program continues to expand its referral database to incorporate public services provided throughout the region. The database will soon be published online to give community members another way to access service information. Of the 5.75 FTE in I&R, one FTE is a management position and 4.75 FTE are call center positions. Half of the program manager's time is devoted to answering calls as well.

Goals and Performance

ONI's primary goals for I&R are to continue providing excellent customer service; to expand the number of services listed in the ONI database; and to improve community access to the service database through web, phone, and walk-in assistance. These goals link to the City goal of improving the quality of life in neighborhoods, because they focus on providing neighborhoods and citizens with simplified access to thousands of government and nonprofit services. Specific program objectives for FY 2005-06 are to:

- ◆ Maintain high-quality customer service;
- ◆ Expand the availability of information and referral services to the community while streamlining service delivery;
- ◆ Partner with Multnomah County on all service aspects of the program; and
- ◆ Meet or exceed the performance benchmarks in the City/County intergovernmental agreement.

The number of inquiries received by I & R has nearly doubled over the last four years, and the program expects to receive more than 230,000 phone and email requests in FY 2005-06.

ADMINISTRATION

ONI's administrative staff are charged with sound and responsive management of the bureau's fiscal, personnel, and policy issues. One of ONI's major goals for administration staff in FY 2005-06 is to coordinate the development of a strategic planning process that will better align the mission, vision, goals, and objectives of ONI with those of the City of Portland. ONI administration will also be working to implement and monitor the effectiveness of the revised ONI guidelines, which define the roles and responsibilities of the neighborhood offices and associations.

Goals and Performance

Specific program objectives for FY 2005-06 are to:

- ◆ Support ONI staff and programs with policy, fiscal, and human resources services that are both high quality and cost effective; and
- ◆ Participate in a collaborative community visioning process that develops a vision and set of goals to guide bureau operations.

ONI strives to maintain a lean and cost-effective administration. ONI's FY 2005-06 Adopted Budget includes three FTE dedicated to general bureau administration. Administration staff make up 6.2% of the bureau's total staff, and the administration budget represents approximately 5.8% of the bureau's total budget.

Changes to Services

Two administrative staff positions have been cut for FY 2005-06. These positions are the deputy director and a management analyst who worked across several program areas in the bureau. These staff reductions will result in additional burdens for remaining administrative staff in terms of staff supervision, technical assistance and research, and program administration.

NEIGHBORHOOD INSPECTIONS

The mission of the Neighborhood Inspections program is to protect the health, safety, and welfare of Portland citizens; to prevent deterioration of existing housing; and to contribute to neighborhood livability by enforcing minimum standards for residential structures, outdoor areas, and adjacent rights-of-way. The Neighborhood Inspections program is now part of a collaborative ONI work group that includes the Graffiti Abatement and Crime Prevention programs. These programs work together to address a variety of livability issues.

Sub-Programs

Housing Code Enforcement

Ensuring that the homes of all Portland citizens are safe is the core objective of this sub-program. To achieve this end, Neighborhood Inspections enforces the housing maintenance requirements of the Property Maintenance Code (Title 29), which establishes minimum standards for residential structures with respect to basic equipment, facilities, sanitation, fire safety, and maintenance. Enforcement action is primarily based on complaints from citizens.

Nuisances, Illegal Dumps, Disabled Vehicles, and Sewer Breaks

This service area enforces the property nuisances section of Title 29. This section of Title 29 addresses basic neighborhood livability issues, such as trash and debris, unsecured structures, rat harborage, emergency access routes around structures, overgrown lawn areas, garbage, storage of nontrash items, sidewalk obstruction, streets and other rights-of-way, thickets that conceal hazards, visibly disabled vehicles, illegal dumps, failure of onsite storm and sewage disposal systems, holes that pose a threat to passersby, and potential child traps. Enforcement action related to this service area is primarily driven by citizen complaints.

Customer Service Initiatives**Case Management**

Neighborhood Inspections staff now participate in a long-term case review process, in which housing cases that are more than two years old are automatically reviewed by supervisors, administrative staff, and inspectors to develop strategies to resolve them. Important tools in the resolution of long-term housing cases include connecting owners to support services, referring cases to a code hearings officer, granting housing waivers, and initiating administrative reviews. Waivers suspend code enforcement fees and provide property owners with extended timelines for repairs, if the property owners meet certain requirements. The Neighborhood Inspections administrative support team also conducts administrative reviews of cases at the request of property owners. These reviews ensure that enforcement is appropriate and that lien reductions are considered for cases where violations have been corrected.

Client Assistance and Support

Inspectors and administrative support staff have increased efforts to connect citizens to support services that can help them resolve housing and nuisance violations, as well as other problems. Citizens are regularly referred to agencies such as the Portland Development Commission for low-interest repair loans and the Multnomah County Aging and Disability Gatekeepers for social services. In the upcoming fiscal year, the program will work closely with BHCD's Single Family Rehab program to provide grant funding for single-family, low-income property homeowners to address housing and nuisance violations. Neighborhood Inspections has also developed a partnership with the Community Alliance of Tenants called the Safe Housing Project. The project's goal is to increase the capacity of low-income renters to use code enforcement strategies to improve poor housing conditions and neighborhood livability.

Community Outreach

Neighborhood Inspections staff have continued to strengthen community collaboration by attending regular problem-solving meetings with neighborhood groups and government service providers such as Hope and Hard Work, the Portland Safety Action Committee, the Lents/Brentwood/Darlington Weed and Seed, Portland Police Neighborhood Response Teams, the Bureau of Development Services, the Maintenance Bureau, and ONI Crime Prevention staff. Neighborhood Inspections also coordinates the landlord training program, which offers landlords comprehensive property management training and a resource manual. Neighborhood Inspections works hard to resolve issues that have a broad impact on

neighborhood livability. One of several examples of this work is a partnership with Multnomah County that employs juvenile justice work crews in public area nuisance clean-ups. Neighborhood Inspections also plans to convene a nine-member Stakeholder Advisory Committee in FY 2005-06 to provide concerned advocacy groups with a direct voice in the development and implementation of program policies and procedures.

Changes to Services

Neighborhood Inspections will convert a limited term housing program specialist position to a permanent position in FY 2005-06. This critical position is responsible for foreclosure program management, case review, billings oversight, and other activities. The new position will be funded with a combination of redirected General Fund resources and new program revenue derived from an additional housing fee tier for large rental properties. The new tier will target negligent owners of rental properties with 20 or more units. ONI feels that the creation of a new fee tier for these properties will encourage greater housing code compliance on the part of large rental property owners.

Goals and Performance

ONI's primary goal for the Neighborhood Inspections program in FY 2005-06 is to continue to provide excellent inspection services and enforcement while further integrating the program with ONI's other neighborhood livability services. This goal links to the City goal of improving the quality of life in neighborhoods. Specific program objectives for FY 2005-06 are to:

- ◆ Increase housing inspector productivity by implementing a one-point entry system for housing case information;
- ◆ Work with BDS to explore a potential pilot project that would test portable computer technology in the field;
- ◆ Continue to build and expand intra-bureau partnerships for referral, problem solving, and seamless customer services;
- ◆ Continue to build and expand the program's network of relationships with external organizations to provide at-risk or vulnerable citizens with additional problem-solving resources and assistance;
- ◆ Work with BHCD to help single-family, low-income property homeowners address housing and nuisance violations; and
- ◆ Convene the Neighborhood Inspection Team Stakeholder Advisory Committee on a quarterly basis to seek input and feedback on policies and procedures.

In the upcoming fiscal year, the program expects to clean up nearly 8,000 properties and bring 1,650 housing units up to code. The number of property nuisance inspections may decline if a limited term nuisance inspector position is not extended.

NOISE CONTROL

The Adopted Budget transfers the Noise Control program to BDS beginning in FY 2005-06. All filled positions in this program will be transferred, while one vacant code specialist position will be eliminated.

NEIGHBORHOOD RESOURCE CENTER

Portland's neighborhood network is made up of 95 neighborhood associations, seven neighborhood offices, and 40 neighborhood business district associations. Through the neighborhood offices, Portland neighbors are able to learn about City programs, communicate directly with bureaus, and provide input and feedback to City Council. ONI funding provides support for 1.5 to 4.0 FTE in each neighborhood office. This neighborhood network system is a model for which Portland continues to receive national and international attention.

The Neighborhood Resource Center (NRC) enhances the quality of Portland's neighborhoods by working to maximize neighborhood participation in the public involvement process. NRC funding provides support to the neighborhood associations and offices. Specifically, NRC funds support two City-run neighborhood offices and five private contracts with neighborhood offices. ONI's partnership program with BES and Elders in Action are also part of the NRC.

Neighborhood Outreach and Support

This program is the core of ONI's mission and history. The NRC provides direct technical assistance and support for the City's neighborhood system. Through the development and administration of Council-approved contracts and guidelines, ONI works with neighborhood offices to support the neighborhood associations, provide technical assistance to the neighborhood offices and associations, conduct site visits to ensure contract compliance, and resolve neighborhood grievances when necessary. NRC staff and financial resources are used to:

- ◆ Administer, promote, and advocate for the City's neighborhood association system;
- ◆ Monitor the City's annual contracts with the neighborhood associations and offices;
- ◆ Address legal concerns, grievances, and contract compliance issues within the neighborhood system;
- ◆ Improve civic involvement by providing direct technical assistance to citizens, neighborhood offices, and neighborhood associations with respect to Oregon public records and meetings law, Oregon nonprofit law, and ONI guidelines and contracts;
- ◆ Enhance civic education by organizing and facilitating community leadership development opportunities, such as training workshops and the annual neighborhood association summit;
- ◆ Engage residents in reviewing and updating Council-mandated ONI guidelines, as well as City Code related to the neighborhood and public involvement system;
- ◆ Provide each neighborhood office with communication funds to support newsletters, email list serves, web sites, and electronic newsletters;
- ◆ Create community-building partnerships;
- ◆ Widen the neighborhood network to include Portland residents who historically have not participated in large numbers; and
- ◆ Provide information and technical assistance to other City bureaus' outreach and public involvement efforts.

BES/ONI Partnership Programs	ONI has had an active partnership with BES since the mid-1990s. The partnership began with the Downspout Disconnection program and has been expanded to include the Combined Sewer Overflow/Clean Rivers program. The ONI/BES partnership is a cost-effective way to integrate major City environmental initiatives and programs with the City's neighborhood system and public outreach programs. The partnership also provides organizing opportunities, supports community-based efforts, encourages diversity at the grassroots level, and promotes neighbor-to-neighbor interaction.
Elders in Action	Elders in Action is a private nonprofit organization that advocates for the needs of seniors and helps seniors advocate for themselves. The City currently funds salary and benefit costs for the executive director of Elders in Action, and also provides an additional \$67,987 for the group's materials and supplies.
Changes to Services	A program coordinator position in the NRC has been cut for FY 2005-06. ONI believes this will reduce the NRC's ability to deliver some services, including outreach to underrepresented communities, neighborhood leadership trainings, technical assistance to associations, and coordinated public policy involvement efforts. In addition, BES reduced its interagency agreement with ONI by \$31,555 for FY 2005-06. This will result in less community outreach for watershed, naturescaping, and Columbia Slough issues.
Goals and Performance	<p>Providing support and services to Portland's neighborhood offices and associations is one of ONI's most significant charges. Therefore, the bureau has established a number of broad goals for this program. For FY 2005-06, the Neighborhood Resource Center plans to:</p> <ul style="list-style-type: none">◆ Provide technical assistance to coalition/neighborhood offices, neighborhood associations, and individual neighbors;◆ Monitor contracts with neighborhood coalitions, organize community-building events, and expand neighborhood "how to" resources on the ONI web site;◆ Collaborate with the Office of the Mayor and other bureaus in a community visioning process;◆ Assist neighborhood associations with efforts to build community leadership skills and a diverse membership;◆ Increase neighborhood livability through the Downspout Disconnection partnership with BES; and◆ Increase public participation in civic issues. <p>All of these objectives link to the City goal of improving the quality of life in neighborhoods. ONI has also established new performance measures for the NRC in FY 2005-06. The measures center on the number of staff and volunteer hours devoted to neighborhood-building and civic engagement activities, the number of citizens reached through these activities, and the number of citizens actually engaging in neighbor-to-neighbor, public policy, and other civic involvement events.</p>

NEIGHBORHOOD LIVABILITY SERVICES

Neighborhood Livability Services provides a range of problem-solving tools and resources to address neighborhood livability and nuisance problems. The sub-programs described below are all part of the Neighborhood Livability Services program because they reflect similar approaches to addressing neighborhood livability issues. Each sub-program:

- ◆ Directly impacts neighborhood livability;
- ◆ Uses similar tools to solve problems, from conflict resolution to regulatory enforcement;
- ◆ Addresses issues that are primarily referred or initiated by individual neighbors or businesses; and
- ◆ Has a case management component, whereby a specific property address is used to track the services provided and there is an intake, case development, and administrative tracking process.

Graffiti Abatement

The ONI graffiti abatement sub-program focuses on the enforcement of the City's Graffiti Abatement Code and the eradication of graffiti throughout the city. The graffiti abatement coordinator works with private contractors and volunteers to deliver services that:

- ◆ Encourage private citizens to report graffiti to the Portland Police Bureau via the graffiti hotline and Portland Online;
- ◆ Disseminate information about graffiti through business and property owner graffiti removal permission forms;
- ◆ Enhance community education with respect to best practices in graffiti removal;
- ◆ Partner with district attorneys and police in the arrest and prosecution of graffiti vandals; and
- ◆ Enforce the City's Graffiti Abatement Code, which requires property owners to abate graffiti within ten days of its report.

The graffiti abatement coordinator manages private graffiti removal contracts, coordinates all paid and volunteer graffiti removal efforts, and delivers presentations to community groups, schools, and other organizations regarding graffiti trends, community impacts, and opportunities for public involvement in graffiti prevention. The graffiti abatement sub-program has also developed and maintained a network of agency partnerships through ten years of monthly Graffiti Task Force meetings.

Liquor License Notification

The ONI Liquor License Notification sub-program:

- ◆ Coordinates with the Portland Police Bureau's Drug and Vice Division, Noise Control (transferred to BDS in FY 2005-06), the Bureau of Licenses, ONI Crime Prevention, Neighborhood Response Team Officers, and the Oregon Liquor Control Commission (OLCC) to process liquor license applications within the City of Portland for recommendation to the OLCC;
- ◆ Notifies affected community residents and businesses of pending liquor license applications;
- ◆ Collects community responses to license application notices, forwarding them to the Portland Police Bureau and the OLCC for consideration during the license recommendation process;

- ◆ When appropriate, assists with problem resolution between neighbors and liquor license applicants, including resource and referral, meeting facilitation, and the good neighbor agreement process;
- ◆ Convenes and facilitates problem-solving and enforcement activities related to the City's Time, Place, and Manner ordinance; and
- ◆ Provides public education regarding the liquor license application process and testimony preparation for OLCC hearings.

**Neighborhood
Mediation Program**

The City of Portland has funded neighborhood mediation services in some form for over 20 years. Beginning in FY 2002-03, ONI began contracting with Resolutions Northwest, a private organization, for neighborhood mediation services.

Neighborhood mediation services include:

- ◆ Neighborhood-wide mediation (noise, pets, property maintenance, nuisances, boundary disputes)
- ◆ Interpersonal mediation (harassment, threats, minor assaults)
- ◆ Landlord-tenant mediation (repairs, damages, public safety, eviction)
- ◆ Organizational mediation (consultation and facilitation of problem-solving within neighborhood groups, churches, schools, and other community organizations)

**Community
Residential Siting
Program**

The Community Residential Siting Program (CRSP) provides neighbors, service providers, and developers with a range of tools and strategies to resolve disputes related to the siting of social service facilities. CRSP is jointly funded by Multnomah County, BHCD, and ONI. CRSP:

- ◆ Provides a centralized and coordinated information and referral source before, during, and after the siting of a community residential facility;
- ◆ Builds relationships among all siting stakeholders through a balanced and representative advisory committee, which helps guide the content of information;
- ◆ Develops legal and ethical guidelines, protocols, and best practices to address community questions and issues with respect to residential group homes and facility siting;
- ◆ Ensures that all resources and siting practices comply with the Fair Housing Act, confidentiality laws, and other legal parameters;
- ◆ Gathers technical information concerning land use, facility licensing requirements, contracting/funding relationships, and other siting-related issues;
- ◆ Encourages government agencies, community groups, and other organizations to consider the siting of community residential facilities in their community planning or visioning processes to anticipate future siting opportunities;
- ◆ Provides collaborative problem-solving services, including mediation, facilitation, and consensus-building for groups in conflict around the siting or ongoing operations of a community residential facility; and
- ◆ Develops and trains volunteer mediators/facilitators to build capacity for conflict resolution services.

Changes to Services

For FY 2005-06, the graffiti abatement contract budget has been reduced by \$140,000, from \$260,571 to \$120,571. ONI anticipates savings of \$60,000 from switching the contract for abatement on public rights-of-way from the Youth Enterprise Institute to Multnomah County Juvenile Services. In addition, the Mayor and the Commissioner of Public Utilities plan to pursue private funding from the business community for graffiti removal on large

commercial business properties. The FY 2005-06 Adopted Budget sets aside \$80,000 (on top of the \$120,571) to match any private contributions on a dollar-for-dollar basis. ONI will bring an amendment to the graffiti abatement contract before Council authorizing an increase in the contract for the amount of any private donations received, plus the matching City funds.

Goals and Performance

ONI's goals for the Neighborhood Livability Services program in FY 2005-06 are essentially unchanged from prior years. Through its various components, the program will:

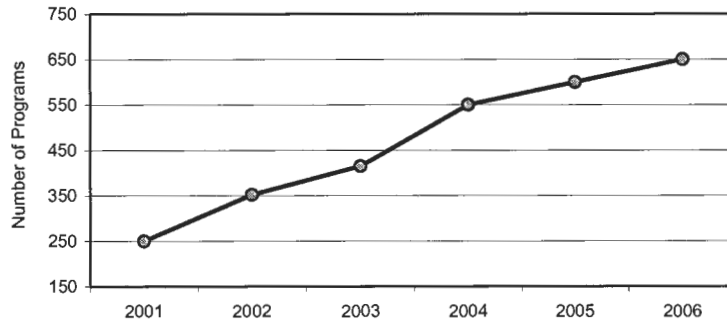
- ◆ Coordinate the delivery of services and programs that provide a range of problem-solving tools and resources to address neighborhood livability and nuisance issues;
- ◆ Provide professional and confidential neighbor-to-neighbor mediation services to resolve neighborhood conflicts;
- ◆ Provide a centralized and coordinated information and referral source before, during, and after the siting of a community residential facility;
- ◆ Decrease graffiti in partnership with the Police Bureau, neighborhood and business associations, and other community partners; and
- ◆ Ensure that all liquor outlets meet the high expectations of the community, operate in a lawful manner, and do not unreasonably disturb the peace and tranquility of our neighborhoods.

Each of these objectives links to the City goal of improving the quality of life in neighborhoods. For FY 2005-06 ONI expects service levels (such as mediation cases, siting cases, and liquor license applications) to be similar to FY 2004-05, with the exception of the graffiti abatement sub-program. ONI will remove fewer graffiti tags if the responsibility for removing tags on large commercial properties shifts to the owners of those properties.

Performance Measures

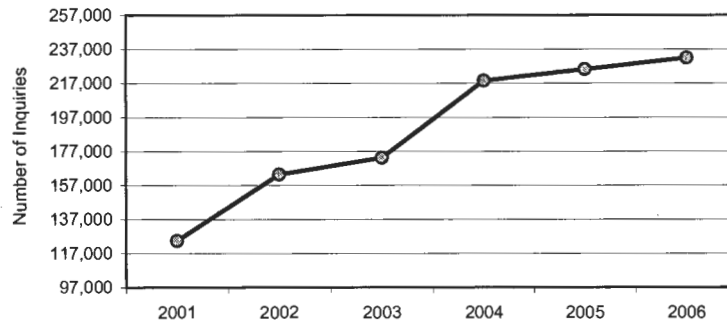
Crime Watch Programs Developed & Maintained

- ◆ The increase in crime watch programs is largely due to the success of the FY 2001-02 & FY 2002-03 block captain initiative.



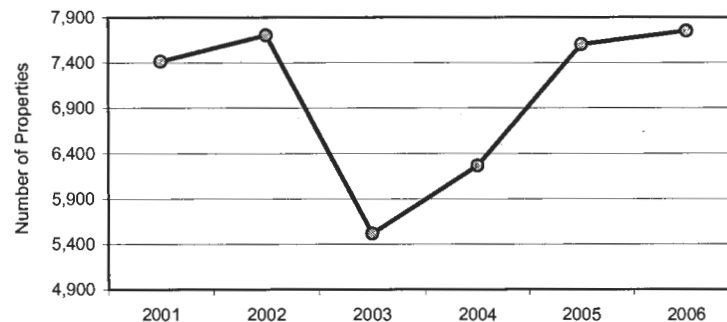
I&R: Number of Calls and Emails Received

- ◆ The number of inquiries made to the Information & Referral (I&R) program has grown steadily since the program's consolidation with Multnomah County.



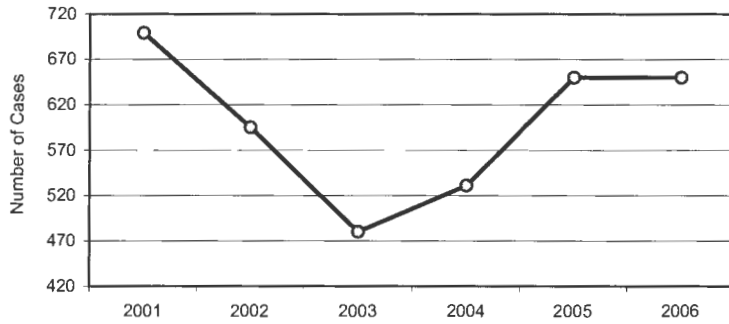
Number of Properties Cleaned Up

- ◆ The number of properties cleaned up has returned to previous levels over the last several years, following a funding-related dip in 2003.



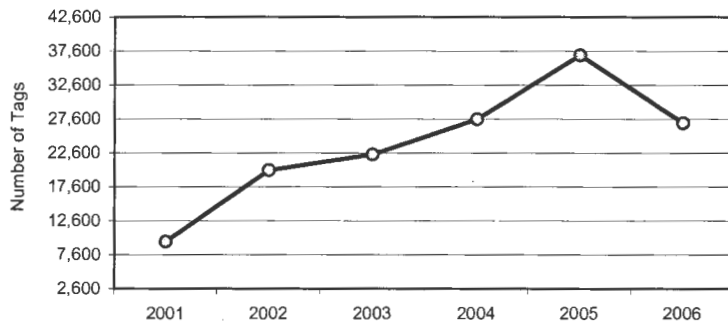
Mediation Case Intakes

- ◆ The mediation caseload has nearly returned to previous levels over the last several years, following a decline in cases in 2002 and 2003.



Number of Graffiti Tags Removed

- ◆ The number of graffiti tags removed will likely decline in FY 2005-06 as a result of a decision to cease providing free abatement to large businesses.



	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF NEIGHBORHOOD INVOLVEMENT						
Crime Prevention						
Workload						
Number of Crime Watch Programs Developed and Maintained	250	352	415	550	600	650
Information & Referral						
Effectiveness						
Number of Calls and Email Inquiries Responded to	124,306	147,890	169,369	191,658	197,408	203,330
Workload						
Number of Calls and E-mail Inquiries Received	124,510	163,451	173,270	218,538	225,094	231,847
Administration						
Efficiency						
Administration Staff as Percent of Total Bureau Staff	NA	NA	NA	6.6%	7.0%	9.3%
Administration Budget as Percent of Total Bureau Budget	NA	NA	NA	5.7%	6.5%	5.8%
Neighborhood Inspections						
Effectiveness						
Number of Properties Cleaned Up	7,413	7,702	5,517	6,265	7,600	7,750
Number of Housing Units Brought Up to Code as Result of Neighborhood Inspections Division Efforts	2,008	1,513	2,203	1,572	1,550	1,650
Workload						
Nuisance Inspections	18,103	17,463	11,711	13,058	16,150	14,800
Nuisance Intakes	NA	NA	5,588	6,373	8,285	8,500
Housing Intakes	NA	NA	1,912	1,456	1,695	1,725
Number of Housing/Derelict Buildings Inspections	5,877	4,974	8,114	3,988	4,725	4,350
Neighborhood Resource Center						
Effectiveness						
Number of Volunteer Hours Dedicated to Network Activities	NA	NA	NA	NA	NA	15,500
Number of Volunteer Hours Associated with Policy and Public Involvement Efforts	NA	NA	NA	NA	NA	1,050
Number of People Reached through Community Newsletters and Communications Efforts	NA	NA	NA	NA	NA	63,000
Number of Attendees at Leadership Development Events and Activities	NA	NA	NA	NA	NA	675
Number of Community Involvement Events Facilitated by Neighborhood Resource Center	NA	NA	NA	NA	NA	35
Workload						
Number of Staff Hours Dedicated to Volunteer Recruiting	NA	NA	NA	NA	NA	65
Number of Staff Hours Dedicated to Policy and Public Involvement Efforts	NA	NA	NA	NA	NA	1,020
Number of Staff Hours Dedicated to Community Newsletters and Communications	NA	NA	NA	NA	NA	1,000
Number of Staff Hours Dedicated to Leadership Development Events and Activities	NA	NA	NA	NA	NA	1,000

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PERFORMANCE MEASURES

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
Number of Staff Hours Dedicated to Community Involvement Events	NA	NA	NA	NA	NA	400
Neighborhood Livability Svcs						
Workload						
Mediation Case Intakes	699	595	480	531	650	650
Number of Liquor License Applications Processed	0	66	348	332	350	350
Number of Graffiti Tags Removed	9,506	20,051	22,359	27,552	37,000	27,000
Number of Residential Siting Cases Needing Conflict Resolution	36	30	29	29	25	25

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	2,926,867	3,998,128	4,106,402	3,824,388	3,824,388
External Materials and Services	1,750,191	2,476,586	2,259,089	2,226,162	2,546,401
Internal Materials and Services	407,972	910,118	772,161	741,455	741,455
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	2,761	0	3,100	0	0
Total Operating Budget	5,087,791	7,384,832	7,140,752	6,792,005	7,112,244
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 5,087,791	\$ 7,384,832	\$ 7,140,752	\$ 6,792,005	\$ 7,112,244
Allocated Overhead	146,074	258,419	173,676	177,683	361,066
Total Cost with Allocated Overhead	5,233,865	7,643,251	7,314,428	6,969,688	7,473,310
RESOURCES					
Discretionary Revenue	3,716,168	4,473,231	4,365,866	4,326,630	4,620,069
Non-Discretionary Revenues					
Grants & Donations	135,968	50,667	145,000	59,743	59,743
Contract Revenues	338,678	298,413	245,328	245,328	245,328
Interagency Revenues	744,728	961,723	701,726	594,119	628,119
Program Revenue	18,526	1,481,357	1,551,673	1,432,000	1,432,000
Overhead Recovery	133,723	119,441	131,159	134,185	126,985
Total Non-Discretionary Revenues	1,371,623	2,911,601	2,774,886	2,465,375	2,492,175
TOTAL GENERAL FUND RESOURCES	\$ 5,087,791	\$ 7,384,832	\$ 7,140,752	\$ 6,792,005	\$ 7,112,244
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Citizen Participation	1,412	0	0	0	0
<i>Positions</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Crime Prevention	866,642	889,545	1,100,326	995,183	995,183
<i>Positions</i>	<i>12.15</i>	<i>11.25</i>	<i>11.80</i>	<i>13.30</i>	<i>13.30</i>
Information & Referral	391,112	393,282	419,195	428,463	428,463
<i>Positions</i>	<i>6.00</i>	<i>6.00</i>	<i>6.75</i>	<i>6.00</i>	<i>6.00</i>
Administration	286,117	420,819	447,229	408,055	408,055
<i>Positions</i>	<i>3.00</i>	<i>4.00</i>	<i>6.00</i>	<i>3.30</i>	<i>3.30</i>
Neighborhood Inspections	0	2,242,623	1,872,797	1,827,528	1,827,528
<i>Positions</i>	<i>0.00</i>	<i>20.00</i>	<i>18.70</i>	<i>18.00</i>	<i>18.00</i>
Noise Control	0	275,832	306,410	0	0
<i>Positions</i>	<i>0.00</i>	<i>3.00</i>	<i>4.00</i>	<i>0.00</i>	<i>0.00</i>
Neighborhood Resource Center	2,659,193	2,398,552	2,199,590	2,566,847	2,807,086
<i>Positions</i>	<i>19.30</i>	<i>14.03</i>	<i>12.53</i>	<i>10.83</i>	<i>10.83</i>
Neighborhood Livability Svcs	883,315	764,179	795,205	565,929	645,929
<i>Positions</i>	<i>7.00</i>	<i>3.00</i>	<i>2.00</i>	<i>2.20</i>	<i>2.20</i>
TOTAL PROGRAMS	\$ 5,087,791	\$ 7,384,832	\$ 7,140,752	\$ 6,792,005	\$ 7,112,244
<i>Positions</i>	<i>47.45</i>	<i>61.28</i>	<i>61.78</i>	<i>53.63</i>	<i>53.63</i>

Office of Neighborhood Involvement AU 342

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0100	Office Supp Spec I	0.00	1.00	1.00	34,008	1.00	34,140	1.00	34,140
0102	Office Supp Spec II	7.00	9.00	9.00	292,449	8.00	277,980	8.00	277,980
7102	Administrative Specialist, Senio	0.00	1.00	1.00	44,424	1.00	48,852	1.00	48,852
7106	Administrative Supervisor I	0.00	1.00	1.00	53,004	1.00	54,995	1.00	54,995
7107	Administrative Supervisor II	0.00	2.00	1.00	54,768	1.00	57,012	1.00	57,012
7140	Bureau Director, Assistant to	0.00	1.00	1.00	67,788	0.00	0	0.00	0
7110	Business Operations Supervisor	0.00	1.00	1.00	76,104	1.00	76,404	1.00	76,404
2202	Code Specialist II	0.00	1.00	2.00	82,620	0.00	0	0.00	0
2204	Code Specialist III	0.00	1.00	1.00	49,608	1.00	49,800	1.00	49,800
7202	Community Outreach & Information	0.00	1.00	1.00	48,924	1.00	50,594	1.00	50,594
7204	Community Outreach and Informati	0.00	1.00	1.00	51,540	0.80	41,400	0.80	41,400
7490	Community Relations Assistant	8.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7492	Community Relations Specialist	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5185	Crime Prevent Prog Administrator	0.00	10.00	11.00	470,307	11.00	506,712	11.00	506,712
5183	Crime Prevention Representative	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7220	Disability Program Specialist	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7376	Financial Analyst	0.00	0.00	1.00	53,460	1.00	55,644	1.00	55,644
7375	Financial Analyst, Assistant	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2135	Housing Inspector	0.00	7.00	7.00	322,182	7.00	325,584	7.00	325,584
2136	Housing Inspector, Senior	0.00	2.00	1.70	99,144	1.80	104,976	1.80	104,976
7771	Inspection Manager	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7770	Inspection Supervisor	0.00	1.00	1.00	63,648	1.00	71,832	1.00	71,832
7131	Management Analyst	0.00	0.00	1.00	65,400	0.00	(12)	0.00	(12)
7022	Neighborhood Involvement and Pro	0.00	1.00	1.00	106,164	1.00	106,402	1.00	106,402
7218	Neighborhood Office Supervisor	0.00	2.00	2.00	128,940	2.00	131,676	2.00	131,676
7214	Neighborhood Programs Coordinato	0.00	1.00	1.00	56,328	1.00	58,632	1.00	58,632
7773	Noise Control Officer	0.00	1.00	1.00	67,164	0.00	0	0.00	0
0966	Program Coordinator	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7154	Program Coordinator	0.00	2.00	2.00	127,622	1.00	66,129	1.00	66,129
7156	Program Manager	1.00	3.00	3.00	211,152	3.00	217,404	3.00	217,404
0972	Program Manager IV	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0964	Program Specialist	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7153	Program Specialist	0.00	3.00	2.00	107,616	2.75	153,129	2.75	153,129
7152	Program Specialist, Assistant	0.00	1.00	1.00	54,084	1.00	55,740	1.00	55,740
0816	Senior Administrative Specialist	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7494	Sr Community Relation Specialist	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0900	Staff Assistant	5.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		45.90	59.00	55.70	\$ 2,788,448	49.35	\$ 2,545,025	49.35	\$ 2,545,025
0102	Office Supp Spec II	0.75	1.48	1.48	48,380	1.73	53,616	1.73	53,616
7492	Community Relations Specialist	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7220	Disability Program Specialist	0.00	0.00	1.00	46,716	0.50	24,504	0.50	24,504
7218	Neighborhood Office Supervisor	0.00	0.80	0.80	53,760	0.80	55,212	0.80	55,212
TOTAL PART-TIME POSITIONS		1.55	2.28	3.28	\$ 148,856	3.03	\$ 133,332	3.03	\$ 133,332
7202	Community Outreach & Information	0.00	0.00	1.80	69,300	1.00	38,652	1.00	38,652
7153	Program Specialist	0.00	0.00	1.00	54,084	0.25	14,073	0.25	14,073
TOTAL LIMITED TERM POSITIONS		0.00	0.00	2.80	\$ 123,384	1.25	\$ 52,725	1.25	\$ 52,725

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	7,110,531	0	7,110,531	60.08	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	(11,124)	0	(11,124)	(0.20)	Technical adjust. to reflect BuMP position reduction
	(65,555)	0	(65,555)	0.00	Reduction to BES interagency revenues
	50,000	0	50,000	0.00	Transfer from Neighborhood Inspections reserve
	(255,210)	0	(255,210)	(3.00)	Staff reduction
	(140,000)	0	(140,000)	0.00	New graffiti abatement contract and service model
	(302,146)	0	(302,146)	(4.00)	Move Noise Control program from ONI to BDS
	335,293	0	335,293	0.00	Establish Community Visioning & Empower Acct
	74,652	0	74,652	0.75	Convert limited term housing position to permanent
	(4,436)	0	(4,436)	0.00	Interagency adjustments resulting from rate cuts
Approved Budget Additions and Reductions					
	206,239	0	206,239	0.00	Increase Community Visioning & Empower Acct
	0	0	0	0.00	Adjustment to General Fund overhead recovery
	34,000	0	34,000	0.00	Partially restore a BES interagency with SWNI
Adopted Budget Additions and Reductions					
	0	80,000	80,000	0.00	Set aside \$80K to match graffiti donations
	(78,287)	80,000	1,713	(6.45)	Total FY 2005-06 Decision Packages
			\$ 7,112,244	53.63	Total Adopted Budget

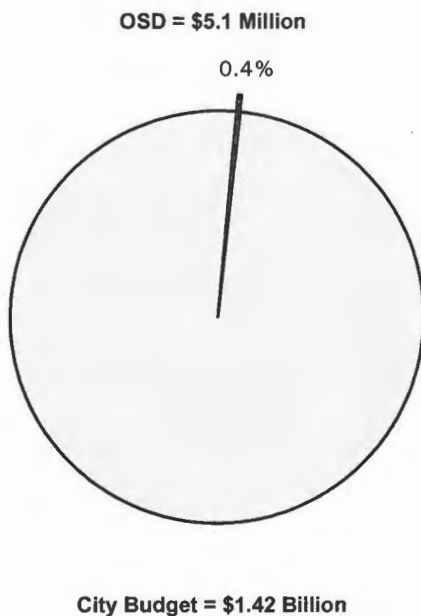
Office of Sustainable Development

Community Development Service Area

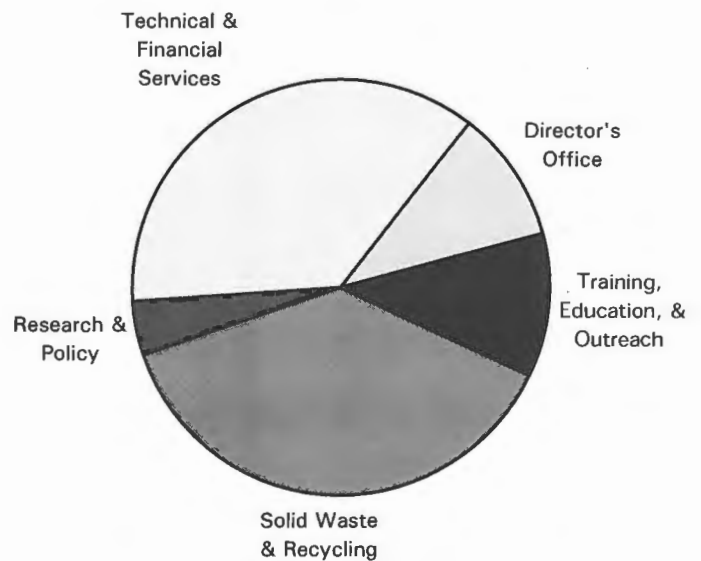
Dan Saltzman, Commissioner-in-Charge

Susan Anderson, Director

Percent of City Budget



Bureau Programs

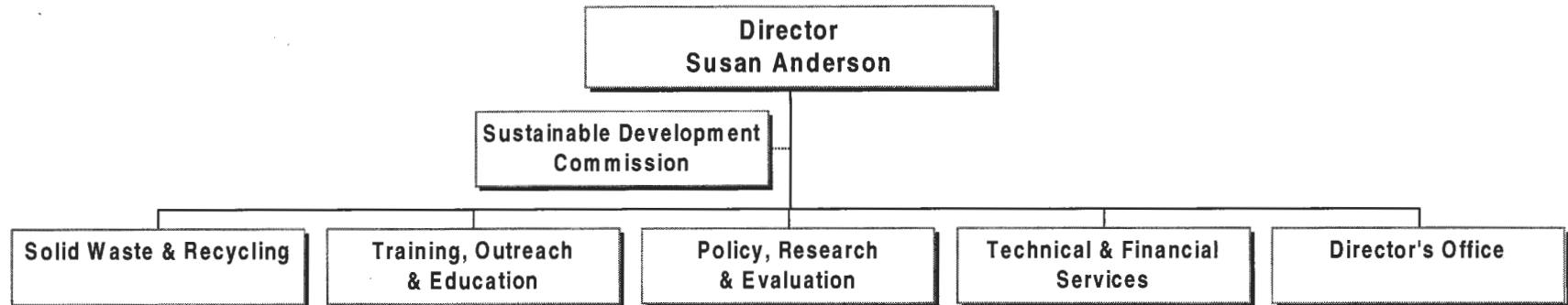


Bureau Overview

Expenditures	Revised FY 2004-05	Adopted FY 2005-06	Change from Prior Year	Percent Change
Operating	6,940,587	5,085,401	-1,855,186	-26.7%
Capital	0	0	0	0.0%
Total Expenditures	\$ 6,940,587	\$ 5,085,401	\$ -1,855,186	\$ -26.7%
Authorized Positions	30.03	32.44	2.41	8.0%

Note: Authorized positions shown in FY 2005-06 include limited term and part-time positions, but prior year data do not for all bureaus.

Office of Sustainable Development



Bureau Summary

BUREAU MISSION

The mission of the Office of Sustainable Development is to provide leadership and contribute practical solutions to ensure a prosperous community where people and nature thrive, now and in the future.

Through outreach, technical assistance, policy and research, the bureau promotes informed choices to increase the use of renewable energy and resources, reduce solid waste and conserve energy and natural resources, and prevent pollution and improve personal and community health.

BUREAU OVERVIEW

The Office of Sustainable Development (OSD) was established in 2000 to bring together innovative partnerships, services, and new technologies to promote a healthy environment, and efficient, vibrant community. OSD provides technical and financial services to businesses, residents, and public and private-sector organizations and serves as a meeting ground for community efforts to advance sustainability.

Efforts are client-oriented and focus on the needs of homeowners, renters, low-income families, government, small business, and specific business sectors. OSD integrates technical and financial services around energy efficiency, waste reduction, and resource conservation and also regulates garbage and recycling collection. In addition, OSD provides staff support to the Portland/Multnomah Sustainable Development Commission.

Revenues

The Office of Sustainable Development is funded by the General Fund, Solid Waste Management Fund, interagency agreements, federal and state grants, and contracts with nonprofit agencies. Revenue sources for the Solid Waste Management Fund include residential franchise fees, commercial tonnage and permit fees, and grants. The General Fund support for the Adopted Budget is \$420,542.

General Fund dollars leverage \$400,000 in grants and contracts.

The office continues to leverage General Fund support to obtain grants, performance contracts, and state and local intergovernmental agreements. In FY 2005-06, the bureau expects to receive at least \$400,000 in additional unbudgeted grants and contracts.

SUMMARY OF BUDGET DECISIONS

The Adopted Budget includes seven grant and contract funded limited-term positions for the Multifamily Assistance and Education and Outreach programs, and \$10,660 in savings from the internal services interagency agreements.

The Adopted Budget also includes one-time General Fund Special Appropriations of \$85,000 for the Block by Block Weatherization Fix it Fair events and \$65,000 for the Sustainable Food Initiative.

Strategic Direction

SIGNIFICANT ISSUES

Technology

The rapid development of new technologies confronts Portland and other communities daily. These technologies present enormous opportunities to improve efficiencies and the quality of life in Portland. Products unheard of a few years ago are now commercially available. These include fuel cells, micro-turbines, biofuels, hybrid vehicles, photovoltaic building components, recycled construction materials, and clean water technologies, among others. OSD researches new technologies that have the potential to reduce environmental impacts and improve resource efficiency, and promotes the use of these technologies by City government and Portland businesses and residents.

Global Climate Change

Global climate change impacts housing, industry, agriculture, water resources, transportation, energy use and development, and taxes and municipal revenues. Many European and Asian nations and more than 400 local governments worldwide are taking active measures to reduce greenhouse gas emissions. The U.S. Environmental Protection Agency (EPA) and Department of Energy regularly seek advice from OSD on policy and program development and implementation related to energy efficiency, solid waste, and climate change. In addition, EPA chose Portland as the only local government recipient of its 2002 climate protection awards.

Waste Reduction and Recycling

Portland is consistently recognized as having the most successful recycling and solid waste program in the nation, recycling about 55% of its waste. Efforts to increase recycling continue, including major projects focusing on commercial food waste and construction and demolition materials. At the same time, waste reduction efforts are receiving increased attention, since improving the efficiency of material use and preventing waste cuts production costs and improves the competitiveness of local businesses.

MANAGEMENT GOALS & OBJECTIVES

OSD's work supports the City's goal of protecting and enhancing the natural and built environment.

OSD's current strategic plan identifies four vision-level ambitions that guide its goals and objectives. These are to:

- ◆ Recover or reuse all solid waste;
- ◆ Meet all energy needs through renewable resources and energy efficiency;
- ◆ Release zero net greenhouse gas emissions; and
- ◆ Make healthy, regionally produced food available to all residents.

For three of these core areas, OSD tracks a high-level performance metric, including the overall levels of solid waste, percent of local energy from renewable resources, and local emissions of greenhouse gases. A metric for the food goal is under development. In many cases the bureau's programs are deliberately structured to address more than one of these ambitions simultaneously, but each program also measures progress on the basis of the following program-specific objectives.

Program: Director's Office

- ◆ Implement the Local Action Plan on Global Warming and Sustainable City Principles.
- ◆ Develop partnerships and acquire at least \$400,000 in grants and contracts to provide sustainability services to residences, businesses and governments.
- ◆ Grow the City's support for sustainable economic development, including fostering local businesses that provide clean and resource-efficient products and services.

Program: Solid Waste & Recycling

- ◆ Ensure quality solid waste collection and recycling services in the city.
- ◆ Achieve City Council's goal recycling 60% of solid waste in 2005.
- ◆ Establish equitable rates for residential garbage service.
- ◆ Increase recycling levels in areas that have relatively low participation rates.
- ◆ Provide timely and accurate information to 20,000 callers on residential and commercial recycling and garbage collection programs.
- ◆ Expand Portland's commercial food waste collection program.

Program: Technical & Financial Services

- ◆ Promote healthy, resource-efficient building construction, site development and operations throughout the community.
- ◆ Secure agreements to supply 100 percent of City electricity needs through wind power or other new renewable resources.
- ◆ Together with OMF, implement the Sustainable Government Partnership, one of the Bureau Innovation Projects, to reduce the environmental impact of City operations and save the City \$500,000 annually within three years.
- ◆ Award \$500,000 in financial incentives to innovative commercial, residential and government green building projects through the Green Investment Fund.
- ◆ Complete energy-efficiency projects on City-owned facilities to result in \$2.2 million in annual energy savings.
- ◆ Improve energy efficiency in at least 4,500 multifamily living units resulting in at least \$500,000 in annual savings. No City funds are used for this program, which is fully supported by grants and contracts.
- ◆ Provide technical assistance on sustainable practices to 325 commercial, residential, government, institutional, and affordable housing projects throughout Portland using targeted outreach and technical and financial assistance. Assistance focuses on energy efficiency, waste reduction, stormwater management, water conservation, and transportation efficiency.

Program: Research & Policy

- ◆ Participate in public policy discussions involving Portland General Electric, PacifiCorp, and NW Natural to ensure that major utility decisions benefit Portland residents and businesses and help to meet City goals related to economic development, community health, and sustainability.
- ◆ Design and implement a community food partners program, including an institutional purchasing component, training for diverse local farming communities, and incorporating food into urban design and community planning programs.
- ◆ Raise the profile of the City/County Sustainable Development Commission through joint efforts to promote efficient and environmentally sound local government operations, a sustainable city report card and sustainable economic development opportunities.

- ◆ Provide staff to the Sustainable Development Commission and acquire funding to implement related initiatives.
- ◆ Produce and broadly distribute a sustainability report card for Portland based on a thorough indicators study informed by PSU and other community partners.
- ◆ Provide research, policy development and technical assistance to City bureaus and community partners for wider application of emerging green technologies and practices.

Program: Training, Education & Outreach

- ◆ Connect 1,500 Portland residents with resource-conservation assistance at three Fix-It Fairs, neighborhood-based events that save residents money while emphasizing healthy, environmentally friendly homes and yards.
- ◆ Produce the Build It Green! Tour of Homes, a tour of residential green building projects for 1,000 Portland residents, home builders and construction industry professionals.
- ◆ Produce ReThink, a four-month green building design and construction workshop certificate program for 500 industry professionals.
- ◆ Train 75 recycling experts through the Master Recycler Program.
- ◆ Recognize local firms for their sustainability efforts through the BEST Awards event.

Overview of Programs

TECHNICAL & FINANCIAL SERVICES

Technical & Financial Services provides integrated services on resource conservation related to the design, construction, and operations of buildings.

The Technical Services program promotes the benefits of sustainable, high-performance building practices in commercial and residential projects throughout Portland. Technical services include project-by-project technical assistance, training, outreach and resource development.

The Financial Services program promotes and markets the financial benefits of energy efficiency and sustainable building practices through incentives, grants, loans, and other financial tools. Staff currently administer the Green Investment Fund and run the Multifamily Assistance Program, which improves access to financial incentives and helps property owners understand the benefits of energy-efficiency investments.

The Sustainable Government Partnership program works with other City bureaus to implement a City-wide sustainable business plan that systematically addresses resource use, toxics reduction, green procurement, renewable energy production and purchasing, and related issues through innovative policies, programs, and implementation strategies.

DIRECTOR'S OFFICE

The Director's Office ensures efficient and responsible office management that is consistent with City policies and OSD values. The team leads financial planning and management, coordinates OSD human resources, manages the office, provides administrative tools and services to other OSD teams, and coordinates development of funding proposals. Director's Office staff also increase OSD's visibility and credibility and develop a strong public identity through presenting a consistent, constructive face to clients, stakeholders, and the community.

SOLID WASTE & RECYCLING

The Solid Waste & Recycling program is responsible for policy development and regulation of the City's solid waste program. This group regulates private haulers that provide solid waste, recycling and yard debris collection services for all Portland residents and businesses. Policy is developed to maintain high customer satisfaction and meet City Council's recycling goal of 60% by 2005. Related activities include establishing rates for collection services to residential customers, answering customer questions and resolving complaints, evaluating program performance and developing new recycling and waste-reduction programs.

RESEARCH & POLICY

The Research & Policy program does basic research and supports policy development in collaboration with other OSD teams, City agencies, and community partners. Efforts focus on projects that demonstrate or evaluate innovative practices and appropriate technologies. The team staffs the Sustainable Development Commission, monitors legislative issues related to sustainable development, and coordinates broad sustainability initiatives such as the City's Local Action Plan on Global Warming. Recent projects include a study of the impacts of widespread ecoroof use in Portland, strategies to improve recycling rates in areas with low participation, and an evaluation of biodiesel and other clean fuels for City and private-sector fleets.

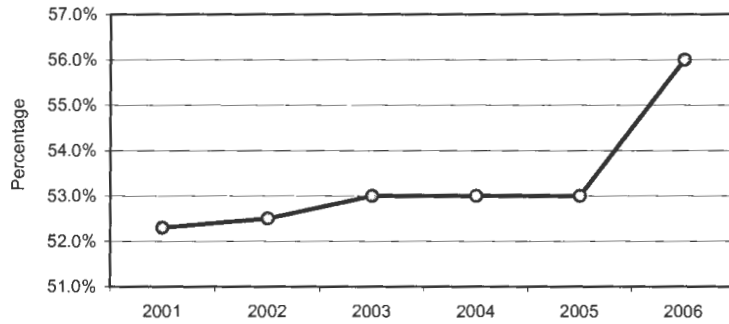
TRAINING, EDUCATION, AND OUTREACH

The Training, Education & Outreach program helps the public make informed decisions about resource conservation and pollution prevention through education, events, material distribution, point-of-purchase contact, and partnership development.

Performance Measures

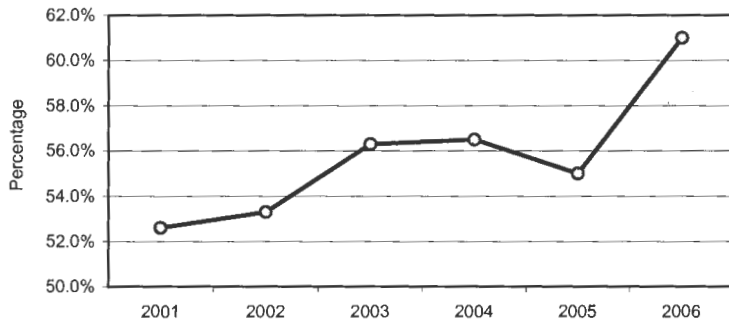
Percent of Residential Waste Material Diverted

- ◆ City Council has adopted a 60% recycling goal for the City of Portland.



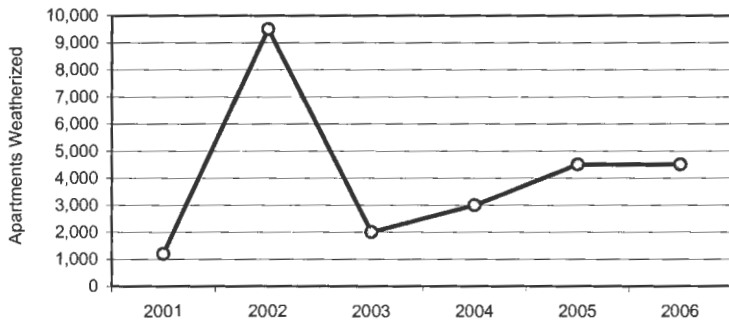
Percent of Commercial Waste Diverted

- ◆ Portland businesses have almost attained the City Council's 60% recycling goal.



Apartments Weatherized

- ◆ The Multifamily Assistance Program has weatherized over 24,000 apartment units since 2001.



	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
OFFICE OF SUSTAINABLE DEVELOPMENT						
Solid Waste & Recycling						
Effectiveness						
Percent of residential material diverted from wastestream	52.3%	52.5%	53.0%	53.0%	53.0%	56.0%
Percent of commercial material diverted from wastestream	52.6%	53.3%	56.3%	56.5%	55.0%	61.0%
Business satisfaction with solid waste and recycling programs (percent rating "good" or "very good")	NA	NA	68%	67%	68%	70%
Citizens' satisfaction with solid waste and recycling programs (percent rating "good" or "very good")	0%	81%	79%	82%	81%	92%
Efficiency						
Median residential garbage and recycling monthly bill, adjusted for inflation (2000 dollars)	\$17.85	\$17.84	\$18.29	\$18.05	\$17.30	\$18.18
Workload						
Tons of recycling collected by permitted commercial haulers	129,400	166,800	188,900	189,600	194,000	230,000
Tons of solid waste generated per household	2,504	2,470	2,496	2,514	2,520	2,475
Tons of solid waste generated by businesses	770,282	767,635	785,336	810,292	800,000	775,000
Training, Education & Outreach						
Workload						
Residents reached by sustainable training and outreach	0	0	0	4,000	7,040	7,000
Businesses reached by sustainability outreach and training	0	0	0	4,177	4,500	5,000
Number of multifamily units provided with recycling assistance	0	0	0	0	3,200	4,000
Director's Office						
Effectiveness						
Business satisfaction with City information on pollution reduction (percent "good" or "very good")	NA	NA	NA	37%	40%	45%
Efficiency						
Percent reduction in local per capita CO2 emissions from 1990 levels	0%	3%	9%	13%	13%	15%
Workload						
Grants and contracts awarded	\$344,201	\$247,000	\$356,200	\$368,000	\$650,000	\$400,000
Research & Policy						
Workload						
Number of research projects completed	0	0	0	4	10	12
Technical & Financial Services						
Effectiveness						
Per capita residential energy use (million BTUs)	31.80	30.80	30.50	29.60	28.90	28.50
Number of certified green buildings in Portland	0	0	0	186	200	240
Utility savings to City from energy- and water-efficiency projects and waste and toxics reduction (million dollars)	\$1.40	\$1.20	\$1.80	\$2.10	\$2.10	\$2.20
Percent of City electricity use from renewable resources	0.9%	1.3%	2.1%	11.5%	11.5%	12.0%

	Actual FY 2000-01	Actual FY 2001-02	Actual FY 2002-03	Actual FY 2003-04	Yr End Est. FY 2004-05	Adopted FY 2005-06
Workload						
Apartment units weatherized	1,200	9,500	2,000	3,000	4,500	4,500
Tons of CO2 emissions avoided through community-wide energy-efficiency projects	0	0	38,000	75,000	115,000	120,000
City bureaus assisted with sustainability projects and plans	6	8	8	10	9	10
Projects receiving technical assistance	40	80	600	600	800	500
Number of development projects provided with green building assistance	0	0	0	281	300	325
Number of design and construction industry professionals trained in green building practices	0	0	0	705	965	1,000

	Actual FY 2002-03	Actual FY 2003-04	Revised FY 2004-05	Proposed FY 2005-06	Adopted FY 2005-06
EXPENDITURES					
Operating Budget					
Personal Services	1,805,390	1,764,805	2,210,413	2,414,778	2,414,778
External Materials and Services	1,612,446	1,423,097	3,858,798	1,845,233	1,845,233
Internal Materials and Services	618,147	625,673	871,376	825,201	825,390
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	7,000	0	0	0
Total Operating Budget	4,035,983	3,820,575	6,940,587	5,085,212	5,085,401
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 4,035,983	\$ 3,820,575	\$ 6,940,587	\$ 5,085,212	\$ 5,085,401
Allocated Overhead	317,584	347,765	226,161	318,004	374,991
Total Cost with Allocated Overhead	4,353,567	4,168,340	7,166,748	5,403,216	5,460,392
RESOURCES					
Discretionary Revenues					
General Fund	285,774	431,938	399,125	420,542	420,542
Total Discretionary Revenues	285,774	431,938	399,125	420,542	420,542
Non-Discretionary Revenues					
Cash Transfers	565,741	542,187	960,688	614,402	614,402
Grants & Donations	218,887	144,136	2,006,784	830,051	830,851
Interagency Revenues	430,077	322,976	616,144	657,334	657,334
Program Revenue	0	8,000	74,115	70,603	70,603
Solid Waste Management Fund	2,535,504	2,371,338	2,883,731	2,492,280	2,492,469
Total Non-Discretionary Revenues	3,750,209	3,388,637	6,541,462	4,664,670	4,664,859
TOTAL RESOURCES	\$ 4,035,983	\$ 3,820,575	\$ 6,940,587	\$ 5,085,212	\$ 5,085,401
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Non-Discretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Solid Waste & Recycling	2,170,806	1,995,836	2,138,696	1,926,656	1,926,845
<i>Positions</i>	<i>10.40</i>	<i>9.40</i>	<i>9.30</i>	<i>9.30</i>	<i>9.30</i>
Training, Education & Outreach	364,698	375,502	745,035	565,624	565,624
<i>Positions</i>	<i>1.00</i>	<i>2.90</i>	<i>3.90</i>	<i>3.90</i>	<i>3.90</i>
Director's Office	283,355	295,847	450,862	527,113	527,113
<i>Positions</i>	<i>2.90</i>	<i>2.90</i>	<i>4.74</i>	<i>4.74</i>	<i>4.74</i>
Research & Policy	140,346	226,918	190,141	204,481	204,481
<i>Positions</i>	<i>1.00</i>	<i>2.00</i>	<i>1.00</i>	<i>1.50</i>	<i>1.50</i>
Technical & Financial Services	1,076,778	926,472	3,415,853	1,861,338	1,861,338
<i>Positions</i>	<i>9.00</i>	<i>8.90</i>	<i>11.09</i>	<i>13.00</i>	<i>13.00</i>
TOTAL PROGRAMS	\$ 4,035,983	\$ 3,820,575	\$ 6,940,587	\$ 5,085,212	\$ 5,085,401
<i>Positions</i>	24.30	26.10	30.03	32.44	32.44

Office of Sustainable Development AU 155, 302

FTE SUMMARY

Class	Title	Actual FY 2003	Actual FY 2004	Revised FY 2004-05		Proposed FY 2005-06		Adopted FY 2005-06	
		No.	No.	No.	Amount	No.	Amount	No.	Amount
0102	Office Supp Spec II	4.00	4.00	3.84	144,180	1.94	73,116	1.94	73,116
0104	Office Supp Spec III	0.00	0.00	0.00	0.00	1.90	76,356	1.90	76,356
7102	Administrative Specialist, Senio	1.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
2202	Code Specialist II	1.90	0.90	0.90	41,844	0.00	0.00	0.00	0.00
2204	Code Specialist III	0.00	0.00	0.00	0.00	0.90	44,820	0.90	44,820
7203	Community Outreach & Information	1.00	0.90	0.00	0.00	0.00	0.00	0.00	0.00
7205	Community Outreach & Involvement	0.00	0.00	0.90	51,082	0.90	53,172	0.90	53,172
7226	Conservation Program Coordinator	2.00	2.00	2.00	113,316	2.00	116,052	2.00	116,052
7227	Conservation Program Coordinator	3.06	3.00	5.00	342,426	5.00	347,075	5.00	347,075
7225	Conservation Program Specialist	3.00	3.90	0.90	43,914	0.90	45,719	0.90	45,719
7232	Energy Conservation Program Mana	1.94	2.00	1.00	69,180	1.00	71,068	1.00	71,068
6052	Environmental Technician II	0.00	0.00	1.00	51,540	1.00	54,348	1.00	54,348
7376	Financial Analyst	0.90	0.90	0.90	56,720	0.90	58,524	0.90	58,524
7131	Management Analyst	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
7152	Program Specialist, Assistant	1.00	2.00	4.00	160,944	4.00	166,717	4.00	166,717
7206	Public Information Officer	0.00	0.00	0.90	58,872	0.90	61,284	0.90	61,284
7230	Solid Waste & Recycling Program	1.00	1.00	1.00	82,248	1.00	84,496	1.00	84,496
7024	Sustainable Development Director	1.00	1.00	1.00	101,924	1.00	105,582	1.00	105,582
3108	Technician II	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FULL-TIME POSITIONS		23.80	25.60	23.34	\$ 1,318,190	23.34	\$ 1,358,329	23.34	\$ 1,358,329
7226	Conservation Program Coordinator	0.50	0.50	0.60	41,244	0.60	41,400	0.60	41,400
TOTAL PART-TIME POSITIONS		0.50	0.50	0.60	\$ 41,244	0.60	\$ 41,400	0.60	\$ 41,400
0102	Office Supp Spec II	0.00	0.00	1.17	34,966	0.00	0.00	0.00	0.00
7102	Administrative Specialist, Senio	0.00	0.00	0.00	0.00	2.00	71,952	2.00	71,952
7202	Community Outreach & Information	0.00	0.00	1.17	49,252	1.50	64,552	1.50	64,552
7225	Conservation Program Specialist	0.00	0.00	1.75	86,109	2.00	101,628	2.00	101,628
7132	Management Analyst, Senior	0.00	0.00	0.58	32,116	1.00	60,594	1.00	60,594
7130	Management Assistant	0.00	0.00	0.92	36,740	1.00	38,652	1.00	38,652
7152	Program Specialist, Assistant	0.00	0.00	0.50	19,584	1.00	38,652	1.00	38,652
TOTAL LIMITED TERM POSITIONS		0.00	0.00	6.09	\$ 258,767	8.50	\$ 376,030	8.50	\$ 376,030

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2005-06	5,095,872	0	5,095,872	25.44	FY 2005-06 Current Appropriation Level Estimate
CAL Adjustments					None
Adopted Budget Decisions	(10,660)	0	(10,660)	0.00	OMF IA reductions
	0	0	0	7.00	Grant and Contract Funded positions
Approved Budget Additions and Reductions	189	0	189	0.00	Transfer to COPPEA Training Fund
Adopted Budget Additions and Reductions	0	0	0	0.00	None
	(10,471)	0	(10,471)	7.00	Total FY 2005-06 Decision Packages
			\$ 5,085,401	32.44	Total Adopted Budget