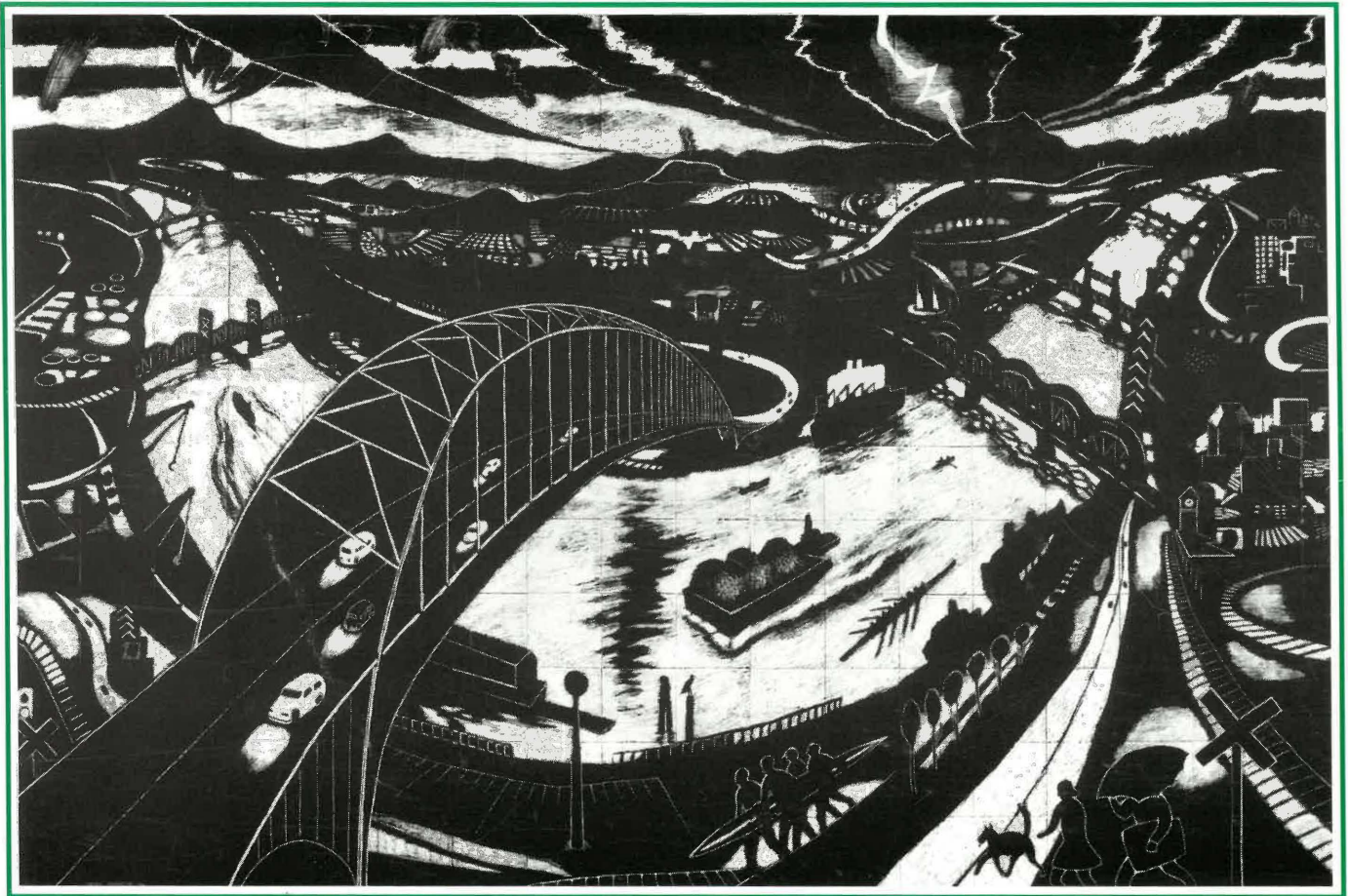


CITY OF PORTLAND

2000-2002

BIENNIAL BUDGET



FISCAL YEAR 2000-2001

ADOPTED BUDGET SUMMARY

“GREAT PORT CITY”

GEORGE JOHANSON, 1992, CERAMIC TILE

George Johanson was born in Seattle in 1928. He taught painting and printmaking at the Pacific Northwest College of Art for twenty-five years before retiring to spend full time in the studio. He works in a variety of mediums including drawing, painting, and printmaking. He has also done a number of ceramic tile murals throughout the Northwest. In Portland these may be seen on the fourth floor of the Portland Building and at the Peninsula Park Community Center (two 4 x 20 foot murals next to the swimming pool).

His work often includes references to the Portland environment. “Great Port City”, a black and white tile mural, is a portrait of the city that has many specific references to Portland, but is composed in an imaginative way. The tile is painted with black ceramic underglaze color, the design is scraped into it exposing the white clay, and it is then fired in a kiln.

More of Mr. Johanson’s work may be seen at the Pulliam Deffenbaugh Gallery in Northwest Portland.

**Adopted Budget – Summary
City of Portland, Oregon
2000-02 Biennial Budget**

**Fiscal Year 2000-01
Volume One**

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*Mayor Vera Katz
Commissioner Jim Francesconi
Commissioner Charlie Hales
Commissioner Dan Saltzman
Commissioner Erik Sten
Auditor Gary Blackmer*

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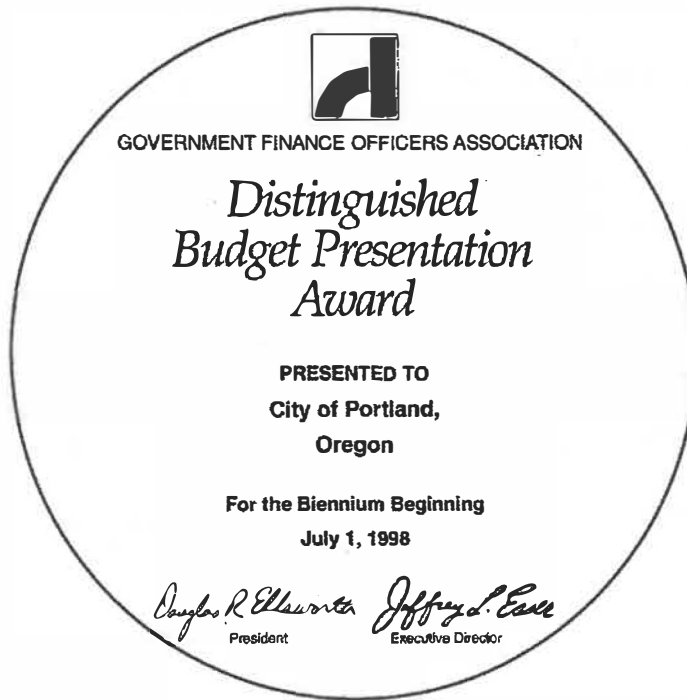
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Budget Award

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 biennial budget for the biennium beginning July 1, 1998.

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 two years only. We believe this current budget document for the second year of the biennium, FY1999-00, continues to conform to program requirements.



Mayor's Budget Message

Introduction

Last January, I laid out a vision plan for Portland to be its best. That vision included having the best possible education system for our residents, ending youth gun violence and murders, restoring the cleanliness of our environment and, most important, our rivers, expanding transportation options, increasing affordable housing, and creating a stronger planning and design effort for our city.

It is my belief that the realization of this vision is necessary to preserve the high standards of livability we have all come to enjoy and which are increasingly challenged by the success of our economy and growth.

Today, I present the Fiscal Year 2000-01 Adopted Budget. It represents our best effort to move forward as many of these goals as possible, and as many of the City Council's goals, within the resources available.

This budget also has been prepared with the input of citizens who attended one of the five "Your City, Your Choice" budget meetings or answered a budget public opinion survey. It has also been prepared with much input from the City Council, bureau managers, my staff and all city staff. I offer my thanks to all who contributed their efforts to this budget, especially the staff of the City's Financial Planning Division, who has logged long hours to get it done.

Uncertainties

The uncertainties of state funding decisions, state ballot measures and selected court decisions cloud the City's financial future and should be noted up front.

Voter Initiatives

- ◆ The fall November ballot may include an initiative called the Taxpayers Protection Initiative (TPI), which, if approved by voters, would impair the City's revenue stream and ability to sustain current service levels. This measure includes retroactivity provisions that might require refunds of fees and some property tax revenue increases from previous years. Prospectively, this measure would require voter approval of any fee and property tax revenue increases.
- ◆ A second ballot initiative proposes changing Oregon income taxation by allowing full deduction of federal income taxes on Oregon income tax returns. If voters approve this initiative the Oregon Legislature may have to cut as much as \$1 billion out of the next biennium's budget. The City General Fund currently receives about \$8 million a year in shared cigarette and liquor state tax revenues. These revenues will probably be at risk as the State looks for ways to close such a large budget gap.

Franchise Fee Adjustments

- ◆ During the last legislature SB1149 became law. This changes the methodology for charging the electric energy franchise fees. At a minimum, the result will mean much slower electric energy franchise fee growth that will be determined by energy load growth. In addition, there is the possibility that the year in which this change is implemented might result in an outright decline in revenues.
- ◆ The state courts finalized a decision on a state Public Utilities Commission challenge to US West Communications, Inc., rates in the spring of 2000. Actual rate relief and timing has not been finalized, but this may result in a liability for the City. The second year of the financial forecast makes a provision for a possible refund to US West pending resolution of the amount, if any, that might be paid to US West.

Pension Liabilities

- ◆ During FY 1999-00 the City of Portland took a number of actions to reduce present and future pension costs created by participation in the Oregon Public Employees Retirement System (PERS). The City funded its \$257 million PERS liability through the issuance of pension obligation bonds. These bonds have a variable rate component that will produce additional expenses if interest rates rise. Every two years, actuaries for PERS reevaluate the financial status of the system and set payroll contribution rates for employers. The next evaluation will take place during the summer of 2000 and new rates will be issued by October 2000. There is a possibility that the city's new payroll rate could be higher, thus increasing annual pension costs.

Approach

More so than in recent years, limited resources have prevented us from addressing all worthy City government and community needs. We made some difficult choices to reallocate the budget in order to meet some, but not all, of the critical community needs.

Adjusted revenues and reallocation of priorities were used in balancing the budget.

We found additional available General Fund discretionary resources through a variety of actions. First, we identified projects that could be delayed for a year. Second, we did a careful review of our housing investment fund finances and found additional resources that could be committed to future affordable housing projects. We used the very latest information to update the revenue forecast.

We reduced existing budgets with special emphasis on reducing allocations to administrative services. We carefully reviewed the budget requests for professional services and operations and made reductions and finally we sought investments that would produce future savings to offset the cost of doing business.

First call on these resources was some additional business requirements. For example, our labor negotiations resulted in contracts that exceeded what we had provided for in the budget. Provision also had to be made for future uncertainties, such as revenue impact associated with possible US West refunds to its customers. After meeting these needs, \$5.4 million in ongoing resources and \$1.6 million in one-time General Fund resources remained available for city government needs and community priorities.

Major Budget Decisions

Among the list of potential discretionary expenditures that will help make Portland the best it can be, we fund those items that most protect and improve our quality of life. The Adopted Budget includes:

Education

We want each Portland student to achieve high academic standards. The Schools Uniting Neighborhood program (SUN) helps by providing applied learning opportunities, assistance with homework, and increased parental involvement. In FY 1999-00, the city funded SUN schools on a one-time budget basis for three years. To demonstrate our strong commitment to this program we have converted this program from one-time to ongoing funding in the second year of this of the budget, FY 2001-02.

Affordable Housing

The Adopted Budget fights gentrification and makes it possible for more Portlanders to realize the American dream of affordable housing and homeownership. The City will expend \$5 million in the Housing Investment Fund, with \$1 million of this amount from ongoing resources. We hope it will be possible to add ongoing resources each year over the next four years to this amount until all \$5 million is budgeted with ongoing resources. This General Fund contribution is in addition to the \$51 million in FY 2000-01 and \$46 million in FY 2001-02 budgeted by the Portland Development Commission for housing development.

\$5.0 million in General Fund resources are budgeted for affordable housing.

This budget allocation is not the end of our commitment to affordable housing. Later this month, Commissioner Erik Sten and I will announce additional measures that tie together how all our efforts will work better together to bring the goal of affordable housing and homeownership to more Portlanders, especially seniors and those at the lowest income levels.

Jobs/Economic Development

The budget of the Portland Development Commission includes \$35 million to support programs such as Business Development, Commercial/Industrial Development, Business Services and Targeted Industries Development. In addition to the jobs programs PDC is supporting revitalization of business through Neighborhood Commercial efforts funded at \$7.1 million and Commercial/Industrial Development at \$3.2 million.

Our Adopted Budget also increases city assistance to Portland's small businesses, including \$200,000 to continue storefront improvements. As proposed by Commissioner Jim Francesconi, this budget also provides funding for a small business assistance program operated out of the Bureau of Licenses in cooperation with the State of Oregon, Bureau of Purchases and the Portland Development Commission. This effort is in addition to the continuing efforts to assist small and developing businesses through the Bureau of Housing and Community Development and the Portland Development Commission.

Planning

To protect and improve the livability, beauty and uniqueness of Portland's neighborhoods this budget provides a modest but much needed boost to the City's planning efforts.

Continuing the reinvention of planning in the city, this budget funds a city planning coordination team, composed of all city bureaus with planning responsibilities. Its first assignment will be to better coordinate the city's efforts to clean up the Willamette River through our response to the Endangered Species Act listing.

I am convinced that Portlanders will accept living in closer quarters if new structures are well designed and attractive. The budget funds the city's first urban designer, someone who will be obsessed with the quality of our growth and development, not the numbers.

Neighborhood Improvement Fund

The Adopted Budget uses new and existing General Fund resources to provide \$1 million in funding to improve the Hollywood/Sandy and Gateway neighborhoods. We cannot protect our quality of life without investing in our neighborhoods.

Funds are also provided to plan for Future Focus II, the city's strategic plan, complete the Southwest Community Plan and begin the Northwest Industrial Area/NWDA Plan.

Green Buildings Initiative

This budget refocuses the City's Solid Waste Fund to include funding and organizational support for the City's Green Buildings Initiative in the amount of \$1 million. The Green Buildings Initiative, proposed by Commissioner Dan Saltzman, continues City efforts to encourage livability and sustainability in the construction and operations of not only City owned assets, but all construction within the city.

Permits

Turnaround time in the Office of Planning and Development Review for permit applications has slowed to an unacceptable rate. Commissioner Charlie Hales shares my concern and has asked for \$180,000 in one-time resources to eliminate the backlog of permit applications. The budget also provides \$362,000 in ongoing resources that will improve turnaround time on land use.

Enhanced community development efforts will improve Portland's livability.

Noise

As Portlanders live closer together in increasingly mixed-use neighborhoods, noise complaints have increased. Our Adopted Budget provides impetus to update Chapter 18 of the Portland City Code. This chapter, which deals with noise issues, has not been significantly updated in over 20 years. This budget also provides \$96,810 to increase the noise compliance staffing that responds to complaints.

Transportation

As expenditure growth has outpaced resource growth over the years, the City has been increasingly challenged to meet the transportation needs of a growing community. To close this gap, the Office of Transportation reduced its budget by over \$3 million. Even with these cuts, without some form of increase in resources, Transportation will face significant reductions in the second half of the two-year budget.

To ease the impact of these reductions, the budget continues support for the street lighting program and street cleaning. General Fund support is also provided to keep our downtown clean, maintain landscaping along our streets, remove abandoned automobiles, and make street lighting capital improvements.

The budget of the Portland Development Commission also provides \$21.8 million for transportation projects in tax increment districts. Since the voters did not approve an increase in the gas tax in May 2000, we will revisit the budget impacts for the Office of Transportation as part of the FY 2001-02 interim budget process.

Public Safety

Safety starts with our young people. This budget continues the successful work of the Youth Gun Anti-Violence Taskforce, known as "YGAT".

To keep the energy focused on our community policing efforts, our Adopted Budget funds a new administrative manager for the Police Bureau. This civilian position will report directly to the Chief of Police Mark Kroeker and be charged with minding the Bureau's daily internal operation and administrative issues. This will allow for uniformed managers to focus more value-added attention on law enforcement operations that provide direct services to the public.

The Police Bureau budget includes \$636,633 one-time funding to cover their increased risk costs. I want to underscore that this is only one-time funding. They will be required to absorb this cost beginning in FY2001-02.

As recently proposed by Commissioner Dan Saltzman, a budget note will call for completing a feasibility study to determine how best to implement a municipal court for the City of Portland. A municipal court for the City of Portland shows real potential for generating more funds for the city by capturing more traffic revenue and saving overtime expenditures in the Police Bureau.

To move forward my work with Commissioner Dan Saltzman, the budget will also include a Budget Note directive to the Police Bureau to provide staffing for a domestic violence contact coordinator. This position will assist the Bureau's Domestic Violence Reduction Unit by contacting domestic violence and offer help for prosecuting alleged abusers. It is expected that this staff will make in excess of 7,000 contacts per year.

River Clean-Up

To continue the clean-up of the Willamette River and reclaim fish and wildlife habitats, this budget provides resources for three critically important programs: \$52.8 million in the Bureau of Environmental Services budget to continue the Combined Sewer Overflow (CSO) program, upgrading the city's antiquated sewers; \$2.7 million, including nearly \$1 million in General Fund dollars, to address the Endangered Species Act (ESA) listing; and \$425,000 to complete riverbank restoration efforts called for in the Greenway Plan.

Parks

This budget supports maintenance, kids programs, and senior programs.

A key ingredient to our quality of life is the number and quality of our urban parks and natural areas. The Adopted Budget boosts resources for park maintenance by \$750,000 in ongoing funding and provides nearly \$1.7 million for parks capital improvements. We also allocated one-time funding of \$265,000 to complete the Parks long-range strategic plan – the 2020 Plan. To ensure an adequate level of support for existing and new programs, the budget restores \$100,000 in proposed administrative service budget reductions. This will be coupled with an allocation of \$90,000 in ongoing resources to enhance planning and operational needs identified in the recent Parks audit completed by the City Auditor.

Seniors

An increasing percentage of Portland's population is over 65 years of age. City government must aid in responding to the increasing needs of this growing demographic group. Our Adopted Budget enhances support for senior programs with the infusion of \$250,000 per year in ongoing resources.

Arts

The budget adds \$200,000 for the second year of our intended \$1 million commitment to the Opera. The intended \$200,000 third-year allocation for Arts Stabilization is delayed at least one year to give RACC and the Northwest Business Culture for the Arts (NWBCA) the ability to raise the agreed-to matching funds.

Government Reform

This budget will emphasize improved delivery of services to our citizens.

The City's core administrative service bureaus have been merged to incorporate the existing internal service bureaus within the new Office of Management and Finance, the Office of Finance and Administration, Bureau of General Services and the Bureau of Purchasing. No additional funds have been allocated for the realignment because the purpose of this effort is to reduce overall administrative and support services costs in the city and improve the delivery of these services citywide.

An increase of \$100,000 is included to continue the labor-management Service Improvement Initiative. This is a cooperative effort of labor and management to continuously improve the delivery of services and programs to our citizens. The appropriation will support expanded efforts both citywide and within specific bureaus. This program dovetails nicely with the realignment efforts.

Citizen Involvement

Within the Office of Neighborhood Involvement we have allocated additional support (\$99,000) for neighborhood outreach and mediation services. This will enhance our access to citizens and their involvement in their city government. We have also modestly increased the appropriation for graffiti abatement to address our present limitation in accessing graffiti on the upper floors of some buildings.

The budget will also help hearing impaired Portlanders follow City Council hearings via the television coverage by funding closed captioning services. We will also expand television coverage to include the Council informal work sessions.

Ombudsman Government Oversight

Eight years ago, I proposed the creation of an independent City government Ombudsman, someone who will serve as a citizen advocate. I have never had enough support on the City Council to move this forward, until today. Thanks to the recent leadership of Auditor Gary Blackmer, this budget supports the creation of a Citywide Office of the Ombudsman in the Office of the Auditor.

Homeless Youth Programs

Our budget allocates \$150,000 in on-going resources to complete our commitment to help fund homeless youth programs with the County.

Utility Rates

Water and Sewer Utility rates continue to be a concern for many city residents, while at the same time the City's regulatory requirements for these utilities continues to increase. This budget embodies continued emphasis on cost and budget control and includes the rate reform efforts undertaken by Commissioners Sten and Saltzman. Next fiscal year, the increase in the average single-family sewer/stormwater bill will be 3.3 percent. Average single-family residential water bills will decrease by 10 percent.

Conclusion

In developing this budget we have attempted to respond to government requirements and critical community needs. It has been a challenging process. If we are to maintain quality of life in this great city as we experience growth, we will need to increase our investments in not just infrastructure and basic services, but also critical public needs such as affordable housing. Changes in our tax structure have slowed revenue growth, making it increasingly difficult for us to respond to these needs. The elections may bring greater challenges in the form of additional changes to our tax structure and support for our schools and transportation system. Additionally, we will be called upon to look at existing resources and the reprioritization of existing programs to meet new demands for service. I believe we have successfully started that process within this budget and have set the stage for continuing to do so in the future. More importantly, I believe this budget moves us towards not only my vision but also the Council's vision for Portland to be its best.



Vera Katz
Mayor

User's Guide

The Adopted Budget document for the City of Portland consists of three (3) separate volumes structured as summarized below.

VOLUME 1 - OPERATING BUDGET

Mayor's Budget Message

This section presents Mayor Vera Katz' budget message to the citizens highlighting major issues, uncertainties, changes in City services, policies and budget decisions for FY2000-02.

Overviews

User's Guide

The Guide presents a primer on the layout and use of the budget documents.

City Overview

The Overview presents a summary description of the City and its government, an organizational chart of the City government, and general trends in the areas of growth, workforce diversity, positions, and operating budget trends.

Budget Overview

An overall summary of budget, this section contains an introduction to the budget explaining the major issues affecting budget decisions and a summary of resources and expenditures by service area (Public Safety, Parks, Recreation and Culture, Public Utilities, Community Development and Services, Transportation and Parking, and Legislative/Administrative and Support Services).

Financial Overview

includes the financial planning process used in developing the two-year budget and five-year financial plan, and the budget process and time line. This section also presents a primer on City debt management, fund structure, and budget and financial policies.

Financial Summaries

Financial Tables

The section includes various summary financial tables which present the budget from different views, a positions summary, and the tax levy computation table, which details the property taxes to be levied and estimated to be received by the City.

Service Areas

Service Area Summary

These present a two page summary of each service area. The budget and operations of the City are structured around the following service areas: Public Safety; Parks, Recreation and Culture; Public Utilities; Community and Development Services; Transportation and Parking; and, Legislative, Administrative and Support Services.

Bureau Budgets

Contained within each service area are bureau specific budgets with an organization chart, summary financial information and highlights of changes from the FY 1999-00 budget, performance measures in table and chart format, line item detail and position detail pages, and the Budget Decision page(s) -- which summarize the decisions made through the budget development process affecting the bureau.

VOLUME 2 - CAPITAL BUDGET

The Capital Improvement Plan (CIP)

The CIP includes an introduction to the City's Capital Improvement Plans, explains the decision process for General Fund projects, an overview of the five-year capital budget, highlights of the FY 2000-01 General Fund capital budget, highlights of the FY 2000-01 capital projects for the other funds, and various tables which present the projects by Service Area, including anticipated changes to operating and maintenance costs. The tables also present a five year forecast of the capital budgets.

Portland Development Commission (PDC) Budget

This volume provides a complete budget for PDC, the City's semi-autonomous redevelopment agency, which focuses its efforts in the areas of housing, economic development, and development. Organization of the PDC budget mirrors the City budget document, with many of the same elements -- the Executive Director's Message, guide to the budget, summary tables and graphs, and presentation of the budgets by department.

Appendices

Appendices include the detailed financial plans for the General Fund and other funds, the financial policies and adopting resolutions, budget adoption ordinances, a list of City funds by type, name, or number, and a summary of the results of our citizen involvement effort -- "Your City-Your Choice".

VOLUME 3 - CAPITAL BUDGET PROJECT DETAIL

Capital Improvement Plan detail pages

Volume 3 contains a description of each capital project, its location, five year cost estimates and sources of revenue for the projects, and any change to operating and maintenance costs. These projects are presented by Service Area and bureau.

If you have any questions about the use of the document, or the City's budget, please call the Financial Planning Division of the Office of Management and Finance at (503) 823-5288.

Overviews

City Overview

INTRODUCTION

This section of the FY 2000-01 budget document provides general information on the City of Portland, its demographics, as well as its government management systems. The information will aid the reader in understanding the environment in which decisions are reached during the budget process. It will also assist in examining and understanding other sections of this budget document by placing context around budget decisions.

Portland's biennial budget implements Council goals through long-range strategic plans.

Portland's budget document is a reflection of City policies, goals, and priorities. Reviewing how revenues are collected and spent, readers of the budget are actually watching policy at work. The two-year 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.

DECISION PROCESS

The budget process begins and ends with a policy orientation. The City's strategic plan, Portland Future Focus, continues to provide an overall road map not just for the City, but also for its neighboring governments. It helps ensure that budgetary decisions are consistent with Portland's future vision. This strategic plan will be updated during the upcoming fiscal year.

Citizen involvement in the budget decision process is extensive.

At the outset of the biennial budget process, the City Council convenes to review overall goals and establish priorities for the upcoming budget process. As part of its budget work, the Council conducts an extensive public information and survey process, titled "Your City-Your Choice", to obtain direct public input on City service priorities. The information derived from this process is used to finalize the Council's goals, priorities, and action plans for the two-year budget cycle.

Council priorities, and how they are incorporated into this budget are addressed in the Mayor's Message section.

The City's major bureaus also develop strategic plans and five-year financial plans to assist the Council in weighing short-term decisions against long-range requirements. These plans support the City's strategic plan, Portland Future Focus. Council holds work sessions with key bureaus to discuss short and long-term issues that need to be addressed in the budget process.

Bureau program budgets have a long-term perspective.

The combination of these efforts, to establish goals and priorities, to explore issues, and to contemplate long-range financial plans, enables the Council to provide direction to the City's major bureaus prior to the submission of formal budget requests. This up front planning ensures that each biennium budget also responds to Council priorities over the long-term.

CITY OF PORTLAND CHARACTERISTICS

Basic Statistics

The City of Portland, with a population of 512,395, 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 1.7 million. 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 from the city.

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 sail boarding.

The city itself contains many beautiful parks, forests, trails, and wetlands including the 40-Mile Loop (a trail of now much more than 40 miles intended to circle the city) and Forest Park, at 5,000 acres the largest wilderness park in the United States.

Visitor Opportunities

Because Portland is Oregon's largest city and the center of business and transportation routes in the state, it also attracts many tourist and business visitors. A major symphony, the Rose Festival, art and historical museums, the Oregon Museum of Science and Industry, the Western Forestry Center, the Japanese Garden, the International Rose Garden, and the Oregon Zoo are only a few of Portland's cultural and recreational attractions.

Current and anticipated sports teams delight fans.

The city hosts the Portland Trail Blazers of the NBA, the Winter Hawks, a professional hockey team, and has recently added the Portland Fire, a new professional women's basketball team. The city's newest arena, the Rose Garden, a private and public sector joint venture, was opened in October 1995.

A \$38.5 million renovation of the city's Civic Stadium will bring Triple A baseball and professional soccer to Portland. The refurbished stadium will also provide the city with a modern, updated venue for concerts and community events.

The Classical Chinese Garden in the city's OldTown/ChinaTown area, which integrates community activities and art exhibits through authentic Chinese design, is scheduled to open in the fall of 2000.

The Economy

Shipping and Other Port Facilities

Portland is the leading warehousing and distribution center for the Pacific Northwest, serving a market area of about seven million people. Portland's deep water location on the Columbia River gives it substantial geographic and, therefore, economic advantages for freight shipping.

The Columbia River ship channel is maintained at a depth of 40 feet from the Portland harbor to the Pacific Ocean, 110 miles downstream. Portland is a regular port-of-call for many shipping lines serving major world trade routes. The Port of Portland, a governmental unit responsible for air and marine port facilities, offers outstanding opportunities for expanding export industries, investments, business and travel.

The Portland airport continues to grow rapidly.

Portland International Airport (PDX) is the fastest growing major airport on the West Coast. From 13.7 million passengers in 1999, ridership is expected to grow to 27 million by 2020. To ensure that PDX keeps pace with growth into the next century, more than \$100 million has recently been invested by the Port of Portland to improve and expand airport facilities.

Manufacturing

Economic diversification is a key to the Portland's success.

Portland's economy has slowly diversified over past decades. Steady growth in non-traditional sectors, such as the manufacture of electrical equipment, instruments, and related products, has placed Portland in an economic structure that shows continued strength, typically exceeding national economic growth. Semiconductor manufacturers, such as Intel and Wacker Siltronic, have already established major facilities in the region.

Within the last few years, Fujitsu, a large semiconductor manufacturer, has expanded its billion dollar facility in Multnomah County and LSI Logic has built a billion dollar facility. Tektronix, Intel, Nike, Boeing, Kaiser Permanente, and Fred Meyer are just a few of the other major employers in the Portland Metropolitan area.

Strong Downtown Core

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. The downtown area has experienced one of the strongest building expansions in its history.

Downtown has witnessed a building boom in recent years.

Three major hotels have been built and two more are under construction along the Willamette River. The ODS Tower, a class A office building, is complete and the Fox Tower nears completion. Pioneer Place, the major retail anchor of downtown, was recently expanded into a second retail building. The City recently completed a second government office building at the edge of the downtown core, adjacent to Portland State University.

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. This blend of old and modern facilities enhances the livability of downtown.

Mass Transit

The Tri-County Metropolitan Transportation District (Tri-Met) provides bus service throughout the metropolitan area. The district operates 102 bus lines and provided 58.5 million bus rides in 1999. Portland is the only region in the country where transit ridership is growing faster than vehicle miles driven

The nationally recognized MAX, Tri-Met's light rail system, runs on a 33-mile line between Hillsboro (18 miles to the west of downtown) and Gresham (15 miles to the east). As of December of 1999, the system had 1.5 million weekly riders.

The nationally recognized light-rail system continues to expand.

A new 5.5 mile spur, from eastside MAX to the Portland airport, is being built through a public/private partnership and is scheduled to open in the fall of 2001. An additional Interstate MAX line is being planned from the Rose Quarter, in close-in Northeast Portland, to the Expo Center in North Portland. This 5.8 mile extension is anticipated to be in operation by the fall of 2004.

MAX lines have added significant economic value to the region. To date, over \$2.4 billion in investments have been developed along MAX corridors.

The Region and Its Environment

Portland, like other municipalities, works to maintain a high quality-of-life and a healthy environment. Recently, steelhead and salmon within Portland area watersheds were listed as threatened species under Endangered Species Act guidelines. In this context, the City is carefully balancing environmental, recreational, and commercial concerns as it develops both banks of the Willamette River through the Willamette Greenway project.

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. Reconciling growth with the maintenance of natural amenities is one of the region's major challenges.

Citizens' concern for open space was demonstrated through passage of a \$135.6 million open space acquisition bond measure in 1995. Metro is using the bond funds to purchase more than 6,000 acres of natural areas, trail corridors, and greenways.

Post-Secondary Education

Portland State University sits adjacent to the downtown core.

Portland State University, one of the three large universities in Oregon, is located on a 26 block campus adjacent to the downtown business and commercial district. As part of the general downtown building boom, the university has built a new public administration building within a large urban plaza and is soon to build a new engineering building.

Besides Portland State, there are four independent colleges, three community colleges, and three church affiliated colleges in Portland.

These attributes, plus its clean water and air, cultural diversity, architectural beauty, and the relative ease of getting around continue to make Portland a popular, livable city. The City of Portland is consistently rated as one of the best cities in the United States in which to live and do business.

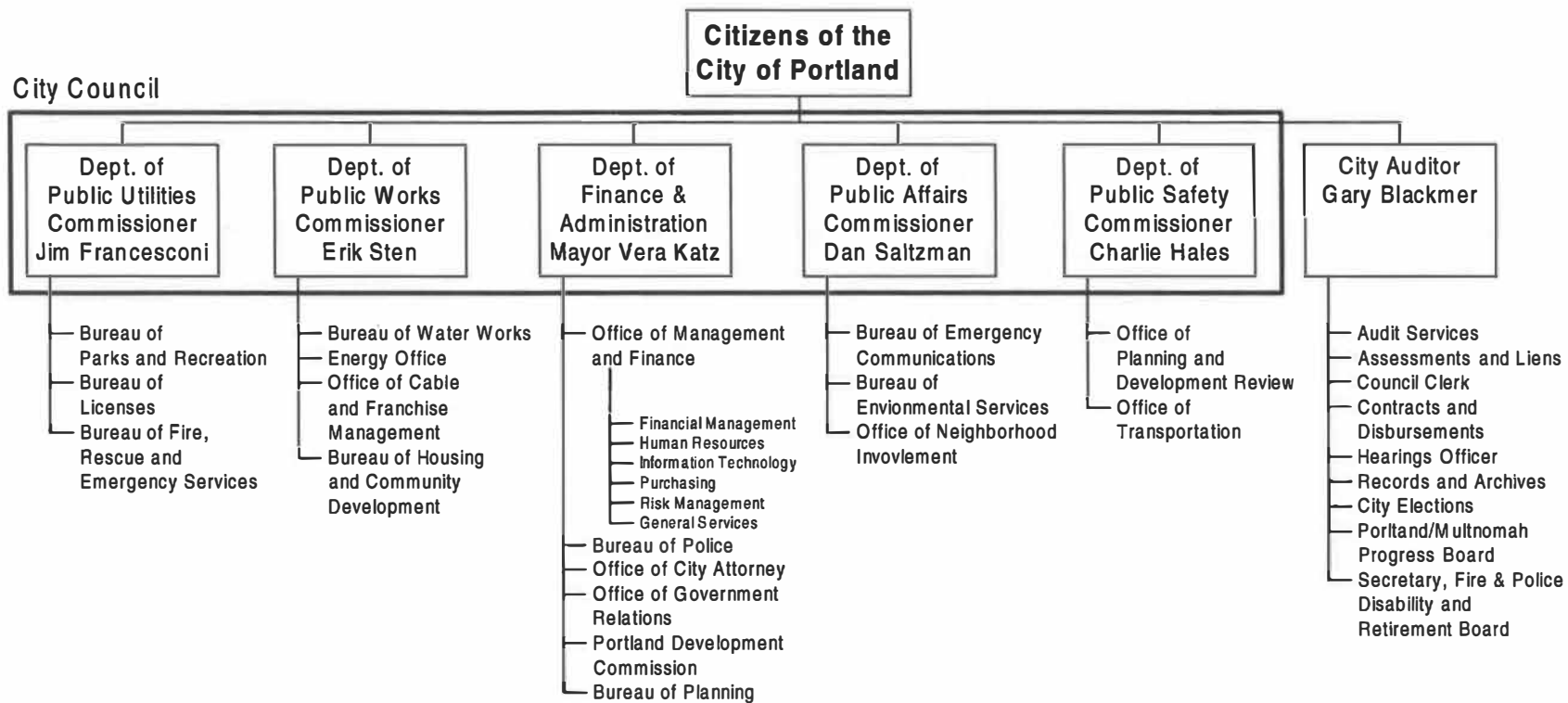
Well Managed City

Portland has received recognition as one of the best financially managed cities in the United States.

Financial World's March 1995 edition ranked Portland for the fourth consecutive time as the third best financially managed city in the United States. Another publication, City and State Magazine, for three consecutive years, rated Portland amongst the top five cities nationally in the area of financial management; in 1993 the magazine ranked Portland the second best. In 1991 the City won the Excellence in City Financial Management Award presented by the U.S. Conference of Mayors.

For the past seventeen years the City has received the Certificate of Achievement for Financial Reporting and for the past eleven years has received the Distinguished Budget Award from the Government Finance Officers Association. In 2000, the City received a special Award for Excellence for its automated budget publishing system.

Figure 1: City Organizational Chart



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.

Portland has a modified commission form of government which is rare in the United States.

The Charter provides for five non-partisan 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.

Mayor and Commissioners act as legislators and administrators.

The Mayor and Commissioners act as legislators and administrators. Thus, Council members are responsible for enacting City laws, enforcing City laws, and administering bureaus under their supervision. Figure 1 on page 7 depicts the City's current organizational chart.

The Mayor is the formal representative of the City, responsible for assigning each of the commissioners responsibilities 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. These assignments can be changed at any time by the Mayor. Traditionally, the Mayor has been the Commissioner of Finance and Administration. Current assignments are shown in Figure 1 on page 7.

The City Auditor is an elected position.

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). Ordinances are passed by a simple majority vote of three of the five Council members.

CITY TRENDS

The following trends and ten year comparison charts provide information of importance to city residents and management of the City. A review of these trends indicates:

Rapid Growth

Over the last ten years, primarily as a result of an aggressive annexation program, the City has experienced significant growth. The area served has increased by 7.5%, while residents served has increased by 16.7%. Projections indicate that over the next two decades the Portland metropolitan area can expect over 500,000 new residents.

Revenue Base Adjusts to Property Tax Limitations

In response to ballot measures that limited property tax growth, City operating revenues have had to diversify to maintain the base necessary to meet citizen service demands. While property taxes have declined as a percentage of operating revenues, user fees and elastic revenues, like business license and franchise fees, hotel/motel taxes, and building permit fees, have increased.

Expenditures and Financing Meet Service Demands

Expenditures for services have risen faster than inflation in response to citizen service requests. In particular, community development programs have expanded significantly over the past few years as the City supports its commitment to affordable housing.

Despite an increasing population, more and varied demands for service, and restrictions on the tax base, the City has maintained a healthy cash position. Unreserved fund balances are adequate to meet service needs in an economic downturn or financial emergency, while the City's liquidity ratio remains over 1.0, an indication that the City can meet its short-term obligations.

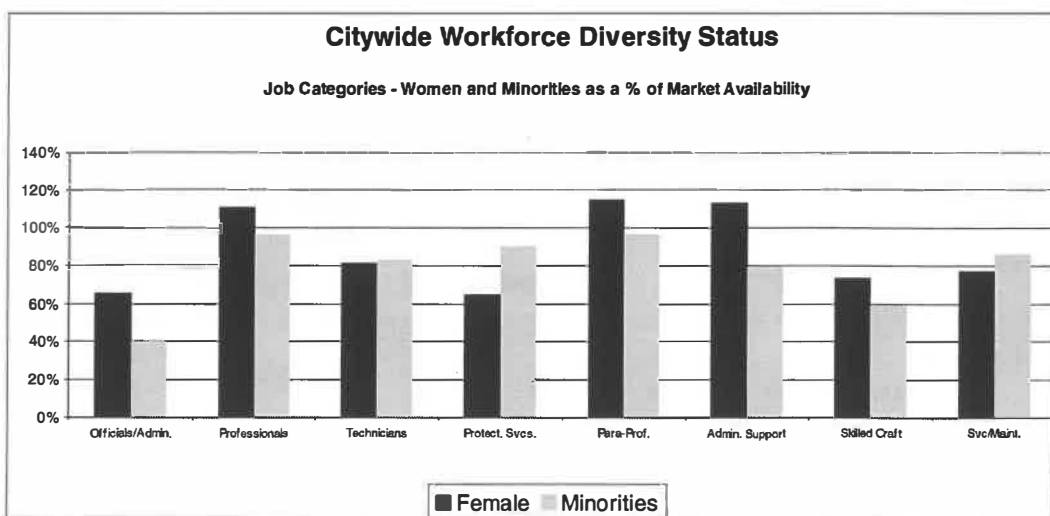
WORKFORCE DIVERSITY

The Council has directed that all City organizations develop a workforce reflecting the rich cultural diversity of Portland as a community.

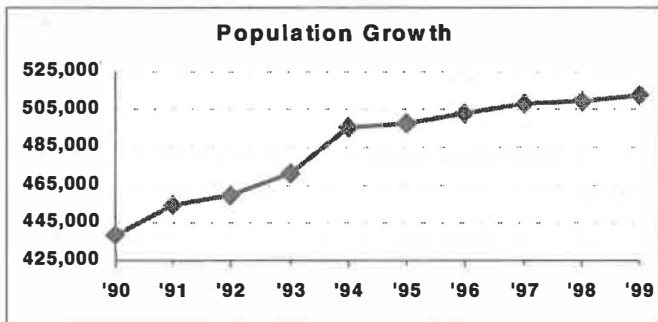
The top chart indicates that both women and minority employees, as a percent of total City employees, have slowly increased over the fiscal years 1991-99.

The bottom chart shows that female and minority employment (in the City) approach 100% of market availability in the para-professional and professional categories. Women, however, are noticeably underrepresented in the officials/administrators and protective services categories. Minorities are underrepresented in the officials/administrators and skilled craft categories.

Figure 2: Workforce Diversity Trends

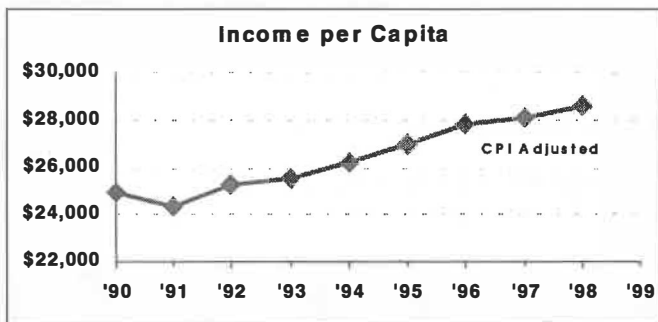


Demographic Data



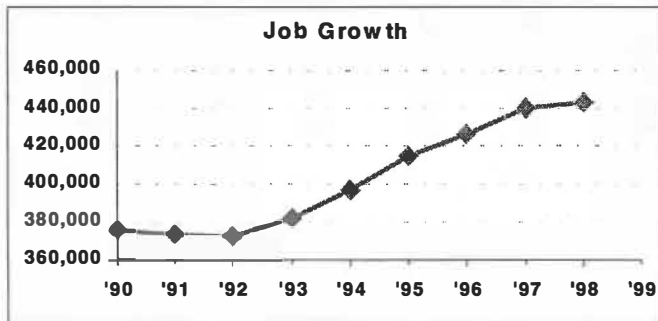
Rapid increases can be a negative trend if service demands increase faster than revenue growth. Similarly, declines in population can reduce demand and revenue requiring cuts in expenditures.

Total city population has increased about 17% over the past ten years - from 438,802 to 512,395. Annexations have added over 8% or approximately 100,000 residents.



Declining income per capita is a warning trend indicating general economic problems and potential declining ability to provide tax resources for government services.

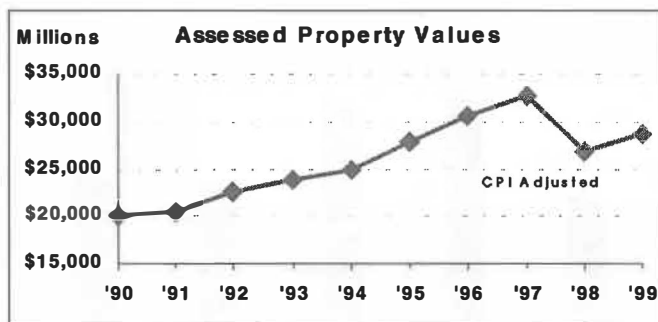
Income per capita has increased yearly since 1991. Total increase is 14% over the ten years. FY 1998-99 figures are not available.



Declines in the number of jobs indicates potential problems with economic vitality and can contribute to higher unemployment rates.

Nearly 69,000 jobs were added in Multnomah County since 1990. There were over 442,000 private and public sector jobs in 1998, more than any time in history.

Job growth has been most significant in services, retail trade, finance, insurance and real estate, and local government.

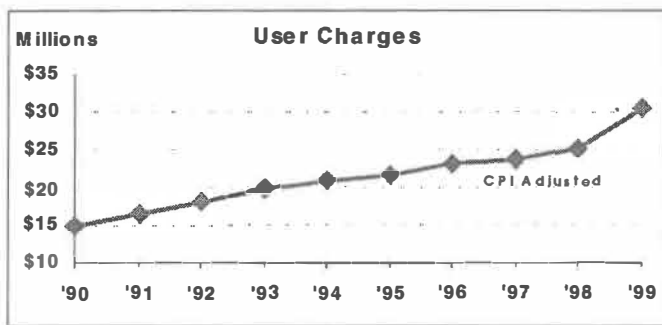


Assessed property value is a measure of the taxable value of real, personal, and utility property in the City.

Market values are an indicator of sales value and can be an indicator of economic vitality.

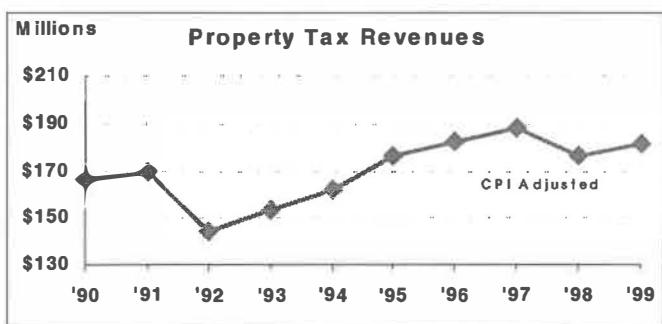
Assessed values mirrored market values and increased steadily from 1990 through 1997.

Revenue Trends



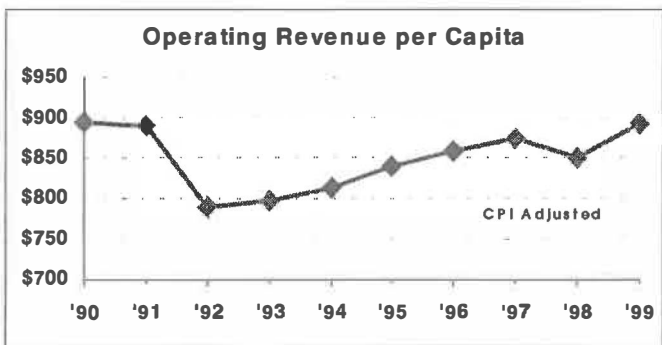
User charges should cover all or part of the costs of providing services like recreation programs, building permits, and parking control. Such fees should keep pace with inflation.

Per capita, city residents paid an average of \$35 in user fees in 1990 and \$60 in 1999. Fees for parks and recreation, general administration, and building inspections have grown faster than other user fees.



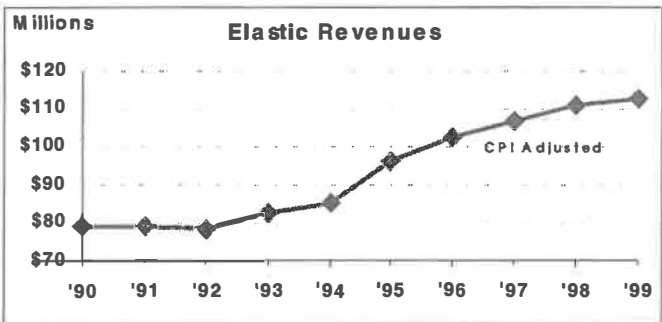
Property taxes are paid on the assessed value of real, personal, and utility property. City property taxes are also generated by separate levies that support police and fire pension benefits and various capital improvements.

Due to property tax limitations measures that passed in 1991 and 1997, growth in this revenue has been limited. Property taxes now represent about 40% of operating revenues, down from 44% in 1991.



Operating revenues include property and gas taxes, business licenses, user fees, intergovernmental revenues, and other general police, fire, parks, streets, and central administrative revenues.

Declining revenues per capita could signal the City's inability to provide existing services as the population grows. The decline in 1992 is largely the result of passage of Measure 5.

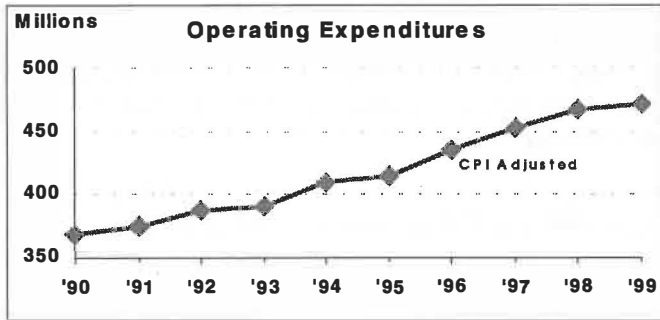


Elastic revenues, highly responsive to economic conditions, include business licenses, franchise fees, motel and hotel taxes, and building permits.

Adjusted for inflation, elastic revenues have grown over the past 8 years, increasing by 42% since 1990.

Business license fees are the largest and fastest-growing source of elastic revenue. Overall, these revenues comprise 25% of net operating revenue.

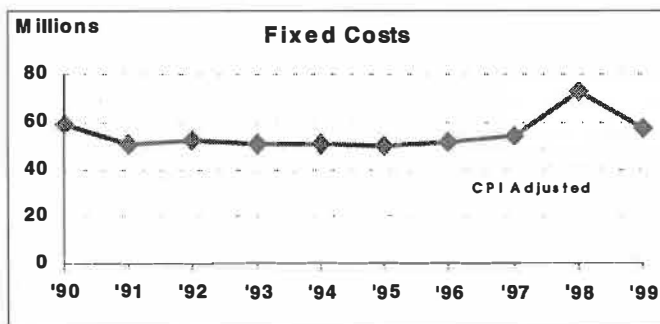
Expenditure Trends



Operating expenditures include personnel, materials and services, and capital costs for public safety, parks and cultural activities, community development, transportation and parking, and legislative and administrative services.

Spending per capita has grown about 8% more than inflation over the last 10 years.

Community development programs had the largest increase, 107%, due to affordable housing commitments.

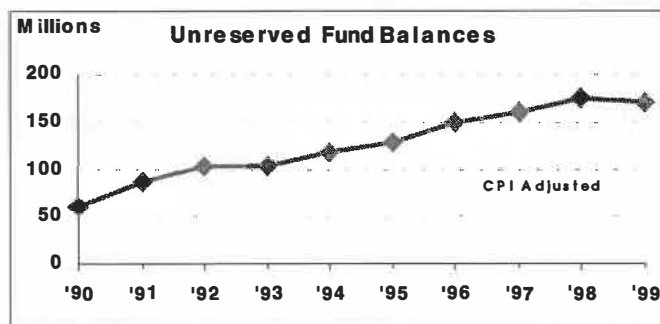


Fixed costs are mandatory expenditures over which the City has little short-term control. Examples include pension benefits and repayments of bond principal and interest.

Costs have remained fairly stable over the past 10 years, averaging 13% of operating expenditures.

The large increase in 1998 was due to a one-time payment to certain fire and police retirees and payments on street improvement bonds.

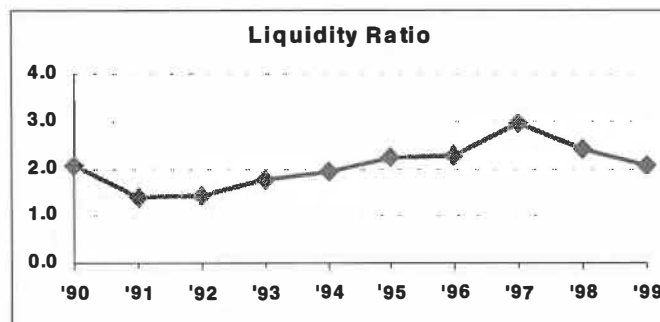
Financing Trends



Unreserved fund balances represent money available for capital purchases, emergencies, and future obligations.

Declining or low balances may indicate a government is not able to meet service needs in an economic downturn or financial emergency.

At the end of 1999, 44% of the balance was intended to pay possible health, liability, and workers' compensation claims, and to replace vehicles and other equipment.



Liquidity is a ratio of cash and short-term investments to current liabilities and is an indicator of the City's ability to pay its short-term obligations. A ratio above one is acceptable.

Adjusted for inflation, net cash after paying current liabilities grew from \$63 million in 1990 to \$97 million in 1999, a 54% increase.

Budget Overview

INTRODUCTION

This biennium budget may be best described as a 'hold the line' budget. On-going resources are actually down slightly, necessitating a reduction approach to ensure the availability of funds adequate to address high priority needs.

Administrative reductions are reprogrammed to support services to citizens rather than the internal bureaucracy.

Council took the opportunity presented by the need for reallocation of resources to reduce administrative and support services costs, both centrally and within the operating bureaus. The savings generated were reprogrammed to fund higher priorities of the Mayor and Commissioners. The reallocation focused on using the limited funds to enhance the direct delivery of services and programs to citizens.

The initial budget development approach directed the operating bureaus to take a 2.5% overall reduction and a 5% reduction in administrative and support services. Bureaus were also directed to reduce Professional Services by 20%.

The administrative and support services bureaus, such as the Office of Management and Finance (previously the Office of Finance and Administration) were directed to reduce overall budgets by 5%, inclusive of the Professional Services reductions.

Support and administrative services were reduced \$13.6 million

These efforts resulted in Citywide reductions of \$2.8 million in administration services. Overall, the 2.5% reductions to Current Service Level (CSL) budgets citywide were in excess of \$10.8 million. (CSL in the City of Portland is derived from current fiscal year revised budget, less any one-time-only expenditures, plus an appropriate inflation factor) Professional services reductions totalled \$1.2 million. The combined total of these reductions exceeds \$14.9 million.

It is from this point the Council reconstructed the budget through targeted restorations and additions to specific bureaus for specific programs.

Changes discussed in this overview, generally compare the FY 2000-01 Adopted Budget against the FY 1999-00 Revised Budget. This section may also discuss changes to and from Current Service Level, or CSL when appropriate.

More detailed presentation and discussion of the programmatic effects of the reallocation may be found in the Service Area and/or bureau sections of the budget document.

The Budget Overview presents information using a 'drill down' approach, enhanced by presenting expenditures in two different perspectives.

1. Total or summary budget figures are presented first.
2. As mentioned earlier in this document the City of Portland has a two year budget. Under Local Budget Law in the State of Oregon legal jurisdictions are must adopt an annual budget. For this reason this printed document focuses on one fiscal year of the biennium budget. For the biennium FY 2000-02 the focus is on FY 2000-01.
3. To enhance the understanding of the reader we present a summary listing of the decisions made within the General Fund. These decisions cover both years of the biennium budget. This is the fund that encompasses the discretionary resources available for Council allocation.

This overview section includes a summary listing of year two decisions for the General Fund.

Other funds are guided by their respective five year forecasts in determining the second year of any particular biennium budget. A summary of these forecast may be found in the appendices of Volume 2 of this budget document.

4. The Revenue Summary presented third, includes all funds.
5. The fourth section presents expenditures by Major Object Category, a line item presentation.
6. This fifth section presents a summary of expenditures by the Service Areas delineated in the User's Guide, which is a programmatic approach.
7. The final section presents a summary of the Capital Improvement Plan (CIP). The CIP is contained in volume 2 of the budget document.

Financial tables on the budget may be found in the Financial Summaries section of this budget volume. The tables present the financial figures from various perspectives.

BUDGET SUMMARY

Total City Budget

Total Legal Budget

State of Oregon Local Budget Law requires reporting of the "total budget", which includes total operating costs and internal transactions between funds. The Proposed Budget for FY 2000-01 totals \$2.38 billion dollars, representing a decrease of \$187.6 million dollars from the FY 1999-00 Revised Budget.

The total City budget is down by \$187.6 million from the FY 1999-00 Revised Budget.

The "total budget" figure overstates actual program expenditures due to the double counting of internal transactions. Internal transactions between funds are typically the result of one City bureau providing a service to another City bureau. Because this technically inflates the budget, the City often refers to the "net budget".

Total Net Budget

Eliminating the double count caused by internal transfers, the City's net budget for operating and capital requirements is \$1.67 billion (Figure 6 on page 16). This "net budget" amount represents a \$135.7 million dollar decrease from the FY 1999-00 Revised Budget.

For a more comprehensive numerical summary, refer to Table 1 in the Financial Summaries section of this budget volume.

	FY1999-00 Revised	FY2000-01 Budgeted	Dollar Change	Percent Change
Total City Budget	\$ 2,386,300,583	\$ 2,198,686,894	\$ (187,613,689)	-7.9%
Less: Tax Anticipation Notes and Internal Transfers	\$ (573,581,822)	\$ (521,658,838)	\$ 51,922,984	-9.1%
Total City Net Budget	\$ 1,812,718,761	\$ 1,677,028,056	\$ (135,690,705)	-7.5%
General Fund Net Budget	\$ 359,038,448	\$ 354,023,236	\$ (5,015,212)	-1.4%

General Fund Budget

The City's General Fund is primarily comprised of the discretionary resources that support such basic services as police, fire, and parks. Discretionary resources are those that Council can allocate to support any service area. In other words, Council allocates these resources without restriction, in accordance with Council priorities.

Discretionary resources total \$281.2 million or 79.4% of the General Fund.

Discretionary resources include property taxes, utility license fees, business license fees, transient lodging taxes, state shared revenues (cigarette and liquor), interest income, and a small amount of miscellaneous revenues and cash transfers into the General Fund.

Discretionary resources exclude grants, contract revenues, service reimbursements, and other revenues that are dedicated for a specific purpose.

Net General Fund Budget

The City's Net General Fund Budget is the same as its Legal General Fund budget, totaling \$354.0 million in FY 2000-01.

The following section presents a graphical summary of the City General Fund budget. For a numerical summary, refer to Table 3, General Fund, in the Financial Tables section of this budget volume.

Figure 3: General Fund - Resources by Major Category

Resource	Budget
Beginning Fund Balance	\$ 16,128,451
Property Taxes	\$ 138,817,685
Lodging Taxes	\$ 11,334,892
Business Licenses	\$ 53,127,604
Utility License Fees	\$ 48,439,887
Services Charges and Other	\$ 28,770,226
Intergovernmental	\$ 28,621,149
Transfers from Other Funds/ Agencies	\$ 28,783,342
	\$ 354,023,236

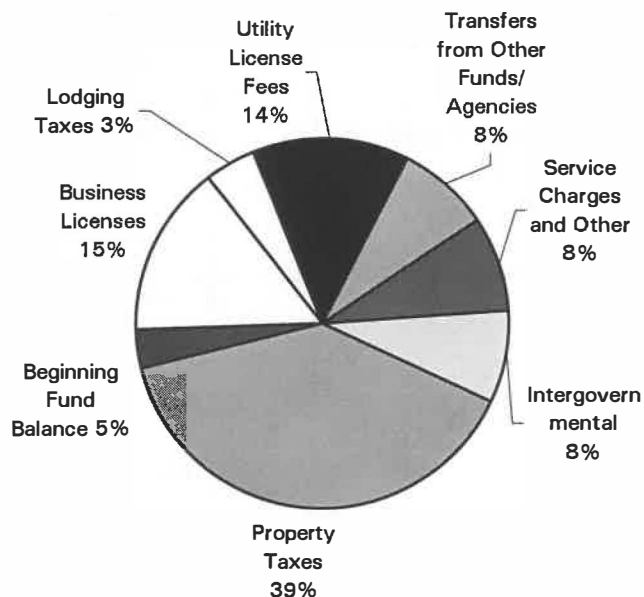
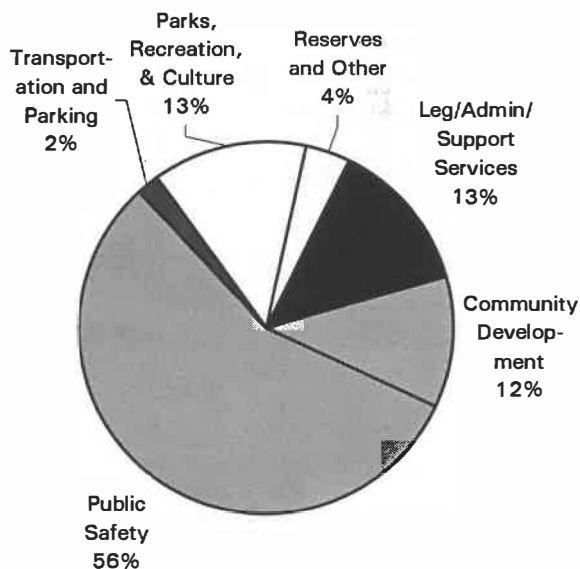


Figure 4: General Fund - Requirements by Service Area

Service Area	Budget
Leg/Admin/Support Services	\$ 47,014,494
Community Development	\$ 40,570,572
Parks, Recreation, & Culture	\$ 47,348,558
Public Safety	\$ 198,350,352
Transportation & Parking	\$ 6,847,116
Reserves and Other	\$ 13,892,144
	\$ 354,023,236



Total Net Budget

Figure 5: Total City Budget - Resources by Major Category

Resource	Budget
Beginning Fund Balance	\$ 369,340,555
Taxes	\$ 263,617,927
Licenses and Permits	\$ 114,868,434
Service Charges and fees	\$ 296,902,238
Federal Sources	\$ 44,240,690
State Sources	\$ 33,443,003
Local Sources	\$ 52,473,806
Misc. Sources	\$ 502,141,403
	\$ 1,677,028,056

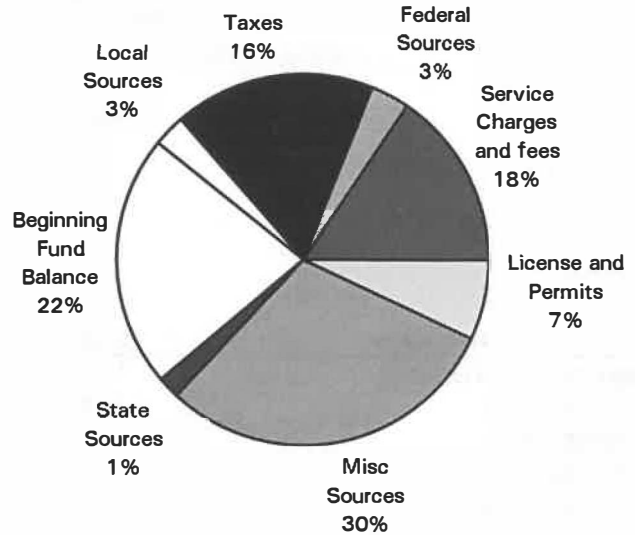
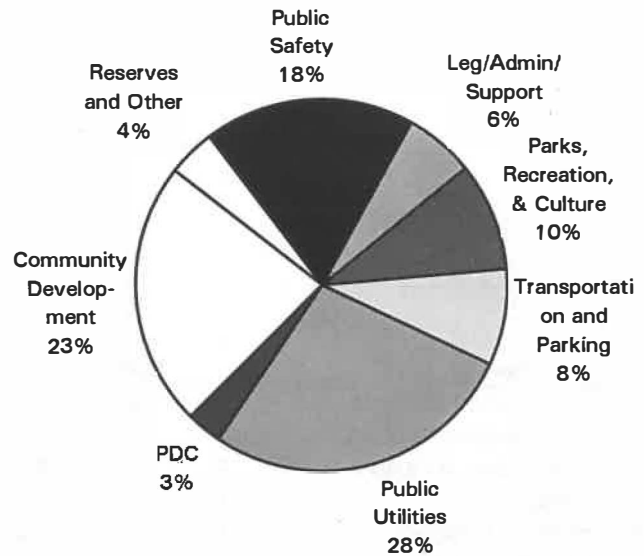


Figure 6: Total City Budget - Requirements by Service Area

Service Area	Budget
Leg/Admin/Support	\$ 101,356,333
Community Development	\$ 383,415,511
Portland Development Commission	\$ 52,994,102
Parks, Recreation, & Culture	\$ 159,201,560
Public Safety	\$ 308,790,570
Transportation and Parking	\$ 139,542,476
Public Utilities	\$ 461,548,694
Reserves and Others	\$ 70,178,810
	\$ 1,677,028,056



For a more comprehensive numerical summary, refer to Table 1 in the Financial Summaries section of this budget volume.

**Budget Decision
Summary - GF only**

This summary listing highlights budget decisions for the first and second year of the biennium budget. The listing is limited to the General Fund only.

	FY 2000-01	FY 2001-02
ATTORNEY		
Reduce overall budget 5%: target = \$75,114	\$ (75,114)	\$
Adjust General Services Interagency Agreements	\$ 577	\$
Fund position reclassifications	\$ 7,513	\$
Fund paralegal for 6 months (during legislative session)	\$ 18,779	\$
	\$ (48,245)	\$ -
CITY AUDITOR		
Reduce overall budget 2.5%: target = \$33,000	\$ (33,175)	\$
Adjust General Services Interagency Agreements	\$ (4,491)	\$
Temporary Adjustment for Overhead charges	\$ 66,646	\$
Capital Set-aside - Fund e-files	\$ 205,000	\$ 95,000
Fund e-files technician	\$ 14,200	\$ 61,193
Closed Captioning of televised Council sessions	\$ 14,227	\$ 35,880
Ombudsman - fund through the Overhead model	\$ 13,269	\$ -
Sr. Management Auditor	\$	\$ -
Fund a Risk Specialist position	\$ within the FPD&R fund	\$
	\$ 295,500	\$ 192,073
CABLE OFFICE		
Reduce overall budget by 2.5%: target = \$12,914	\$ (12,914)	\$
Reduce Prof. Services	\$ (2,500)	\$
Reduce M&S by Financial Planning recommendations	\$ (3,900)	\$
Adjust General Services Interagency Agreements	\$ 3,437	\$
Fund Franchise Financial Audits using Innovations Loan Fund	\$ -	\$
	\$ (15,877)	\$ -
BUREAU OF EMERGENCY COMMUNICATIONS		
Reduce overall budget 2.5%: target = \$221,000	\$ (466,324)	\$
Adjust General Services Interagency Agreements	\$ (1,472)	\$
Labor Agreement Estimate	\$ 80,736	\$
	\$ (387,060)	\$ -
ENERGY		
Reduce budget 2.5%: target = \$7,100	\$ (7,131)	\$
Adjust General Services Interagency	\$ (966)	\$
Fund Utility Deregulation (use Innovations Loan Fund)	\$ -	\$
	\$ (8,097)	\$ -
FIRE		
Reduce overall budget by 2.5%: target = \$1,476,478	\$ (1,476,478)	\$
Reduce Admin Services	\$ (70,000)	\$
Reduce Professional Services	\$ (35,000)	\$
Reduce Printing Costs	\$ (20,000)	\$
Delay opening of new station	\$ (590,000)	\$
Adjust General Services Interagency Agreements	\$ 19,335	\$
Miscellaneous Restorations	\$ 343,474	\$
Absorb engine reallocation (Station 45 action)	\$ -	\$
Mobile Data Terminal replacement	\$ 56,000	\$
Capital Set-aside - Fire Apparatus	\$ 1,050,000	\$ 1,102,500
Supportive Employment	\$ 30,000	\$
	\$ (692,669)	\$ 1,102,500
BUREAU OF GENERAL SERVICES		
Capital Set-aside - Child Care Center	\$ 495,000	\$
Capital Set-aside - 13th floor remodel	\$ -	\$ 262,000
Integrated Regional Network Enterprise	\$ -	\$ 21,193
Motorola Software License	\$ include Bureau I/A's	\$
	\$ 495,000	\$ 283,193
GOVERNMENT RELATIONS		

	FY 2000-01	FY 2001-02
Reduce overall budget 5%: target = \$15,600	\$ (15,644)	\$
Reduce Professional Services	\$ (30,080)	\$
Adjust General Services Interagency Agreements	\$ 147	\$
Restore Washington Consultant Contract	\$ 30,080	\$
	\$ (15,497)	\$ -
HOUSING & COMMUNITY DEVELOPMENT - GF ONLY		
Reduce overall budget 2.5%: target = \$69,261	\$ (69,261)	\$
Homeless Youth (supports County program)	\$ 150,000	\$
Move Tender Loving Care TnT program to Parks	\$ (275,373)	\$
	\$ (194,634)	\$ -
HOUSING INVESTMENT FUND (HIF) - GF ONLY		
Transfer from General Fund for Affordable Housing Support see BHCD for additional \$500,000 in on-going housing support	\$ 4,500,000	\$
	\$ 4,500,000	\$ -
BUREAU OF LICENSES		
Reduce overall budget 5%: target = \$104,500	\$ (104,558)	\$
Adjust General Services Interagency Agreements	\$ (2,277)	\$
Fund BLIS technology Package - (use Innovations Loan Fund)	\$ 109,200	\$
Fund Revenue positions	\$ 199,060	\$
Fund Small Business Assistance Program	\$ 10,170	\$
	\$ 211,595	\$ -
OFFICE OF MANAGEMENT AND FINANCE		
Reduce overall budget 5%: target = \$450,000	\$ (454,000)	\$
Adjust General Services Interagency Agreements	\$ (14,873)	\$
Bureau of Information Technology - technical org realignment	\$ (224,466)	\$
Geographic Information System - technical org realignment	\$ (379,944)	\$
Service Improvement Initiative	\$ 100,000	\$
	\$ (970,283)	\$ -
MAYOR & COMMISSIONERS - COMPOSITE TOTALS		
Reduce overall budget 2.5%: target = \$42,500	\$ (42,503)	\$
Reduce Administrative Services	\$ (11,223)	\$
Adjust General Services Interagency Agreements	\$ (5,419)	\$
	\$ (59,145)	\$ -
POLICE		
Reduce overall budget by 2.5%: target = \$2,621,478	\$ (1,283,085)	\$
Reduce Administrative Services	\$ (460,654)	\$
Reduce Professional Services	\$ (50,000)	\$
Adjust General Services Interagency Agreements	\$ (217,741)	\$
Miscellaneous Restorations	\$ 34,207	\$
Risk (Insurance) Increases (one time only adjustment)	\$ 636,633	\$ -
Traffic Facility Lease - absorb	\$ -	\$
Mobile Data Terminal replacement	\$ 217,698	\$
Fund an Administrative Management position	\$ 101,000	\$
	\$ (1,021,942)	\$ -
PARKS		
Reduce overall GF budget 2.5%: target = \$674,458	\$ (674,458)	\$
Reduce Administrative Services	\$ (158,970)	\$
Adjust General Services Interagency Agreements	\$ (45,867)	\$
Maintenance adjustments in specific ordinances	\$ 2,250	\$
Offset Program Guide cost with fees	\$ -	\$
Restore flowers & restrooms for downtown parks	\$ 176,866	\$
Summer Playgrounds - offset costs with other revenues	\$ -	\$
Transfer Tender Loving Care TnT program from BHCD	\$ 275,373	\$
Additional Maintenance Allocation	\$ 250,000	\$
Fund Increased Maintenance	\$ 494,068	\$
Fund Schools Uniting Neighborhoods (SUN) Schools	\$ 300,000	\$ 300,000
Pioneer Square support	\$ 20,000	\$

	FY 2000-01	FY 2001-02
Operations reduction to fund Pioneer Square support	\$ (20,000)	\$
Senior Centers	\$ 250,000	\$
Audit Implementation	\$ 90,000	\$
Reduce Youth Violence - position support	\$ 31,000	\$
2020 Plan	\$ 265,000	\$
Capital Set-aside - Red Electric Line Study	\$ 18,000	\$
Capital Set-aside - OMSI Children's Annex - Renovation	\$ 265,000	\$ 450,000
Capital Set-aside - University Park - Phase 2	\$ 677,000	\$
Capital Set-aside - Multnomah Art Center roof	\$ 167,000	\$
Capital Set-aside - OMSI Children's Annex - acquisition	\$ 200,000	\$
Capital Set-aside - Zoo Interchange/Children's Museum Sidewalk	\$ 130,000	\$
Capital Set-aside - Crystal springs bank stabilization	\$ -	\$
Capital Set-aside - Urban Forestry/HQ Maintenance Facility	\$	\$ 92,000
Capital Set-aside - Mt. Tabor Yard Renovations	\$	\$ 69,000
Capital Set-aside - Wilson Pool	\$ 63,000	\$
	\$ 2,775,262	\$ 911,000
OFFICE OF PLANNING AND DEVELOPMENT REVIEW		
Reduce GF budget by 2.5%: target = \$73,300	\$ (73,733)	\$
Reduce Administrative Services	\$ (11,390)	\$
Reduce Professional Services	\$ (2,461)	\$
Adjust General Services Interagency Agreements	\$ (378)	\$
Address reviews backlog (one time allocation)	\$ 180,000	\$
Fund Internal Overhead - replaces fee revenues	\$ 362,000	\$
Fund Noise Program Enhancement	\$ 96,810	\$
	\$ 550,848	\$ -
PLANNING BUREAU		
Reduce overall budget 2.5%: target = \$102,238	\$ (102,238)	\$
Reduce Administrative Services	\$ (60,863)	\$
Reduce Professional Services	\$ (17,702)	\$
Endangered Species Act Response	\$ 959,298	\$
Future Focus - city strategic plan	\$ 100,000	\$ 200,000
SW Community Plan	\$ 253,909	\$
Greenway planning	\$ 425,014	\$ 367,000
Urban Designer Position	\$ 64,473	\$
NW Industrial Area/NWDA	\$ 352,395	\$ 402,395
Temporary O/H adjustment	\$ 183,635	\$
Fund comprehensive Planning thru O/H	\$ 127,367	\$
Fund Interbureau coordination thru O/H	\$ 22,880	\$
	\$ 2,308,168	\$ 969,395
PURCHASING		
Reduce overall budget 5%: target = \$36,100 including O/H	\$ (18,059)	\$
Adjust General Services Interagency Agreements	\$ (4,657)	\$
Fund procurement card administrator	within existing budget	\$
	\$ (22,716)	\$ -
OFFICE OF NEIGHBORHOOD INVOLVEMENT		
Reduce overall budget 2.5%: target = \$179,000	\$ (90,929)	\$
Reduce Administrative Service 5%	\$ (90,324)	\$
Adjust General Services Interagency Agreements	\$ (4,785)	\$
Fund Siting mediation - City portion	\$ 45,000	\$
Fund Neighborhood Outreach Specialist	\$ 54,000	\$
Additional mediation support	\$ 30,000	\$
Increase Graffiti Abatement - upper story support	\$ 24,000	\$
Fund Association for Portland Progress Crime Prevention	within existing budget	\$
	\$ (33,038)	\$ -
OFFICE OF TRANSPORTATION - GENERAL FUND ONLY		
Fund Sidewalk Scrubbing	\$ 212,000	\$

	<u>FY 2000-01</u>	<u>FY 2001-02</u>
Fund Abandoned Auto	\$ 380,493	\$
Landscape Maintenance	\$ 123,507	\$
Reduce GTR expenditures to fund a portion of the GF requests	\$ (250,000)	\$
Capital Set-aside - Street Lighting	\$ 450,000	\$ 450,000
	\$ 916,000	\$ 450,000
SPECIAL APPROPRIATIONS		
Regional Arts and Culture Council - Opera support	\$ 200,000	\$
Regional Arts and Culture Council - delay Stabilization 1 yr.	\$ -	\$ 200,000
Capital Set-aside - Debt Service for FY 1999-00 Schools grant	\$ 936,154	\$ 936,154
City Memberships & dues	\$ (100,000)	\$
Portland Development Commission - Storefront Improvements	\$ 200,000	\$
Portland Development Commission - Enterprise Zones	\$ 50,000	\$
Reduce GF Special Appropriations overall by 2.5%	\$ (31,440)	\$
2040 Implementation support	\$ 263,450	\$
Association for Portland Progress - parks maintenance	\$ 20,600	\$
	\$ 1,538,764	\$ 1,136,154

REVENUE SUMMARY

Financial summaries of resources and expenses are presented in Table 5, Total Revenues and Expenses by Fund by Fiscal Year, in the Financial Tables section of this budget volume.

General Fund Resources - Changes from the Previous Fiscal Year

General Fund resources decrease by \$8.3 million. The following sections highlight the changes within the major resource categories, a line item perspective.

Beginning Balance: The Beginning Balance drops \$8.8 million. This reduction is the result of overall lower resource growth and continued high expenditures rates within the General Fund bureaus. As resources have become more scarce, bureau spending patterns reflect a higher percentage of budgeted amounts than the historical patterns.

The General Fund resources for FY 2000-01 are \$8.3 million less than the Revised Budget for FY 1999-00.

Property Taxes: Property taxes increase \$7.0 million, or 5.3%. This modest increase affirms the anticipated effects of 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. The fixed rate is \$4.5770 per thousand dollars of assessed value.

Lodging Taxes: Lodging Taxes, charged to guests staying in City hotels and motels, increases a modest \$500,000. The delay in the expansion to the Oregon Convention Center has mitigated the growth anticipated from the expansion in the number of rooms available. Revenues are projected to increase at a higher rate upon completion of the convention center expansion in FY 2001-02.

Business License: Revenues increase \$700,000. This 1.3% increase is extremely small compared to the previous five years. This low increase is a strong indicator that local and regional economic growth has slowed.

Utility License Fees: Fees charged to private utilities and cable companies, as well as the City owned utilities of water and sewer increase \$4.6 million. The majority of this growth is driven by increase in the private utilities, specifically an expansion of cable franchises within the City.

The bureaus of Information Technology and Risk will now be structured like other Internal Service Funds such as Vehicle Services.

Internal Revenues: Transfers and Interagency Agreements, from other funds for services provided by General Fund bureaus, is reduced \$11.6 million. This decrease is largely structural. Funds previously transferred for services received from the Bureau of Information Technology are now segregated within their own operating fund. This reduction is \$6.0 million. The other significant reductions are in the Risk funds. These funds are also now segregated in their respective operating funds. Others now clearly segregated are Worker's Compensation and Insurance and Claims funds, which reduce General Fund revenues by \$4.2 million.

Service Charges and Fees: Projected revenues are up \$2.3 million, which is a 20.3% increase. The bulk of this increase, \$1.3 million, is in Miscellaneous fees and charges. Within this category the growth is the fees introduced in the middle of FY 1999-00 for DUII vehicle impounds.

State Shared Resources: State resources shared with local governments are forecasted to decrease \$800,000, reflecting lower anticipated cigarette and liquor tax revenues. These taxes are collected by the state and apportioned to the cities and counties based upon a fixed formula. The amount accruing to Portland is affected by overall use of alcohol and tobacco as well as population growth and population shifts.

Miscellaneous: Miscellaneous, other resources and revenue adjustments result in a net increase of \$9.9 million to the General Fund from the FY 1999-00 Revised Budget. Due to a lower beginning balance the City will issue Tax Anticipation Notes, which are short term borrowings, to ensure adequate cash flow from July 1 through mid-November. November is when property tax receipts begin to accumulate.

One-time versus On-going Resources

General Fund on-going resources decreased \$125,000 from the FY 1999-00 Revised Budget.

The General Fund resources are categorized as 'recurring', or on-going, versus one-time. An example of one-time resources is an increase in beginning fund balance. An example of recurring resources is the increase in property tax revenues which is anticipated to be sustained over time.

First call on these resources has some additional business requirements. For example, labor negotiations resulted in contracts which exceeded what had been provided for in the budget. Provision also had to be made for future uncertainties, such as revenue impact associated with possible US West refunds to its customers. After meeting these needs, \$5.4 million in ongoing resources and \$1.6 million in one-time general fund resources remained available for City government needs and community priorities.

CHANGES FROM THE PREVIOUS YEAR - SUMMARY OF OTHER FUNDS

This section presents highlights of changes within the specific funds. More detailed information on any fund is available within the bureau sections of this budget document

Transportation Operating

The operating fund expenditures decreases \$8.9 million. This reflects a \$25.0 million transfer decrease from the Parking Facilities fund, offset by normal increase in activities. The Parking Facilities Fund transfer in FY 1999-00 supported the Central City Streetcar construction project. That project should be largely completed in FY 1999-00.

Planning and Development Fund

The numb of construction permits are projected lower for FY 2000-01.

The fund decreases a net \$1.7 million. Construction permit fees are expected to increase \$2.6 million from FY 1999-00. This reflects increased fees instituted in the winter of 1999. This increase is offset by a reduction in Beginning Balance. Balance is reduced \$5.2 million reflecting the leading side of a construction slow down. Fees are paid to the City in advance. This resource is used to build balance or reserves in healthy years. Balance or reserves are drawn down in slower years, to ensure a workforce adequate to keep up with work already paid for by citizens.

Sewer Operating Fund

Capital expenditures decrease in Environmental Services and increase in Water.

This enterprise operating fund declines by \$2.9 million. This reflects reduced construction activity, funded through a transfer from the Sewer Construction Fund, down \$9.0 million and reduced transfers from the Rate Stabilization Fund, which is down \$4.8 million. The decreases are partially offset by a \$11.0 million increase in utility charges. The increase in utility charges will fund continuing operations.

Sewer System Construction

This fund increases a net of \$30 million, because of a planned \$100 million revenue bond sale in FY 2000-01 and planned transfers to the Sewer Operating fund for the construction projects. Most of these projects were part of the Combined Sewer Overflow project.

Water Fund

This enterprise fund expenditure increases \$2.9 million. This increase reflects higher transfers from the construction fund (\$4.6 million), a \$1.8 million increase in utility charges to fund continuing operations and a lower Beginning Balance of \$5.5 million. Balance is down, reflecting completion of multi-tear capital projects.

Water Construction

This fund decreases by a net \$12.2 million, reflecting the carryover of revenue bonds proceeds from FY 1999-00, that increased Beginning Fund Balance \$13.2 million.

Golf Fund

The City will use revenue bonds to improve the golf courses.

The Golf Fund decreases by \$6.9 million. The reduction is due to the on-going capital improvements at two City-owned golf courses. The projects are scheduled for completion on FY 2000-01.

Parking Facilities

Fund expenditures decrease by \$35.5 million. The decrease is tied to anticipated completion of the Central City Streetcar project and other parking facility capital improvements.

Spectator Facilities Fund

The convention center expansion begins this year.

This renamed fund increases from \$12.4 million to \$109.6 million. This fund supports the effort to expand the Oregon Convention Center and capital improvements to Civic Stadium, a medium sized multi-sports venue (football, baseball, soccer).

Housing Investment Fund

This fund increases \$7.1 million over FY 1999-00 Revised Budget. The Mayor's Proposed Budget includes a \$5.8 million transfer from the General Fund for affordable housing. \$500,000 of this is on-going resources; the remainder is one-time.

The City maintains its 10% emergency reserves.

General Reserve

The General Reserve Fund is budgeted at \$35.8 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.

Construction has begun on a new fire station in FY 1999-00.

BFRES (Bureau of Fire, Rescue and Emergency Services) Facilities GO Bond Construction

The fund remains about the same at \$23.8 million. The funds are used for capital construction and improvements for the Fire Bureau and the Bureau of Emergency Communications.

Facilities Services will continue major projects in the Public Safety service area.

Facilities Services

This internal service fund is reduced by \$9.0 million, from \$45 million to \$36.0 million. The net reduction recognizes the completion of the new development building and continuation of the public safety facility projects.

- ◆ **Development Services Building:** This building was completed in the summer of 1999. It is part of the Blueprint 2000 effort, a major redesign and reorganization of bureaus and workflows supporting planning and development activities.
- ◆ **Public Safety Facilities:** The public safety facility projects are funded from the \$53.8 million bond measure passed in the fall of 1998. The \$24.8 million in expenditures for FY 2000-01 entails the purchase of land and construction of one new fire station and seismic upgrades to other stations.

EXPENDITURE SUMMARY - BY SERVICE AREA

A budget may be presented in a number of different ways. In an effort to aid understanding of the City of Portland budget, this document presents the budget by service area, by bureau, by fund, by program, and by line item. The reader may access each of these presentations within different areas of the document, such as in the Financial Tables or bureau sections of this budget volume.

A presentation by service area or program is presented following this summary by line item section. This summary identifies expenditures by line item, such as base salary, overtime, benefits, etc. The City budget line item expenditures are summarized by Major Object Category. Table 1 of the Financial Tables summarizes this information.

Overall Personal Services cost increase is controlled by the administrative reductions.

- ◆ **Personal Services (wages and benefits) :** Personal Services total \$376.1 million, which is a 1.0 percent increase over the prior year Revised Budget. The increase is in Full Time Employees and Benefits reflecting costs increases of labor agreements. The increase is limited due in part, to the administrative and support services reductions.

- ◆ **External Materials and Service** :External M&S expenditures are proposed at \$532.7 million, which is a decrease of \$192.6 million from the previous year's Revised Budget. The primary decrease reflects the FY 1999-00 one-time payment to the State PERS (Public Employees Retirement System), out of the Special Finance and Resource Fund. External Materials and Service for this fund are reduced \$180 million.

The City addressed the PERS unfunded liability with a one-time payment in the previous fiscal year.

Funds were paid to address the known unfunded liability at that time. The City issued bonds to pay PERS and will repay the bonds over a 20 year period. This approach was more cost effective for the City than paying the increased PERS rate.

- ◆ **Internal Materials and Services:** Internal M&S, services supplied by one City bureau to another City bureau, decreases \$11.9 million to a total of \$116.6 million. Facilities Services increases \$4.4 million, incorporating costs associated with the construction of the new fire station and the full year operational costs of the recently completed Development Services Building.
- ◆ **Capital Outlay:** Capital expenditures, which encompasses major capital items such as land and buildings, decreases \$19.5 million. The decrease is due to less capital spending in Parks, Environmental Services, and General Services.

EXPENDITURE HIGHLIGHTS BY SERVICE AREA

Introduction

The highlights of the following section present the budget from the viewpoint of the general service area, in which the funds are appropriated. Expenditures can and do cross service areas and bureaus in an effort to most effectively address the goals and priorities of the citizens and elected officials.

The City employs a coordinated approach across all bureaus to address Citywide goals and objectives.

For instance, the City response to the Endangered Species Act, a listing of several fish runs is presented within the Community Development and Services area (Planning Bureau), actual expenditures will take place in other service areas as well: Public Utilities, Transportation and Parking; and Parks, Recreation and Culture.

In the detail below some bureaus budgets remain at reduced levels, others were restored to a Current Service Level budget, and a select few realized increases. All funding decisions were based on the goals and priorities of the Mayor and Commissioners.

Public Safety

- ◆ The budget for Police decreases a net \$1.0 million. This modest decrease incorporates the Police Bureau efforts in responding to directed reductions to their overall budget, including specific reductions in administrative and support services. The Police Bureau receives additional allocation to begin funding the replacement of the new Mobile Data Terminals (MDTs) and a one-time allocation to fund increased risk costs for one year only. Police are expected to reduce future risk costs through improved management and training.
- ◆ The Fire Bureau budget decreases by a net \$150,000 from the FY 1999-00 Revised Budget. Fire reduced their overall budget by 2.5% and decreased administrative costs by 5%. Restorations of reductions to the budget include funding for MDT replacement and \$1,050,000 in funding for apparatus replacement.
- ◆ Emergency Communications increases a net of \$200,000. Reductions were made to contingency and CAD replacement set-aside.

Parks, Recreation and Culture

- ◆ The Parks Bureau operating budget increases a net of \$300,000 from the FY 1999-00 Revised Budget. After taking the required reductions, \$750,000 was added back to fund maintenance efforts for open space and developed parks properties. An additional \$1.7 million allocation to Parks Capital Fund supports projects in parks and parks facilities throughout the city.

SUN program is funded as an on-going program.

- ◆ In the Mayor's Proposed Budget the \$300,000 allocation for the Schools Uniting Neighborhoods after school programs (SUN) has been moved from one-time funding to on-going funding beginning in FY 2001-02. This expenditure is the prevention side of the Youth Gun Anti-violence effort.
- ◆ The City transfer of funds to the Regional Arts and Culture Council (RACC) adhered to the reductions scenario and was therefore reduced by 2.5%. RACC will receive a separate allocation of \$200,000 to support the second year of a possible five-year commitment to the Portland Opera.

Public Utilities

- ◆ BES continues its Combined Sewer Overflow program. This program will upgrade the existing system and virtually eliminate the discharge of raw sewage into the rivers as they pass through Portland. Expenditures for FY 2000-01 will surpass \$52.8 million.
- ◆ The Water Bureau will continue to address regional water supply needs through cooperative efforts with other jurisdictions. They have also allocated \$28.8 million for capital expenditures to support improvements to existing infrastructure, and other expenditures to improve customer service.

Community Development and Services

- ◆ The budget allocates \$1.0 million for implementation of neighborhood improvement plans. These may include projects in Gateway, Hollywood, St. John's, North Macadam, or the Civic Stadium area. This is an increase of \$264,000.
- ◆ The budget allocates funds to support other specific plans tied to distinct geographical areas of the city. The Proposed Budget allocates \$1.1 million for planning efforts in the NW Industrial Area and Northwest District Area, the Greenway along the Willamette River and completion of the Southwest Community Plan.
- ◆ \$100,000 will be used to begin an update to the existing City strategic plan, Portland Future Focus. The existing document has successfully guided policy and the resulting budgets for a period of 10 years.

The City has allocated \$1.0 million in discretionary on-going funds to support affordable housing.

- ◆ The Adopted Budget continues support for housing throughout the city. The budget allocates General Fund resources of \$4.5 million. \$500,000 of this is budgeted as on-going, to be coupled with \$500,000 in Community Development Block Grant funds, also budgeted as on-going. Funds may be used for the possible interim purchase of expiring Section 8 housing, and/or for continued development of new affordable housing.
- ◆ The Portland Development Commission will contribute \$51 million in housing support for tax increment financing.
- ◆ The Office of Planning and Development Review, previously Buildings and short-term planning, will receive increased General Fund support of \$542,000. \$180,000 of this is a one-time allocation to address the backlog of permits. Another \$362,000 in on-going resources is allocated to support General Fund costs within the bureau. These are costs associated with operations, that under recent changes to state law cannot be funded using inspection fees.
- ◆ The City will support the homeless youth programs of Multnomah County by allocating a total of \$500,000 in FY 2000-01. The FY 1999-00 allocation was \$350,000 in on-going support, with the balance from one-time funds. The Mayor has made the total \$500,000 allocation to on-going.

Transportation and Parking

- ◆ The budget continues a commitment to the transportation needs of the city by allocating \$6.4 million in General Fund resources to support transportation programs. These programs include:
 - ◆ Street Light operations and maintenance.
 - ◆ Abandoned Auto Program.
 - ◆ Central Business District Sidewalk Scrubbing.
 - ◆ Landscape Maintenance.
- ◆ The State legislature recently passed a gas tax increase that has been referred to the voters. The vote measure was not passed by the voters. The Office of Transportation will restructure their budget and programs in year two to deal with lower revenues.

Legislative, Administrative and Support Services

The Mayor and Commissioners instituted a significant realignment of internal administrative and support services bureaus, in addition to budget reductions mentioned earlier in this overview. The effort is aimed at increasing the efficiencies of Citywide administrative and support service delivery. The realignment is predicated on the assumption of additional savings by the end of the biennium. As with the reductions budgeted next year, future savings or reductions will be reprogrammed into direct delivery of services and programs to citizens.

Significant reductions in administrative and support services have decreased costs in this service area.

As part of the reductions in administrative and support services the ‘old’ bureaus of Finance and Administration, General Services, and Purchasing have been recombined into the ‘new’ Office of Management and Finance (OMF). This realignment was effective on May 3, 2000. The effects may be referred to within various sections of the budget document.

- ◆ The budgets of the offices of the Mayor and Commissioners are reduced, commensurate with those of other operating bureaus, approximately \$60,000 in total. Reductions are also incorporated into the budgets of the Attorney, Government Relations, and the Office of Neighborhood Involvement.
- ◆ The Auditor’s office is one of the few bureaus receiving additional appropriations. The budget increased \$700,000. Funds are allocated to continue automation efforts in records storage and retrieval, begin the establishment of an official ombudsman, and fund closed captioning presentations of televised City meetings.
- ◆ The Office of Management and Finance reduced its budget by \$16.3 million. This reduction is largely a technical realignment of the budget. Revenues and expenses for Information Technology and Risk will now be reflected within their respective funds rather than in the General Fund. OMF will receive a restoration of \$100,000 to continue the efforts of the Service Improvement Initiative (SII). The SII is a collaborative effort between management and labor to strengthen labor management relations targeted to continuously improve the overall delivery of services to the citizens.
- ◆ The Bureau of Purchases will realign programs and personnel to fund a procurement card administrator within the reduced budget. The overall budget is reduced \$200,000 from the FY 1999-00 Revised Budget.
- ◆ The Bureau of Licenses will receive additional allocation for personnel and programs that are anticipated to increase revenues to the City. The cost of these efforts is offset by the anticipated revenues.

CAPITAL IMPROVEMENT PLAN

Overview

The FY 2000-01 CIP totals nearly \$297.1 million including Portland Development Commission (PDC) City-owned assets; the budget excluding PDC City-owned assets is about \$246.5 million. This total is \$27.4 million, or 10.0 percent, less than the Revised CIP budget of \$273.9 million for FY 1999-00.

Capital Projects of Note

Table 1: Selected Capital Projects by Service Area

PUBLIC SAFETY	
Expand Emergency Communication Center	\$ 1,235,000
Police Facilities	740,000
Seismic Upgrades to Fire Stations	5,415,000
PARKS, RECREATION AND CULTURE	
Civic Stadium Improvements	32,100,000
Jamieson Park (South Park Square)	2,000,000
Springwater to OMSI Trail	1,723,000
PUBLIC UTILITIES	
Combined Sewer Overflow Program	52,836,000
Sewage Treatment Systems Project	7,639,000
Water Mains Program	4,950,000
COMMUNITY DEVELOPMENT	
Local Improvement Districts	7,946,000
Portland Development Commission	50,577,000
Union Station	232,750
TRANSPORTATION	
Centers and Main Street	2,586,000
Local Street and Neighborhoods	8,929,000
Parking Facilities	1,380,000
LEGISLATIVE, ADMINISTRATIVE, & SUPPORT SVCS	
Electronic Records Management System	205,000
Integrated Regional Network Enterprise	8,213,000
Portland Building	1,106,000

Project Costs

The reduction from FY 1999-00 is primarily due to reductions of \$15.9 million, or 12.0 percent in Public Utilities and \$7.2 million, or 41.0 percent in Legislative, Administrative and Support Services. The former reduction is the temporary dip in major CSO projects. Environmental Services is now in the design stage before beginning construction on the Willamette River portion of the project. The latter reduction reflects completion of the new Development Services building in early FY 1999-00.

Financial Overview

CITY FINANCIAL PLANNING PROCESS

Background

The first step in the budget process involves the preparation of an updated financial plan for each major bureau. In addition to the General Fund, specific financial plans are prepared for other major city bureaus, including Transportation, Environmental Services, OPDR, and Water.

Financial Plans are used by Council to direct budget development.

These plans, which forecast revenues and expenditure requirements by fund over a minimum of five years, 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 out-years of the five-year financial forecast period. Council reviews these plans during work sessions early in the budget preparation process. At that time, bureau managers are given direction on identified issues that provides guidance for preparing and finalizing budgets.

A summary of these plans is included in the following sections. Due to its significance to the City's annual budget, the General Fund five-year financial plan is described in greater detail below.

GENERAL FUND FINANCIAL FORECAST

The Bureau of Financial Planning regularly generates five-year estimates of General Fund discretionary resources and requirements for Council. Discretionary resources are those that the Council can budget to support any service area. Discretionary resources are budgeted by Council without restriction in accordance with Council priorities. Discretionary resources exclude grants, contracts, service reimbursements, fees and other revenues that are dedicated for a specific purpose. Discretionary resources include property taxes, utility license fees, business license, lodging tax revenues, state shared (cigarette and liquor) revenues, interest income, court fines, some cash transfers into the General Fund, and small amounts of other miscellaneous revenues.

The Council's financial planning process starts with the preparation of a five-year revenue forecast that is reviewed by the City's "Economic Conditions Panel", composed of experts from the public and private sectors. This group reviews the underlying assumptions that generate the five-year revenue forecast. The Office of Management and Finance issues a five-year revenue forecast document at the conclusion of this process.

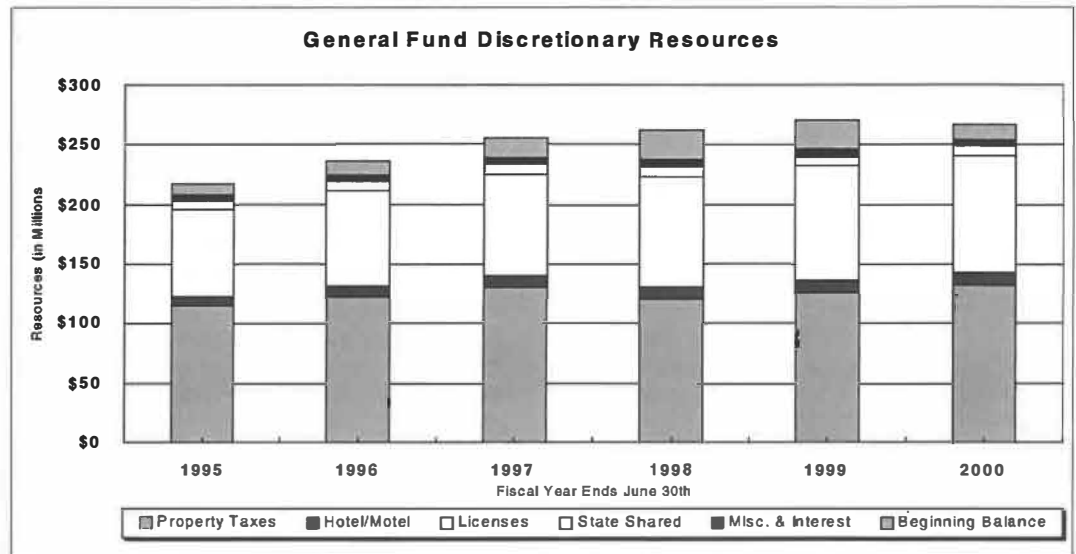
The General Fund Financial Forecast is adopted by Council early in the budget development process.

The five-year revenue forecast is used to develop the five-year financial forecast. The financial forecast compares estimated annual resources (revenues plus beginning fund balance) with the projected costs of maintaining current General Fund service levels. The initial financial forecast was published in January and formally reviewed by Council.

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 broadly distributed. The Outlook provides current information on the General Fund's financial condition with the updated ending fund balance estimate feeding into the financial forecast.

As indicated in Figure 7 on page 29, the City's General Fund continues to enjoy modest but steady revenue growth over the last several years due in large measure to a very strong regional economy. General Fund revenues increased at a compound annual growth rate of about 4.2% between FY 1994-95 and estimated year-end FY 1999-00.

Figure 7: Historical Resources



The General Fund property tax rate is fixed.

Revenue growth slowed with the passage of Measure 50 property tax limitation. Property taxes now appear to be growing a little more than 4% annually under Measure 50. Under Measure 50, assessed value growth on existing properties is limited to 3% per year plus new construction. The General Fund's taxed rate is permanently fixed at \$4.5770 per \$1,000 of assessed value.

Business license revenues grew strongly through FY 1997-98 registering double-digit growth most years. Over the last two years there has been little or no business license revenue growth due to merger and acquisition activity that resulted in the loss of several large corporate headquarters.

Transient lodging taxes grew steadily through FY 1997-98, but revenue growth slowed to about 4% during FY 1998-99. Revenue growth appears to have rebounded somewhat during FY 1999-00, but even this year's expected 6% to 6.5% growth rate is well below previous years. Growth is not expected to return to higher levels until expansion of the Oregon Convention Center is completed.

Utility license and franchise fee revenue growth has increased over the past 18 months. Northwest Natural, for example, continues to experience strong customer growth and implemented a general revenue and rate increase on December 1, 1999.

General Fund reserves remain fully funded.

At the end of FY 1999-00, consistent with Council Policy and Council's previous five-year financial plans, the General Reserve Fund is expected to total about \$34 million and remains fully funded at the required 10% of revenues (net of short term borrowing). Thus, the General Fund goes into FY 2000-01 with the General Reserve at the 10% reserve level.

Some interest income on fund balance and excess reserves above the 10% level will fund a \$1.55 million transfer into the General Fund. This transfer will help to offset one-time expenditures scheduled in the Council's Adopted Budget.

Forecast Assumptions

The General Fund financial forecast, upon which the budget is based, identifies discretionary resources totaling about \$281.2 million. This is composed of \$268.32 million in revenue plus a beginning discretionary fund balance currently forecast at \$12.88 million. Revenues are up about \$1.64 million compared to the initial December forecast.

Transient Lodging

The transient lodging revenue forecast is up about \$488,000 compared to December; revenue growth seems to have picked up toward year-end and two special events (the Stroganoff exhibition at the Portland Art Museum and the NBA playoff) currently in progress should lift FY 2000-01 first quarter revenues.

Utility License Fees

Utility license fees are up \$407,301 over the December forecast reflecting stronger revenue growth this year for cable and telecommunications franchise and license fees.

Court Fines

Local court fine revenues are up \$389,925 reflecting better enforcement and higher fines.

Interest

Interest income is higher due to higher short term interest rates.

Interest income has benefited from the increases in interest rates.

Additional Assumptions in the Forecast

Several other key assumptions were made during the course of developing the General Fund financial forecast:

- ◆ Year-to-year assessed value growth of at least 4.2% within Portland for FY 2000-01 followed by assessed value growth averaging 4.1% per year for the remaining four years of the forecast horizon.
- ◆ The County's local option Library levy is anticipated to continue at current levels (about \$0.59 per \$1,000 of assessed value) throughout the forecast.
- ◆ Continuation of State liquor and cigarette distributions to cities at present levels. These revenues are projected to average about \$8 million per year over the next two years.
- ◆ Business license fee revenues are expected to start growing again during FY 2000-01; the forecast calls for 6% growth.
- ◆ The water and sewer license fee tax rate is assumed to remain at 7.5% throughout the life of the forecast.

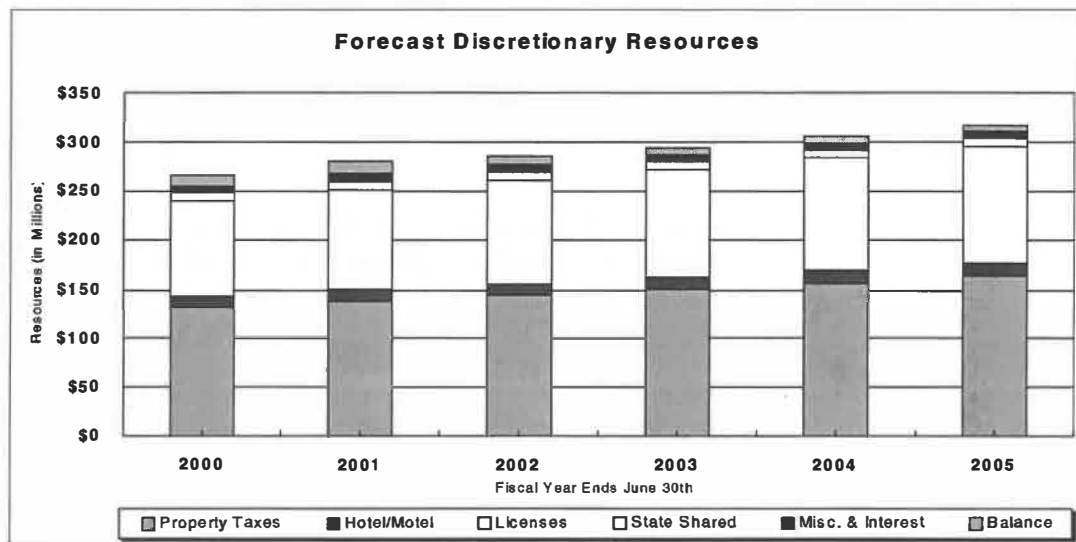
Although the regional economy continues to register good growth and unemployment rates remain low in the 3.5% to 4.5% range, General Fund revenue growth is forecast to be slower than in past years. Property tax revenue growth, constrained by Measure 50, cannot go much above 4% except during periods of exceptionally strong construction spending that occurs outside of urban renewal districts.

Transient lodging and business license revenue streams are beset by special circumstances that are slowing growth. Transient lodging tax revenues are growing more slowly because large increases in room capacity seem to be depressing occupancy and room rates while expansion of the convention center has been delayed. Business license revenue growth has been negatively impacted by merger and acquisition activity that resulted in the loss of headquarters income.

FIVE-YEAR GENERAL FUND FINANCIAL PLAN

The Council takes a five-year approach to devising its two-year budget so that the two-year budget is itself part of a five-year financial plan. This ensures that the long-range impact of major decisions is considered in developing the budget.

Figure 8: Discretionary Resources



The December financial forecast indicated that Council identified about \$902,650 of additional on-going resources over and above estimated current service level requirements for the next two years. The forecast also indicated an additional \$1.49 million of one-time resources for FY 2000-01 and about \$1.16 million of one time available for Council’s second year, FY 2001-02 budget.

Earlier this spring the December financial forecast was revised to reflect new current service level assumptions as follows:

Labor agreements increase CSL above earlier projections.

- ◆ Council negotiated a new three-year labor contract with the Portland Police Association (PPA). The Police Bureau’s current service level target has been adjusted to reflect increased labor costs. The bureau’s FY 2000-01 current service level (CSL) target has been revised upward \$313,028. Similarly, the bureau’s FY 2001-02 CSL target is increased \$1.235 million. During the third year of the financial forecast (FY2002-03), a final CSL target increase of \$942,949 has been added to forecast Police Bureau CSL costs.
- ◆ Labor negotiations with the Portland Fire Fighters Association (PFFA) are currently at an impasse. A labor arbitration proceeding is scheduled for October 23, 2000. The City has made a contract offer to PFFA that is equivalent to the settlement reached with PPA. The Fire Bureau’s CSL target has been increased by \$343,474 for FY 2000-01 and by \$845,320 in the second year budget projections. A final third year CSL target increase of \$535,068 has been included in the financial forecast that fully reflects expected three-year cost increases.

- ◆ Late this spring the Oregon Public Utilities Commission (OPUC) and US West settled a five-year old dispute concerning US West's Oregon revenues. OPUC and US West have agreed that US West will refund about \$266 million to Oregon customers beginning sometime early this summer. For FY 2000-01 US West has in turn agreed with the City to pay full franchise fees pending resolution over how much of a refund, if any, might be due US West from the City. The second year of the financial forecast makes a provision for a refund to US West pending resolution of the amount, if any, that might be paid to US West.

Increase CSL costs present challenge in building the FY 2000-01 budget.

For the first year (FY 2000-01) balancing the five-year financial forecast requires on-going programmatic CSL reductions of about \$1.2 million with about \$2.5 million available as one-time resources. The second year budget would then be balanced. Small amounts of one-time resources are currently forecast as available in the three out-years of the financial forecast.

The proposed financial plan calls for a \$1.55 million excess reserve draw for FY 2000-01, followed by a \$625,000 excess reserve draw in FY 2001-02. These two excess reserve draws are forecast to exhaust excess reserves. The General Reserve Fund is not forecast to drop below the required 10% reserve level during the five-year planning horizon.

Uncertainties

In fashioning this five-year budget plan the increase in recurring costs has been limited. This approach will provide Council with more flexibility in meeting future financial uncertainties that include:

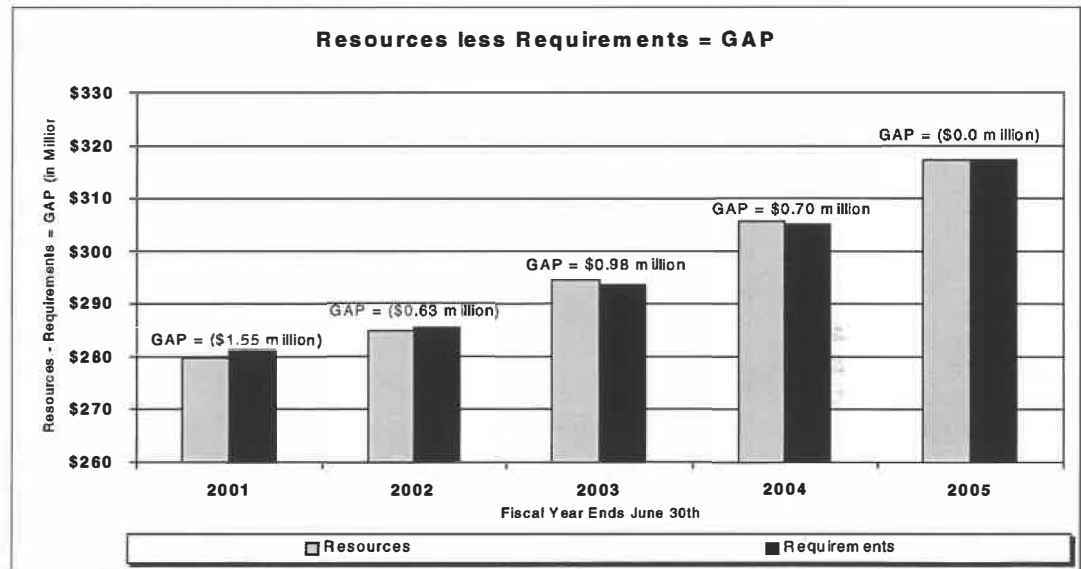
- ◆ The November ballot will probably include an initiative called the Tax Payers Protection Initiative (TPI) which, if approved by voters, would further impair the City's revenue stream and ability to sustain current service levels. This measure includes retroactivity provisions that might require refunds of fee and some property tax revenue increases that occurred in previous years. Prospectively, this measure would require voter approval of any fee and property tax revenue increases.
- ◆ A second ballot initiative proposes changing Oregon income taxation by allowing full deduction of federal income taxes on Oregon income tax returns. Current law allows a maximum deduction of \$3,000. If voters approve this initiative, the Oregon Legislature may have to cut as much as a billion dollars out of the next biennium's budget. The General Fund currently receives about \$8 million a year in state shared cigarette and liquor tax revenues. These revenues would probably be at risk as the State looks for ways to close such a large budget gap.
- ◆ During the last legislature, SB1149 became law. This legislation gives the City the option of changing the electric energy franchise fees tax rate from 5% of gross revenues earned in the City to a fixed volumetric charge per kilowatt-hour of energy distributed within City boundaries. The legislation specifies that the volumetric charge is to be calculated using calendar 1999-franchise fees and energy usage. This kilowatt-hour charge is not indexed and is a fixed permanent amount. Depending upon the actual pace of energy deregulation, the City may have to implement this option sometime during the next five years. The result will at minimum mean much slower electric energy franchise fee growth that will be determined by energy load growth. In addition, there is the possibility that the year in which this change is implemented might result in an outright decline in revenues.

Figure 2 on page 33 and Table 2 on page 33 show that recurring General Fund resources are closely aligned with forecast current service level costs throughout most of the five-year plan. There appears to be small gaps between resources and requirements in the third and fourth years of the five-year forecast. As noted above, the General Reserve Fund will remain fully funded at the 10% level throughout the five-year financial plan period. The General Fund is balanced over the five-year plan period at current service levels, and Council will be able to revisit and revise this plan during the second year, FY 2000-01 budget.

Table 2: Adopted Five-year Financial Plan

ITEM	Proposed 2001	Out-Years of Proposed Financial Plan			
		2nd Year 2002	2003	2004	2005
Total Resources.....	\$279,645,387	\$284,767,245	\$294,543,954	\$305,714,197	\$317,318,234
Transfer In From General Reserve Fund.....	\$0 \$1,550,000	\$0 \$625,000	\$0 \$0	\$0 \$0	\$0 \$0
Requirements	\$0	\$0	\$0	\$0	\$0
CSL Requirements.....	\$228,955,403	\$242,770,336	\$252,653,777	\$262,240,684	\$272,194,399
Est. New On-Going.....	\$0	\$0	\$0	\$0	\$0
One-Time Projects.....	\$7,527,908	\$1,470,395	\$0	\$0	\$1,125,000
Council Set-Asides	\$44,712,078	\$41,151,514	\$40,912,683	\$42,777,314	\$43,998,836
Total Requirements	\$281,195,389	\$285,392,245	\$293,566,460	\$305,017,998	\$317,318,235
Difference	(\$1,550,002)	(\$625,000)	\$977,494	\$696,198	(\$0)
Reserve Fund as a Percent of Net Revenues.....	10.1%	10.0%	10.2%	10.3%	10.4%

Figure 9: Resource and Requirement 'GAP'



ECONOMIC OUTLOOK

The five-year financial plan assumes the continued health of regional economy which has grown more or less continuously throughout the 1990's and on into the new century. If anything, the regional economic growth seems to have accelerated after a slower 1999 that was due to the Asian financial crisis. Within the past 12 months several area high-tech firms have announced expansion plans or increased hiring.

Residential construction continues at a strong pace despite the increase in interest rates. A second downtown "class A" office tower is nearing completion while construction recently started on another new hotel.

The Pioneer Place (retail shops and theatres) expansion complex recently opened in downtown Portland and plans are moving forward for a 120-acre retail development out near the Portland International Airport and near the airport light rail extension currently under construction.

The City's national economic consultant, RFA, continues to forecast that the U.S. economy will grow moderately over the next 12 to 24 months with subdued inflation. The State Economist's most recent (March 2000) forecast similarly points to continued moderate growth and notes that, "Oregon should once again out-perform the nation." Previous state forecasts have noted that, "The fundamentals appear to be in place for the state to continue growing faster than the overall U.S. economy through 2001."

Thus, it appears that as long as economic growth remains positive, and the legislature or the courts do not harm local revenue sources, or voters approve new property tax limitation, then the assumptions incorporated into the five-year financial plan should be reasonable.

Risks to the Forecast The principal risks to the forecast in terms of the economy are as outlined in the State's most recent Economic and Revenue Forecast: "...a slowdown in consumer spending and a potentially rocky Asian recovery. Consumer spending is a driving force of economic growth. A sharp stock market correction, rising interest rates and inflation, or a loss of consumer confidence would all slow spending. Asia is not out of the woods. Ill effects from financial reforms may hurt the recoveries now under way."

FINANCIAL OUTLOOK - OTHER FUNDS

Financial plans provide a multi-year framework within which revenues, expenditures, and capital financing options are planned.

Like the General Fund, five-year financial plans are prepared for each of the City's major service bureaus. These financial plans provide a multi-year framework within which revenues, expenditures, and capital financing options are planned. This multi-year process 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 bureau financial plans developed using information available through December 1999. The plans were reviewed and adjustments incorporated into the budget.

The following is a brief overview of the updated financial outlook for those funds.

Bureau of Environmental Services (BES)

The FY 2000-01 budget results in an increase of 3.3% sewer bill for the average single family customer.

The five-year financial plan forecasts annual rate changes that increase the average single family bill by 9.8% each year from FY 2000-01 through FY 2002-03. The forecast for FY 2003-04 through FY 2004-05 is for 6.7% annual increases. The plan assumed the Utility License Fee would remain at 7.75%, but the fee was subsequently lowered to 7.50% for FY 2000-01. The average single family bill increase contained in FY 2000-01 Adopted Budget results in an increase of 3.3% for the average single family customer. This increase differs from the financial plan for two reasons: 1) BES undertook cost reduction measures in its operating budget, 2) utility rate restructuring that Council supported will shift cost responsibility from residential to non-residential customers. The rate reform effects are a one-time benefit for residential customers, and percentage increases in the future are anticipated to return to the higher levels.

Operating costs will have an increased impact on rate changes.

The BES budget contains operating program expenditures that are approximately \$600,000 lower than the FY 1999-00 Revised Budget. Personal Services expenditures increase by about \$200,000, which is about \$300,000 less than the cost of living-based target level. External materials and services decrease by about \$1.2 million as a result of Combined Sewer Overflow (CSO) projects moving from the design phase to construction, which in turn reduces professional services expenditures, and because of cost reduction measures. These decreases are accompanied by cost decreases of \$840,000 in capital outlays. Capital costs continue to be the prime driver behind the level of forecast rate increases, but operating costs will have an increased impact on rate changes now that the Sewer System Rate Stabilization Fund is nearly depleted, as planned.

The largest category of capital costs will be the CSO program, followed by maintenance and reliability projects, and sewage treatment systems. The CSO program will continue to be the largest capital program throughout the time horizon of the financial plan. The operating programs continue to reflect emphasis on water quality through efforts at pollution prevention, water quality analytical services, drainage system maintenance, watershed improvement programs, and the capital funding mix. The overall five-year capital plan is 8.9% lower than last year's capital plan, reflecting increased design work on the Willamette River portion of the CSO Program prior to major construction work.

ESA program responsibility shifts to the Bureau of Planning

The Endangered Species Act (ESA) program coordination and administration is being moved from BES to the Bureau of Planning to ensure the most efficient interfacing of the program activities with other City programs, such as the Willamette Greenway Project. BES will continue to pay for its share of all program costs, but the staffing and overall budgeted program expenditures will now be in the Planning budget.

Bureau of Water Works

The average water bill for single family residential retail customers will decrease 10.0%.

The preliminary financial plan projected an average overall rate increase of 5.9% in FY 2000-01. Modifications during the budget preparation process resulted in an Adopted Budget average rate increase of 3.0% in FY 2000-01. However, the average water bill for single family residential retail customers will decrease 10.0% because of Council's decisions based on the rate reform initiative. Reasons for the overall average rate increase include increased costs of pension obligations, inflation, two decision packages, and adjustments in cost allocations for fire line customers. However, these increases were partially offset by reductions in expenditures for professional services, external materials and supplies, and support and administration services. The preliminary financial plan forecasts average rate increases of 6.0% from FY 2001-02 through FY 2004-05.

The capital budget of \$28.8 million is about \$3.0 million lower than in the FY 1999-00 Revised Budget. The operating budget of \$51.6 million is a nearly \$3.2 million decrease from the FY 1999-00 Revised Budget.

The number of positions in the Adopted Budget is 543, compared to 532 in the FY 1999-00 Revised Budget. The increase of 11 positions includes positions for workforce planning and endangered species act (ESA) programs.

Office of Transportation

Transportation shows an increased gap between costs to maintain service levels and revenues.

The Portland Office of Transportation's financial plan for FY 2000-01 to FY 2004-05 shows a continued and increasing gap between costs to maintain current service levels and anticipated general transportation revenues (GTR). It indicates a deficit of GTR revenues of \$6.4 million in FY 2000-01, increasing to \$13.8 million by FY 2004-05. The projected gap is primarily the result of gas tax receipts failing to keep pace with inflation, increasing operation and maintenance costs, and high priority capital needs.

The FY 2000-01 Adopted Budget for Portland Transportation is \$125 million. This budget is \$12.8 million, or 9.3 percent, less than the FY 1999-00 Revised Budget. The capital budget decreased approximately \$15.0 million in FY 2000-01, while the operating budget increased about \$2.2 million. The Adopted Budget contains 713 FTEs, which is a reduction of 4 FTEs from the Revised Budget for FY 2000-01.

Portland Transportation continues to face an ever-broadening array of demands, such as growth (including development and vehicle miles traveled), livability (including congestion and speeding), mass transit, alternative forms of transportation, and maintenance of an aging infrastructure. These demands are increased by a changing environment, including higher regional density, environmental concerns, and annexation.

PDOT is expected to face funding pressures for the foreseeable future.

Demands are made by a variety of constituencies, such as Council; drivers; bicyclists and pedestrians; businesses and residents interested in parking, neighborhood associations; agreements with other jurisdictions; citizens; and advisory groups. Overall, there is, and will likely continue to be, pressure on Portland Transportation to enhance its service level beyond the current level. With a major revenue source that is not indexed to inflation, Portland Transportation can be expected to face funding pressures for the foreseeable future.

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:

- ◆ To provide standard procedures for preparing, presenting, and administering local budgets;
- ◆ To 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 or appointed officials responsible for the provision of the services. Citizens involved in the budget process work to ensure that the services they require and want are adequately funded. City officials are responsible for the biennial 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 budgets of all governmental jurisdictions in Multnomah County. The Commission, together with the State Department of Revenue, is responsible for ensuring compliance of budgets with local budget law.

Citizen Involvement Process

In 1994, the City moved to a two-year budget cycle. This action was taken to continue emphasis on the budget as a long-range plan, to improve the efficiency of the process, and to provide more time for in-depth review of City services.

Your City - Your Choice

As part of this two-year budget process, the City Council significantly expanded opportunities for public input. This process, referred to as "Your City-Your Choice", is a community outreach program directed toward identifying needs to be addressed within the budget. The major elements of this effort can consist of any or all of the following:

- ◆ Scientific telephone survey,
- ◆ Informal, mass mailing survey of citizens,
- ◆ Several community forums.

The scientific telephone survey is constructed to develop base data on the needs, desires, and priorities for services to be delivered to the citizens. Many of the questions are the same from year to year. This survey allows the City to track changes in these priorities from the initial 1994 effort through the latest iteration. The survey also includes a section which is changed from year to year in an effort to elicit responses to specific issues that the citizens or Council may be concerned about during a particular budget cycle.

The informal, mass mailing survey (not used in developing the FY 2000-02 budget), distributed as an insert in the largest circulation local newspaper (over 400,000 households), contains the same set of questions as the scientific survey. The purpose is to involve as many citizens as possible in the process. Although the results are not "scientific", they add another check on the citizens' priorities. This survey adds to the information that the Mayor and Council use in constructing the budget.

Citizens are invited to sit with elected officials and bureau managers to discuss their interests.

The community forums are designed to engage citizens in small group discussions with Council members and City service managers. Citizens sit with Council members and managers to discuss their priorities and ideas for city government.

A "forced choice" survey is administered during these sessions to parallel the types of choices Council must make during budget deliberations. This small survey is constructed to parallel the scientific and informal surveys to further validate data developed on citizen needs, desires, and priorities. Evaluations have consistently indicated that citizens felt the forums were an excellent opportunity for face to face interaction with City Council members and bureau management.

In addition to the "Your City-Your Choice" public outreach process, other options exist for the public to actively participate in the budget process. The City has a nationally recognized commitment to active participation in its budgetary process. The City uses the following systems to ensure this high level of citizen involvement:

Budget Website

Citizens can participate over the Internet.

New for FY 2000-01, the City has added the capability for citizens to participate in the budget process through the City website. From the City's home page, CI.PORTLAND.OR.US, citizens may access a budget site that contains an on-line version of the survey.

The website also contains links to the budget documents and other financial reports.

During the Proposed and Approved stages of the budget development process, citizens are encouraged to enter their thoughts about the budget. The inputs are compiled and communicated to the elected officials. The inputs are also reviewed by the Financial Planning Division with feedback to participants provided as appropriate.

Budget Advisory Committees (BACs)

The committees are made up of citizens appointed by the Commissioner-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 most of the major City Bureaus. Additionally, a Budget Advisory Coordinating Committee (BACC) reviews and advises the Council on policy and budget matters and serves as the steering committee for the BAC process. Each of the committees is provided with time during Council budget hearings to present their reports. The BACs will be active partners with the Council, bureaus, and the public during the City's next two year budget process.

Portland Utilities Review Board (PURB)

The PURB is an appointed body of 15 interested citizens who provide independent and representative customer 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 rate makers and rate payers through analysis of financial plans and budgets. As an advisory board, the PURB has the opportunity to review the City's utility operations. The board and its committees meet monthly to ensure a comprehensive understanding and assessment of the workings of the City's utilities.

Direct Public Testimony

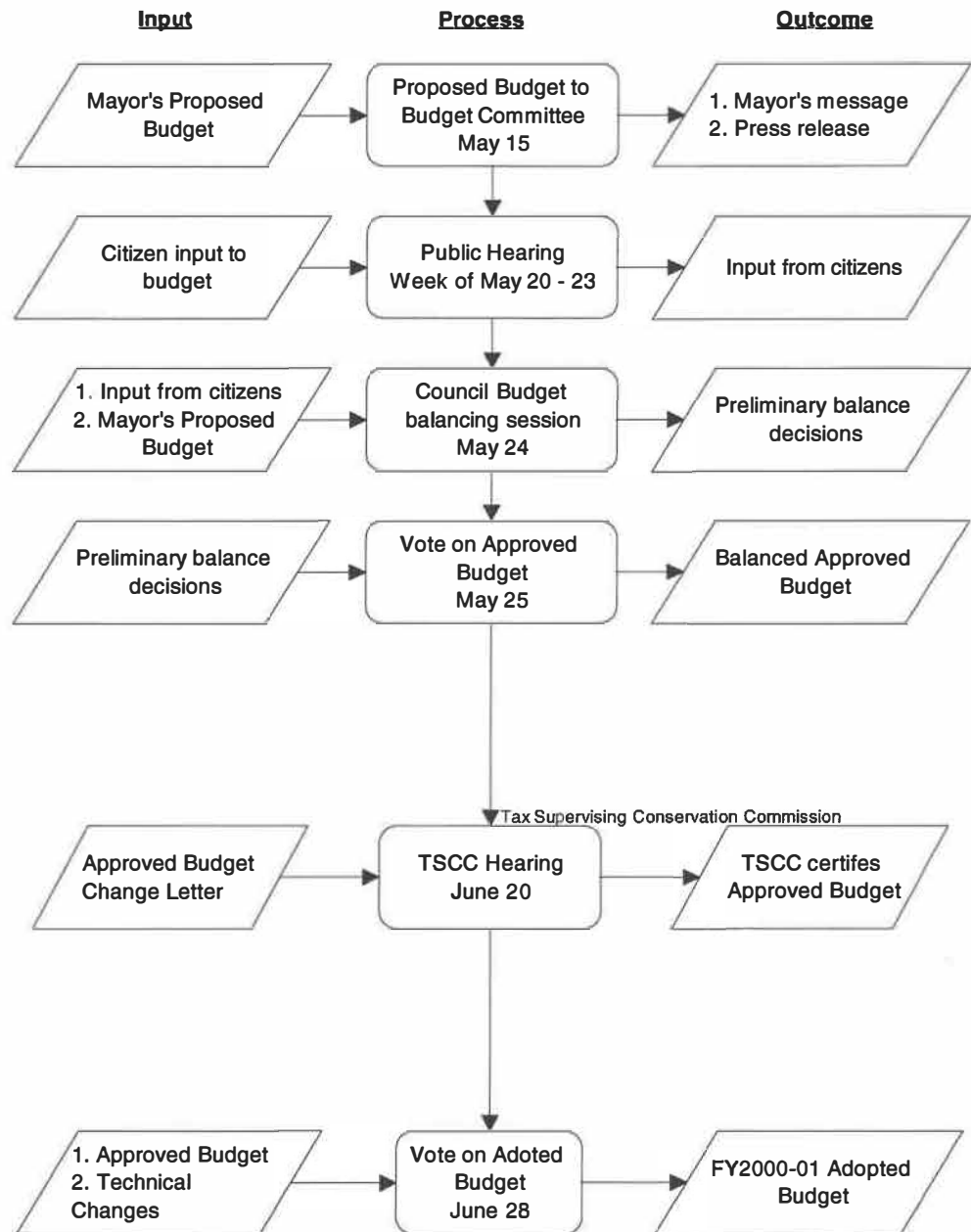
In addition to participating in the budget advisory committees, the PURB and Your City - Your Choice community budget forums described above, citizens have several opportunities to personally testify on bureau budget requests. Specifically, citizens have an opportunity to testify at:

- ◆ Annual Budget Hearings -- The Council, sitting as the Budget Committee, holds several public hearings before the budget is approved. The public may testify on any topic during these hearings.
- ◆ Tax Supervising and Conservation Commission Hearing (TSCC) -- The TSCC holds a public hearing on the City's budget. Public testimony is taken during those hearings.
- ◆ Adopted Budget Hearing -- Testimony is taken at the Council Session for the final adoption of the budget. This typically occurs in mid to late June.

Citizens may also contact any Commissioner's office 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 (see Figure 10 on page39), 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.

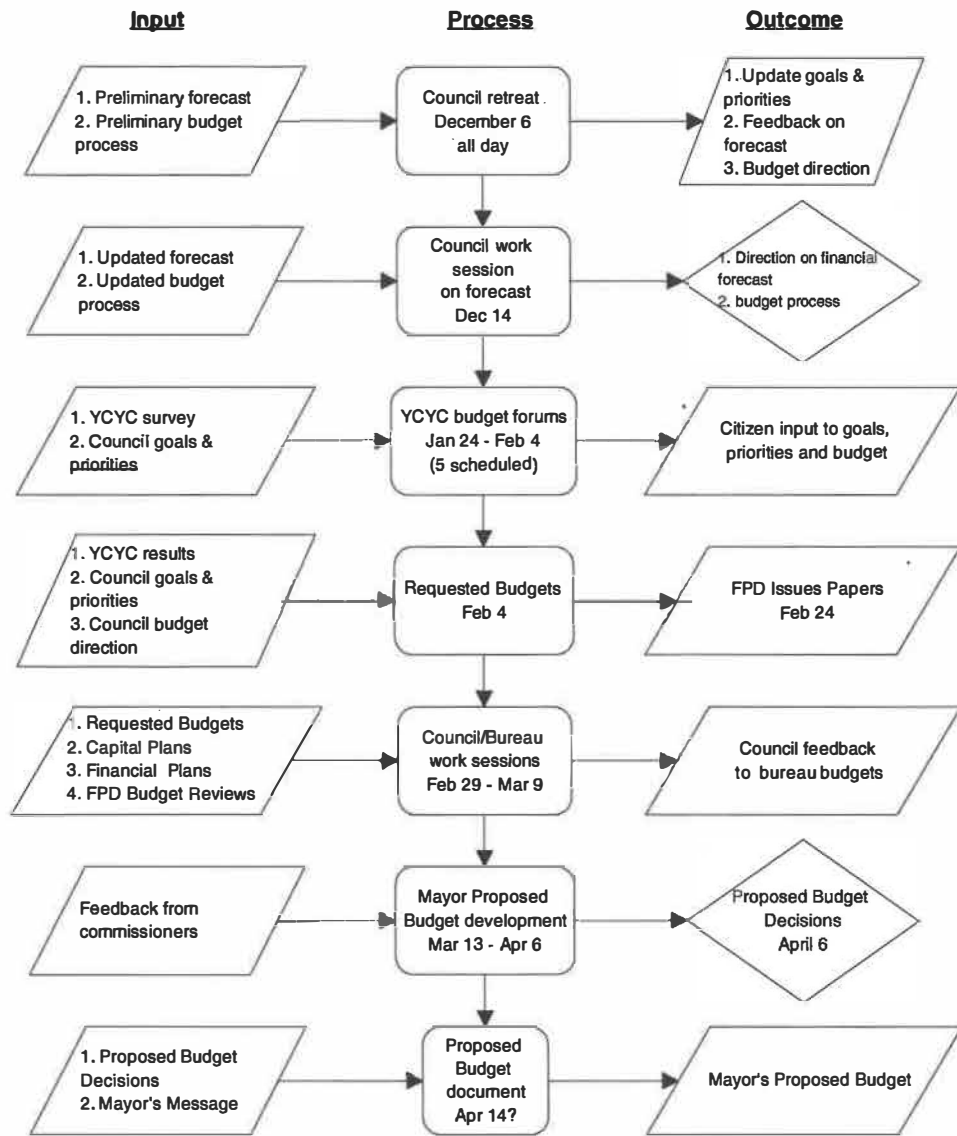
Figure 10: Service Efforts and Accomplishments Report



The Budget Process Time Line and Format

The annual budget schedule is generally published in the fall of each year. The following chart Figure 11 on page 40 outlines the basic budget process and its general time-line. In order to become more efficient and to encourage a long-range perspective, the City converted its budget process to a two-year cycle. The first year is the full budget process with expanded public outreach. The second year of the budget process is normally an abridged process during which Council deliberates and takes public testimony on modifications to the adopted two-year budget.

Figure 11: FY 2000-01 Budget Process Summary



GENERAL BUDGET DIRECTIONS

Financial Plan

By Council direction, a long-range financial plan must be prepared at the outset of the budget process for all major service funds. Council convenes annually to review these plans which are submitted for the General Fund and the City's other major operating funds: Transportation, Water, Sewer, and Planning & Development. These financial plans provide the Council with a long-range view of the City's expected financial condition for service requirements.

Based upon review of the plans, Council issues directives aimed at ensuring sound financial management and service priorities which provide guidance in the development of annual budget requests.

The General Fund Financial Forecast receives extensive review from the City Council.

Because of its significance, the General Fund Financial Forecast receives extensive review from the City Council. The forecast defines the financial limits for the budget. The forecast is adopted by resolution early in the budget process. It also:

- ◆ Identifies the shortfall or excess revenue expected for the forthcoming biennium budget
- ◆ Identifies the necessary "set-asides" to cover fund-level needs for service, capital, and compensation increases
- ◆ Establishes funding targets for City bureaus

The General Fund Forecast is discussed in greater detail within the "Financial Overview" section of this budget document.

Budget Guidelines and Council Directives

In conjunction with the Financial Forecast, budget guidelines are issued. These guidelines, included in the Budget Manual, provide three different types of directives: process and format directives, guidelines for use in developing budgets, and Council service priorities. The combined intent of these three areas is to outline the rules for budget development to be followed by the bureaus. The following is a brief description of each of these categories:

Process and Format Directives

- ◆ Provide guidance on developing budget requests by bureaus.
- ◆ Outline the process for developing a balanced budget. Examples of directives under this category include:
 - ◆ changing to a two-year from a one-year budget process.
 - ◆ establish funding targets to be used by bureaus as a starting point in developing budget requests.
 - ◆ use of a program budget format.
 - ◆ inclusion of performance information in all budget requests.
 - ◆ prepare reduction and add packages to give the Council a basis for decisions or plans on service levels.
 - ◆ define the roles of various groups in the budget process including management, labor, citizen budget advisory committees, and the Council.

Budget Request Guidelines

Establish the rules to be followed by organizations in the preparation of budget requests, the "do's and don'ts" of budget preparation.

- ◆ a requirement for bureaus to clearly identify the criteria, priorities, and guidelines used in developing their budget request
- ◆ the definition of bureau-specific and overhead revenues as non-discretionary and the requirement that all proposed new fees and charges be of an on-going rather than a one-time nature.
- ◆ the development of quantitative performance measures relevant to the overall evaluation of bureau performance.
- ◆ requirement of trend information in the areas of insurance claims and affirmative action.

CITY DEBT MANAGEMENT

Since 1973 the City's unlimited tax general obligation debt has been rated "Aaa" by Moody's.

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 "A" and "Aa1" by Moody's and "A+" by Standard & Poor's.

Portland is one of only twelve cities in the United States with a population over 250,000 holding a "Aaa" rating.

Moody's currently rates over 42,000 separate debt issues, of which 66% are rated "Aaa", but only 180 issuers, including Portland, have obtained that rating based on their own credit quality and without the use of credit enhancements such as bond insurance. In the 13 Western states there are only 8 "Aaa" credits obtained on their own merit, and Portland is one of only 12 cities in the United States with a population over 250,000 holding that rating.

Detailed information regarding the City's Debt Management Policies is contained in the Appendix. The Appendix is in Volume 2 of this Budget Document.

The following is a brief summary of the City's existing debt and debt instruments, projected as of June 30, 2000.

General Obligation Debt (GO)

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 bonds include:

- ◆ \$75.8 million in voter-approved general obligation bonds for the Performing Arts Center, Civic Stadium, parks system improvements and for emergency facilities improvements.
- ◆ \$41.6 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 debt secured by and payable from specific pledged revenue sources such as water or sewer user fees. The City's outstanding revenue bonds include:

- ◆ \$622.6 million in sewer system revenue bonds.
- ◆ \$102.3 million in water revenue bonds.
- ◆ \$1.0 million in environmental remediation bonds.
- ◆ \$4.0 million in golf revenue bonds.
- ◆ \$12.6 million in arena gas tax revenue bonds.
- ◆ \$11.8 million in gas tax revenue bonds.
- ◆ \$32.7 million in hydropower revenue bonds.
- ◆ \$8.9 million in parking revenue bonds.
- ◆ \$5.5 million in special assessment bonds.
- ◆ \$105.9 million in urban renewal bonds.

General Fund Backed Debt

General Fund Backed Debt either paid from or secured by the General Fund, includes:

- ◆ \$111.2 million in limited tax revenue bonds, full faith and credit obligations and certificates of participation for building improvements and equipment acquisition.
- ◆ \$21.8 million in arena limited tax and limited tax revenue bonds issued to fund public improvements are the Oregon Arena Project. These bonds are expected to be repaid from user fees and parking revenues derived from the operations of the Arena Project.
- ◆ \$16.8 million in limited tax improvement bonds.
- ◆ \$28.8 million in limited tax revenue bonds issued to fund the Central City Streetcar project. These bonds are expected to be repaid from parking revenues, but are additionally secured by the general fund.
- ◆ \$27.1 million in urban renewal lines of credit. It is expected that these interim financing obligations will be retired from the proceeds of long term tax increment bonds.
- ◆ \$6.0 million in lines of credit used to provide short-term and interim financing for local improvement district projects, capital acquisition and construction projects.
- ◆ \$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.

Debt Limitation

Under Oregon law (ORS 287.004), the City’s general obligation debt limit is equal to three percent of the City’s Real Market Valuation (\$42.9 billion), or about \$1.288 billion. Certain self-supporting bonds are exempted from this limitation. Currently the City has outstanding \$75.8 million in general obligation debt that is subject to the debt limitation.

1999-00 Real Market Value	\$ 42,945,730,222
Outstanding debt subject to limit	\$ 75,780,000
Percent of limitation outstanding	5.88%
Debt margin	\$ 1,212,591,907

Anticipated Debt Issuance in FY 2000-01

The City anticipates issuing the following debt obligations during FY 2000-01:

- ◆ \$150 million in sewer revenue bonds to fund system improvements
- ◆ \$7 million in assessment bonds to support Local Improvement District projects.
- ◆ \$15 million in urban renewal bonds to finance improvements associated with the Central Eastside urban renewal area.
- ◆ \$46 million in urban renewal bonds to finance improvements associated with the Downtown Waterfront urban renewal area.
- ◆ \$50 million in urban renewal bonds to finance improvements associated with the Oregon Convention Center urban renewal area.
- ◆ \$38 million in urban renewal bonds to finance improvements associated with the South Park Blocks urban renewal area.
- ◆ \$46 million in urban renewal bonds to finance improvements associated with the Downtown Waterfront urban renewal area.
- ◆ \$100 million in limited tax revenue bonds to fund the convention center expansion.

The City will likely incur additional indebtedness during FY 2000-01 for other capital needs. Other amounts and specific types of debt instruments to be issued will be determined throughout the course of 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 for each fund, are included within the appropriate service area section of this document. For example, all Water bureau-related funds are found in the 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 supported by property taxes and other "non-dedicated" revenues. These include license and permit fees and state-shared cigarette and liquor tax. Bureaus supported by the General Fund include the Bureaus of Fire, Police, Parks, Community Development, and others.

Other Operating Funds: These funds support agencies such as Emergency Communications, Transportation, and Buildings. The Water and Environmental Services funds are commonly referred to as "enterprise" funds because they are self-supporting. Others, such as Building and Transportation receive ongoing General Fund subsidies as well as having dedicated revenue sources.

Revenue and Reserve Funds: Revenue funds receive money from specific sources which can be used only for specific purposes. The money must be transferred to an operating fund in order to be spent. 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 upon 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 Housing and Community Development Block Grant funds.

Retirement Funds: The City has only one retirement fund, which supports retirement of police and fire personnel. Revenues are received from a property tax levy authorized by Portland voters in 1940. Other city employees are covered by the state Public Employee Retirement System (PERS).

Internal Service Funds: Internal service funds account for the sale of central services such as fleet and printing to other City and/or County agencies. These funds operate solely on revenues received from the agencies using their services.

City Agency and Trust Funds: The City occasionally creates accounts for specific purposes that receive revenues such as gifts or bequests to the City. A variety of these small accounts currently exist.

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, federal grants, program income, contracts, private funding, and transfers from the General Fund. Details on PDC's budget are located in Volume Two of the budget.

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 2000-01 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 which 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 be actually received and upon expenditures 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 which are not fully expended at year end must be re-budgeted in the following fiscal year.

Budgetary Controls and Change Management

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. At the beginning of the fiscal year, bureaus identify their expected pattern of expenses and revenues, where applicable, which is reviewed and analyzed by Financial Planning and presented to Council. The bureau also includes "performance level" projections for each City program. Formal comparisons between the projected and actual expenditures, as well as performance, are completed three times per year under the direction of the Bureau of Financial Management, then reported to Council.

Adjustments to bureau budgets generally occur during a trimester reporting processes or through a Supplemental Budget process.

Adjustments to bureau budgets generally occur during one of these trimester reporting processes, or if legally necessary, according to State Budget Law, through a Supplemental Budget process, which typically occurs twice a year, 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 the Council's directives are being followed. Bureaus may also request changes to their budget throughout the year through the introduction of ordinances.

The City has a system for monitoring the financial condition of its General Fund. A "Financial Outlook" report is issued at the end of each accounting period or 13 times per year. The report provides Council, bureau managers, and others 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

Governmental accounting, governed by state statute and Generally Accepted Accounting Principles (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.

City Funds employ either Accrual Basis or Modified Accrual Basis Accounting.

Types of Accounting

- ◆ Enterprise, internal service, and selected other funds are maintained on an accrual basis -- recording revenues at the time they are earned.
- ◆ The General, Transportation, Special Revenue, Debt Service, Capital, and trust funds are maintained on a modified accrual basis. That means revenues are recorded when measurable and available. Expenditures are recorded when the liability is incurred, with the following exceptions:
 - ◆ Inter-fund transactions for services are recorded on a cash basis.
 - ◆ Revenues for grants are recorded as earned.
 - ◆ Interest on general long-term debt and special assessment bonds are recorded when due.
 - ◆ Earned, but unpaid, vacations are recorded as expenditures when taken by employees.

Financial Reporting

The Comprehensive Annual Financial Report (CAFR) of the City presents a picture of the City's finances, including the results of City operations and the changes in the financial position of City funds. The CAFR, required by state statute, is prepared in accordance with GAAP. It reconciles differences between the "budgeting basis" - as presented in the annual Adopted Budget - and the modified accrual method used in the preparation of the CAFR.

The City has earned GFOA's Certificate of Achievement for the past 16 years.

The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past 16 years. The 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 in order 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 in accordance with Oregon State law. It requires that an annual audit of the fiscal affairs of the City be performed by an independent auditor. Audits are performed in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations.

The City also has an independently elected Auditor responsible by charter for conducting internal financial and performance audits for specific city services.

BUDGET AND FINANCIAL POLICIES

In addition to Council Goals, the City has many policies that interact with and provide direction in making budgetary decisions. The Comprehensive Financial Management Policy demonstrates City Council's commitment to establishing policies that ensure long term stability for the delivery of City services. Work is presently underway to develop a comprehensive human resources policy as well.

To develop and manage the budget, the City has the following policies:

Financial Policies

- ◆ Comprehensive Financial Management Policy
- ◆ Debt Management
- ◆ General Reserve
- ◆ Compensation
- ◆ Bureau Revenue
- ◆ Investment
- ◆ Interagency Policy
- ◆ Local Improvement District Financing Policy

Planning Policies

- ◆ Future Focus
- ◆ Portland - Multnomah County Benchmarks
- ◆ Comprehensive Plan
- ◆ Community Policing
- ◆ Light Rail
- ◆ Water Plan
- ◆ Environmental Services Plan
- ◆ Prosperous Portland, Economic Development Policy
- ◆ Art 2000+ Plan
- ◆ Consolidated Plan (Housing and Community Development)

General Budget Directions

- ◆ Financial Plan
- ◆ Council Directives, Guidelines

Together these policies form the foundation for the City's biennial budget. What follows is a brief description of these policies and how they apply to the budget. Many of these policies are also available in the Appendix of Volume Two.

SUMMARIES OF FINANCIAL 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 toward maintaining the City's Aaa (triple A) bond rating issued by Moody's, ensuring prudent debt decisions, and lowering the cost of overall debt management. The policy also places limits on the City's debt, centralizes the management function, and requires the 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 fiscal 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 will reaffirm this policy through the adoption of the General Fund Financial Forecast and the biennial budget.

The City of Portland maintains a 10% General Fund cash reserve.

The Council has successfully developed a General Fund cash reserve estimated to total \$34 million at the end of FY 1999-00, which is equal to the required 10%. 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 a two-year period to adjust to slow-downs resulting from economic recession. Any excess reserves over the next two years may be transferred to support one time expenditures.

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. All 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, this policy outlines responsibilities for collecting and monitoring revenues. "Discretionary" resources was redefined. Guidelines were set up that make bureaus responsible for revenue collection. Direction has been 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 its various funds is to be invested. All estimates of fund-level interest earnings have been developed in compliance with that policy.

Interagency Policy

This policy provides guidelines for setting service rates between City agencies, establishing billing procedures and the resolution of disputes. Interagency services include printing, vehicle usage, communications, insurance, computer, and facility services and other services.

Local Improvement District Financing Policy

Approved by the Council in May 1991, this policy set up criteria and guidelines for starting and administering local improvement districts. These districts provide low interest financing to property owners for capital improvements. The City sells bonded debt to cover the cost of capital improvements. Property owners are annually assessed an amount to retire the debt. The policy is intended to help foster such financing while protecting the City's long-term financial health, by ensuring adequate security for bondholders.

The above policies represent the continued efforts of the City Council to establish guidelines and systems directed at sustaining the City's financial health while providing quality services. The policies also demonstrate the Council's efforts to exercise more control over the City's budget and financial conditions.

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 biennium budgets.

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 (LCDC) was created and directed to adopt state-wide 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 a Comprehensive Plan for the City, including Goals, Policies, Objectives and a Plan Map, to guide the 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 which 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 leading to the completion of the plan was led by a policy committee of 55 citizens including representatives for the City, business, neighborhoods, education, neighboring governments, and other interests.

The future goals contained within the document were directed at achieving a future vision for Portland. They provided a filter against which to gauge decisions, including those considered during the annual budget process. The City will undertake an update to this strategic plan within this two-year budget cycle.

Portland - Multnomah County Benchmarks

During 1993, a public process including several hundred people was conducted for purposes of developing measurements 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 will continue 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 the addition of 200 positions in order 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 the mission, five-year goals and objectives, strategies, and performance measures. The plan was updated in the spring of 1999.

Regional Light Rail

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 west-side rail line extending to Hillsboro was opened in August of 1998.

Light rail will be the focus of the region's future transportation system.

Planning is also underway for a proposed future North-North line to extend from the transit area on the east side of the Willamette north to the Expo Center, which is near the Columbia River. A vintage trolley system is also in operation on the light rail line, with plans under development for its expansion.

The City has begun construction on a streetcar system which will run north to south through the central city. Light rail will be 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.

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 to the year 2050. (The metropolitan region is made up of 3 counties and 24 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 which 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 inter-governmental agreement of regional water providers consortium which supports the final RWSP report.

Building on the RWSP, the Water Bureau is working with the other water purveyors in the region to identify long-term water need, develop strategies for meeting those needs, and determine specific facility requirements for the future. 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 five years.

Environmental Services Policy

The FY 2000-01 budget for the Bureau of Environmental Services reflects a number of policies:

Clean Water

The FY 2000-01 budget places emphasis on pollution prevention, water quality analytical services within the industrial waste program, and drainage systems maintenance.

The budget ensures compliance with the amended of the Clean Water Act, associated federal and state regulations, and the City's Clean River Program. Like other cities, Portland is facing regulatory requirements that call for increasing water quality protection through the control of pollution at its source. Substantial investments are needed in sewage collection and treatment systems. Investment of this nature will include programs to monitor and manage storm water, combined sewer overflows (CSO), and industrial waste. It is estimated that compliance with just the CSO abatement mandate will cost approximately \$1.0 billion over the next 11 years. The FY 2000-01 budget addresses these issues by continuing the emphasis on pollution prevention, water quality analytical services within the

industrial waste program, and drainage systems maintenance. Included in the budget is initial funding for the Clean River Plan, which is a series of action steps that seek to address all of Portland's water quality issues through solutions that address more than one problem at a time. By doing so, it is anticipated that greater improvement in water quality can be achieved than with projects that are more narrowly focused.

Solid Waste

The Council adopted Ordinance 162497 on September 26, 1990 which directed the Bureau of Environmental Services to establish residential garbage collection franchise areas, expand neighborhood-based recycling programs, and to assess a garbage collection franchise fee. In January 1996, a commercial recycling program was implemented. In FY 1996-97 the City Council approved renewal of the franchise contracts with private haulers for the residential solid waste and recycling collection services. The FY 2000-01 budget supports the continuation of this franchise collection system as well as an extensive recycling and yard debris program.

Prosperous Portland

The City's economic development policy was adopted in FY 1994-95 and represents an integrated set of policies relating to the City's economic development and workforce development strategies and efforts.

Arts Plan 2000 +

Presented to Council in July of 1991, this plan culminated an eighteen-month planning process launched by the City of Portland, the Metropolitan Service District, other regional governments and private sector entities. The study reviewed the regional art industry and established goals and priorities for cultural development. The plan now serves as the City's cultural policy. In FY 1994-95 the Metropolitan Arts Commission converted to a regional non-profit organization renamed the Regional Arts and Culture Council.

Budget Notes

PUBLIC SAFETY

Police

Fleet Savings

Police will generate fleet savings adequate to fund the on-going costs of MDT replacement. The bureau will work in cooperation with Vehicle Services to identify the opportunities for savings and efficiencies.

Administrative/Business Manager

Police will hire an administrative/business manager at an appropriate level. The position will report directly to the Chief of Police and will be responsible for managing the overall business operations of the bureau, thus allowing trained police personnel to focus on service delivery.

Overtime

The Police bureau overtime budget has been reduced beginning FY2000-01. The bureau will manage their overtime costs to stay within this allocation with the possible exception of additional costs due to presidential and/or campaign visits.

Domestic Violence Contact Coordinator

The Police Bureau will provide staffing for a domestic violence coordinator to assist the Bureau's Domestic Violence Reduction Unit by contacting domestic violence victims and offer help for prosecuting alleged abusers.

Fire

Station 45

The fire bureau will absorb the costs for the reallocation of equipment and personnel tied to the reopening of Station 45 and the 'rover' engine company.

PARKS, RECREATION AND CULTURE

Parks

Sun Schools

An initial evaluation of the effectiveness of Schools Uniting Neighborhoods initiative (SUN) will be presented to the City council by September 1, 2001. It will include analysis of all five SUN goals, including the following indicators to measure student achievement: percent reaching benchmarks in math and reading (historical trend); percent increase in scores for the bottom quartile performers; participation in activities by students; impact on disciplinary referrals; school attendance; school partnerships. Interim evaluation reports will be available to the Council as they are produced and will provide interim comparisons, trends, and assessments of effectiveness. A full baseline report, from which trends will be drawn and comparisons made, will be complete by December 2000.

Senior Center

Funds will be used for resource development, intergenerational activities and recreation/ education activities. A report on the use of funds and outcomes, aligned with Multnomah County's data collection process for focal point activities, will be submitted to the City Council by November 2001. This report will establish baseline data. Each year following, in November, the senior centers will provide the City Council with a trend analysis report on specific focal point activities.

Cost of Service Study

Parks will complete an update to their cost of service study by December 31, 2000. This study will examine total costs of service for the delivery of programs including but not limited to full facility costs. Full facility costs shall include a major maintenance reserve component.

PUBLIC UTILITIES**Water****Billing System Savings**

The Water bureau will identify the cost savings and improvements anticipated due to the new billing information system and call center technology enhancements and present this information for Council review within six months of project completion.

COMMUNITY DEVELOPMENT**Commissioner
Saltzman****Green Buildings**

Commissioner Saltzman's office will lead bureaus in the effort to change the City Code enhancing implementation of the green building, or sustainability approach to facilities, capital development and other City operations.

The General Fund five-year financial plan will incorporate capturing a portion of the capital set-aside increment in year two of the biennium budget. (this may be a percentage of the total or begin with a portion of the presently unallocated amount) This increment may be used to support green building projects within City government.

Ten percent of the annual Housing Investment fund resources will be targeted to maximize green investments in affordable housing. Commissioner Sten, working with Commissioner Saltzman, will pilot this approach in the Fall RFP and propose to the Council a permanent approach to creating green buildings using the housing fund.

Planning**Endangered Species Act/Outreach**

The Endangered Species Act program, housed in the Planning Bureau, will have access to and support of other bureaus Public Information Officers. The program will work with ONI to ensure effective outreach with existing resources.

Greenway

The Greenway effort, which involves many bureaus, will be coordinated by Planning and supported as necessary citywide, without specific General Fund support for bureaus other than Planning. The program will work with ONI to ensure effective outreach with existing resources.

LEGISLATIVE, ADMINISTRATIVE AND SUPPORT SERVICES

Office of Management and Finance

Vehicle Services

Vehicle Services shall develop policy and procedures to enhance accountability for the purchase of non-standard vehicles and all vehicle leases. Exceptions must be approved by the commissioner-in-charge. The policy and procedures will be completed by September 30, 2000.

Revenue Bureau

In Year 2 of this budget, the Office of Management and Finance will study possible implementation of a revenue bureau to coordinate the efforts now under the Bureaus of Licenses, Environmental Services, Water and the Auditor.

Financial Summaries

Guide to the Financial Summaries

Introduction

The "Financial Summaries" section contains a variety of tables intended to help the reader view the FY 2000-01 Adopted Budget as a whole, consolidating the budget figures across all the City's funds and bureaus.

With the exception of Table 4, Summary of Authorized Full-Time Positions, 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.

Total City

Table 1 shows resources and requirements for the city

The first summary (Table 1) offers the broadest picture; the entire City Budget condensed onto one page, comparing FY 1999-00 with FY 2000-01. 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 be equal to 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 specialized 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 also shows the budget broken down into its major revenue classes and expense classes. On the requirements side of the budget, there are two types of major expenses classes. The bureau expenses (or "bureau requirements" in the individual fund pages) refer to those types of expenditures - either operating or capital - that result from the 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-frequently used category, equipment cash transfers. The other type of major expense class, fund expenses (or "fund requirements") refers to financial requirements needed in order to keep a fund healthy and meet its obligations - such as contingencies, debt retirement, and most interfund transfers - but may not be associated with the operations of any particular bureau. This distinction is important because the bureau requirements, the "service" part of the budget, is used in some of the financial summaries instead of the total requirements at the fund level.

Net Budget

The citywide totals in Table 1 and other summaries contain not just the sum of the various funds but also a "net budget" figure. The net budget subtracts the "double count" that results from interfund transfers and tax anticipation notes. Tax anticipation notes (TAN's) are short term debt sold early in some years to provide cash until property tax revenues are received. The net budget removes the double count caused by budgeting for both TAN's and property tax revenues.

SUMMARY BY SERVICE AREA

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 1999-00 Budget to the FY 2000-01 Budget.

DISCRETIONARY VS. NON-DISCRETIONARY

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 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 subtracts revenues restricted to certain activities and therefore 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 2000-01 Proposed Budget is \$354,023,236. After subtracting the cost of those activities tied to non-discretionary funding sources, the flexible part of the General Fund is actually \$281,195,388. City Council can choose to dedicate discretionary resources to any service area, bureau or program.

SUMMARY OF AUTHORIZED FULL-TIME POSITIONS

Table 4 is a straightforward summary of the regular full-time positions authorized in the budget, along with a comparison between fiscal years. These positions are broken out by bureau (including PDC). They do not include limited-term, or part-time positions.

SUMMARIES BY FUND

Tables 5, 6 and 7 are lengthier tables that show different aspects of the City's budget by individual fund.

Total Revenues and Expenses by Fund by Fiscal Year

Table 5, the "Total Revenues and Expenses by Fund By Fiscal Year," shows the total expenses (or the total revenues, since they are equal) in any fund, not only for the FY 2000-01 Proposed Budget, but also in past years.

Bureau Expenses by Fund

Table 6 looks at the "Bureau Expenses by Fund". It provides detail on the bureau expenses, showing how much is budgeted for personnel costs, capital purchases, or the other major expense categories.

Revenues by Fund

Table 7 looks at "Revenues by Fund". It provides a more detailed view of the major revenue types received by each fund.

TAX LEVY COMPUTATION

Table 9 outlines City property tax levy calculations. Table 9 reflects Measure 5 and Measure 50 tax limitations. The General Fund calculation shows expected General Fund tax base operating property tax revenues and pension obligation bond debt service property tax revenues. Tax calculations allow only a levy amount that is justified by a fund's budgeted requirements or statute. The table states total requirements for each tax-supported fund less non-tax revenues. This leaves an amount the fund receives in current-year tax revenue. This amount is factored up for delinquencies and Measure 5 and Measure 50 losses (if applicable). The result is a certified property tax levy for each fund.

APPROPRIATION SCHEDULE

Table 10, the "Appropriation Schedule", is a legally required summary of expenditures at the total fund appropriation level. Appropriation is divided into bureau program expenses, and fund requirements. Bureau program expenses are detailed on Table 6. Fund requirements are divided into contingency, interfund cash transfers, debt retirement, and inventory increases.

HISTORICAL FUNDS

Table 11, "Historical Funds and Appropriations", shows fund total information for City Funds and for General Fund Special Appropriations which have been closed in the past three fiscal years. This information is also required by state budget law.

GENERAL FUND/GENERAL RESERVE SUMMARIES

Tables 12 and 13 provide fund summaries of the General Fund and the General Reserve Fund. They are included in this section because services provided by these funds fall into many service areas.

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 1999-00	Adopted FY 2000-01
RESOURCES		
External Revenues		
Property Taxes	229,160,303	250,113,702
Other Taxes	12,986,933	13,504,225
Licenses and Permits	107,355,731	114,868,434
Service Charges	266,733,615	296,902,238
Intergovernmental	141,082,434	130,157,499
Miscellaneous	62,418,701	62,605,062
Debt Proceeds	545,982,000	469,536,341
Total External Revenues	1,365,719,717	1,337,687,501
Transfer from Other Funds		
Service Reimbursements	131,504,262	117,912,475
Cash Transfers	422,320,442	373,746,363
Total Transfers from Other Funds	553,824,704	491,658,838
Beginning Fund Balances	466,756,162	369,340,555
Total Budget	2,386,300,583	2,198,686,894
Less Interfund Transfers and Tax Anticipation Notes	(573,824,704)	(521,658,838)
TOTAL NET BUDGET	\$ 1,812,475,879	\$ 1,677,028,056
REQUIREMENTS		
Bureau Expenses		
Personal Services	372,332,565	375,680,455
External Materials & Services	725,302,442	534,443,862
Internal Materials & Services	128,589,516	116,578,475
Capital Outlay	213,639,915	195,918,966
Equipment Cash Transfers	2,358,579	1,334,000
Total Bureau Expenses	1,442,223,017	1,223,955,758
Fund Level Expenses		
Debt Service	242,570,819	269,264,241
Fund Level Cash Transfers	422,633,727	373,746,363
Inventory Increases	140,000	140,000
Contingency	220,364,727	258,842,964
Total Fund Level Expenses	885,709,273	901,993,568
Total Appropriated Budget	2,327,932,290	2,125,949,326
Unappropriated Ending Balance	58,368,293	72,737,568
Total Budget	2,386,300,583	2,198,686,894
Less Interfund Transfers and Tax Anticipation Notes	(573,581,822)	(521,658,838)
TOTAL NET BUDGET	\$ 1,812,718,761	\$ 1,677,028,056

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 1999-00			Adopted FY 2000-01		
	Operating Budget	Capital Improvements	Total Expenditures	Operating Budget	Capital Improvements	Total Expenditures
Public Safety						
Police	120,011,555	229,000	120,240,555	119,890,802	0	119,890,802
Fire	60,711,959	1,154,579	61,866,538	60,244,455	1,070,000	61,314,455
Fire & Police Disability & Retirement	59,277,514	0	59,277,514	64,487,406	0	64,487,406
Emergency Communications	13,624,137	0	13,624,137	12,992,970	0	12,992,970
Public Safety Capital	1,016,170	0	1,016,170	1,391,042	0	1,391,042
Other Public Safety	10,522,172	7,091,718	17,613,890	16,141,355	9,523,040	25,664,395
Total Public Safety	265,163,507	8,475,297	273,638,804	275,148,030	10,593,040	285,741,070
Parks, Recreation & Culture						
Parks & Recreation	38,098,582	778,420	38,877,002	38,985,856	0	38,985,856
Parks Bond Construction Fund	0	11,382,519	11,382,519	0	1,463,485	1,463,485
Parks Construction Fund	0	13,596,939	13,596,939	0	13,343,249	13,343,249
Golf	4,526,955	3,862,447	8,389,402	4,710,937	482,471	5,193,408
Portland International Raceway	868,567	40,000	908,567	813,167	0	813,167
Other Parks, Recreation & Culture	10,089,711	3,879,948	13,969,659	9,971,528	33,983,000	43,954,528
Total Parks, Recreation & Culture	53,583,815	33,540,273	87,124,088	54,481,488	49,272,205	103,753,693
Public Utilities						
Water	54,763,541	31,737,900	86,501,441	51,570,486	28,753,000	80,323,486
Hydropower	518,742	0	518,742	692,574	0	692,574
Environ Svcs-Sewer System	65,388,772	100,299,008	165,687,780	64,703,153	87,694,580	152,397,733
Environ Svcs-Refuse Disposal	2,507,954	0	2,507,954	3,284,379	0	3,284,379
Other Public Utilities	9,525,329	635,036	10,160,365	10,697,981	365,000	11,062,981
Total Public Utilities	132,704,338	132,671,944	265,376,282	130,948,573	116,812,580	247,761,153
Community Development & Services						
Planning	6,049,803	0	6,049,803	8,094,485	0	8,094,485
Bureau of Community Develop	9,850,903	0	9,850,903	8,347,799	0	8,347,799
Office of Neighborhood Involvement	4,183,288	0	4,183,288	4,137,335	0	4,137,335
Cable & Franchise Management	1,717,565	0	1,717,565	1,750,212	0	1,750,212
Energy	1,143,928	0	1,143,928	762,502	0	762,502
Buildings	29,472,981	0	29,472,981	27,961,669	0	27,961,669
Cable Fund	2,850,752	0	2,850,752	4,035,013	0	4,035,013
Transfers to PDC	381,746,427	0	381,746,427	211,297,661	0	211,297,661
LID Construction	1,521,952	10,349,510	11,871,462	8,552,458	7,946,000	16,498,458
Housing & Community Development	28,787,828	0	28,787,828	15,576,484	0	15,576,484
Other Community Develop & Svc.	34,289,215	240,427	34,529,642	27,411,285	232,750	27,644,035
Total Community Development/Svcs	501,614,642	10,589,937	512,204,579	317,926,903	8,178,750	326,105,653
Transportation & Parking						
Transportation & Street Lighting	73,455,453	64,916,825	138,372,278	74,863,013	49,885,300	124,748,313
Parking Facilities	4,906,238	7,309,524	12,215,762	4,844,988	1,379,500	6,224,488
Autoport	0	0	0	0	0	0
Other Transportation & Parking	4,481,676	0	4,481,676	4,946,126	0	4,946,126
Total Transportation & Parking	82,843,367	72,226,349	155,069,716	84,654,127	51,264,800	135,918,927
Legislative/Admin/Support Svcs						
City Attorney	4,370,120	0	4,370,120	4,502,576	0	4,502,576
City Auditor	5,205,262	0	5,205,262	5,298,481	205,000	5,503,481
Office of Management & Finance	27,390,755	0	27,390,755	11,469,438	0	11,469,438
Mayor & Commissioners' Offices	3,894,628	0	3,894,628	3,863,359	0	3,863,359
Purchases & Stores	2,911,799	0	2,911,799	2,829,622	0	2,829,622

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 1999-00			Adopted FY 2000-01		
	Operating Budget	Capital Improvements	Total Expenditures	Operating Budget	Capital Improvements	Total Expenditures
Licenses	3,214,814	0	3,214,814	3,635,279	0	3,635,279
Office of Governmental Relations	674,523	0	674,523	697,074	0	697,074
General Services-Administration	1,426,900	0	1,426,900	1,455,745	0	1,455,745
Capital Improvement Fund	20,000	0	20,000	0	0	0
Communications Services	11,464,184	1,685,146	13,149,330	9,334,029	8,213,000	17,547,029
Facilities Services	13,201,754	13,700,078	26,901,832	14,208,820	1,313,702	15,522,522
Fleet Services	21,535,966	0	21,535,966	18,605,847	667,000	19,272,847
Printing & Distribution Services	6,886,487	0	6,886,487	6,689,559	0	6,689,559
Insurance & Claims	5,513,860	0	5,513,860	6,392,964	0	6,392,964
Workers' Compensation	4,620,439	0	4,620,439	4,413,467	0	4,413,467
Governmental Bond Redemption	125,000	0	125,000	0	0	0
Computer Services	10,489,327	0	10,489,327	8,811,948	0	8,811,948
Other Legislative/Admin/Support	10,463,506	0	10,463,506	12,053,352	0	38,496,562
Total Legislative/Admin/Support	133,409,324	15,385,224	148,794,548	114,261,560	10,398,702	124,660,262
PDC Urban Renewal Debt						
Tax Increment Debt (Interest Only)	15,000	0	15,000	15,000	0	15,000
Total Expenditures	1,169,333,993	272,889,024	1,442,223,017	977,435,681	246,520,077	1,223,955,758
FUND REQUIREMENTS						
Contingency			220,364,727			258,842,964
Interfund Cash Transfers			422,633,727			373,746,363
Debt Retirement			242,570,819			269,264,241
Inventory Increases			140,000			140,000
Unappropriated Ending Fund Balance			58,368,293			72,737,568
TOTAL CITY BUDGET	\$	\$	\$2,386,300,583	\$	\$	\$2,198,686,894
Subtract "double count" caused by internal transfers and tax anticipation notes			(573,581,822)			(522,094,312)
TOTAL NET CITY BUDGET	\$	\$	\$1,812,718,761	\$	\$	\$1,677,028,056

Note 1: General Fund set-aside for compensation adjustments is allocated to the service areas in proportion to their budgeted personal service expense.

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 1999-00	Adopted FY 2000-01	Requested FY 2000-01	Adopted FY 2000-01
RESOURCES				
Property Taxes	\$131,767,225	\$138,817,685	\$131,767,225	\$138,817,685
Lodging Taxes	\$10,794,799	\$11,334,892	\$10,794,799	\$11,334,892
Business Licenses	\$52,409,103	\$53,127,604	\$52,409,103	\$53,127,604
Utility License Fees	\$44,244,205	\$48,439,887	\$44,244,205	\$48,439,887
Service Charges and Other	\$3,165,156	\$4,624,089	\$17,456,169	\$28,770,226
Intergovernmental	\$10,249,567	\$9,890,020	\$37,731,140	\$28,621,149
Transfers from Other Funds/Agencies	\$2,946,103	\$2,082,759	\$43,259,486	\$28,783,342
Beginning Fund Balance	\$13,944,943	\$12,878,451	\$21,376,321	\$16,128,451
TOTAL GENERAL FUND RESOURCES	\$ 269,521,101	\$ 281,195,387	\$ 359,038,448	\$ 354,023,236
EXPENSES				
City Attorney	\$1,467,578	\$1,530,331	\$4,370,120	\$4,502,576
City Auditor	\$1,324,997	\$1,472,388	\$5,205,262	\$5,503,481
Cable & Franchise Management	\$1,412,663	\$1,473,642	\$1,717,565	\$1,750,212
Commissioner #1	\$319,509	\$275,810	\$654,589	\$622,036
Commissioner #2	\$241,354	\$277,221	\$632,414	\$623,693
Commissioner #3	\$291,981	\$275,068	\$627,061	\$621,294
Commissioner #4	\$289,319	\$280,572	\$624,399	\$627,535
Community Development	\$2,813,672	\$2,625,790	\$9,850,903	\$8,347,799
Energy	\$365,921	\$277,157	\$1,143,928	\$762,502
Finance & Administration	\$4,144,611	\$4,282,847	\$27,390,755	\$11,469,438
Fire	\$57,886,383	\$58,361,444	\$61,866,538	\$61,314,455
General Services	\$0	\$0	\$1,426,900	\$1,455,745
Governmental Relations	\$266,450	\$299,098	\$674,523	\$697,074
Licenses	\$2,018,521	\$2,372,769	\$3,270,664	\$3,635,279
Mayor	\$514,870	\$584,184	\$1,356,165	\$1,368,801
Neighborhood Involvement	\$3,554,491	\$3,628,586	\$4,183,288	\$4,137,335
Parks & Recreation	\$27,559,106	\$28,068,581	\$38,890,986	\$38,985,856
Planning	\$4,919,103	\$6,300,970	\$6,049,803	\$8,094,485
Police	\$98,871,324	\$104,701,032	\$120,240,555	\$119,890,800
Purchases & Stores	\$615,021	\$794,229	\$2,911,799	\$2,829,622
Special Appropriations	\$20,977,438	\$23,054,611	\$24,834,464	\$23,239,214
Total Bureau Expenses	229,854,312	240,936,330	317,922,681	300,479,232
Transfers To Other Funds	\$36,350,270	\$36,716,503	\$36,350,270	\$46,751,449
Contingency-Operating & Unforeseen	\$3,316,519	\$3,542,555	\$3,316,519	\$3,542,555
Contingency-Encumbrance Carryover	\$0	\$0	\$1,448,978	\$3,250,000
TOTAL GENERAL FUND EXPENSES	\$ 269,521,101	\$ 281,195,388	\$ 359,038,448	\$ 354,023,236

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.

Summary of Authorized Positions

TABLE 4

This table summarizes the number of regular full-time positions authorized in each bureau or fund, including the Portland Development Commission (PDC). Limited-term or part-time positions are not included.

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Adopted FY 2000-01	Change
General Fund					
City Attorney	35	39	39	40	1
City Auditor	53	53	56	58	2
Cable Communications	5	5	6	6	0
Commissioner of Public Affairs	7	7	7	7	0
Commissioner of Public Works	8	8	8	8	0
Commissioner of Public Utilities	7	7	7	7	0
Commissioner of Public Safety	6	6	6	6	0
Energy Office	8	8	11	8	-3
OFA - Financial Management	69	66	72	67	-5
OFA - Human Resources	31	35	36	37	1
Bureau of Fire, Rescue and Emergency Services	704	728	730	743	13
BGS-Admin	16	17	17	17	0
Government Relations	4	4	4	5	1
Community Development	17	18	18	18	0
Licenses	38	41	41	46	5
Mayor	16	16	16	16	0
Neighborhood Involvement	37	36	36	39	3
Parks Division	283	314	327	337	10
Planning	103	109	57	67	10
Police	1,248	1,252	1,257	1,252	-5
Purchases	21	24	28	28	0
Special Appropriations	0	0	0	0	0
Total General Fund	2,716	2,792	2,779	2,810	31
Other Funds					
OPDR	213	224	298	300	2
Communications	27	33	35	37	2
Emergency Communications	129	147	165	160	-5
Environmental Services	448	452	452	464	12
Facilities	27	31	37	37	0
Vehicle Services Division	76	80	81	83	2
Golf Division	27	27	31	32	1
Hydroelectric Power Division	3	3	3	3	0
Parks Bond Construction	18	18	10	0	-10
Parks Construction Division	0	0	3	11	8
PIR Division	6	6	6	6	0
Printing & Distribution	28	29	31	29	-2
Refuse Disposal Division	10	10	10	10	0
Transportation	730	716	714	713	-1
Water Division	515	524	532	543	11
Total Other Funds	2,257	2,301	2,409	2,428	19
Total City	4,973	5,093	5,187	5,238	51
Portland Development Commission	100	100	111	127	16
TOTAL CITY, INCLUDING PDC	5,073	5,193	5,298	5,365	67

Total Revenues and Expenses by Fund By Fiscal Year

TABLE 5

In each fund total revenues, including beginning fund balances, must equal total expenses, including ending fund balances. This table states the total revenues and expenses for each City fund.

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
Operating Funds					
Spectator Facilities Fund	12,851,539	12,746,393	12,417,189	109,622,589	77,322,589
Assessment Collection	89,946	46,203	43,091	54,326	54,326
Planning and Development Fund	27,212,521	27,671,266	32,358,539	30,643,940	30,643,940
Cable	3,603,171	3,332,704	3,362,181	3,384,081	4,329,218
General Fund	327,651,534	348,961,485	359,038,448	350,716,791	354,023,236
Emergency Communications	13,944,984	15,354,504	16,553,849	15,921,908	15,921,908
Golf	6,442,891	6,283,608	14,163,004	7,272,661	7,272,661
Hydropower Operating	1,347,517	1,129,083	1,029,867	1,181,850	1,181,850
Parking Facilities	14,271,345	44,726,976	49,465,021	13,900,677	13,900,677
Portland International Raceway	1,007,658	939,431	1,003,710	927,072	927,072
Property Management License	2,647,699	2,806,814	2,812,374	3,056,917	3,056,917
Public Safety	1,724,683	1,646,680	1,486,321	1,542,662	1,542,662
Refuse Disposal	6,421,223	7,083,818	7,254,683	6,777,596	7,685,039
Sewage System Operating	205,548,082	233,923,368	247,558,613	244,624,604	244,624,604
Transportation Operating	103,369,202	119,474,719	148,202,103	139,399,279	139,399,279
Water	113,359,841	128,027,393	123,441,452	126,391,259	126,438,720
Total Operating Funds	841,493,836	954,154,445	1,020,190,445	1,055,418,212	1,028,324,698
Internal Service Funds					
Communications Svcs Operating	14,595,364	16,921,554	19,034,971	24,982,759	24,857,759
Information Technology Fund	5,597,771	6,832,959	15,613,840	12,350,275	12,350,275
Facilities Services	67,318,981	53,808,066	45,002,972	36,021,367	35,952,728
Fleet Services Operating	33,331,537	33,407,757	32,422,394	30,651,111	30,651,111
Health Insurance	50,714,998	55,926,508	59,220,862	61,892,929	62,162,544
Insurance and Claims Operating	12,547,809	12,524,719	13,612,221	15,202,945	15,202,945
Printing/Distribution Services	6,597,383	7,724,403	8,185,021	8,206,270	8,176,608
Workers' Compensation Operating	16,969,068	16,965,483	16,570,586	15,722,871	15,722,871
Total Internal Service Funds	207,672,911	204,111,449	209,662,867	205,030,527	205,076,841
Agency and Trust Funds					
Environmental Remediation	2,393,597	2,447,567	2,453,435	2,413,261	2,275,694
Housing Investment	13,815,602	17,611,932	8,101,635	15,376,433	15,226,433
Hydropower Renewal & Replacement	7,742,425	7,887,024	8,083,524	8,404,215	8,404,215
Portland Parks Memorial Trust	4,360,037	4,704,636	4,779,149	4,330,687	4,330,687
Sewer Revolving Loan	1,657,774	2,181,868	2,080,708	1,700,883	1,700,883
Sewer System Rate Stabilization	20,024,142	16,407,346	13,985,277	5,798,920	5,798,920
Sewer System Safety Net	2,695,284	1,980,404	1,959,930	2,409,400	2,409,400
Water Growth Impact Charge Trust	1,316,364	1,387,295	1,461,339	1,540,655	1,540,655
Total Agency and Trust Funds	54,005,225	54,608,072	42,904,997	41,974,454	41,686,887
Construction Funds					
BFRES Facilities Bond Fund	0	24,525,525	24,521,296	23,843,000	23,843,000
Capital Improvement Fund	10,342,273	2,864,580	1,224,133	144,520	144,520
LID Construction Fund	15,957,011	11,721,406	25,230,689	26,065,710	26,065,710
Parks Bond Construction	45,587,411	27,783,800	11,407,519	1,500,000	1,500,000
Parks Construction	0	3,712,923	14,123,402	14,275,074	14,275,074
Sewer System Construction	359,507,901	206,354,029	131,239,121	161,879,298	161,879,298
Water Construction	54,265,340	46,618,151	59,656,943	47,426,341	47,426,341
Total Construction Funds	485,659,936	323,580,414	267,403,103	275,133,943	275,133,943
Debt Service Funds					
Airport Way Debt Service	8,340,020	6,716,587	40,119,466	11,871,040	11,871,040
Bancroft Bond	24,562,545	24,206,282	11,749,728	11,284,322	11,284,322

Total Revenues and Expenses by Fund By Fiscal Year

TABLE 5

In each fund total revenues, including beginning fund balances, must equal total expenses, including ending fund balances. This table states the total revenues and expenses for each City fund.

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
Bonded Debt Interest and Sinking	6,778,081	6,591,676	7,959,485	7,948,685	7,948,685
Central Eastside Industrial Debt	7,148,863	5,884,900	3,579,936	6,173,831	6,173,831
Convention Center Area Debt Svc	18,708,314	6,081,332	17,453,064	9,666,815	6,366,815
Parking Facilities Debt Fund	0	217,599	1,957,288	2,392,413	2,392,413
Gas Tax Bond Redemption	3,673,488	787,912	786,887	792,524	871,524
Golf Revenue Bond	537,685	538,027	1,377,845	588,354	356,500
Governmental Bond Redemption	6,396,521	9,165,186	10,578,327	8,186,625	8,186,625
Hydropower Bond	7,852,535	7,912,336	7,944,443	8,118,150	8,118,150
Lents Urban Renewal Debt Fund	0	0	623,444	2,064,826	2,064,826
N Macadam Debt Fund	0	0	0	234,746	234,746
Morrison Park East Bond	862,819	872,048	796,028	798,978	798,978
Morrison Park West Bond	703,297	715,982	676,793	675,988	675,988
Old Town Parking Bond	677,650	678,369	667,040	665,322	665,322
Pension Debt Redemption Fund	0	0	12,778,184	38,750,860	38,750,860
River District Debt Fund	0	0	473,356	2,212,371	2,212,371
Sewage Disposal Debt	314,199,178	49,288,590	55,971,406	55,929,050	55,929,050
South Park Renewal Debt Service	8,616,238	8,005,438	6,402,862	18,257,200	18,257,200
Washington County Supply Bond	2,961,581	3,159,608	3,362,812	3,529,609	3,529,609
Water Bond Sinking	10,679,245	11,362,227	11,563,253	12,751,812	12,751,812
Waterfront Renewal Bond Sinking	17,117,092	18,790,567	17,814,309	33,503,273	33,503,273
Total Debt Service Funds	439,815,152	160,974,666	214,635,956	236,396,794	232,943,940
Federal and State Funds					
Federal Grants	19,002,141	88,413,254	31,348,214	27,979,788	27,944,788
Home Grant	2,611,125	4,626,275	9,509,010	4,498,000	4,498,000
Housing & Community Development	16,647,989	21,389,624	29,482,926	15,833,200	15,833,200
Total Federal and State Funds	38,261,255	114,429,153	70,340,150	48,310,988	48,275,988
Retirement Funds					
FPD&R	82,001,436	73,710,140	83,622,883	89,081,799	89,078,264
FPD&R Retirement Reserve	750,000	750,000	750,000	750,000	750,000
Supp Retirement Program Trust	474,977	493,737	349,664	370,343	370,343
Total Retirement Funds	83,226,413	74,953,877	84,722,547	90,202,142	90,198,607
Revenue and Reserve Funds					
Convention and Tourism	2,051,205	2,143,629	2,342,896	2,290,738	2,290,738
General Reserve	33,438,039	35,237,031	36,339,533	35,891,502	35,891,502
Special Finance & Resource Fund	0	0	437,190,000	238,297,661	238,297,661
Transportation Reserve	3,466,317	570,245	568,089	566,089	566,089
Total Revenue and Reserve Funds	38,955,561	37,950,905	476,440,518	277,045,990	277,045,990
TOTAL ALL FUNDS	\$ 2,189,090,289	\$ 1,924,762,981	\$ 2,386,300,583	\$ 2,229,513,050	\$ 2,198,686,894

Summary of Bureau Expenses by Fund – FY 2000–01

TABLE 6

This table summarizes the major categories of expenditures included in bureau budgets by fund and by bureau. Fund-level requirements such as contingencies and interfund transfers are summarized in Table 10.

	Personal Services	External Mat'l & Svcs	Internal Mat'l & Svcs	Capital Outlay	Equip Cash Transfers	Total Bureau Expenses
General Fund						
City Attorney	3,744,893	356,538	401,145	0	0	4,502,576
City Auditor	3,848,401	598,544	851,536	205,000	0	5,503,481
Cable Communications	479,316	997,358	273,538	0	0	1,750,212
Commissioner of Public Utilities	496,766	22,571	102,699	0	0	622,036
Commissioner of Public Works	518,012	5,901	99,780	0	0	623,693
Commissioner of Public Affairs	488,889	32,153	100,252	0	0	621,294
Commissioner of Public Safety	490,093	36,706	100,736	0	0	627,535
Community Development	1,305,454	6,820,057	222,288	0	0	8,347,799
Energy Office	566,653	102,784	93,065	0	0	762,502
OFA - Financial Management	4,933,576	1,491,815	1,340,728	0	0	7,766,119
OFA - Human Resources	2,479,217	668,369	555,733	0	0	3,703,319
Fire, Rescue & Emergency Service	53,190,702	4,033,188	2,970,565	1,120,000	0	61,314,455
BGS-Admin	1,198,587	107,860	149,298	0	0	1,455,745
Government Relations	393,247	183,731	120,096	0	0	697,074
Licenses	2,771,761	269,602	593,916	0	0	3,635,279
Mayor	1,066,214	37,172	265,415	0	0	1,368,801
Neighborhood Involvement	2,508,628	1,290,295	338,412	0	0	4,137,335
Parks Division	25,766,441	8,942,313	4,234,080	43,022	0	38,985,856
Planning	4,896,009	1,665,138	1,533,338	0	0	8,094,485
Police	90,504,228	9,870,978	18,530,350	985,246	0	119,890,802
Purchases	1,863,911	580,833	384,878	0	0	2,829,622
Special Appropriations	0	21,153,695	202,518	1,883,000	0	23,239,213
Total General Fund	203,510,998	59,267,601	33,464,366	4,236,268	0	300,479,233
Operating Funds						
Spectator Facilities Fund	0	3,152,603	407,818	29,400,000	0	32,960,421
Assessment Collection	0	0	0	0	0	0
Planning and Development Fund	20,653,498	2,176,190	5,073,454	58,527	0	27,961,669
Cable	0	3,694,323	340,690	0	0	4,035,013
Emergency Communications	10,590,210	1,105,938	1,296,822	0	0	12,992,970
Golf	2,566,043	1,469,321	571,644	586,400	0	5,193,408
Hydropower Operating	236,283	304,300	151,991	0	0	692,574
Parking Facilities	0	3,474,957	2,749,531	0	0	6,224,488
Portland International Raceway	426,050	269,298	117,819	0	0	813,167
Property Management License	0	3,056,917	0	0	0	3,056,917
Public Safety	0	188,000	3,042	1,200,000	0	1,391,042
Refuse Disposal	681,569	1,626,948	960,862	15,000	0	3,284,379
Sewage System Operating	33,656,784	33,478,540	24,224,987	61,037,422	0	152,397,733
Transportation Operating	48,446,777	25,704,830	14,404,036	36,192,670	0	124,748,313
Water	35,388,613	17,632,921	9,426,102	17,869,850	6,000	80,323,486
Total Operating Funds	152,645,827	97,335,086	59,728,798	146,359,869	6,000	456,075,580
Internal Service Funds						
Communications Svcs Operating	2,774,930	7,325,197	944,051	6,502,851	0	17,547,029
Information Technology Fund	3,994,411	3,685,795	1,036,272	95,470	0	8,811,948
Facilities Services	2,603,890	12,790,733	1,379,529	956,160	0	17,730,312
Fleet Services Operating	5,267,169	6,403,842	1,701,336	5,900,500	0	19,272,847
Health Insurance	378,645	30,176,310	220,573	0	0	30,775,528
Insurance and Claims Operating	943,962	4,326,436	1,122,566	0	0	6,392,964
Printing/Distribution Services	1,731,702	3,956,539	646,318	355,000	0	6,689,559
Workers' Compensation Operating	976,794	2,861,098	575,575	0	0	4,413,467
Total Internal Service Funds	18,671,503	71,525,950	7,626,220	13,809,981	0	111,633,654
Agency and Trust Funds						
Environmental Remediation	27,309	50,682	150,350	325,000	0	553,341
Housing Investment	0	6,684,364	0	4,000,000	0	10,684,364
Hydropower Renewal & Replacement	0	0	0	0	0	0
Portland Parks Memorial Trust	0	1,073,992	1,158,487	0	0	2,232,479
Sewer Revolving Loan	0	75,000	0	0	0	75,000
Sewer System Rate Stabilization	0	0	0	0	0	0
Sewer System Safety Net	0	2,409,400	0	0	0	2,409,400

Summary of Bureau Expenses by Fund – FY 2000–01

TABLE 6

This table summarizes the major categories of expenditures included in bureau budgets by fund and by bureau. Fund-level requirements such as contingencies and interfund transfers are summarized in Table 10.

	Personal Services	External Mat'l & Svcs	Internal Mat'l & Svcs	Capital Outlay	Equip Cash Transfers	Total Bureau Expenses
Water Growth Impact Charge Trust	0	0	0	0	0	0
Total Agency and Trust Funds	27,309	10,293,438	1,308,837	4,325,000	0	15,954,584
Construction Funds						
BFRES Facilities Bond Fund	0	0	1,542,000	6,006,000	1,328,000	8,876,000
Capital Improvement Fund	0	0	0	0	0	0
LID Construction Fund	0	75,000	8,477,458	7,946,000	0	16,498,458
Parks Bond Construction	0	50,000	0	1,413,485	0	1,463,485
Parks Construction	824,818	119,124	587,460	11,811,847	0	13,343,249
Sewer System Construction	0	951,000	77,959	0	0	1,028,959
Water Construction	0	0	0	0	0	0
Total Construction Funds	824,818	1,195,124	10,684,877	27,177,332	1,328,000	41,210,151
Debt Service Funds						
Airport Way Debt Service	0	0	0	0	0	0
Bancroft Bond	0	0	0	0	0	0
Bonded Debt Interest and Sinking	0	0	0	0	0	0
Central Eastside Industrial Debt	0	0	0	0	0	0
Convention Center Area Debt Svc	0	0	0	0	0	0
Parking Facilities Debt Fund	0	0	0	0	0	0
Gas Tax Bond Redemption	0	0	0	0	0	0
Golf Revenue Bond	0	0	0	0	0	0
Governmental Bond Redemption	0	0	0	0	0	0
Hydropower Bond	0	0	0	0	0	0
Lents Urban Renewal Debt Fund	0	0	0	0	0	0
N Macadam Debt Fund	0	0	0	0	0	0
Morrison Park East Bond	0	0	0	0	0	0
Morrison Park West Bond	0	0	0	0	0	0
Old Town Parking Bond	0	0	0	0	0	0
Pension Debt Redemption Fund	0	605,104	0	0	0	605,104
River District Debt Fund	0	0	0	0	0	0
Sewage Disposal Debt	0	0	0	0	0	0
South Park Renewal Debt Service	0	0	0	0	0	0
Washington County Supply Bond	0	0	0	0	0	0
Water Bond Sinking	0	0	0	0	0	0
Waterfront Renewal Bond Sinking	0	15,000	0	0	0	15,000
Total Debt Service Funds	0	620,104	0	0	0	620,104
Federal and State Funds						
Federal Grants	0	0	0	0	0	0
Home Grant	0	4,128,794	261,141	0	0	4,389,935
Housing & Community Development	0	13,101,403	2,475,081	0	0	15,576,484
Total Federal and State Funds	0	17,230,197	2,736,222	0	0	19,966,419
Retirement Funds						
FPD&R	0	63,562,397	914,493	10,516	0	64,487,406
FPD&R Retirement Reserve	0	0	0	0	0	0
Supp Retirement Program Trust	0	7,000	0	0	0	7,000
Total Retirement Funds	0	63,569,397	914,493	10,516	0	64,494,406
Revenue and Reserve Fund						
Convention and Tourism	0	2,169,304	54,662	0	0	2,223,966
General Reserve	0	0	0	0	0	0
Special Finance & Resource Fund	0	211,237,661	60,000	0	0	211,297,661
Transportation Reserve	0	0	0	0	0	0
Total Revenue and Reserve Fund	0	213,406,965	114,662	0	0	213,521,627
TOTAL ALL FUNDS	\$ 375,680,455	\$ 534,443,862	\$ 116,578,475	\$ 195,918,966	\$ 1,334,000	\$1,223,955,758

Summary of Revenues by Fund – FY 2000–01

TABLE 7

This table summarizes the major categories of estimated revenues that will be received by each fund.

	Property Taxes	Svc Charges, Licenses, & Permits	Other External Revenue	Interfund Revenues	Beginning Balances	Total Revenues
Operating Funds						
General Fund	138,817,686	102,136,267	43,141,131	53,799,701	16,128,451	354,023,236
Spectator Facilities Fund	0	5,049,796	70,486,708	0	1,786,085	77,322,589
Assessment Collection	0	0	4,500	0	49,826	54,326
Planning and Development Fund	0	21,691,261	2,356,521	4,352,385	2,243,773	30,643,940
Cable	0	838,238	1,525,654	241,092	1,724,234	4,329,218
Emergency Communications	0	50,000	5,028,589	8,442,819	2,400,500	15,921,908
Golf	0	6,711,340	90,800	0	470,521	7,272,661
Hydropower Operating	0	0	579,150	284,500	318,200	1,181,850
Parking Facilities	0	9,313,515	150,000	696,256	3,740,906	13,900,677
Portland International Raceway	0	883,000	5,000	0	39,072	927,072
Property Management License	0	3,042,217	14,700	0	0	3,056,917
Public Safety	0	0	80,000	0	1,462,662	1,542,662
Refuse Disposal	0	2,441,932	485,268	0	4,757,839	7,685,039
Sewage System Operating	0	134,849,433	1,333,657	101,495,091	6,946,423	244,624,604
Transportation Operating	0	21,681,771	59,374,832	39,149,129	19,193,547	139,399,279
Water	0	64,401,440	3,527,613	39,791,415	18,718,252	126,438,720
Total Operating Funds	138,817,686	373,090,210	188,184,123	248,252,388	79,980,291	1,028,324,698
Internal Service Funds						
Communications Svcs Operating	0	1,901,731	8,302,000	9,221,509	5,432,519	24,857,759
Information Technology Fund	0	0	487,377	8,029,657	3,833,241	12,350,275
Facilities Services	0	1,792,197	1,726,193	26,187,338	6,247,000	35,952,728
Fleet Services Operating	0	5,000	902,000	16,979,526	12,764,585	30,651,111
Health Insurance	0	25,229,101	4,026,308	269,615	32,637,520	62,162,544
Insurance and Claims Operating	0	0	454,116	7,457,672	7,291,157	15,202,945
Printing/Distribution Services	0	254,406	1,621,683	5,390,572	909,947	8,176,608
Workers' Compensation Operating	0	0	797,029	2,996,708	11,929,134	15,722,871
Total Internal Service Funds	0	29,182,435	18,316,706	76,532,597	81,045,103	205,076,841
Agency and Trust Funds						
Environmental Remediation	0	1,065,341	41,157	0	1,169,196	2,275,694
Housing Investment	0	150,000	6,800,000	5,680,000	2,596,433	15,226,433
Hydropower Renewal & Replacement	0	0	476,400	0	7,927,815	8,404,215
Portland Parks Memorial Trust	0	1,561,025	178,250	0	2,591,412	4,330,687
Sewer Revolving Loan	0	75,000	75,000	0	1,550,883	1,700,883
Sewer System Rate Stabilization	0	0	290,000	0	5,508,920	5,798,920
Sewer System Safety Net	0	0	429,000	0	1,980,400	2,409,400
Water Growth Impact Charge Trust	0	0	83,771	0	1,456,884	1,540,655
Total Agency and Trust Funds	0	2,851,366	8,373,578	5,680,000	24,781,943	41,686,887
Construction Funds						
BFRES Facilities Bond Fund	0	0	798,000	0	23,045,000	23,843,000
Capital Improvement Fund	0	0	6,880	0	137,640	144,520
LID Construction Fund	0	791,100	23,754,367	129,911	1,390,332	26,065,710
Parks Bond Construction	0	0	25,000	0	1,475,000	1,500,000
Parks Construction	0	1,000,000	5,648,787	4,479,218	3,147,069	14,275,074
Sewer System Construction	0	724,803	104,500,000	25,977,987	30,676,508	161,879,298
Water Construction	0	2,153,302	1,196,009	14,786,028	29,291,002	47,426,341
Total Construction Funds	0	4,669,205	135,929,043	45,373,144	89,162,551	275,133,943
Debt Service Funds						
Airport Way Debt Service	6,832,579	0	261,430	0	4,777,031	11,871,040
Bancroft Bond	0	0	7,440,914	0	3,843,408	11,284,322

Summary of Revenues by Fund – FY 2000–01

TABLE 7

This table summarizes the major categories of estimated revenues that will be received by each fund.

	Property Taxes	Svc Charges, Licenses, & Permits	Other External Revenue	Interfund Revenues	Beginning Balances	Total Revenues
Bonded Debt Interest and Sinking	7,898,685	0	50,000	0	0	7,948,685
Central Eastside Industrial Debt	4,137,331	0	536,500	1,500,000	0	6,173,831
Convention Center Area Debt Svc	6,116,815	0	250,000	0	0	6,366,815
Parking Facilities Debt Fund	0	0	0	2,392,413	0	2,392,413
Gas Tax Bond Redemption	0	0	0	871,524	0	871,524
Golf Revenue Bond	0	0	12,500	344,000	0	356,500
Governmental Bond Redemption	0	0	4,836	8,181,789	0	8,186,625
Hydropower Bond	0	0	3,575,040	290,000	4,253,110	8,118,150
Lents Urban Renewal Debt Fund	2,044,826	0	20,000	0	0	2,064,826
N Macadam Debt Fund	230,520	0	4,226	0	0	234,746
Morrison Park East Bond	0	0	0	409,100	389,878	798,978
Morrison Park West Bond	0	0	0	342,640	333,348	675,988
Old Town Parking Bond	0	0	0	665,322	0	665,322
River District Debt Fund	2,167,788	0	44,583	0	0	2,212,371
Pension Debt Redemption Fund	0	0	1,507,475	7,827,878	29,415,507	38,750,860
Sewage Disposal Debt	0	0	50,000	53,060,912	2,818,138	55,929,050
South Park Renewal Debt Service	6,077,399	0	100,000	10,900,000	1,179,801	18,257,200
Washington County Supply Bond	0	1,860,256	0	196,704	1,472,649	3,529,609
Water Bond Sinking	0	0	0	12,751,812	0	12,751,812
Waterfront Renewal Bond Sinking	13,078,273	0	110,000	15,290,000	5,025,000	33,503,273
Total Debt Service Funds	48,584,216	1,860,256	13,967,504	115,024,094	53,507,870	232,943,940
Federal and State Funds						
Federal Grants	0	0	27,944,788	0	0	27,944,788
Home Grant	0	0	4,498,000	0	0	4,498,000
Housing & Community Development	0	117,200	15,716,000	0	0	15,833,200
Total Federal and State Funds	0	117,200	48,158,788	0	0	48,275,988
Retirement Funds						
FPD&R	62,711,800	0	20,807,176	796,615	4,762,673	89,078,264
FPD&R Retirement Reserve	0	0	0	0	750,000	750,000
Supp Retirement Program Trust	0	0	18,000	0	352,343	370,343
Total Retirement Funds	62,711,800	0	20,825,176	796,615	5,865,016	90,198,607
Revenue and Reserve Fund						
Convention and Tourism	0	0	2,185,233	0	105,505	2,290,738
General Reserve	0	0	1,663,402	0	34,228,100	35,891,502
Special Finance & Resource Fund	0	0	238,174,574	0	123,087	238,297,661
Transportation Reserve	0	0	25,000	0	541,089	566,089
Total Revenue and Reserve Fund	0	0	242,048,209	0	34,997,781	277,045,990
TOTAL ALL FUNDS	\$ 250,113,702	\$ 411,770,672	\$ 675,803,127	\$ 491,658,838	\$ 369,340,555	\$2,198,686,894

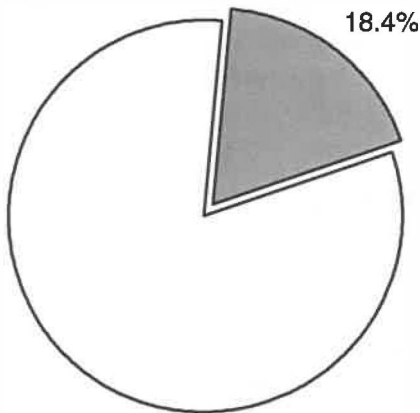


Public Safety

Bureau of Police
Bureau of Fire, Rescue and Emergency Services

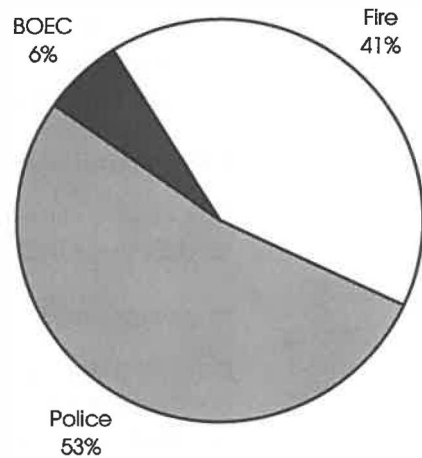
Bureau of Emergency Communications
Fire & Police Disability & Retirement

Percent of City Budget
Public Safety = \$308.8 Million



City Budget = \$1.68 Billion

Bureau Pie Chart



Service Area Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	253,625,165	257,615,633	3,990,468	-2.9%
Capital	1,383,579	1,070,000	-313,579	-26.0%
Allocated Overhead Costs	5,534,057	5,343,108	-190,949	-7.7%
Total Cost with Allocated Overhead	\$ 260,542,801	\$ 264,028,741	\$ 3,485,940	-3.1%
Authorized Full-Time Positions	2,152	2,155	3	-4.2%

Note: Per capita change values are adjusted for inflation and population growth.

Note: The table shows direct operating and capital costs for bureaus within the service area. The pie charts reflect bureau and fund costs in the service area, including the full allocation of centralized expenditures, for example health insurance reserves.

Service Area Highlights

MAJOR THEMES

Police Bureau

Position Reductions:

Nine officer positions are reduced in the Adopted Budget.

Facilities:

The Police Bureau continues to need additional permanent or improved facilities for a training facility, property warehouse, additional precincts in outlying areas of Portland, the Mounted Patrol Unit, and the Traffic Division. A long range facilities plan is being developed to prioritize projects and explore financing options.

Administrative Service Reductions:

As a result of city-wide reductions, Police is reducing expenditures in administrative services by \$460,654.

Materials and Services Reductions:

Police is reducing expenditures for materials and services by a total of \$400,000. \$200,000 is reduced in uniforms, \$100,000 in furniture, \$50,000 in professional services, and \$50,000 in reductions associated with elimination of nine officer positions.

Fire Bureau

Administrative Service Reductions:

As a result of city-wide reductions, Fire is reducing expenditures in administrative services by \$70,000, and reducing one position.

Facilities:

A \$53.8 million bond measure for improving city emergency facilities was authorized in the November 1998 general election. This bond measure will allow the construction of several new fire stations, and the seismic retrofit of the remaining fire facilities. In addition, other improvements to emergency facilities will be made to address issues such as female firefighter accommodations, Americans with Disability Act (ADA) access, drug storage, pathogen cleanup, and combined community facility uses.

Fire Apparatus:

Fire apparatus replacement funding has been continued at the rate of \$1 million per year from the capital set aside.

Fire Training Program:

The Fire Training Program has made significant strides toward recruiting women and minority candidates. Since implementation four years ago, this program has increased the employment of women and minority employment of firefighters 303%.

**Emergency
Communications****Reduction of Positions at the Portland Communications Center:**

Call volume has remained steady at approximately 900,000 per year. The lack of increasing call volume allows staff to be cut back by 6 positions this year.

**Fire and Police
Disability &
Retirement Fund****Funded Pension System:**

FPD&R continues to explore the possibility of becoming a fully funded pension plan. The current system relies on a tax levy authorized in 1948 which provides up to \$2.80 per \$1,000 assessed value on property in the City.

Bureau of Police

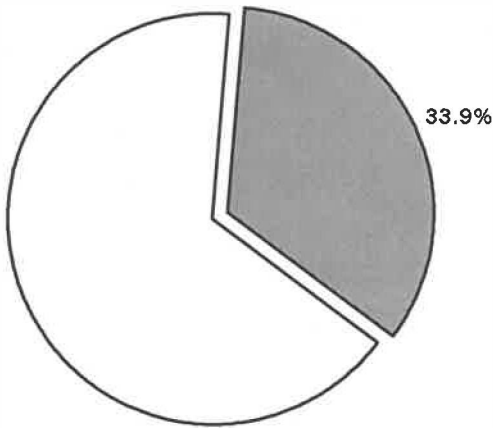
Public Safety Service Area

Mayor Vera Katz, Commissioner-in-Charge

Mark Kroeker, Chief of Police

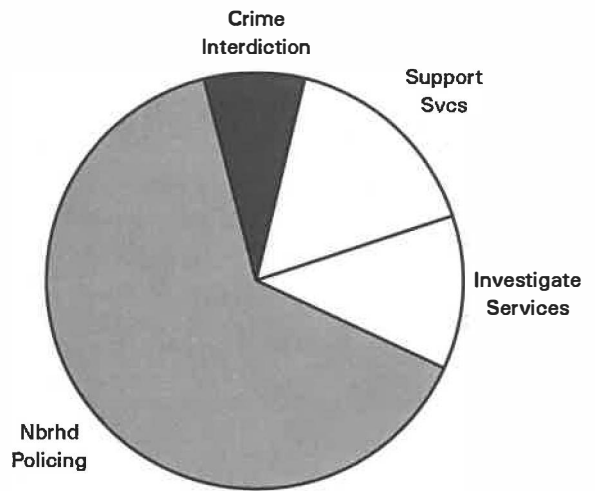
Percent of General Fund

Police = \$119.9 Million



General Fund = \$354 Million

Bureau Programs

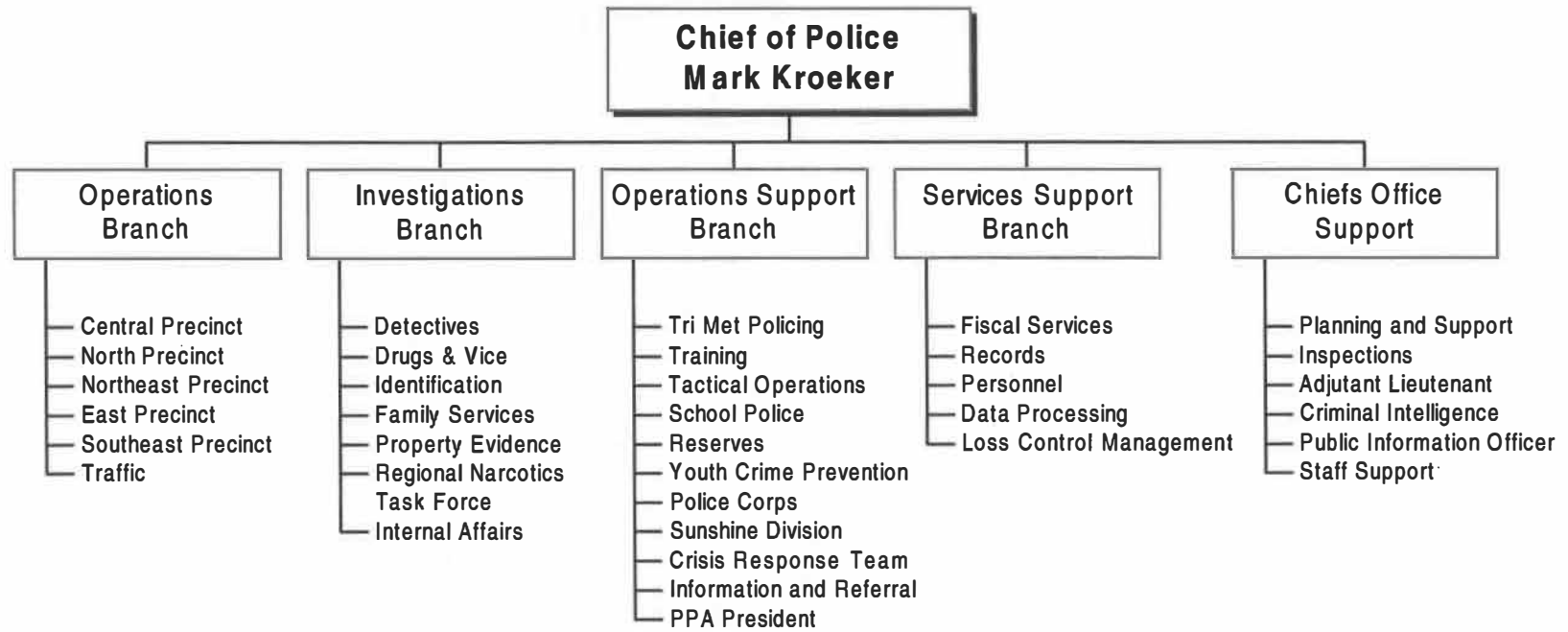


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	120,011,555	119,890,802	-120,753	-4.5%
Capital	229,000	0	-229,000	-100.0%
Allocated Overhead Costs	3,572,377	3,515,092	-57,285	-5.9%
Total Cost with Allocated Overhead	\$ 123,812,932	\$ 123,405,894	\$ -407,038	-4.7%
Authorized Full-Time Positions	1,257	1,252	-5	-4.7%

Note: Per capita change values are adjusted for inflation and population growth.

Portland Police Bureau



Bureau Summary

BUREAU MISSION

The Portland Police Bureau is currently working on its 2000-2002 Strategic Plan. This plan, updated every two years, sets forth the bureau's five-year goals and objectives, and defines its 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.

BUREAU HIGHLIGHTS

Overview

The vision of the Police Bureau is to be the safest city in the nation. Although Part I crimes have decreased, calls for service have increased. The bureau has had an upward climb to restore current service levels since cuts were enacted as a result of the passage of Measure 47/50. The bureau has made progress in restoring some of the officer positions, but support staff and materials and services costs have not been fully restored through the General Fund. The bureau mitigated some of these losses by successfully obtaining new grants, and through accelerated procurement. A characteristic of this movement was evidenced in the expenditure momentum of last fiscal year.

The bureau has traditionally under-spent the budget by \$1 million to \$2 million dollars annually.

The bureau has traditionally under-spent the budget by \$1 million to \$2 million dollars annually. In FY 1996-97, \$1,452,084 in general fund discretionary funding was returned to the City. In FY 1997-98, \$1,353,001 was left to the ending General Fund balance. In FY 1998-99 the bureau over-expended its General Fund discretionary budget by \$881,950. This amount was partially offset by \$639,488 in additional bureau revenues, resulting in a net overexpenditure of \$242,462 for the year. Hiring efforts such as Operation 80 and current recruitment are the bureau's effort to catch up with a previously mandated hiring freeze enacted after Measure 47 passed. Infrastructure maintenance and enhancements is the bureau's effort to grow with the expanding work force and address design inadequacies to existing facilities.

This budget will reduce personnel, overtime, and external material and services

The adopted reductions to the bureau budget will reduce personnel, overtime, and external material and services. These reductions may impede the bureau's ability to make further inroads into the community in problem solving, the plaguing livability issues contributing to crime, and the fear of crime. This situation also may impede leveraging funds as a match for federal and state grants, and could result in declining grant applications.

Bureau Funding

The Adopted Budget for the Police Bureau totals \$119,890,802. The Adopted Budget is a 1%, or \$1,144,782, increase from the bureau's Requested Budget of \$118,746,020. The Police Bureau will receive \$104,701,032 in general fund discretionary dollars. In addition, the bureau has budgeted for \$8,253,459 in Federal grants and \$6,936,311 in bureau revenue. The Adopted Budget reflects an increase in new revenue and additional Federal grant funding. Three grants have been accepted by the bureau since the submission of the Police Bureau's Requested Budget. The Police Bureau has requested and received \$650,258 in federal grant match funds carried over from the current budget year into FY 2000-01.

Adopted Service Level	The Adopted Budget continues existing service priorities and deployment practices which concentrate police resources in basic neighborhood patrol, and emergency calls for service. The Adopted Budget reduces the bureau's current service level funding for the following ongoing programs.
Budget Reductions	<p>Nine full-time Officer positions: \$433,085</p> <p>This reduction package will reduce the current service level of sworn officer positions within the Precincts. It will specifically cut two vacant officer positions in Central, Northeast, East and Southeast, and one vacant position at North Precinct. An additional \$50,000 in associated materials & services appropriation has also been reduced.</p> <p>External Materials and Services: \$150,000</p> <p>This reduction will reduce the amount of available resources for procurement of officer equipment and tools, furniture replacement, and professional services.</p> <p>Overtime: \$500,000</p> <p>This package will cut the current service level fund of the bureau's overtime budget. The bureau is currently evaluating court overtime to identify efficiencies that will help reduce the amount of overtime expenditures. The bureau has historically overexpanded overtime, but has been able to offset these expenditures with salary savings.</p> <p>Uniform/Equipment Savings: \$200,000</p> <p>The bureau is implementing a pilot project in FY 1999-00 to address accountability of uniforms and issued equipment. The long term goal of the project is to maximize the use of serviceable uniforms and equipment, which would result in future budgetary savings.</p> <p>Administrative Services Support: \$460,654</p> <p>In light of the pending consolidation of administrative service functions in FY 2001-02, the bureau will cut two vacant positions in this area. This will allow bureau personnel to support the functions of crime analysis and lower level managerial support at the Precincts. The bureau proposes to cut the Explorer Program by \$100,000, out-of-town travel by \$100,000, employee training by \$100,000, minor equipment by \$73,958 and two vacant civilian positions within the bureau totaling \$86,696.</p> <p>Interagency Reductions: \$217,741</p> <p>Through city-wide reductions in administrative services support, the bureau's interagency agreements have been reduced by a total of \$217,741. These reductions have been proposed to reduce the support function cost on a city-wide basis.</p>
Budget Adds	<p>Risk Management Interagency Agreement: \$636,633</p> <p>The bureau will receive additional one-time funding to cover the increased cost associated with general liability, fleet liability, and workers compensation. The bureau is expected to absorb this and any other increases in FY 2001-02.</p>

The bureau is currently evaluating court overtime to identify efficiencies

Interagency agreements have been reduced by a total of \$217,741

Mobile Data Computer Replacement Fund: \$117,698

The bureau requested additional funds to support the new Mobile Data Computer replacement fund at a full replacement rate over the effective life of the units. The Adopted Budget funds the increase at one fourth of the amount requested. As a result, the replacement rate has been adjusted by the Bureau of General Services.

Administrative and Support Services Director: \$51,000

The Adopted Budget includes funding for an Administrative and Support Services director position to coordinate the financial needs and concerns of the bureau. This position is scheduled to be filled at the first of the calendar year. The funding for this position may not address the total cost of this position. Depending on the base salary of the position, additional support for PERS contributions may be necessary.

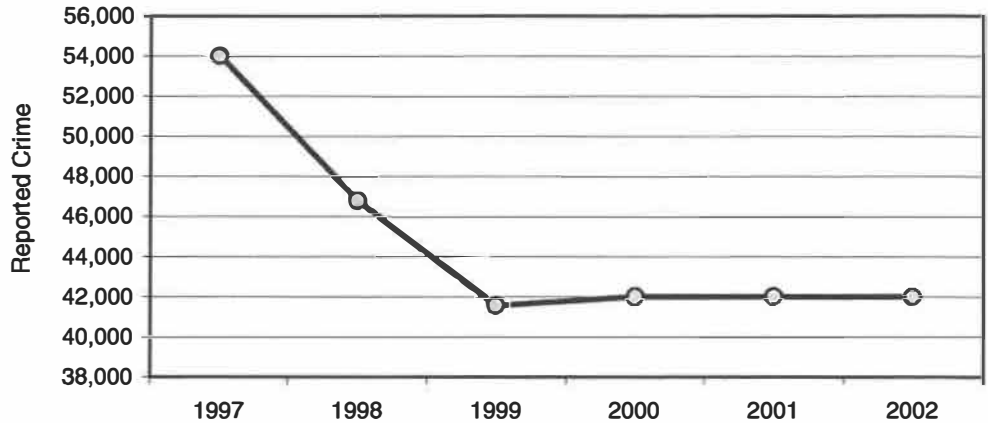
Mounted Patrol Facility: \$62,000

The Adopted Budget includes additional funding to cover the increased operating cost of the new Mounted Patrol Facility. This increase will take effect in January 2001.

Performance Measures

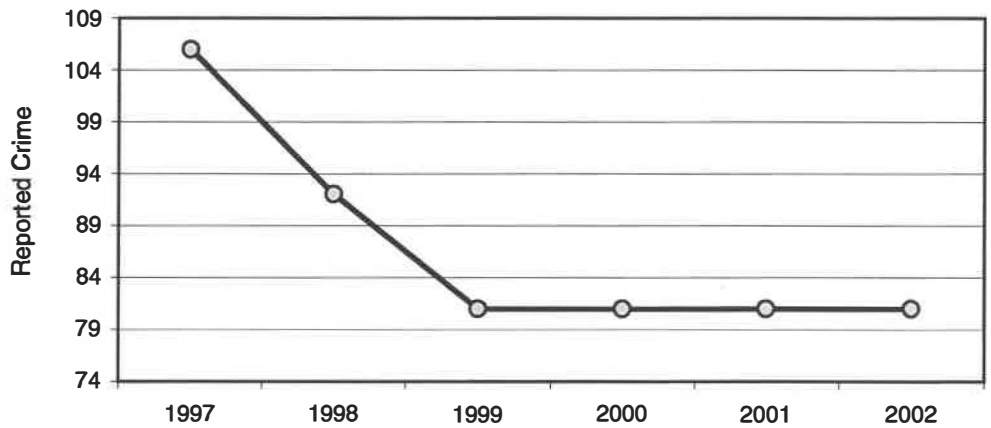
Part 1 (major) Crimes

- ◆ Reported serious crimes decreased in 1996 due to reductions in burglary and auto theft.
- ◆ In 1997, reported serious crimes increased from 1996, but are still lower than 1994 and 1995.
- ◆ In 1998, serious crime decreased even further



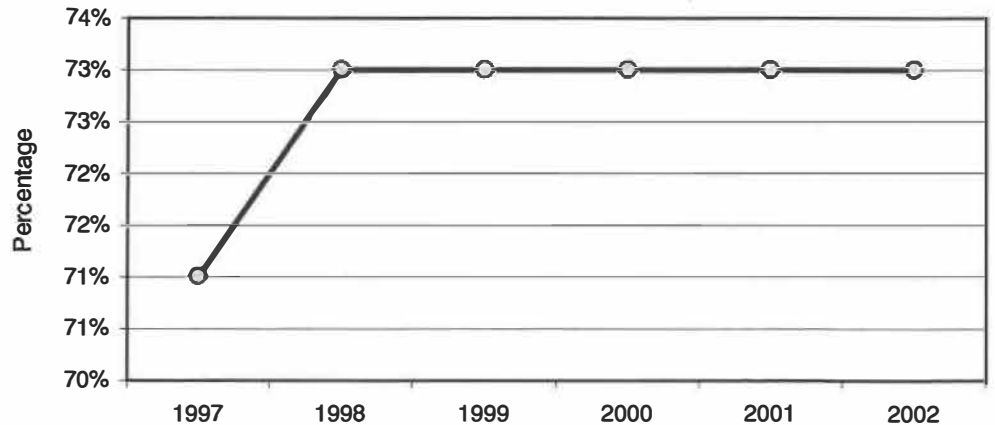
Part 1 Crimes per 1000 population

- ◆ Compared to the years from 1989-1995, reported Part 1 crime/1000 population in 1997 are lower.
- ◆ Reported serious crimes per 1000 citizens showed a slight increase over 1996, mostly due to increased auto theft.

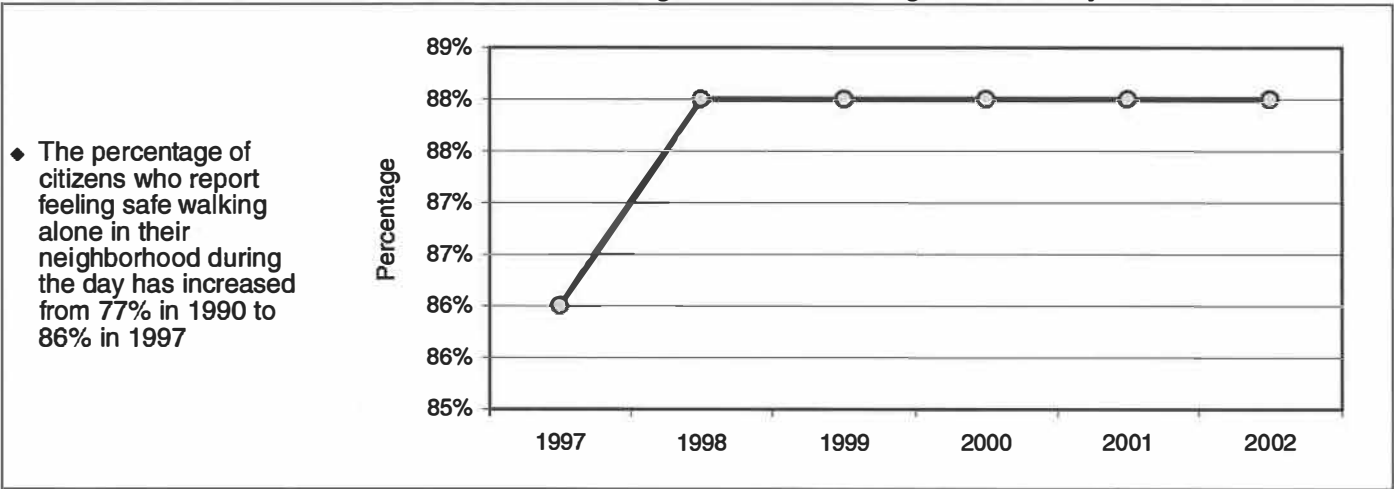


Citizens Rating Service as Good or Better

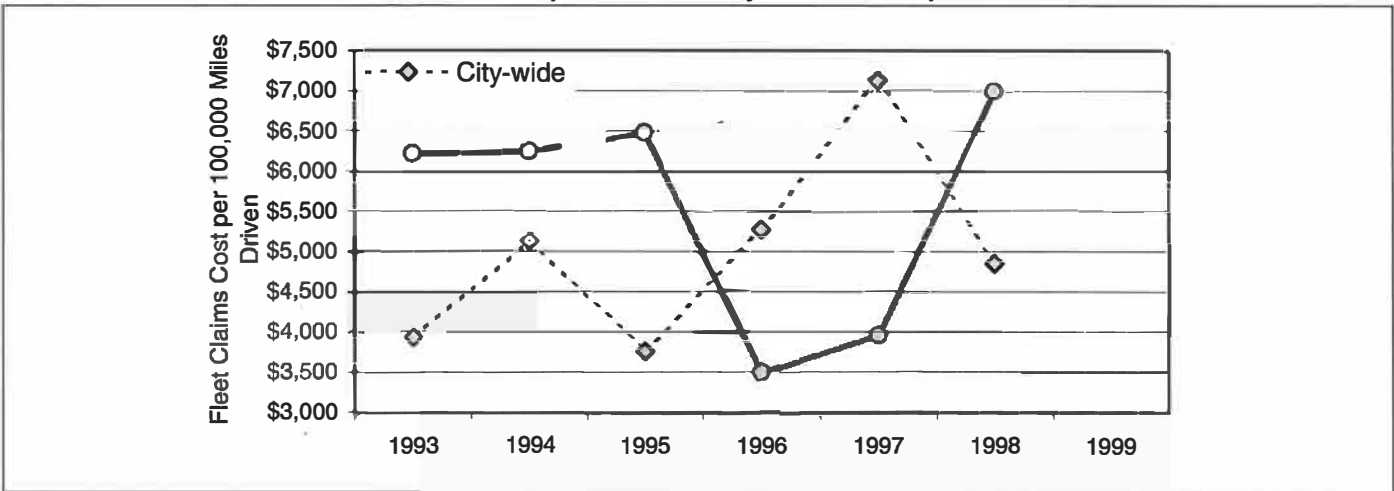
- ◆ The percentage of citizens rating police services good or better has stayed within four percentage points of 70% since 1992.



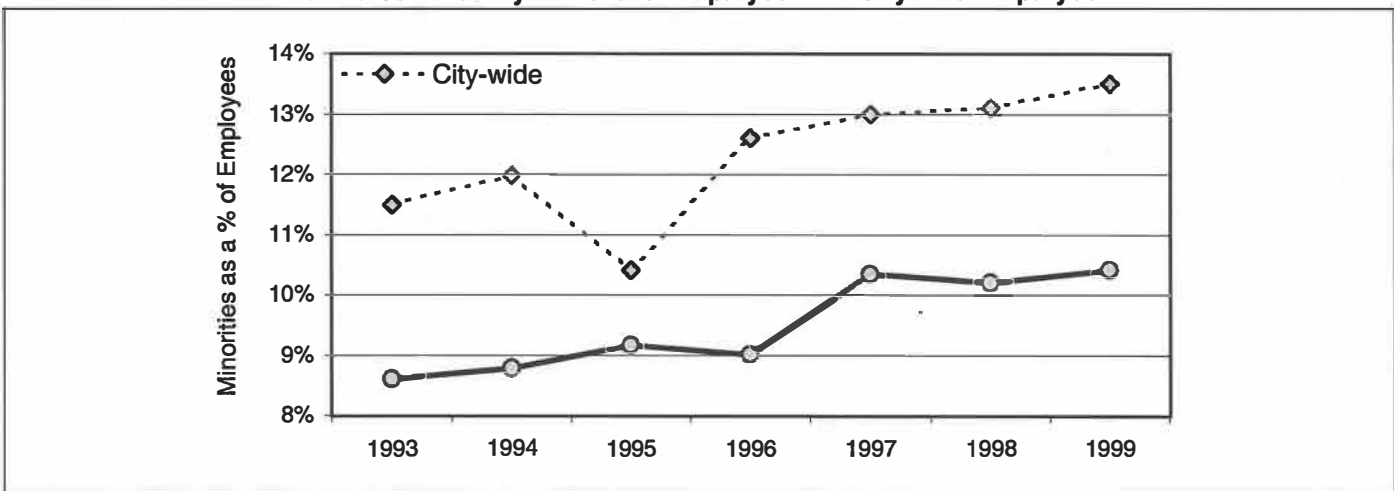
Citizens Who Feel Safe Walking Alone in Their Neighborhood-Days



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	76,010,687	82,814,029	89,309,069	90,384,228	90,504,228
External Materials and Services	5,281,387	8,171,319	10,565,146	9,220,720	9,870,978
Internal Materials and Services	19,816,987	17,920,096	17,149,668	18,630,350	18,530,350
Minor Capital Outlay	258,516	506,084	1,300,822	985,246	985,246
Equipment Cash Transfers	488,857	668,430	1,686,850	0	0
Total Operating Budget	101,856,434	110,079,958	120,011,555	119,220,544	119,890,802
Capital Improvements	643,068	107,760	229,000	0	0
TOTAL BUREAU EXPENDITURES	\$ 102,499,502	\$ 110,187,718	\$ 120,240,555	\$ 119,220,544	\$ 119,890,802
Allocated Overhead	2,152,140	3,018,555	3,572,377	3,283,570	3,515,092
Total Cost with Allocated Overhead	104,651,642	113,206,273	123,812,932	122,504,114	123,405,894
RESOURCES					
General Fund Discretionary		95,715,876	99,515,320	104,200,774	104,701,032
Non-Discretionary Revenues					
Grants & Donations		7,714,748	14,668,961	8,253,459	8,253,459
Contract Revenues		3,914,130	3,441,845	3,292,072	3,292,072
Interagency Revenues		137,001	157,420	153,035	153,035
Program Revenue		2,705,963	2,457,009	3,321,204	3,491,204
Total Non-Discretionary Revenues		14,471,842	20,725,235	15,019,770	15,189,770
TOTAL GENERAL FUND RESOURCES		\$ 110,187,718	\$ 120,240,555	\$ 119,220,544	\$ 119,890,802
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Neighborhood Policing Services		67,230,691	73,517,718	76,688,569	76,836,793
<i>Positions</i>		<i>811</i>	<i>814</i>	<i>799</i>	<i>800</i>
Investigative Services		14,221,634	14,471,730	14,305,767	14,265,499
<i>Positions</i>		<i>166</i>	<i>165</i>	<i>166</i>	<i>166</i>
Crime Interdiction Services		9,241,592	9,775,351	9,427,085	9,427,085
<i>Positions</i>		<i>92</i>	<i>94</i>	<i>96</i>	<i>96</i>
Support Services		19,493,801	22,475,756	18,799,123	19,361,425
<i>Positions</i>		<i>183</i>	<i>184</i>	<i>189</i>	<i>190</i>
TOTAL PROGRAMS		\$ 110,187,718	\$ 120,240,555	\$ 119,220,544	\$ 119,890,802
<i>Positions</i>		1,252	1,257	1,250	1,252
<i>General Fund Discretionary Positions</i>		1,209	1,214	1,204	1,205

Bureau of Fire, Rescue and Emergency Services

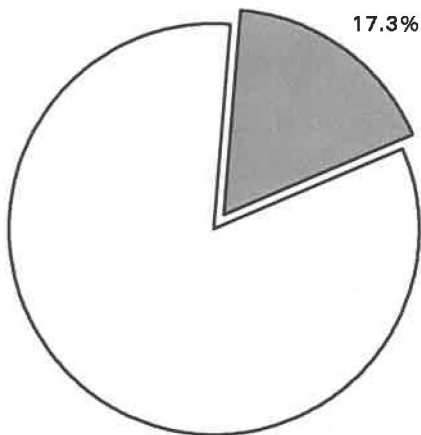
Public Safety Service Area

Jim Francesconi, Commissioner-in-Charge

Robert Wall, Fire Chief

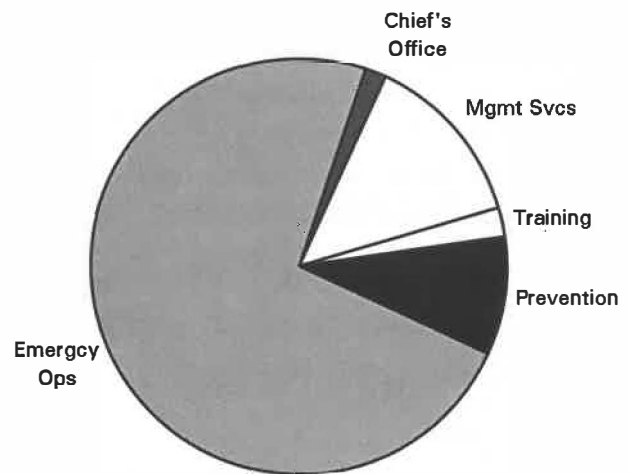
Percent of General Fund

Fire = \$61.3 Million



General Fund = \$354 Million

Bureau Programs

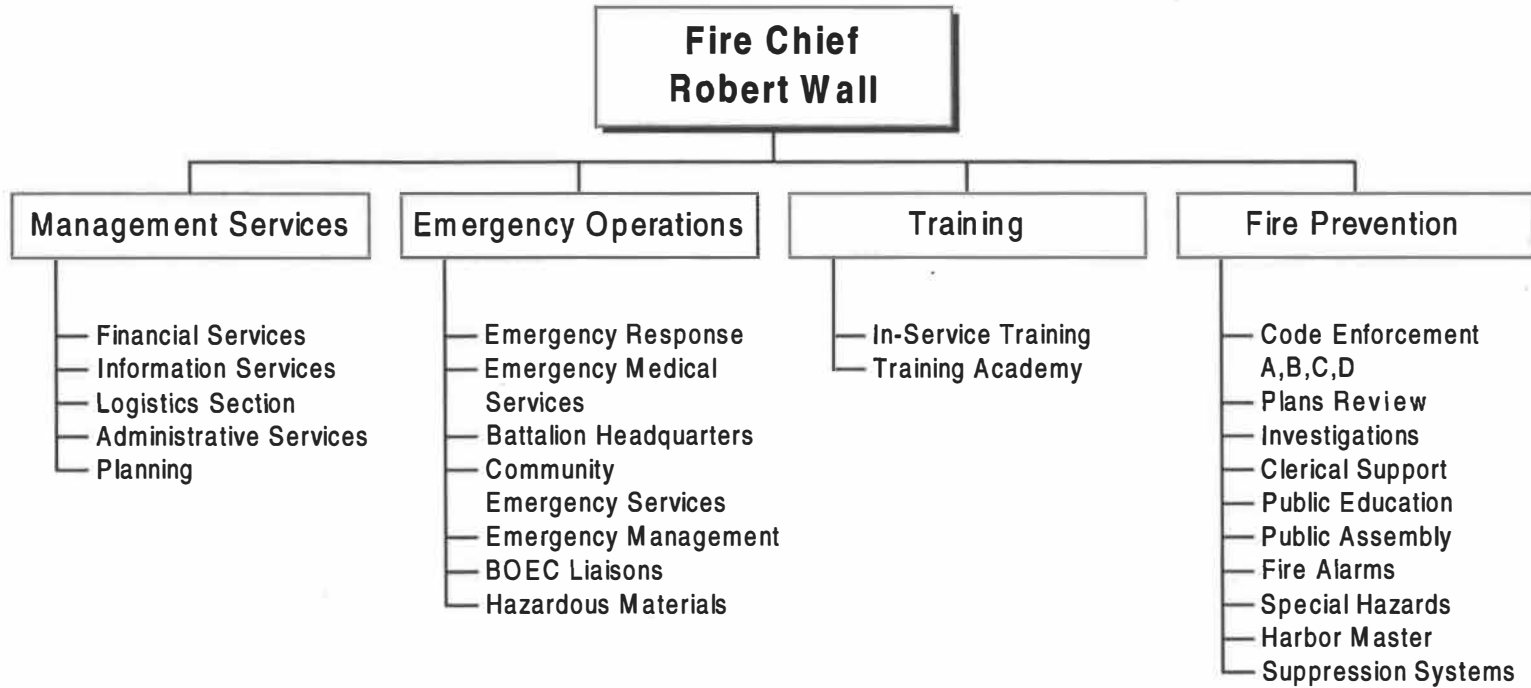


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	60,711,959	60,244,455	-467,504	-5.1%
Capital	1,154,579	1,070,000	-84,579	-11.4%
Allocated Overhead Costs	1,530,868	1,473,996	-56,872	-7.9%
Total Cost with Allocated Overhead	\$ 63,397,406	\$ 62,788,451	\$ -608,955	-5.3%
Authorized Full-Time Positions	730	743	13	-2.7%

Note: Per capita change values are adjusted for inflation and population growth.

Portland Fire and Rescue



Bureau Summary

BUREAU MISSION

The mission of Portland Fire and 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

To provide leadership and coordination that encourages Community - Fire and Rescue partnerships that result in City and Fire and Rescue mission and goal accomplishment.

To minimize suffering, loss of life and property from fires, hazardous materials, medical and other emergencies through response programs.

To 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.

To ensure preparedness and safety through training, disaster planning, and emergency management programs and to provide all divisions with a high level of planning information and activities.

To manage the resources and support necessary for Portland Fire and Rescue to accomplish its mission.

BUREAU HIGHLIGHTS

The FY2000-01 Adopted Budget for Portland Fire, Rescue and Emergency Services contains several initiatives that the bureau will focus on during the next budget period. They include the following:

Deliver Paramedic Service

Portland Fire and Rescue has developed a plan to provide paramedic services from each of the 27 fire stations. It is currently the largest provider of pre-hospital care in the State of Oregon.

Regional Approaches

The bureau has developed and implemented a model for a regional training academy and is experiencing success at every level. The first regional academy for Fire Training occurred in 1999.

Labor/Management

The Fire Chief and the union president serve on the city-wide Management Advisory Group and the bureau has revived its internal Labor Management Committee. The bureau is committed to use the Service Improvement Initiative (SII) to make the city better. A successful labor management retreat was held in 1999 and another one is scheduled for FY 2000-01.

General Obligation Bond Implementation

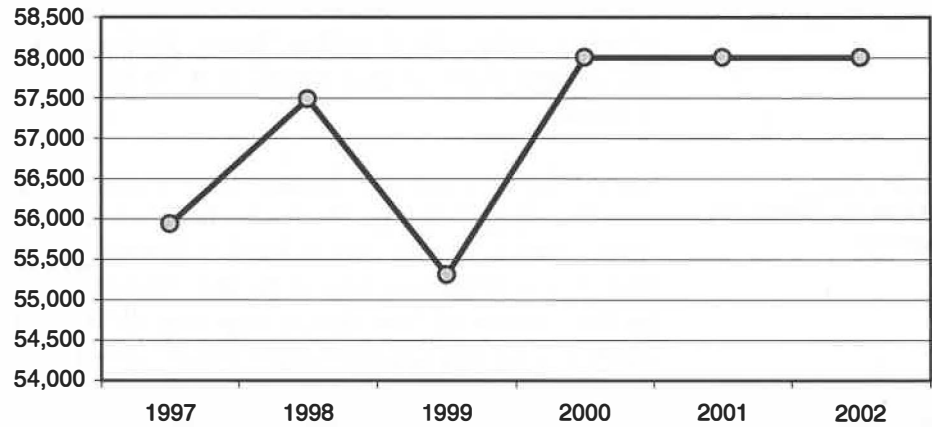
With the passage of the General Obligation Bond Portland Fire and Rescue has shared project responsibility with the Bureau of General Services Facilities Management Division. Among Portland Fire and Rescue's responsibilities are communication with impacted neighborhoods and logistical support to the affected fire stations. Site planning is occurring in several areas of the City.

- Computer Technology** The bureau has implemented the Fire Incident Reporting System and supports Citywide ITSP. During FY 2001 the bureau will further develop and implement additional modules of the Fire Information System, as well as work to provide timely response maps to all of the fire companies.
- Bureau Planning** The FY 2000-05 Strategic Plan has been completed and published, following a lengthy planning process. Portland Fire, Rescue and Emergency Services will begin implementing the Strategic Plan and then intends to apply for an Oregon Quality Initiative award in FY 2000-01.
- Successful Workforce Diversity Program** The FY 2000-01 Adopted Budget contains another cycle of the highly successful Trainee/Apprenticeship Program. The bureau has hired its fifth class of trainees and is in the process of preparing to hire the sixth class of 16 Trainees during FY 2000-01. The program provides four months of training prior to the individuals being sworn in as Firefighter/EMTs. The bureau's workforce diversity has improved 303% in the last five years; the total number of sworn women and minority employees has grown from 33 to 100.
- Enhanced Fire Prevention (EFP)** This program continues a major initiative started in FY 1998-99 that generates resources to help make Portland a safer city by meeting the Prevention Division's code enforcement goals. A National Fire Protection Association study found jurisdictions that conduct regular fire code inspections experience significantly fewer fires than those which do not. Portland Fire & Rescue is empowered to inspect approximately 32,000 commercial and multi-family residential structures of 3 or more units. Due to lack of resources, inspectors could inspect only 5,951 structures in FY 1996-97 and 4,699 in FY 1997-98. The enhanced prevention program allows for inspections of all occupancies on a regular basis through modest user fees. After the EFP program started on August 1, 1998, 14,576 structures were inspected in FY 1998-99. The total number of inspections increased by 187% since FY 97-98.

Performance Measures

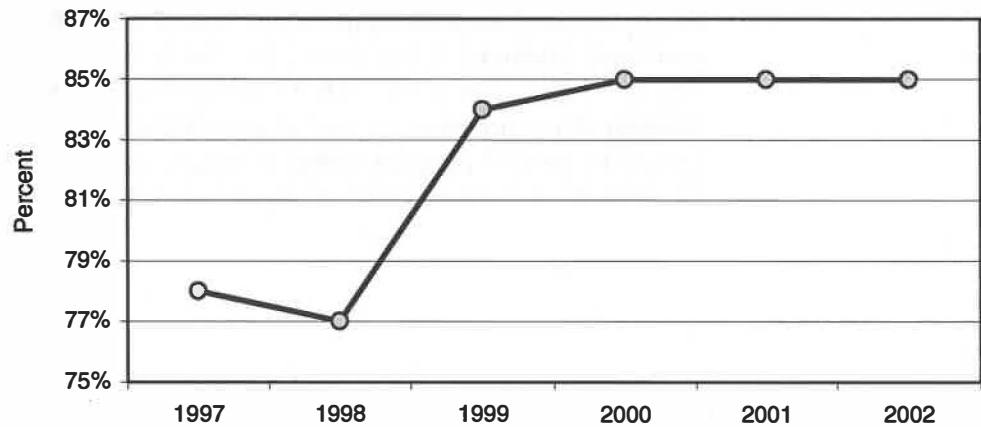
Number of Emergency Response Calls

- ◆ The bureau has seen a constant increase in the number of emergency response calls in direct correlation to the rise in population.
- ◆ 75% of the calls responded to are medical in nature.
- ◆ Portland Fire and Rescue serves a population of 510 k and provides coverage to 149.5 square miles.



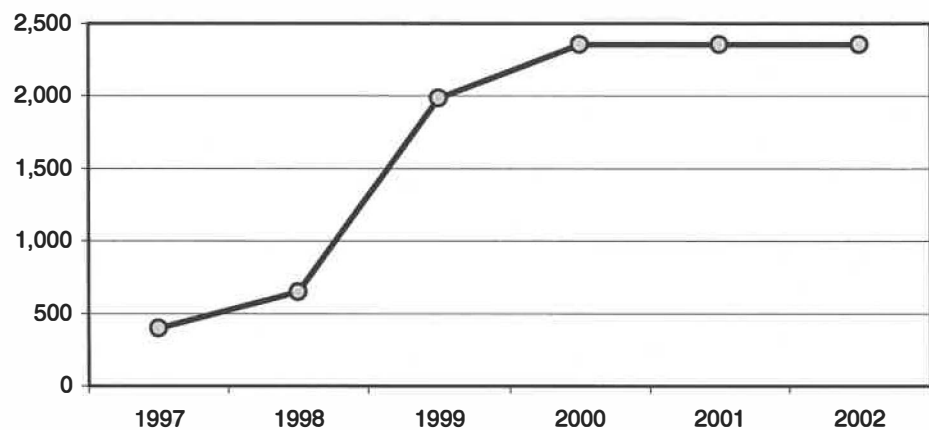
Response Time under 5 minutes 20 seconds

- ◆ Study findings indicate that getting medical help within the first few minutes of a trauma or medical emergency can make a dramatic difference in a patient's recovery.
- ◆ Three additional fire stations will be built within the next few years to ensure that Portland Fire & Rescue continues to provide an adequate level of emergency response.



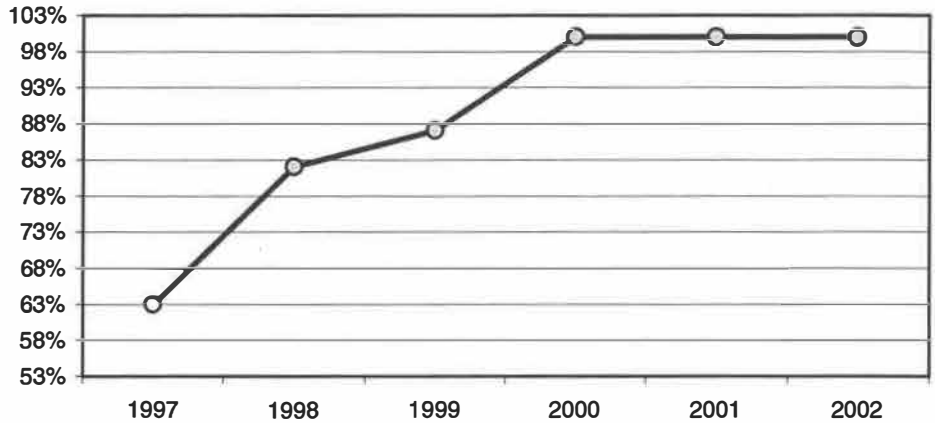
Number of Applicants for Positions

- ◆ Depending on the fiscal year, various exams are given for uniform positions. The chart shows how the total number of applicants fluctuates, depending on the type and number of exams being given.
- ◆ Lieutenant, Captain and Chief positions usually have fewer applicants than the entry level positions of Firefighter and EMT.

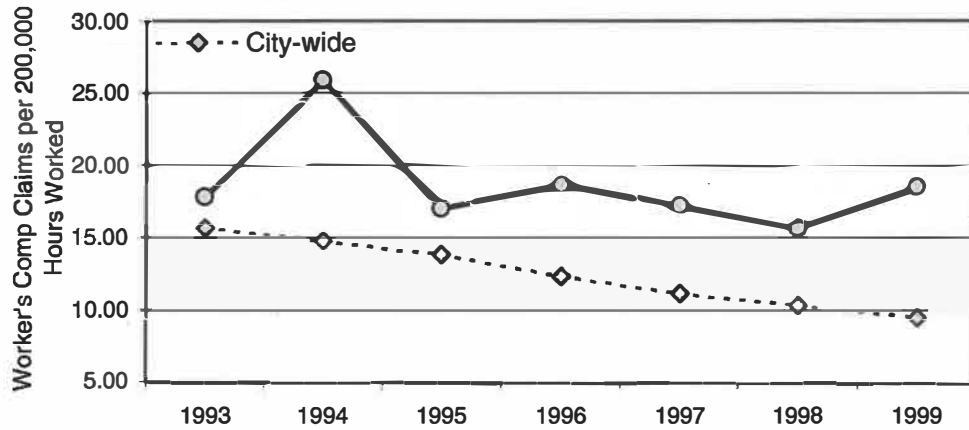


Percent of Recruits Trained Successfully

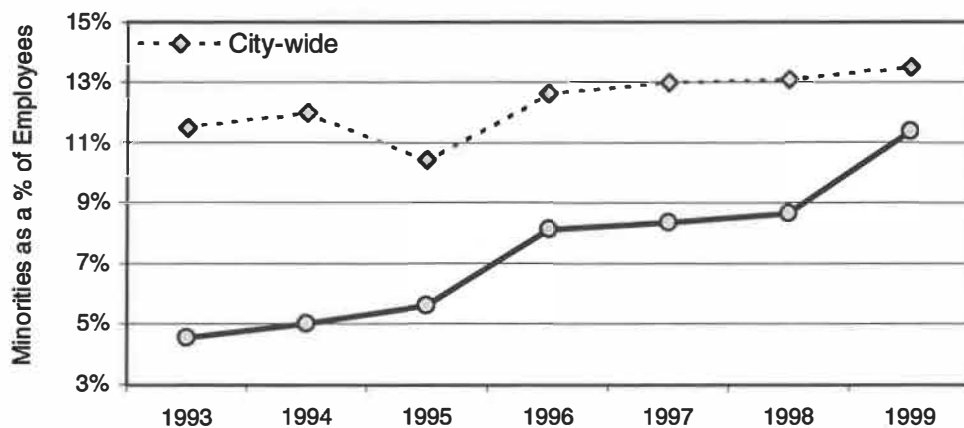
- ◆ Portland Fire and Rescue's Training Academy provides an extensive program through classroom training, shift work training at Station 2; and continued learning and evaluation at an assigned station.
- ◆ All of these methods of training provide the best means to train an individual; the graph shows the percent who have successfully completed the training.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Bureau of Fire, Rescue and Emergency Services AU 124

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	48,142,878	50,598,626	53,447,182	53,190,702	53,190,702
External Materials and Services	3,625,027	3,968,742	4,615,641	4,028,188	4,033,188
Internal Materials and Services	4,710,814	2,567,007	2,599,136	2,995,565	2,970,565
Minor Capital Outlay	124,568	111,718	50,000	50,000	50,000
Equipment Cash Transfers	0	152,000	0	0	0
Total Operating Budget	56,603,287	57,398,093	60,711,959	60,264,455	60,244,455
Capital Improvements	1,541,465	1,831,000	1,154,579	1,050,000	1,070,000
TOTAL BUREAU EXPENDITURES	\$ 58,144,752	\$ 59,229,093	\$ 61,866,538	\$ 61,314,455	\$ 61,314,455
Allocated Overhead	1,151,672	1,465,141	1,530,868	1,579,170	1,473,996
Total Cost with Allocated Overhead	59,296,424	60,694,234	63,397,406	62,893,625	62,788,451
RESOURCES					
General Fund Discretionary		56,647,804	58,475,652	58,366,444	58,361,444
Non-Discretionary Revenues					
Grants & Donations		86,603	262,506	0	0
Contract Revenues		257,094	270,000	292,000	292,000
Interagency Revenues		30,913	83,915	41,200	46,200
Program Revenue		2,206,679	2,774,465	2,614,811	2,614,811
Total Non-Discretionary Revenues		2,581,289	3,390,886	2,948,011	2,953,011
TOTAL GENERAL FUND RESOURCES		\$ 59,229,093	\$ 61,866,538	\$ 61,314,455	\$ 61,314,455
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Logistics		86,115	0	0	0
<i>Positions</i>		0	0	0	0
Chief's Office		875,682	875,448	1,016,153	1,016,153
<i>Positions</i>		7	7	8	8
Management Services		8,786,826	8,581,659	8,324,481	8,319,481
<i>Positions</i>		42	44	44	44
Emergency Operations		42,761,363	45,818,562	44,966,024	44,971,024
<i>Positions</i>		593	594	606	606
Training		1,599,680	1,182,195	1,394,916	1,394,916
<i>Positions</i>		21	20	21	21
Emergency Management & Planning		4,369	0	0	0
<i>Positions</i>		0	0	0	0
Prevention		5,111,614	5,408,674	5,612,881	5,612,881
<i>Positions</i>		66	66	65	65
TOTAL PROGRAMS		\$ 59,225,649	\$ 61,866,538	\$ 61,314,455	\$ 61,314,455
<i>Positions</i>		728	730	743	743
<i>General Fund Discretionary Positions</i>		697	698	711	711

Bureau of Emergency Communications

Public Safety Service Area

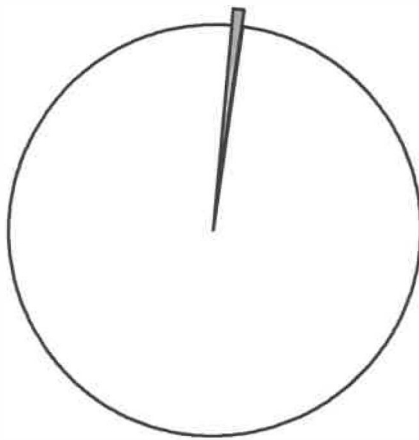
Dan Saltzman, Commissioner-in-Charge

Sherrill Whittemore, Director

Percent of City Budget

Emerg Comm = \$13 Million

0.8%

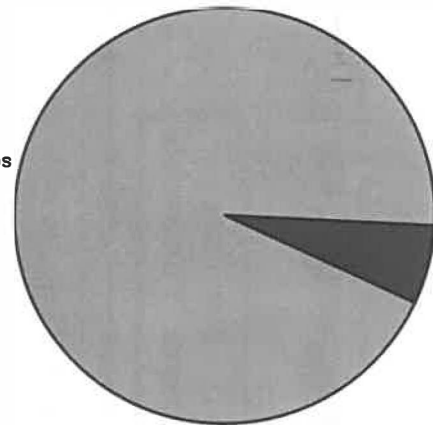


City Budget = \$1.68 Billion

Bureau Programs

911 Ops

Admin

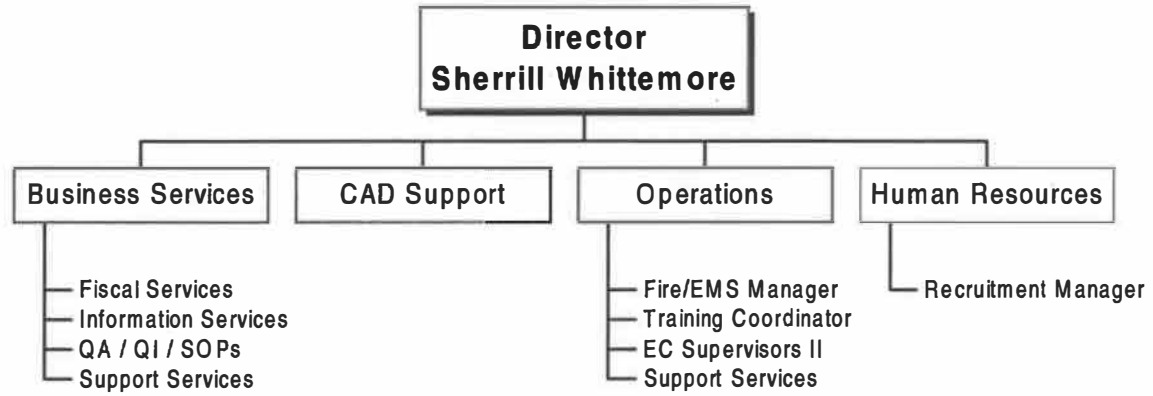


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	13,624,137	12,992,970	-631,167	-8.8%
Capital	0	0	0	0.0%
Allocated Overhead Costs	351,627	274,906	-76,721	-25.2%
Total Cost with Allocated Overhead	\$ 13,975,764	\$ 13,267,876	\$ -707,888	-9.2%
Authorized Full-Time Positions	165	160	-5	-7.3%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau of Emergency Communications



Bureau Summary

BUREAU MISSION

The mission of the Bureau of Emergency Communications 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.

BUREAU HIGHLIGHTS

Trends

Population growth continues, call volume remains steady.

Demand for Services

Call volume has traditionally increased at a rate very similar to the growth in population for Multnomah County. Population continues to grow at about 4% per year.

Recently, the call volume has remained steady at about 900,000 calls per year. In past years increases in call volume have translated into an increased need for operational staff. Because of this lack of growth a correction of staff was proposed. Therefore, this budget contains a reduction of 6 ECO II operations staff positions, from 114 in the FY 1999-00 budget period to 108 (goal of 98 certified positions with 10 trainee positions).

Training and Overtime

BOEC continues to strive to meet the goal of answering incoming 9-1-1 calls from citizens in a timely manner. The bureau has seen an increase in trained staff due to the recruiting and training strategies adopted in recent years.

This increase in the number of trained and certified staff has allowed a reduction in the anticipated overtime costs by \$138,000, from \$918,000 to \$780,000. Achievement of this lower cost level will be contingent on the ability to retain at least 85 certified ECO staff throughout FY 2000-01.

Funds for classroom and conference training have been increased by about \$12,000, or 25%, in order to more adequately provide skill maintenance and development opportunities to BOEC staff. A significant portion of this cost increase is in the information services area.

Computer Systems and 9-1-1 System

Maintenance of computer systems and optimization of the 9-1-1 system continue to be a high priority.

To continue to maintain the bureau's computer systems and optimize the functionality and integration required by the 9-1-1 system, the bureau has added three positions within the information services area.

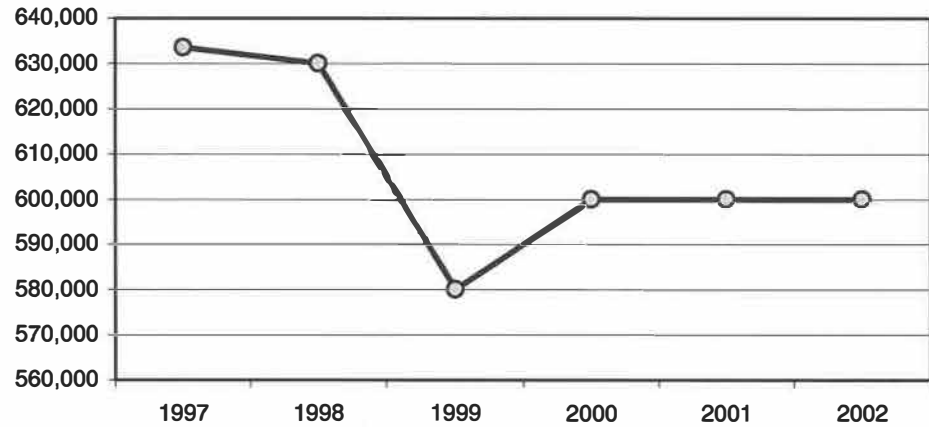
These three positions are directly related to maintenance of systems already under development; the GIS Mapping system, the NT Enterprise Network and growth in total systems hardware maintenance needs, and support for development of computer based training and interactive learning systems.

IS related professional services (\$50,000) and minor equipment costs (\$50,000) previously supported by the Public Safety Fund have been moved to the operating budget. The Public Safety Fund is fully committed to other projects and can no longer support on-going operational costs.

Performance Measures

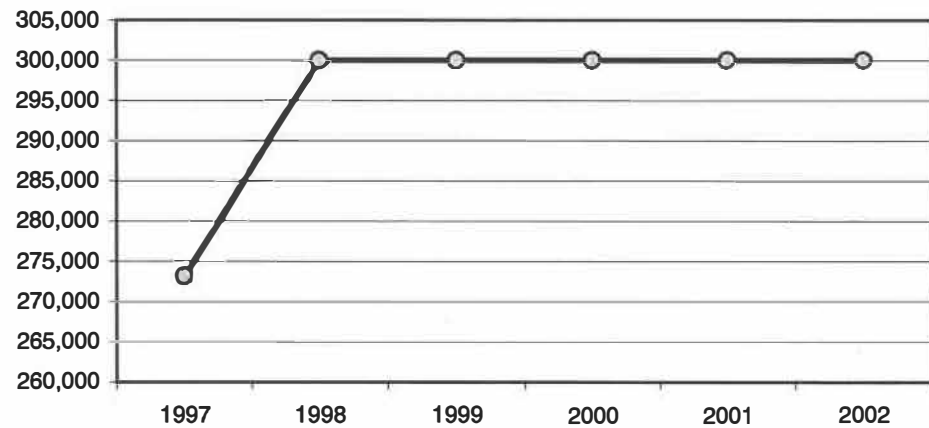
Emergency 9-1-1 Calls

- ◆ The implementation of the 9-1-1 non-emergency number has reduced the number of emergency calls since FY 1998.



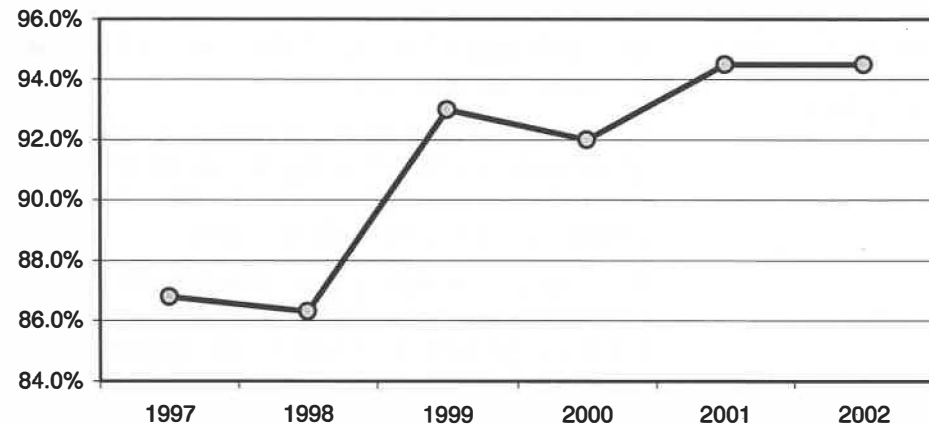
Non-Emergency Calls

- ◆ The volume of calls to the non-emergency number varies with the usage of the non-emergency phone number, and the overall call volume to the Bureau.
- ◆ Implementation of the public education program should create a sharp increase in non-emergency calls.

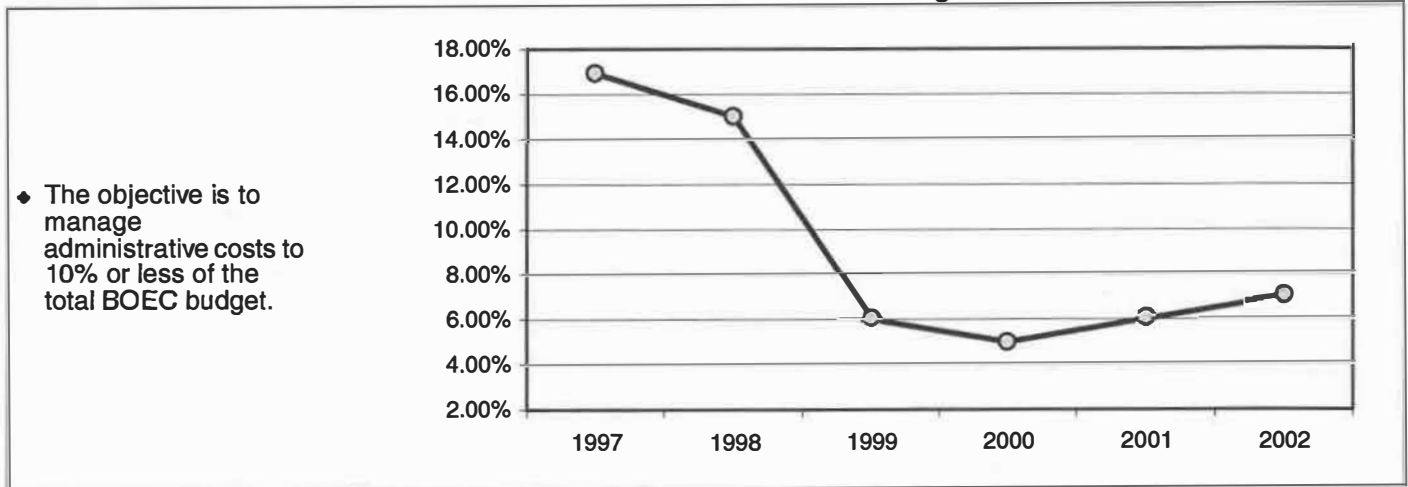


% Calls Answered Within 20 Seconds

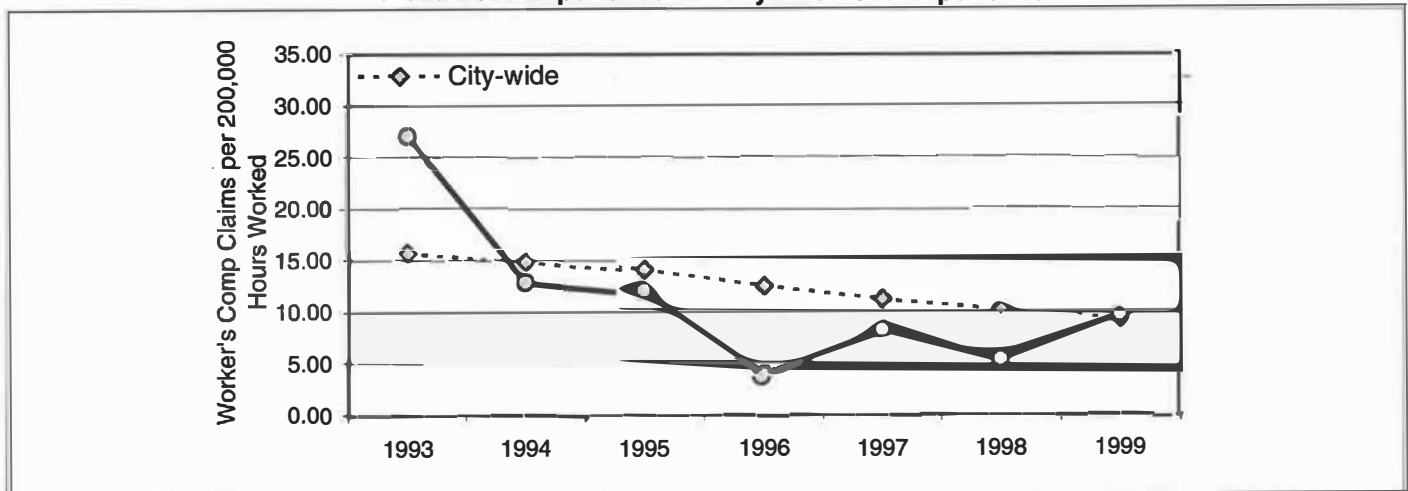
- ◆ As current recruitment efforts lead to a full staffing level of certified emergency communications operators, BOEC expects performance to improve.



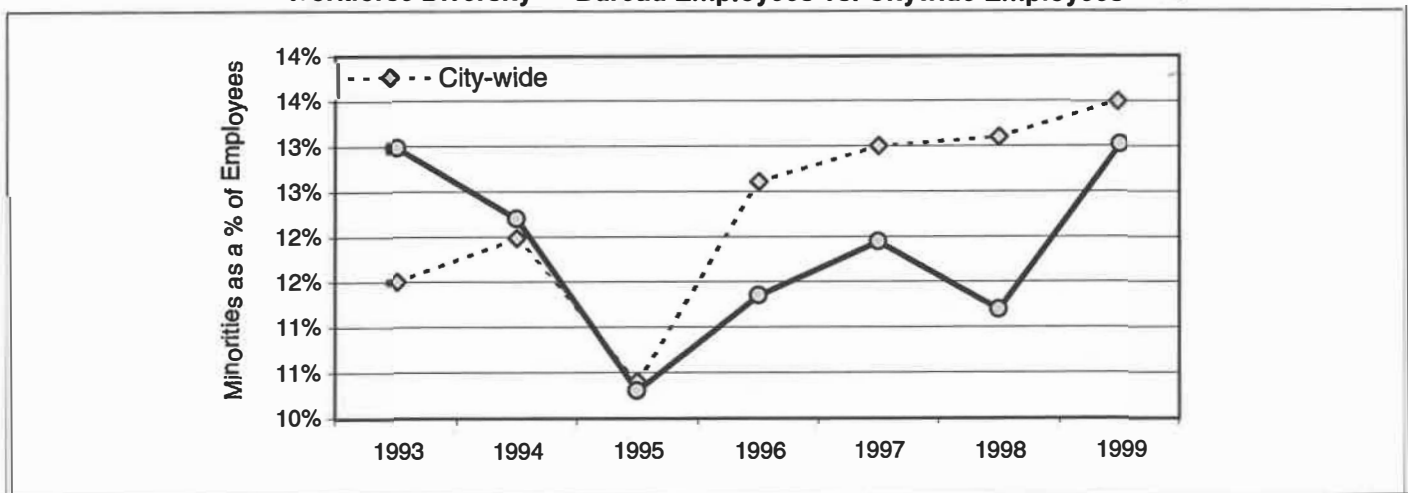
Administrative Cost as a % of Total Budget



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Bureau of Emergency Communications AU 620

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	9,915,654	10,140,622	11,181,082	10,990,210	10,590,210
External Materials and Services	743,119	969,419	898,562	1,109,858	1,105,938
Internal Materials and Services	1,003,900	1,041,994	1,150,659	1,296,822	1,296,822
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	17,493	30,647	393,834	0	0
Total Operating Budget	11,680,166	12,182,682	13,624,137	13,396,890	12,992,970
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 11,680,166	\$ 12,182,682	\$ 13,624,137	\$ 13,396,890	\$ 12,992,970
Allocated Overhead	253,300	377,488	351,627	270,986	274,906
Total Cost with Allocated Overhead	11,933,466	12,560,170	13,975,764	13,667,876	13,267,876
RESOURCES					
Emergency Communication Fund		12,182,682	13,624,137	13,396,890	12,992,970
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Administration		680,283	731,119	806,059	806,059
<i>Positions</i>		5	9	9	9
911 Operations		11,502,399	12,893,018	12,590,831	12,186,911
<i>Positions</i>		142	156	151	151
TOTAL PROGRAMS		\$ 12,182,682	\$ 13,624,137	\$ 13,396,890	\$ 12,992,970
<i>Positions</i>		147	165	160	160
<i>General Fund Discretionary Positions</i>		99	105	102	102

Fire & Police Disability & Retirement

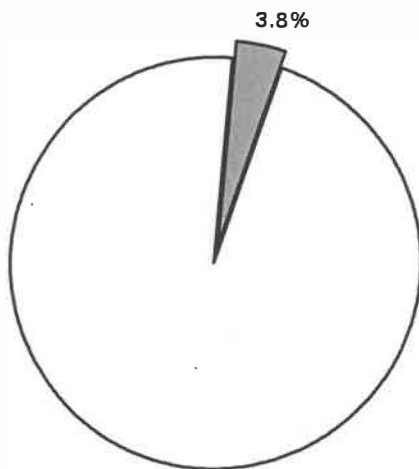
Public Safety Service Area

Auditor Gary Blackmer, Commissioner-in-Charge

Babette Means, Director

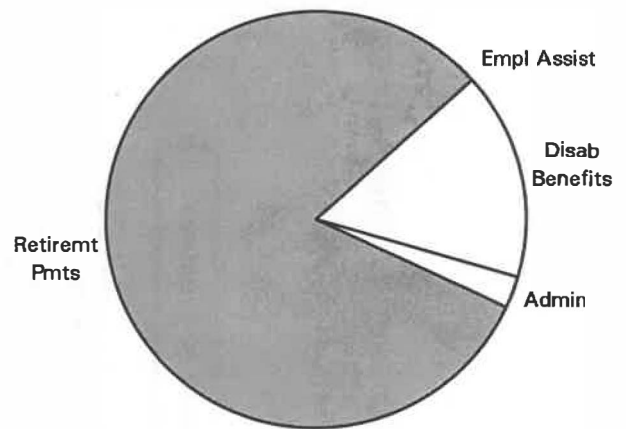
Percent of City Budget

FPD&R = \$64.5 Million



City Budget = \$1.68 Billion

Bureau Programs

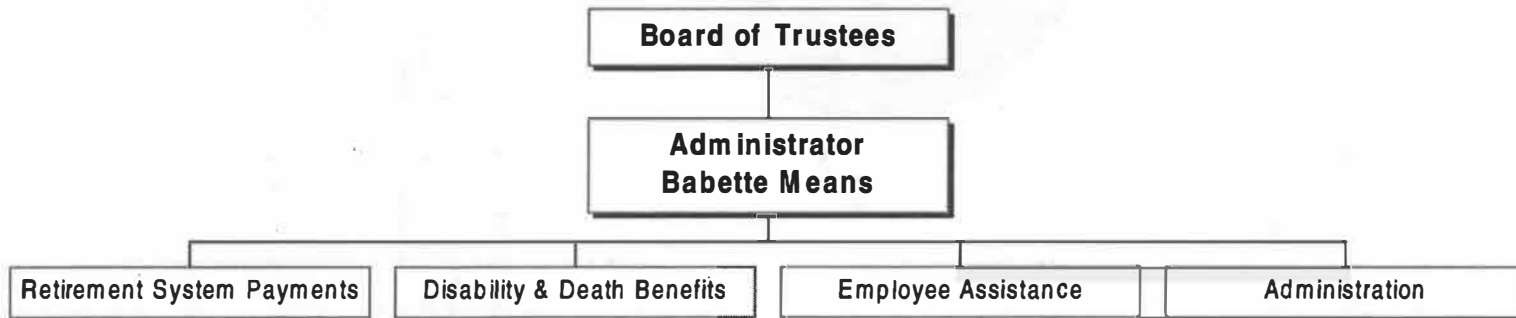


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	59,277,514	64,487,406	5,209,892	4.0%
Capital	0	0	0	0.0%
Allocated Overhead Costs	79,185	79,114	-71	-4.5%
Total Cost with Allocated Overhead	\$ 59,356,699	\$ 64,566,520	\$ 5,209,821	4.0%
Authorized Full-Time Positions	0	0	0	0.0%

Note: Per capita change values are adjusted for inflation and population growth.

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.

BUREAU HIGHLIGHTS

Overview

The Fire and Police Disability and Retirement (FPD&R) Fund provides disability and retirement benefits to the sworn employees and their survivors of the Bureau of Fire, Rescue and Emergency Services and the Bureau of Police of the City of Portland. Chapter 5 of the City Charter establishes the level of benefits and the method of administering benefits. Separate property tax levy authority of up to \$2.80 per \$1,000 of real market value within the City of Portland is provided for the fund.

The Fund is divided into the following programs:

- ◆ Retirement System Payments
- ◆ Disability and Death Benefits
- ◆ Administration
- ◆ Employee Assistance Program (EAP)

Board of Trustees

Chapter 5 of the City Charter is administered by a Board of Trustees. The Board also supervises and controls the Fire and Police Disability and Retirement Fund and the Reserve Fund. The Board of Trustees is composed of the following 11 members: the Mayor, the City Treasurer, the City Auditor, the Chief of Fire, the Chief of Police, 3 elected active members of the Fire Bureau, and 3 elected active members of the Police Bureau.

Membership

As of June 30, 1999, there were 1,535 active, working fire and police personnel that were participants in the Fire and Police Disability and Retirement Plan. In addition, there were 1,366 retirees and beneficiaries, 159 participants with permanent disabilities currently receiving benefits and beneficiaries of disability benefits, and 19 terminated employees who are vested but not yet receiving benefits under the plan.

Budget Summary

Target Budget

In FY 2000-01, the Fire and Police Disability and Retirement Fund calculated a target budget for the administrative portion of the budget only. Thus, the FY 2000-01 budget does not limit the pension or disability benefits below what is projected, because these are not considered discretionary costs.

Unsettled Labor Contracts

Results of contract negotiations between the City and the fire and police unions may have significant impacts on the Fund's FY 2000-01 budget. This is because both New Plan disability benefit rates and Old Plan pension benefit rates are tied to the current pay of active police and fire personnel. As of July 1, 2000, negotiations were still under way.

FY 2000-01 Adopted Budget

The FY 2000-01 Adopted Budget supports all ongoing activities and services provided to the membership and the Board of Trustees. The budget also includes one decision package above the current service level in the Administration program. Total requirements net of Tax Anticipation Notes for FY 2000-01 are \$69,078,264. Included in this amount is \$52,423,156 for pension and termination benefits, \$10,421,104 for disability and death benefits, \$1,603,731 for administrative expenses, and \$39,415 for the Employee Assistance Program. The primary funding source for the FPD&R Fund is tax revenues totaling \$62,711,800 in FY 2000-01.

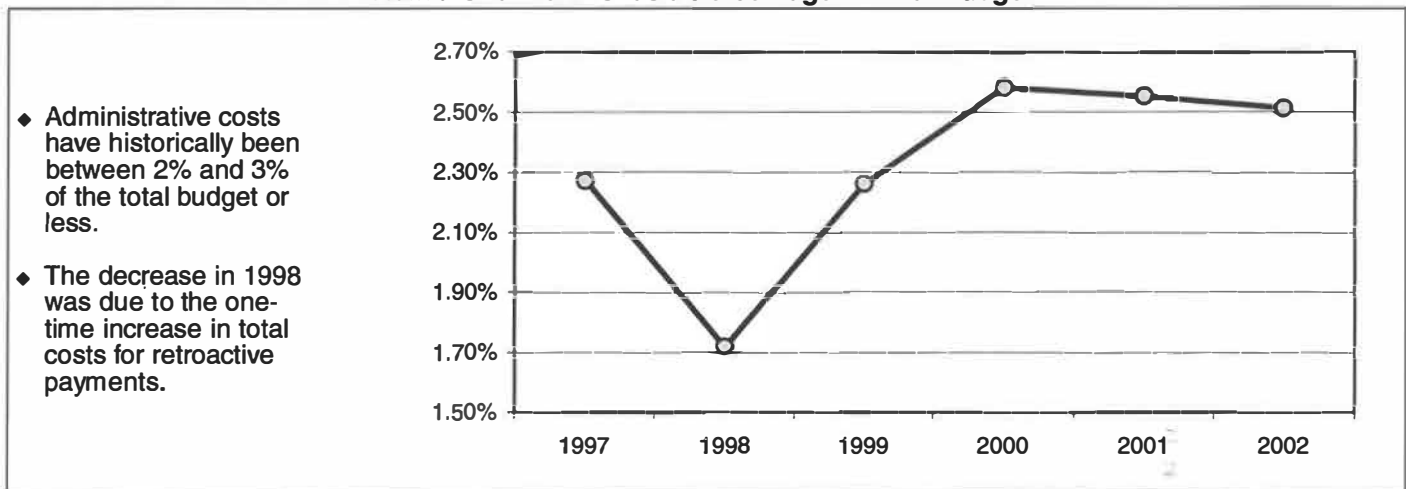
Decision Package

The Adopted Budget adds one new position to the Fire and Police Disability and Retirement Fund's budget in FY 2000-01. Due to an increase in the volume and complexity of disability claims management workload over the last five years, the FY 2000-01 budget adds a second Assistant Risk Specialist to perform work associated with the disability program.

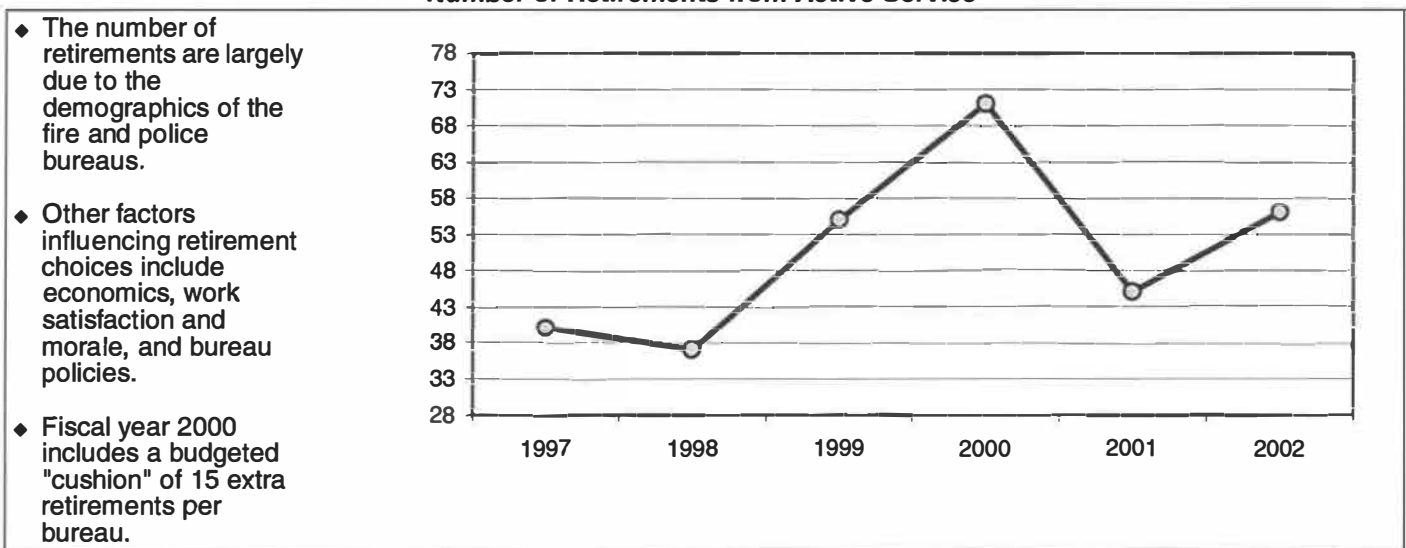
The position will be responsible for the investigation of all assigned disability claims, for preparing necessary information to enable the Board of Trustees to act on the claims, making benefit payments, processing medical bills, facilitating return to work after injury, managing vocational rehabilitation services, and working on the many other tasks associated with disability claims management. The addition of this position will enable staff to provide improved service to members and the Board of Trustees, as well as to enhance the disability program by developing services not currently provided.

Performance Measures

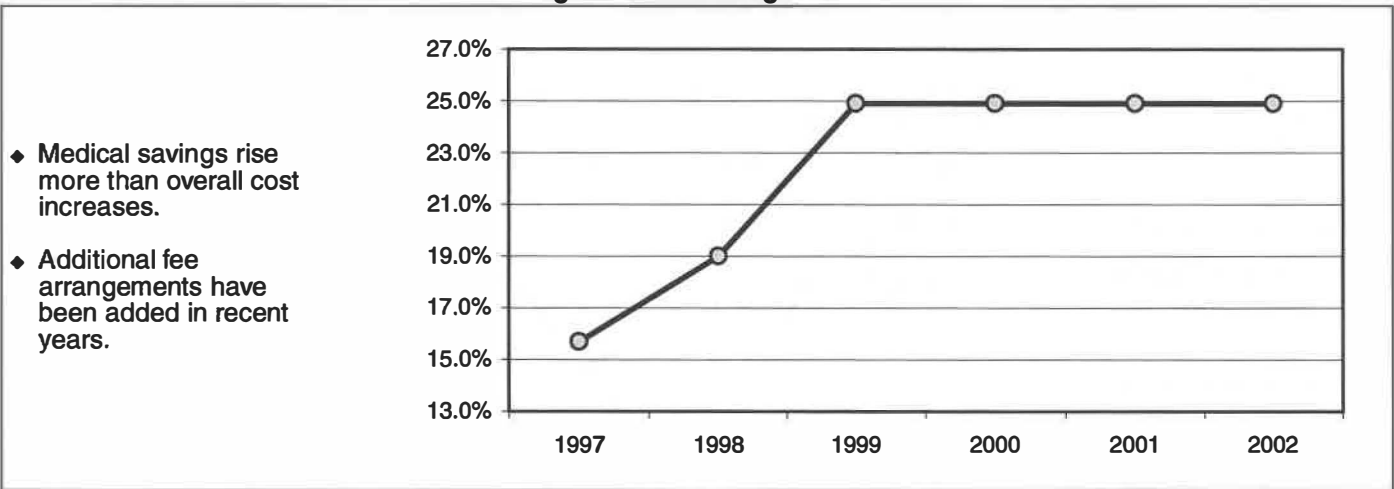
Administrative Cost as a Percentage of Total Budget



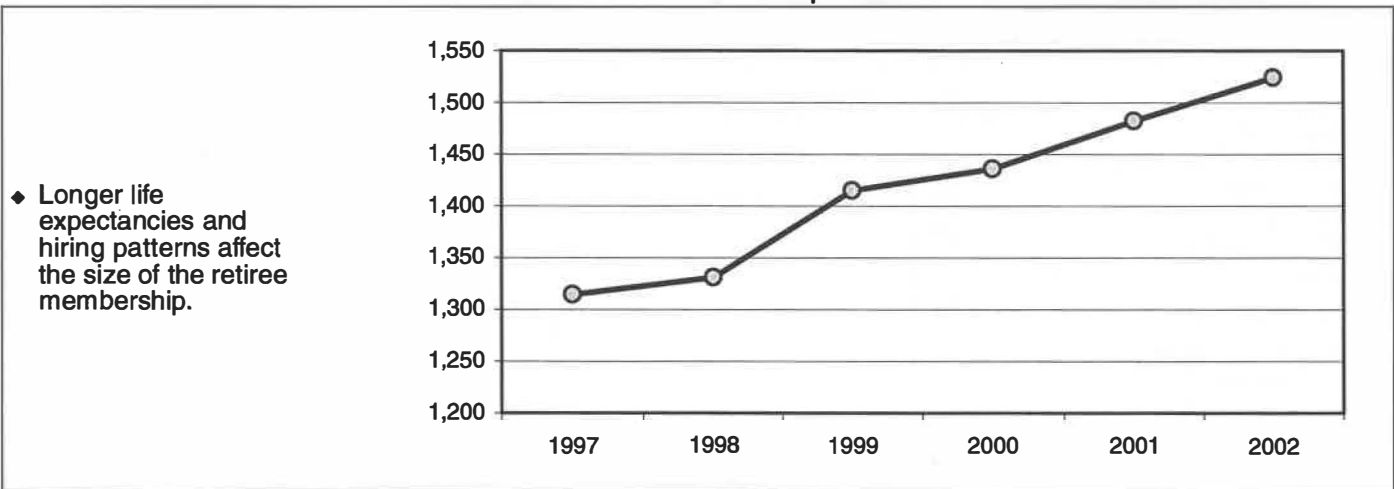
Number of Retirements from Active Service



Medical Cost Savings as a Percentage of Total Medical Costs



Number of Pension Recipients



Fire & Police Disability & Retirement tAU 337

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	0	0	0	0	0
External Materials and Services	64,510,351	53,377,622	58,430,311	63,562,397	63,562,397
Internal Materials and Services	713,255	777,915	837,003	914,493	914,493
Minor Capital Outlay	12,100	7,575	10,200	10,516	10,516
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	65,235,706	54,163,112	59,277,514	64,487,406	64,487,406
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 65,235,706	\$ 54,163,112	\$ 59,277,514	\$ 64,487,406	\$ 64,487,406
Allocated Overhead	27,238	88,016	79,185	82,649	79,114
Total Cost with Allocated Overhead	65,262,944	54,251,128	59,356,699	64,570,055	64,566,520
RESOURCES					
Fire & Police Disability & Retirement Fund		54,163,112	59,277,514	64,487,406	64,487,406
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Retirement System Payments		44,270,408	47,036,135	52,423,156	52,423,156
<i>Positions</i>		0	0	0	0
Disability & Death Benefits		8,666,100	10,713,169	10,421,104	10,421,104
<i>Positions</i>		0	0	0	0
Administration		1,198,466	1,490,489	1,603,731	1,603,731
<i>Positions</i>		0	0	0	0
Employee Assistance		28,138	37,721	39,415	39,415
<i>Positions</i>		0	0	0	0
TOTAL PROGRAMS		\$ 54,163,112	\$ 59,277,514	\$ 64,487,406	\$ 64,487,406
<i>Positions</i>		0	0	0	0
<i>General Fund Discretionary Positions</i>		0	0	0	0

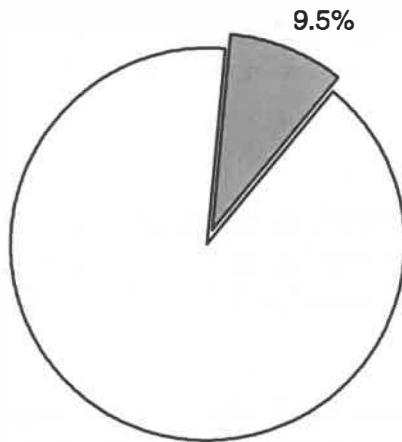


Parks, Recreation and Culture

Portland Parks and Recreation

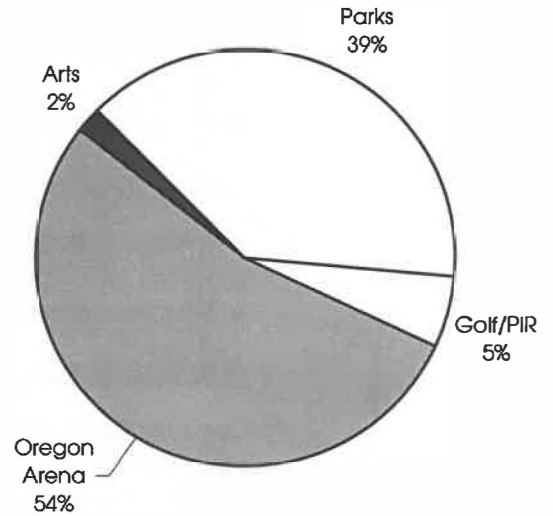
Percent of City Budget

Parks, Recreation, & Culture = \$159.2 Million



City Budget = \$1.68 Billion

Bureau Pie Chart



Service Area Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	43,494,104	44,509,960	1,015,856	-2.1%
Capital	29,660,325	15,289,205	-14,371,120	-50.7%
Allocated Overhead Costs	1,930,595	2,486,045	555,450	23.1%
Total Cost with Allocated Overhead	\$ 75,085,024	\$ 62,285,210	\$ -12,799,814	-20.7%
Authorized Full-Time Positions	377	386	9	-2.1%

Note: Per capita change values are adjusted for inflation and population growth.

Note: The table shows direct operating and capital costs for bureaus within the service area. The pie charts reflect bureau and fund costs in the service area, including the full allocation of centralized expenditures, for example health insurance reserves.

Service Area Highlights

DESCRIPTION

The Parks, Recreation and Culture Services Area includes services for Parks, Golf, Portland International Raceway, Regional Arts and Culture Council, Spectator Facilities funds, and Parks construction funds.

MAJOR THEMES

Parks and Recreation The FY 2000-01 Adopted Budget for Portland Parks & Recreation continues FY 1999-00 service levels for most direct-service program areas. Additional funding has been provided in four program areas:

Natural Resource Park Maintenance

The Adopted Budget provides an additional \$750,000 for the operation and maintenance of parks and park facilities. These funds will provide for the operating cost of new properties and the continuation of current service level for existing park and natural resource areas.

SUN Schools Initiative

One-time funds of \$300,000 are included in the Adopted Budget to continue the second year of the SUN Schools Initiative, a pilot “full service school” programs to support youth and families. The Adopted Budget converts this funding support to an ongoing amount of \$300,000 beginning in FY 2001-02. City funding compliments efforts by the State, Multnomah County, and Portland Public School District, and additional funding from the Annie Casey Foundation.

Parks Capital Projects

The Adopted Budget within the two Parks Construction Funds is \$14.8 million for FY 2000-01, including \$1,520,000 in one-time General Fund Discretionary funding for seven projects. Other major funding sources include \$4.3 million from grants, \$2.9 million from the Portland Development Commission and private sources, and \$2.7 million from the Parks System Development Charge.

Bureau Administration

As a result of city wide reductions in administrative services, the Adopted Budget includes \$250,000 in administrative reductions. These reductions are partially offset by the addition of an Operations Manager needed to implement the Auditor’s findings contained in the recently completed Review of Management Systems.

Golf In FY 2000-01, the newly remodeled Redtail course will be in full operation. Formally called Progress Downs, this course underwent a major renovation and was closed for most of the previous fiscal year.

RACC

The FY 2000-01 Adopted Budget includes \$200,000 for year three of a five year commitment to the ballet, and \$200,000 for year two of a five year commitment to the opera. The third of five \$200,000 support payments for arts stabilization has been delayed for one year.

**Spectator Facilities
Operating Fund**

Parking Revenue System

An electronic parking revenue control system has been implemented to monitor and verify parking usage in order to account for parking revenues in the public garages located at the Rose Quarter. Enhancements to the equipment's program have been made which will create efficiencies and allow audit control.

Electronic Message Signs

Design is underway for two message sign installations to be constructed on the I-5 off ramps to the Rose Quarter area. Adding these two signs will help the City manage traffic during events at the Rose Quarter by providing real-time parking information and alternative parking choices to I-5 drivers.

Civic Stadium

The City approved a memorandum of understanding with a party to form a public-private effort for the renovation and enhanced operations of the Civic Stadium. Redevelopment of Civic Stadium is expected to exceed \$33 million. The City will finance its cost of the project through bond sales.

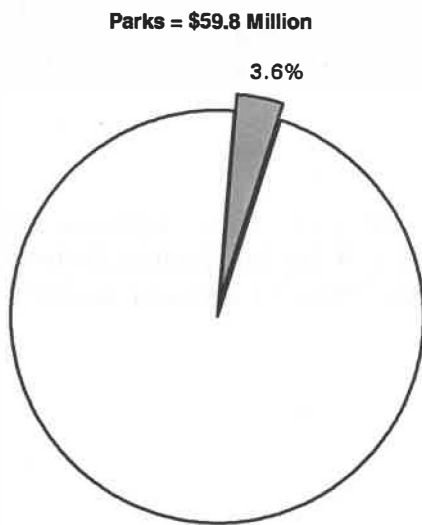
Portland Parks and Recreation

Parks, Recreation and Culture Service Area

Jim Francesconi, Commissioner-in-Charge

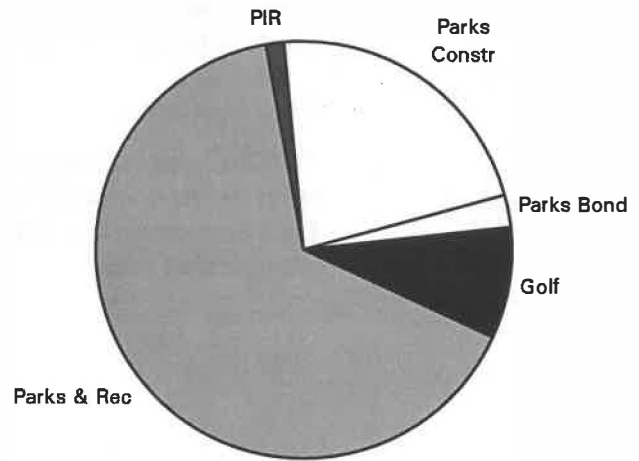
Charles Jordan, Parks Director

Percent of City Budget



City Budget = \$1.68 Billion

Bureau Divisions

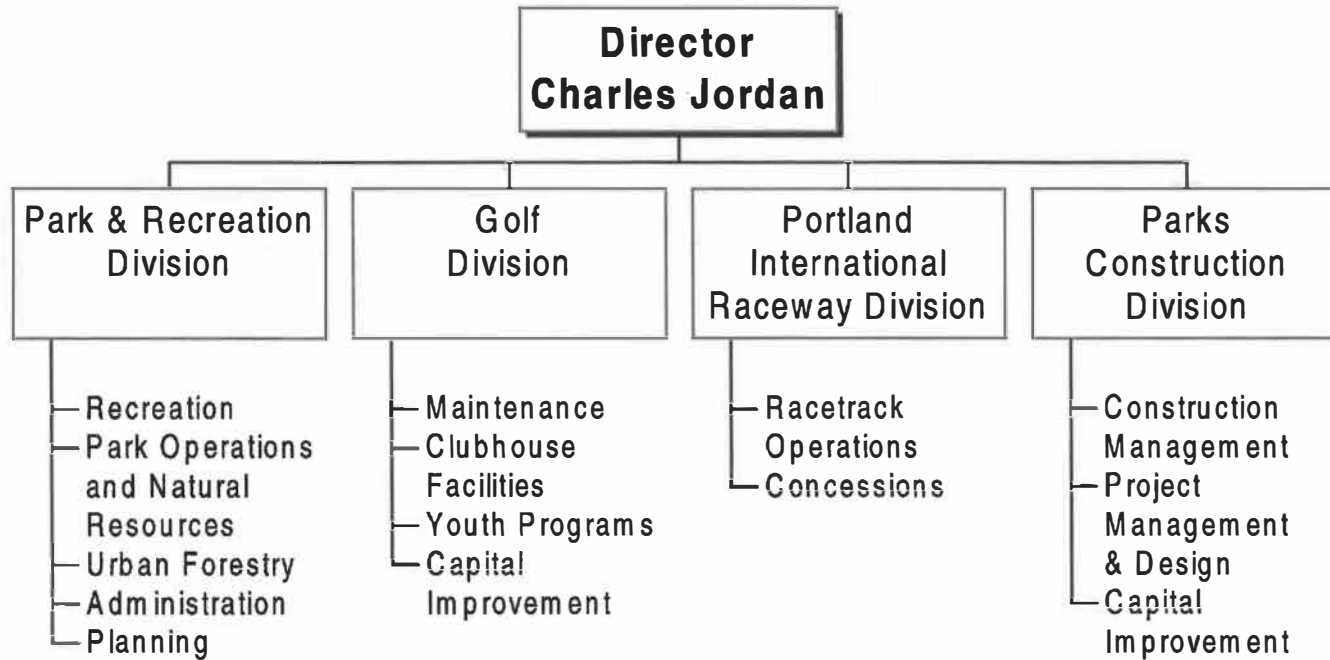


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	43,494,104	44,509,960	1,015,856	-2.1%
Capital	29,660,325	15,289,205	-14,371,120	-50.7%
Allocated Overhead Costs	1,930,595	2,486,045	555,450	23.1%
Total Cost with Allocated Overhead	\$ 75,085,024	\$ 62,285,210	\$ -12,799,814	-20.7%
Authorized Full-Time Positions	377	386	9	-2.1%

Note: Per capita change values are adjusted for inflation and population growth.

Portland Parks & Recreation



Bureau Summary

BUREAU MISSION

The mission of Portland Parks & Recreation is to ensure access to leisure opportunities and enhance Portland's natural beauty.

In pursuing this mission, Portland Parks & Recreation has three interrelated responsibilities:

To establish and protect parks, natural areas, and the urban forest;

To develop and maintain places where citizens can pursue recreational activities on their own initiative; and

To organize recreational activities that promote positive values in the community.

BUREAU HIGHLIGHTS

Funding

With a total budget of \$62.3 million and 386 full-time employees, Portland Parks & Recreation maintains nearly 200 parks and 214 buildings, while providing supervised recreation programs at more than 185 locations across the City.

In FY 2000-01, these services will continue to be funded by a mixture of public and private sources.

The Golf program and Portland International Raceway (PIR) are fully self-supporting enterprises with operating budgets of \$4.7 million and \$813,000, respectively.

- ◆ Parks and Recreation funding from the General Fund taxpayers will total \$28.1 million for current operating expenses and \$1.52 million for capital investments.
- ◆ The last of the bond proceeds from the 1994 Parks G.O. bond initiative (approximately \$1.5 million) will be spent during the first few months of the new fiscal year. In addition, contracts, grants, interagency revenue, and carryover balances from previous years' funding will provide \$12.0 million for capital projects.
- ◆ Recreation program user fees from participants are projected to be \$13.3 million. Of this total, \$7.3 million will come from customers of General Fund recreation programs or park permits, with the remainder coming from golfers or motor sports customers at PIR.
- ◆ Other sources total \$3.6 million. These include grants, donations, internal charges to other City bureaus, external contractual reimbursements, and property lease income.

What's New in the General Fund Parks budget?

With some exceptions, the FY 2000-01 Budget for General Fund Parks & Recreation primarily continues FY 1999-00 service levels.

The budget reduces approximately \$160,000 of administrative support services. This reduction comes primarily from eliminating two management positions, the Assistant Volunteer Coordinator position, and reducing the accounting staff.

Approximately \$514,000 of funding is added to maintain newly added parks that are now complete or expected to be complete soon. This amount is partially offset by about \$66,000 of reductions to the maintenance of existing parks and natural areas.

The "pass-through" amounts to the Multnomah County Aging Services and Pioneer Courthouse Square are increasing by \$130,000 and \$20,000, respectively. The City's annual budget allocation for two youth services programs, Self Enhancement, Inc. and TLC-TNT, is being moved from the Bureau of Housing and Community Development to the Parks budget, for a total shift of about \$275,000.

The budget relies on increased revenue from recreation programs totaling about \$280,000 above inflation.

The budget also includes the final year's funding for the Parks 2020 Strategic Planning process, and \$300,000 per year will allow the continuation of the City's contribution to SUN Schools, a joint initiative with Multnomah County and Portland Public Schools to provide a broad range of youth- and family-oriented services at the school site.

**Other Funding
Changes for FY
2000-01**

Parks Capital Projects

The capital budget includes a new allocation of \$1,520,000 in General Fund discretionary dollars to the Parks Construction Fund to continue the renovation of University Park Community Center (\$677,000), the relocation of the Children's Museum to the former OMSI site in Washington Park (\$595,000), and the re-roofing of the Multnomah Art Center (\$167,000). It also includes funding for technical studies related to the Wilson Pool repair needs (\$63,000) and the potential conversion of the old Red Electric rail line to a SW Portland trail (\$18,000).

The capital budget also contains park land acquisition funds from the Parks Systems Development Charge (SDC), as well as the last of the local share funds from the Metro 26-26 Greenspaces bond measure, which has been used to acquire natural areas and build trails.

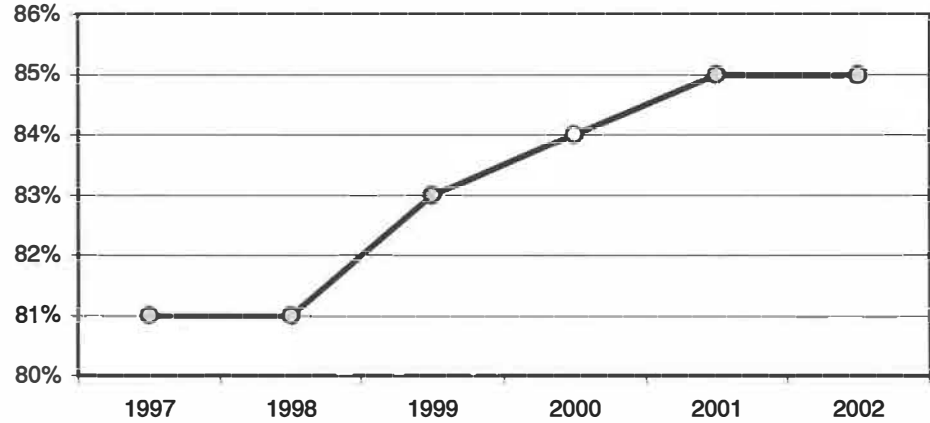
Golf Fund

Within the Golf program, the FY 2000-01 budget contains capital funding for master planning and design for a new clubhouse at Heron Lakes Golf Course. It also includes increased operating expenses associated with the re-opening of Redtail Golf Course (formerly Progress Downs) as a premium-quality course, on a level with the Great Blue course at Heron Lakes.

Performance Measures

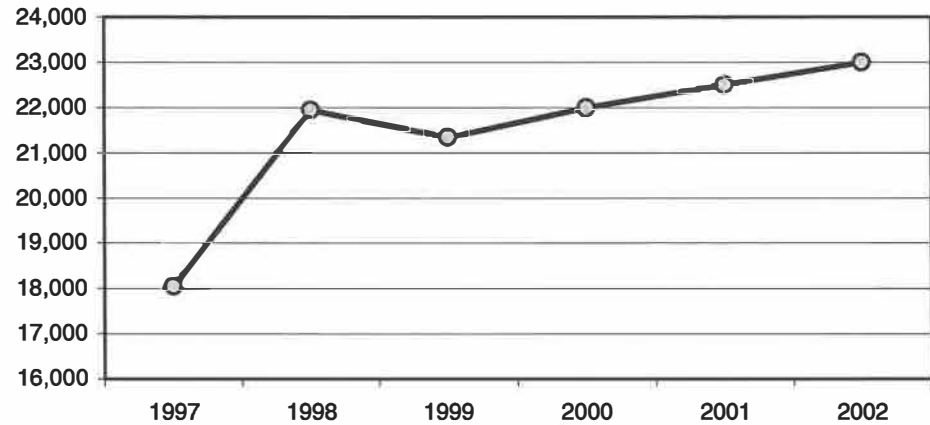
Parks Grounds Maintenance - Citizen Satisfaction

- ◆ The citizen satisfaction with park maintenance is expected to remain fairly stable over the next few years.



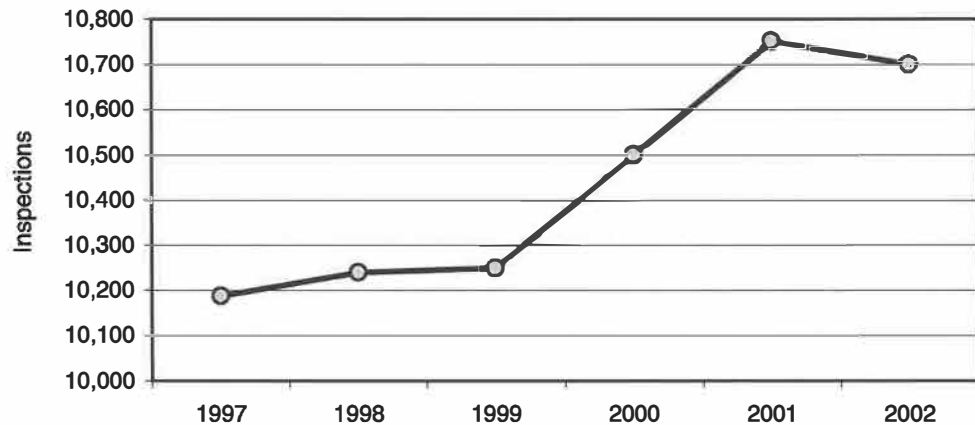
Number of Summer Swim Lessons Taught

- ◆ The number of summer swim lessons taught should increase as more pools are built or remodeled, assuming good weather.



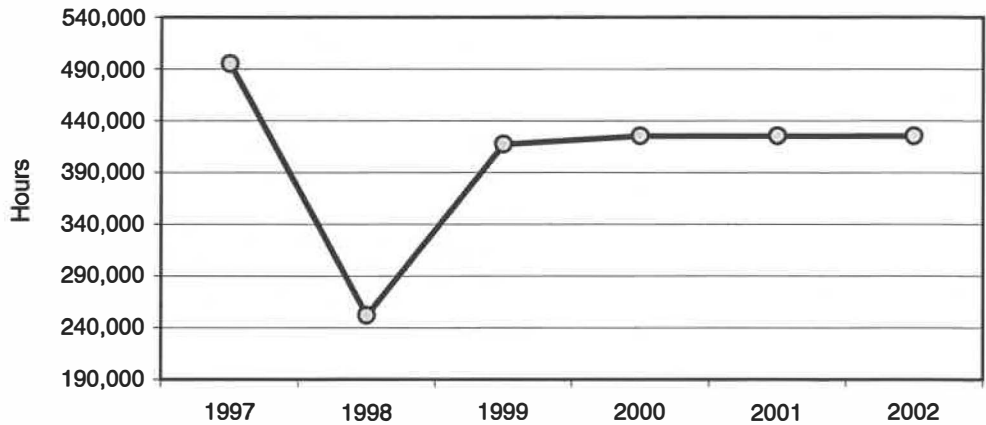
Number of Trees Inspected

- ◆ Increase during FY 2001 reflects the first full year of the Residential Ordinance being in effect.

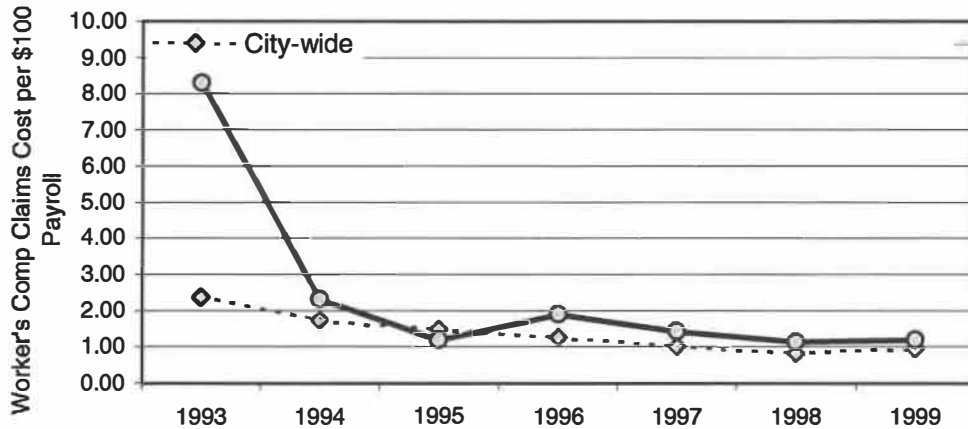


Volunteer Hours Documented

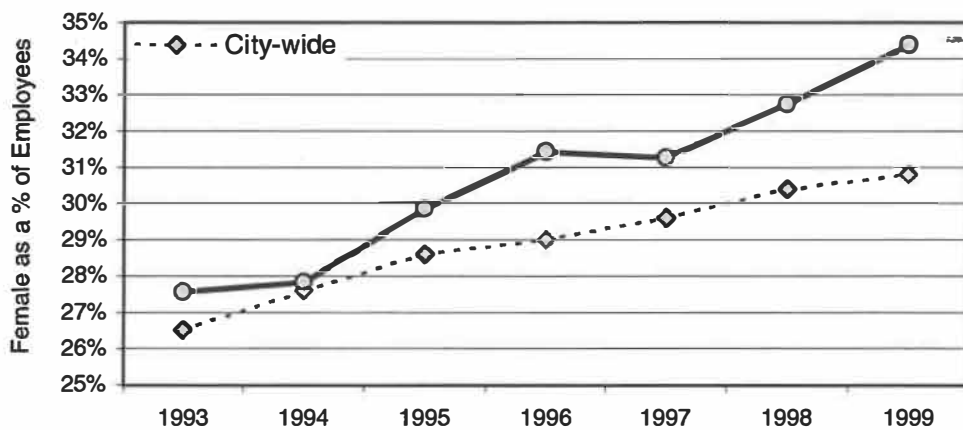
◆ Improvements in hours reporting will ensure that all volunteer hours are reflected in this measure. New reporting procedures are in place for FY 98-99.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Portland Parks and Recreation AU 325, 130, 766, 617, 608, 765 SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	22,456,751	24,492,110	27,711,041	28,724,299	28,679,299
External Materials and Services	9,842,380	10,515,331	11,010,356	10,796,929	10,676,929
Internal Materials and Services	4,159,707	4,472,614	4,524,707	4,915,710	4,915,710
Minor Capital Outlay	1,849,514	323,623	248,000	238,022	238,022
Equipment Cash Transfers	335,930	174,488	0	0	0
Total Operating Budget	38,644,282	39,978,166	43,494,104	44,674,960	44,509,960
Capital Improvements	24,369,316	21,570,428	29,660,325	15,329,205	15,289,205
TOTAL BUREAU EXPENDITURES	\$ 63,013,598	\$ 61,548,594	\$ 73,154,429	\$ 60,004,165	\$ 59,799,165
Allocated Overhead	1,875,072	2,534,532	1,930,595	2,262,847	2,486,045
Total Cost with Allocated Overhead	64,888,670	64,083,126	75,085,024	62,267,012	62,285,210
RESOURCES					
Discretionary General Fund					
PP&R Operating Support		26,890,332	28,188,115	28,233,581	28,068,581
Parks Construction (Capital)		1,595,564	2,077,000	1,520,000	1,520,000
Total Discretionary Revenues		28,485,896	30,265,115	29,753,581	29,588,581
Non-Discretionary Revenues					
PP&R Grants & Donations		661,558	300,860	35,750	35,750
PP&R Contract Revenues		309,578	1,026,457	105,800	105,800
PP&R Interagency Revenues		3,182,024	3,275,379	3,507,943	3,507,943
PP&R Fees & Permits		5,144,511	6,086,191	7,267,782	7,267,782
Parks Bond Construction Fund		16,460,107	11,382,519	1,463,485	1,463,485
Parks Construction Fund		797,013	11,519,939	11,823,249	11,823,249
Golf Fund Revenues		5,636,949	8,389,402	5,193,408	5,193,408
PIR Fund Revenues		874,065	908,567	853,167	813,167
Parks Stores Revenue		-3,107			
Total Non-Discretionary Revenues		33,062,698	42,889,314	30,250,584	30,210,584
TOTAL RESOURCES		\$ 61,548,594	\$ 73,154,429	\$ 60,004,165	\$ 59,799,165
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
DIVISIONS					
Parks and Recreation Division		36,188,003	38,877,002	39,150,856	38,985,856
<i>Positions</i>		314	327	337	337
Golf Division		5,636,949	8,389,402	5,193,408	5,193,408
<i>Positions</i>		27	31	32	32
Portland International Raceway Division		874,065	908,567	853,167	813,167
<i>Positions</i>		6	6	6	6
Parks Bond Construction Division		16,460,107	11,382,519	1,463,485	1,463,485
<i>Positions</i>		18	10	0	0
Parks Construction Division		2,392,577	13,596,939	13,343,249	13,343,249
<i>Positions</i>		0	3	11	11
Parks Stores Division		(3,107)	0	0	0
<i>Positions</i>		0	0	0	0
TOTAL DIVISIONS		\$ 61,548,594	\$ 73,154,429	\$ 60,004,165	\$ 59,799,165
<i>Positions</i>		365	377	386	386
<i>General Fund Discretionary Positions</i>		282	295	303	303

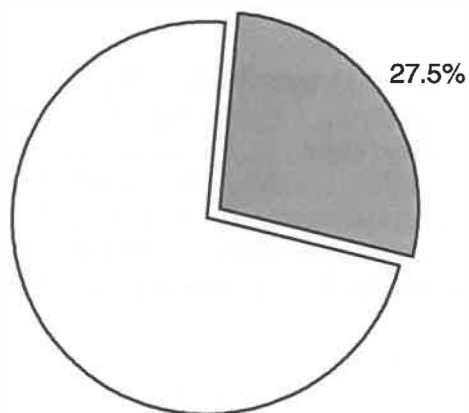
Public Utilities

Bureau of Environmental Services

Bureau of Water Works

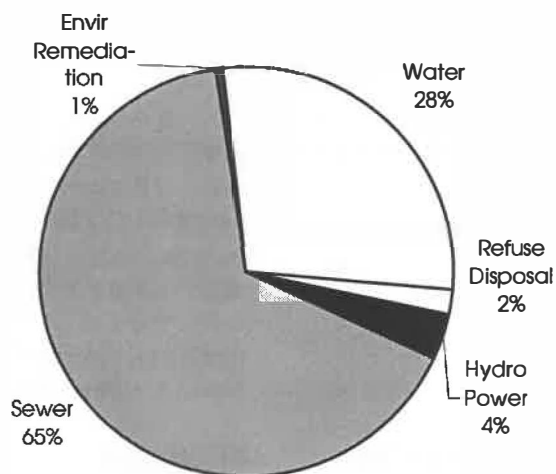
Percent of City Budget

Public Utilities = \$461.5 Million



City Budget = \$1.68 Billion

Bureau Pie Chart



Service Area Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	123,239,045	120,438,933	-2,800,112	-6.5%
Capital	132,361,908	116,812,580	-15,549,328	-15.6%
Allocated Overhead Costs	5,173,897	4,788,213	-385,684	-11.5%
Total Cost with Allocated Overhead	\$ 260,774,850	\$ 242,039,726	\$ -18,735,124	-11.2%
Authorized Full-Time Positions	987	1,010	23	-2.1%

Note: Per capita change values are adjusted for inflation and population growth.

Note: The table shows direct operating and capital costs for bureaus within the service area. The pie charts reflect bureau and fund costs in the service area, including the full allocation of centralized expenditures, for example health insurance reserves.

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. In addition, this service area includes administration of the Solid Waste Collection and Recycling Program, which is operated by private companies under franchise and permit systems for residential and commercial service, respectively.

MAJOR THEMES

Utility Rate Increases The Adopted Budget for FY 2000-01 includes an average effective retail rate increase for water service of about 3.0 percent. The average single family sewer rate increase is anticipated to be 3.3 percent. The rate increases for water and sewer service are less than planned because of a combination of budget reductions and utility rate reform decisions approved in FY 1999-00 and scheduled for implementation in FY 2000-01. Solid waste collection and recycling rates are anticipated to increase slightly in FY 2000-01, mainly as a result of an increase in the solid waste franchise fee to 5.0 percent to provide funding for the Green Building Initiative.

Bureau of Water Works

The Budget

The Bureau of Water Works' (the Water Bureau) Adopted Budget is \$80.3 million, excluding the Hydroelectric Division. This budget consists of an operating budget of \$51.6 million and a capital budget of almost \$28.8 million. The operating budget decreased about \$3.2 million compared to the FY 1999-00 Revised Budget, and the capital budget decreased approximately \$3.0 million.

Decision Packages

The two Water Bureau decision packages that have been included in the Adopted Budget include an addition of 11 positions. The packages include funding for workforce planning and the Endangered Species Act compliance work. The cost of these decision packages in FY 2000-01 is about \$1.0 million.

Bond Credit Rating

The Water Bureau continues to be assigned an Aa1 revenue bond credit rating from Moody's Investor's Service. This rating, which is the highest achievable, is only held by six water utilities nationally.

Bureau of Environmental Services

Position Changes

The Adopted Budget for the Bureau of Environmental Services (BES) includes the elimination of 5 operating positions and the creation of 22 new operating positions. Of the 22 new positions, 13 are the conversion of limited term positions to full time positions in order to recognize the ongoing nature of the work. The remaining additions are for the revegetation program, capital projects, development services, treatment, and planning.

Budget Changes

There are budget increases for external materials and services, primarily for design services related to the Willamette River portion of the Combined Sewer Overflow program. The overall BES capital program of \$87.7 million is \$8.9 million less than the FY 1999-00 capital budget. Apart from interagency costs, the bureau's internal operating costs are increasing at less than one-half of one percent compared to the prior year.

Combined Sewer Overflow Program

The Combined Sewer Overflow Program will continue to be the largest capital program, with surface water management, treatment, and maintenance and reliability being other significant areas of capital spending.

Solid Waste Collection and Recycling Program

The Solid Waste Collection and Recycling Program provides \$600,000 per year in funding for the Leaf Collection program, as well as expanding the bulky waste collection program and initiating a food waste pilot project as a step toward possible food waste recycling in the future.

Bureau of Environmental Services

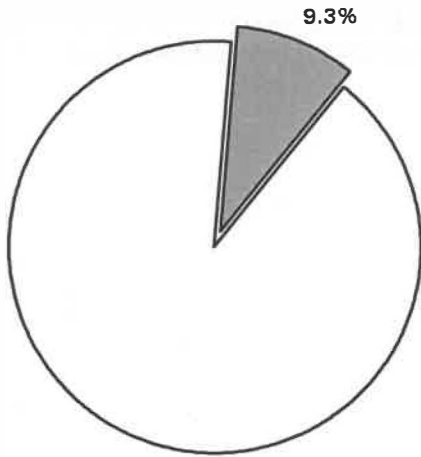
Public Utilities Service Area

Dan Saltzman, Commissioner-in-Charge

Dean Marriott, Director

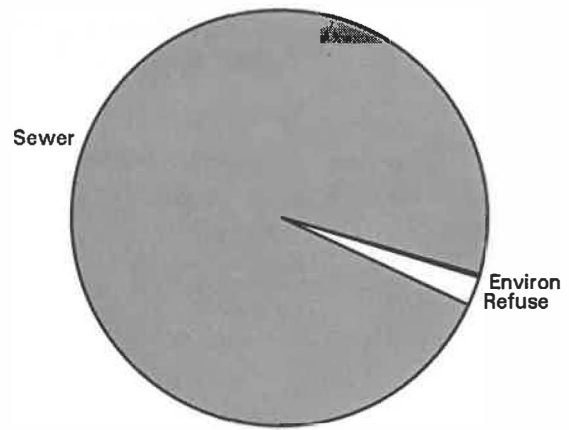
Percent of City Budget

BES = \$156.2 Million



City Budget = \$1.68 Billion

Bureau Divisions

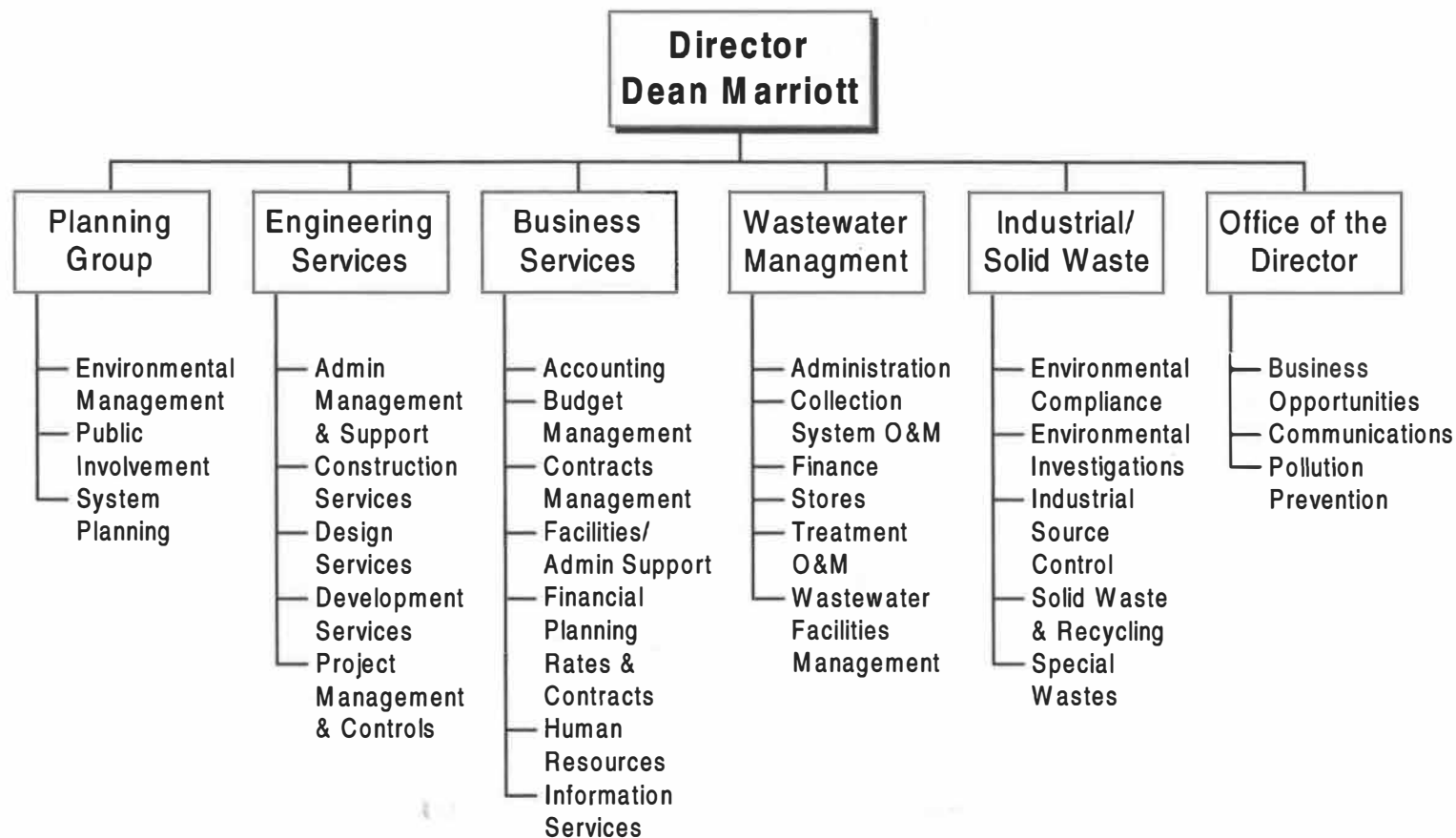


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	68,206,762	68,175,873	-30,889	-4.4%
Capital	100,624,008	88,059,580	-12,564,428	-16.3%
Allocated Overhead Costs	3,273,161	2,899,297	-373,864	-15.3%
Total Cost with Allocated Overhead	\$ 172,103,931	\$ 159,134,750	\$ -12,969,181	-11.6%
Authorized Full-Time Positions	452	464	12	-1.8%

Note: Per capita change values are adjusted for inflation and population growth.

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.

We promote solid waste reduction and manage the recycling and solid waste collection programs of the City.

BUREAU HIGHLIGHTS

Sewer Funding

Average residential sewer bills will increase 3.3%.

The FY 2000-01 Adopted Budget for the Bureau of Environmental Services maintains funding support for meeting regulatory requirements, operating and maintaining sanitary sewer and stormwater infrastructure, and continuing support for Portland's efforts to increase recycling and reduce the amount of solid waste going to the Arlington landfill.

The bureau has maintained its commitment to constrain and reduce operating and capital costs, and still meet all service standards and regulatory mandates. Compared to the FY 1999-00 Revised Budget, the adopted budget for *sewer and stormwater services* includes a 0.5% increase in personal services costs (which includes COLA and step increase adjustments), a 29.9% increase in external materials and services, and a 4.1% increase in interagency service costs. External materials and services cost increases are the result of increased professional services for engineering design work associated with the Combined Sewer Overflow Program.

The Sanitary and Stormwater operating budget reflects internal cost constraints.

The operating budget component of external materials and services continues to be constrained, decreasing 7.3% over the FY 1999-00 budget and reflecting the spending levels of two and three years ago. Apart from interagency costs, the bureau's internal operating program costs are rising at less than one-half of one percent. In context of cost of living increases and annual inflationary adjustments, this represents a real decline in operating expenses from the current year.

The FY 2000-01 Adopted Budget for the bureau's capital improvement program (CIP) is \$12.6 million less than the current year's capital budget, which is consistent with the bureau's 5-year capital improvement plan. Personal Services costs for capital program staff remain at current year levels, the result of continuing efforts to achieve the most cost effective mix of City and consultant staff, given annual variations in total CIP program requirements.

The Sanitary and Stormwater total budget is reduced by 8.0 percent.

The adopted operating budget capital outlays are 26.1% lower than the FY 1999-00 Revised Budget, and the total Environmental Services budget, both operating and CIP for sanitary and stormwater services, is \$152.4 million, which is 8.0% lower than the Revised Budget.

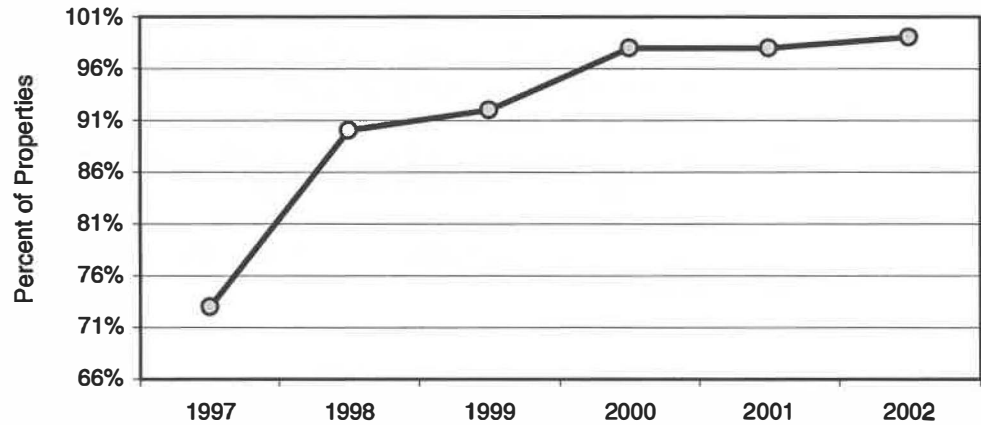
The Adopted Budget for FY 2000-01 requires an increase in the average single family residential sanitary sewer and stormwater bill of 3.3%, which is less than the amount reflected in the bureau's most recent 5 year financial plan, submitted in December 1999. It is 7.5% lower than the amount forecast for FY 2000-01 in last year's 5-year financial plan. The reduction in the average single family bill is the result of both bureau cost reductions and utility rate reform.

A significant programmatic shift over the current year's budget is the transfer of the Endangered Species Act (ESA) program to the Bureau of Planning. The ESA program was moved to the Bureau of Planning to enhance City-wide coordination of compliance efforts and to ensure the most efficient interfacing of the program activities with other City programs, such as the Willamette Greenway Project. As was the case when the ESA Program was coordinated in Environmental Services, each participating City bureau will continue to be responsible for its share of ESA project work, core program costs, and administration.

Performance Measures

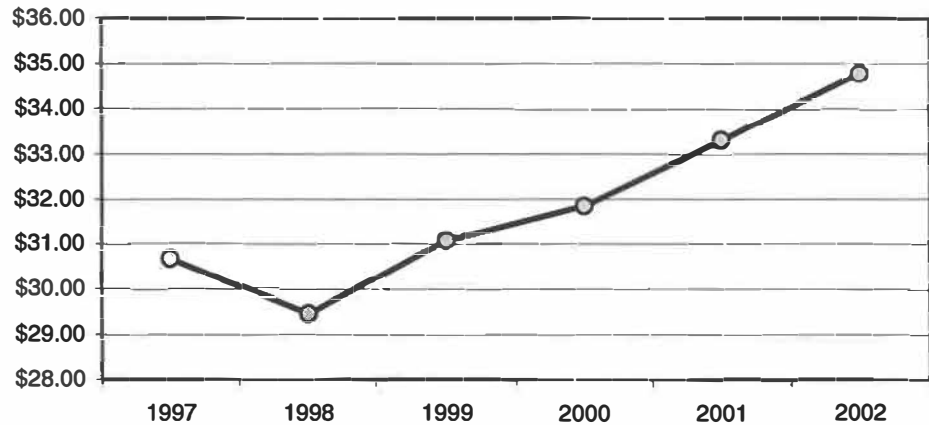
Mid-County Properties with Cesspools Disconnected

- ◆ Construction in Mid-Multnomah County has been completed, thus slowing the rate at which cesspools are disconnected and sewer connections are made.
- ◆ By 2003, all Mid-County properties will be connected to the sewer system.



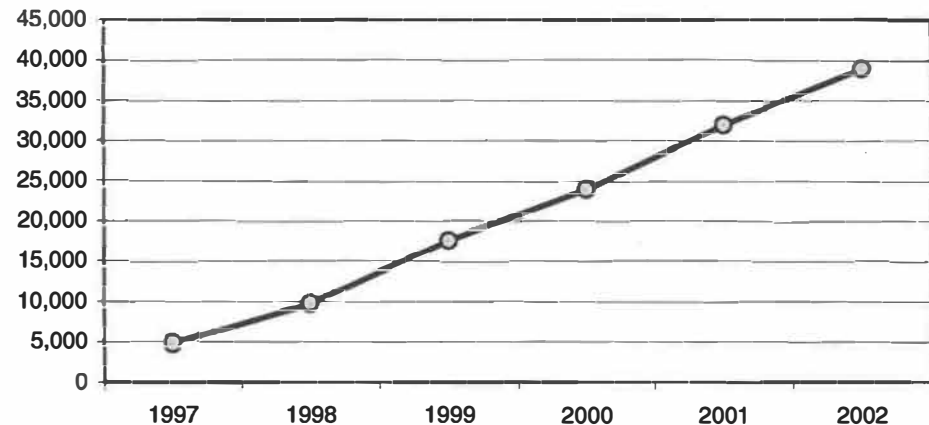
Annual Wastewater Program Unit Cost

- ◆ Costs per sewage population equivalent is a benchmark for measuring average system costs.
- ◆ The significant increase in FYE 98 to 99 reflects the shift of program support costs such as fleet and communications from a bureau-wide cost to the Wastewater Program.



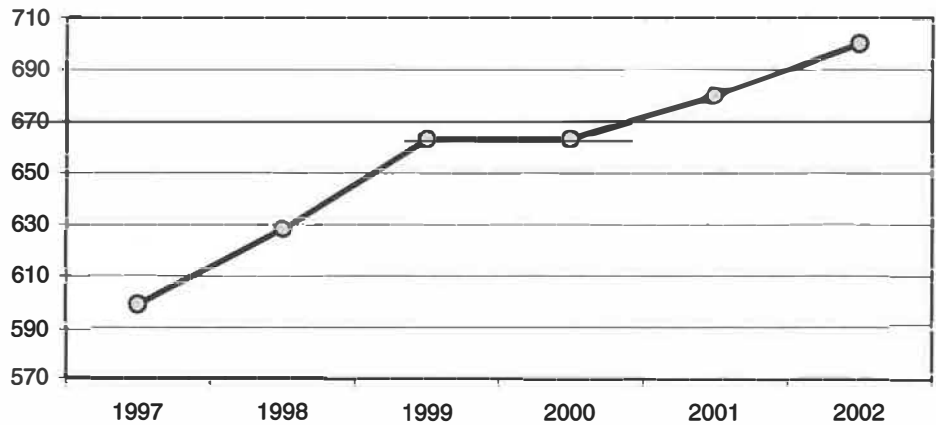
Number of Roof Drains Disconnected (cumulative)

- ◆ Roof drain disconnections will proceed in accordance with CSO program schedules.
- ◆ Projections for FYE 2002 reflect completion of the Columbia Slough portions of the Disconnect Program and progress on the Willamette River portions.

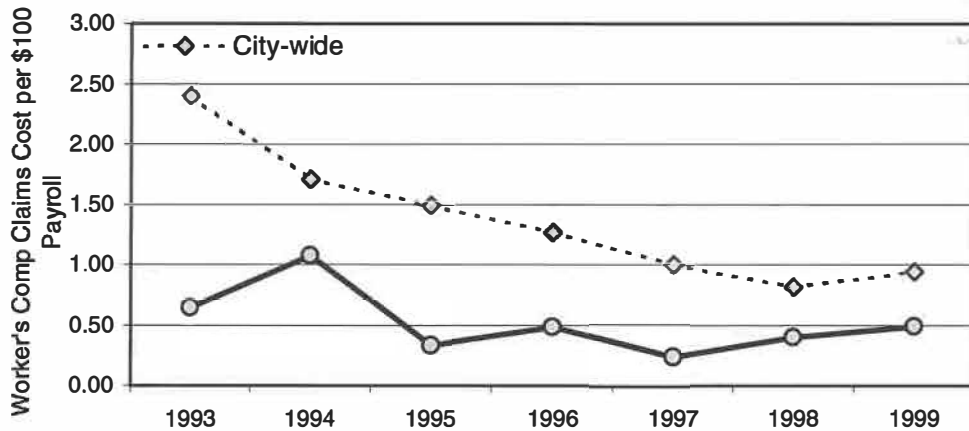


Pounds of Solid Waste per Household Recycled

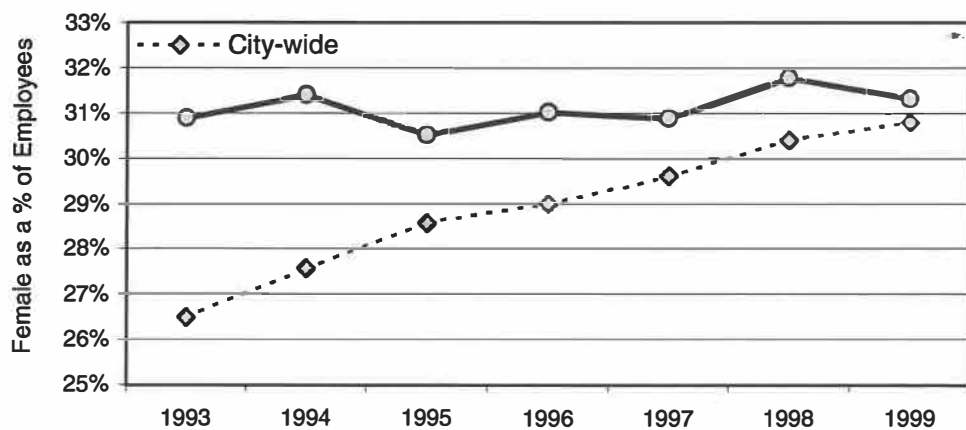
- ◆ The curbside recycling program reflects the commitment of Portland's citizens in keeping recyclables out of the waste stream.
- ◆ Future years reflect small increases due to the new commingling system; however further increases will be because of additional educational efforts directed toward low participation neighborhoods.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Bureau of Environmental Services AU 145, 150, 155

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	22,791,964	24,930,870	25,739,985	25,975,581	25,975,581
External Materials and Services	15,874,883	15,898,033	18,140,027	16,873,565	16,833,565
Internal Materials and Services	17,934,412	19,903,474	21,086,687	22,998,589	22,968,927
Minor Capital Outlay	596,919	884,080	3,240,063	2,397,800	2,397,800
Equipment Cash Transfers	83,365	0	0	0	0
Total Operating Budget	57,281,543	61,616,457	68,206,762	68,245,535	68,175,873
Capital Improvements	77,547,518	96,897,224	100,624,008	88,019,580	88,059,580
TOTAL BUREAU EXPENDITURES	\$ 134,829,061	\$ 158,513,681	\$ 168,830,770	\$ 156,265,115	\$ 156,235,453
Allocated Overhead	2,791,997	2,944,578	3,273,161	2,889,297	2,899,297
Total Cost with Allocated Overhead	137,621,058	161,458,259	172,103,931	159,154,412	159,134,750
RESOURCES					
Sewer Operating Fund		156,644,139	165,678,548	152,427,395	152,397,733
Refuse Disposal Fund		1,645,473	2,507,954	3,284,379	3,284,379
Environ. Remediation Fund		219,037	635,036	553,341	553,341
Discretionary General Fund		0	0	0	0
TOTAL RESOURCES		\$ 158,508,649	\$ 168,821,538	\$ 156,265,115	\$ 156,235,453
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
DIVISIONS					
Sanitary Sewer and Stormwater Division		156,649,171	165,687,780	152,427,395	152,397,733
<i>Positions</i>		442	442	454	454
Refuse Disposal Division		1,645,473	2,507,954	3,284,379	3,284,379
<i>Positions</i>		10	10	10	10
Environmental Remediation Division		219,037	635,036	553,341	553,341
<i>Positions</i>		0	0	0	0
TOTAL DIVISIONS		\$ 158,513,681	\$ 168,830,770	\$ 156,265,115	\$ 156,235,453
<i>Positions</i>		452	452	464	464
<i>General Fund Discretionary Positions</i>		0	0	0	0

Bureau of Water Works

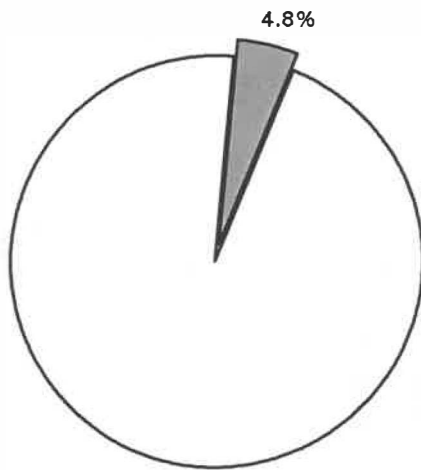
Public Utilities Service Area

Erik Sten, Commissioner-in-Charge

Michael Rosenberger, Director

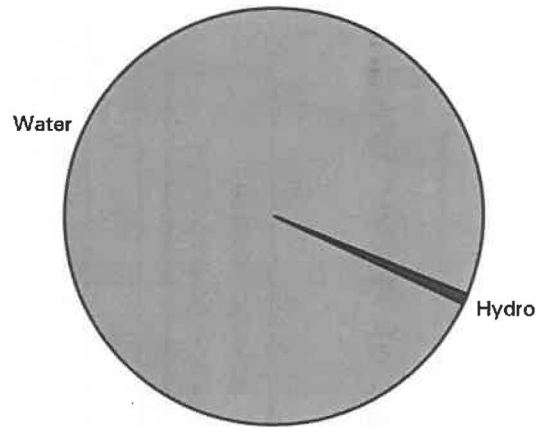
Percent of City Budget

Water = \$81 Million



City Budget = \$1.68 Billion

Bureau Divisions

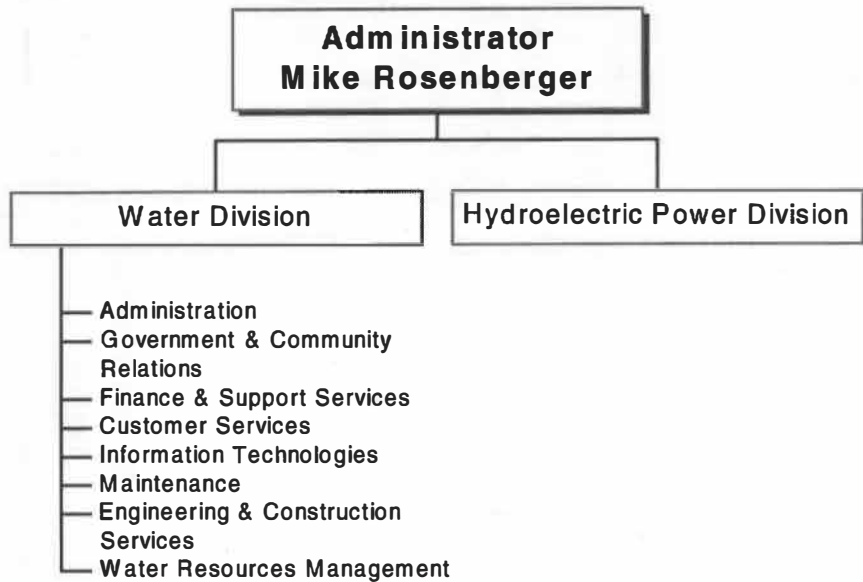


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	55,032,283	52,263,060	-2,769,223	-9.2%
Capital	31,737,900	28,753,000	-2,984,900	-13.4%
Allocated Overhead Costs	1,900,736	1,888,916	-11,820	-5.0%
Total Cost with Allocated Overhead	\$ 88,670,919	\$ 82,904,976	\$ -5,765,943	-10.6%
Authorized Full-Time Positions	535	546	11	-2.4%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau of Water Works



Bureau Summary

BUREAU MISSION

The Water Bureau's mission is to act as stewards of our resource, our water system, and our personnel in a manner consistent with the values of the community. Our operating goal is to ensure that a reliable and adequate system is available to provide sufficient quantities of high quality water at standard pressures that satisfy the existing and future needs of the community on an equitable, efficient, and self-sustaining basis.

The following values guide our efforts to fulfill our mission and define our concept of "stewardship":

Service: contributing to the welfare of the community.

Solvency: maintaining fiscal integrity.

Equity: ensuring fair treatment to all.

Leadership: focusing on goals and results.

Effectiveness: making the most appropriate use of resources and infrastructure.

Nurturance: maintaining an environment which promotes health and human development.

Communications: sharing information and knowledge openly.

Responsiveness: reacting positively, cooperatively, and efficiently.

Flexibility: adapting to new, different, or changing requirements.

Innovation: recognizing change as a normal state and implementing change imaginatively and creatively.

BUREAU HIGHLIGHTS

The Bureau of Water Works is responsible for construction, maintenance, and operation of the municipal water system. The bureau ensures the water system can provide a sufficient quantity of high quality water to satisfy the existing and future needs of the community.

For budgetary presentation purposes, the bureau contains two divisions: Water and Hydroelectric Power.

Bureau Objectives

In the fall of 1998, the management team, managers, and labor representatives updated the following bureau objectives:

- ◆ Be stewards of the City's land, water, and human resources, and protect the environment, in order to ensure the continuous provision of a safe, reliable, and adequate supply of water.
- ◆ Anticipate, understand, and meet the needs of the bureau's external and internal customers. External customers are all persons who rely on any services the bureau provides and who are not employees of the Water Bureau. Internal customers are all employees of the Water Bureau.
- ◆ Sustain a culture of continuous improvement.
- ◆ Improve the bureau's competitive position in a manner that ensures its ability to offer the best quality of service at the best price to its customers.

Strategic Plan is currently being developed.

The bureau is currently developing a Strategic Plan and related Business Plan with extensive involvement of bureau personnel. The Strategic Plan will be a broad, general description of the bureau's vision and goals. The Business Plan will be more detailed, with milestones, indicators, and incorporating various activities across the bureau that impact each other. Both plans will align with budget proposals. It is anticipated the plans will be adopted prior to developing the FY 2001-02 budget.

Water Division

The Water Division is responsible for construction, maintenance, and operation of the municipal water system.

800,000 people are served by the Water Bureau.

Approximately 800,000 people (more than one-quarter of the State's population) are served by the Water Division. The division's 160,400 retail customers consume about 60 percent of the water produced. The other 40 percent is provided on a wholesale contract basis to 19 water purveyors, which include cities, water districts, and private water companies. Water sales revenue is composed of 80 percent from retail customers and 20 percent from wholesale contracts.

FY 2000-01 Budget

The Water Division's FY 2000-01 Adopted Budget is \$80,323,486. The budget consists of an operating budget of \$51,570,486 and a Capital Improvement Program (CIP) budget of \$28,753,000.

Operating budget decreased nearly \$3.2 million.

Water Operating Budget: This budget of \$51,570,486 is a decrease of \$3,193,055 from the FY 1999-00 Revised Budget of \$54,763,541. The Adopted Budget includes reductions of about \$2.7 million from the Division's Requested Budget. The Requested Budget was reduced to reflect Decision Packages not approved and other operating cost reductions.

CIP budget decreased about \$3.0 million.

Water CIP Budget: This budget of \$28,753,000 reflects a \$2,984,900 decrease from the FY 1999-00 Revised Budget of \$31,737,900. (In FY 1999-00, there were increases of about \$4.5 million from the Adopted Budget to the Revised Budget for project requirements).

The bureau's 10-year Capital Improvement Plan (CIP) has been recently published. This Plan includes the philosophy of the capital program, summaries of each year's costs and financing plan, and a detailed description of each project.

Rate Increases

The average effective rate increase is 3.0%.

The overall average effective rate increase is 3.0 percent for FY 2000-01.

Division Website

Additional division information and updates on current issues can be found at the Water Bureau's website: WWW.WATER.CI.PORTLAND.OR.US

Hydroelectric Power Division

The Hydroelectric Power Division manages all aspects of the ongoing operation of the City's Portland Hydroelectric Power Project (PHP).

The FY 2000-01 Adopted Budget for the Hydroelectric Power Division is \$692,574. This budget supports the City's operational and administrative costs associated with the Portland Hydroelectric Project and maintains the current service level with a staff of three full-time positions. This Budget contains a specific one-year increase of \$190,000 to authorize a necessary repair project at the PHP.

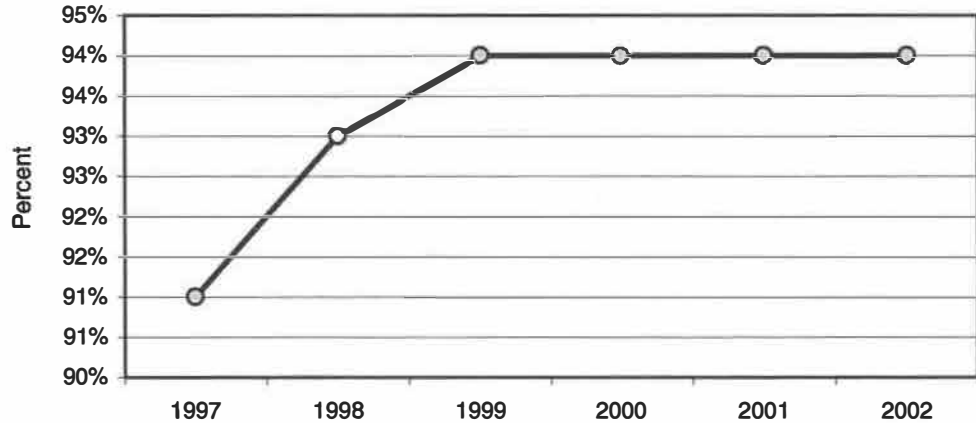
\$200,000 of Hydropower profits will be transferred to the General Fund.

In FY 2000-01, the Hydroelectric Power Division will transfer \$200,000 in Hydropower Operating Fund profits to the General Fund to be used for other City needs.

Performance Measures

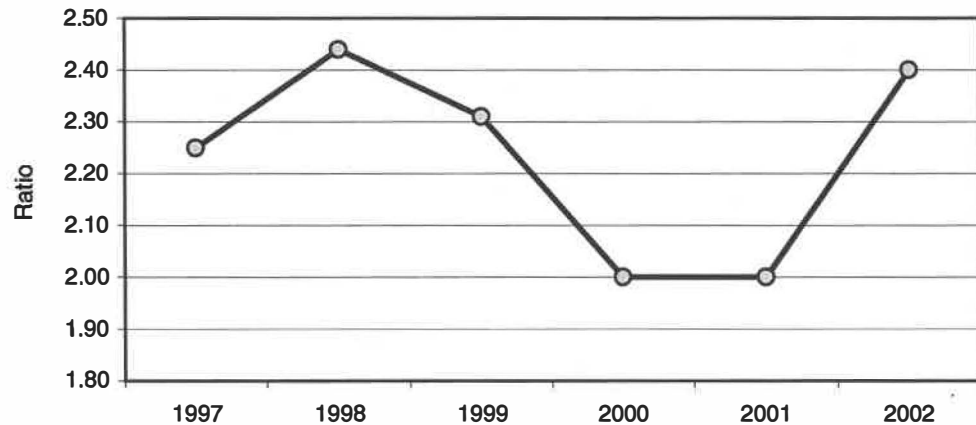
Customer Water Service Rating

- ◆ The actual percentage in 1997 was 91% and 1998 was 93%. Projected percentage for 1999 is 94%.
- ◆ The bureau anticipates a consistent rate of 94% in future years.
- ◆ Figures are derived from the City Auditor's annual S.E.A. Report.



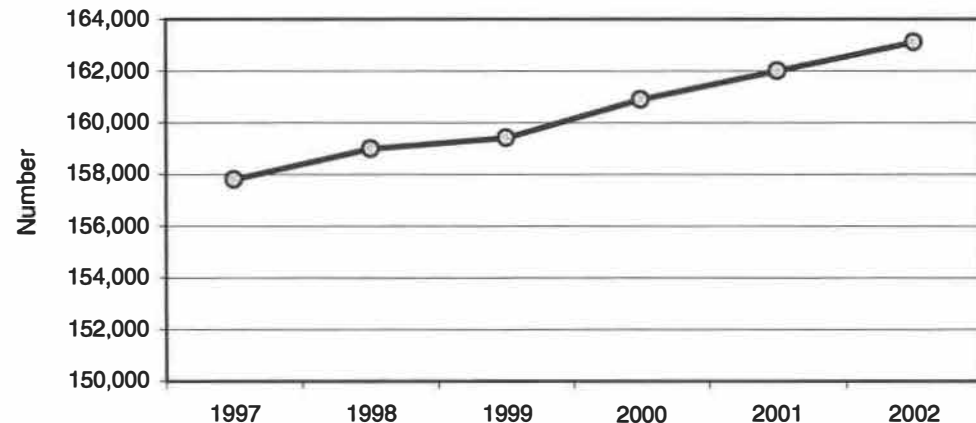
Debt Coverage Ratio maintained

- ◆ Historical Debt Coverage has performed better than the plan of 1.9. This is due to expenditure savings and higher than anticipated revenue.
- ◆ Forecast coverage is targeted at not less than 1.9.



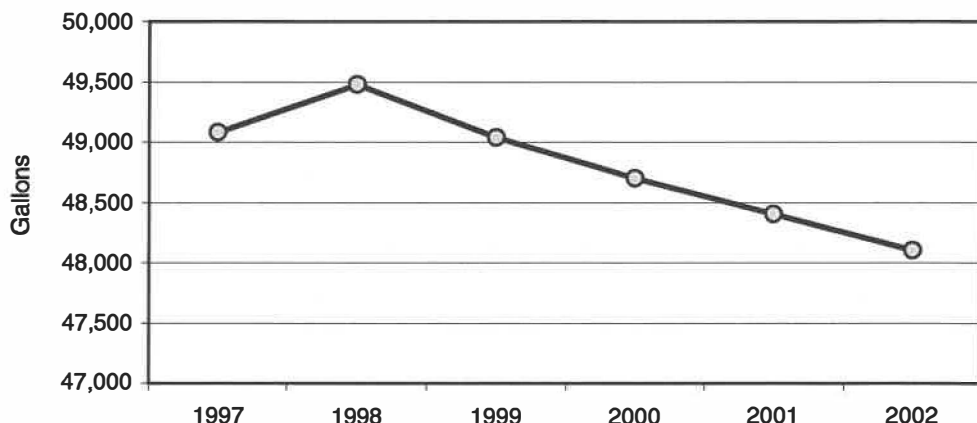
Number of active accounts

- ◆ The number of accounts have increased from 159,000 in 1998 to 159,400 in 1999 and is projected to be 160,900 in 2000. This represents a 1.2% increase over the two year period.
- ◆ Future years are projected to increase at a rate of about 0.7% per year. This increase is consistent with the bureau's Financial Plan.

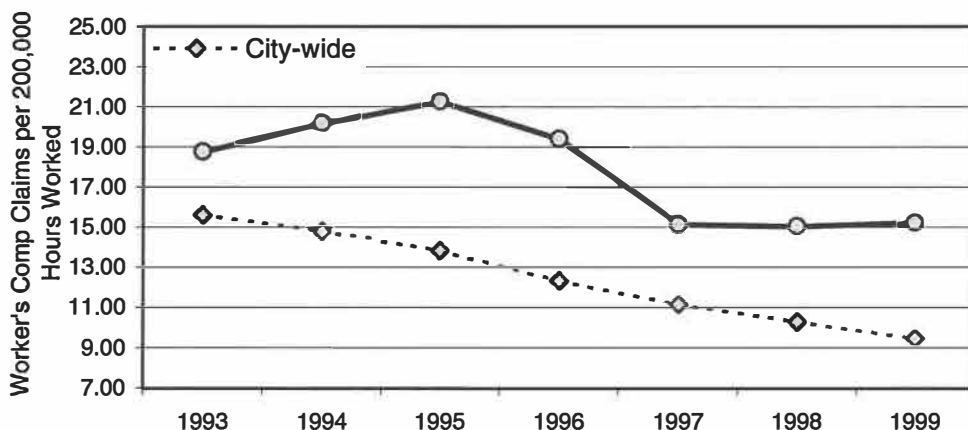


Annual per capita water usage

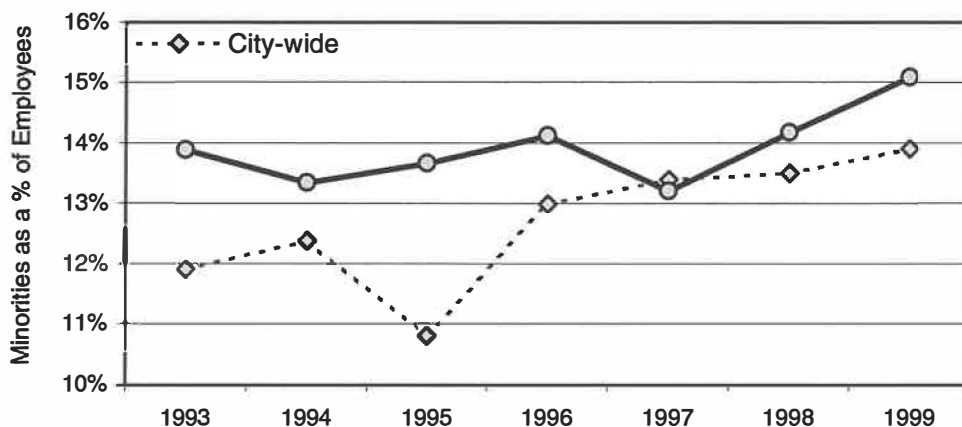
- ◆ The actual per capita water consumption went down from 49,477 gallons in 1998 to 49,039 in 1999 - a reduction of 0.9 percent.
- ◆ Future year's consumption is anticipated to decrease 0.7 percent per year.
- ◆ Figures are derived from the City Auditor's annual S.E.A. Report.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Bureau of Water Works AU 180, 637

SUMMARY OF BUREAU BUDGET

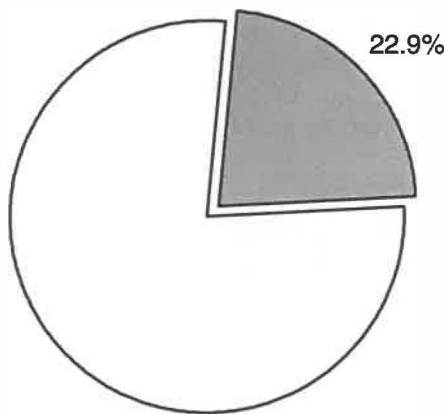
	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	26,450,259	27,118,690	30,461,787	30,296,441	30,267,706
External Materials and Services	9,489,931	11,080,128	13,243,554	11,120,836	11,140,711
Internal Materials and Services	7,025,359	7,586,747	8,784,348	8,532,193	8,535,093
Minor Capital Outlay	903,480	3,463,910	2,542,594	2,313,550	2,313,550
Equipment Cash Transfers	5,000	9,360	0	6,000	6,000
Total Operating Budget	43,874,029	49,258,835	55,032,283	52,269,020	52,263,060
Capital Improvements	17,404,692	24,544,396	31,737,900	29,471,000	28,753,000
TOTAL BUREAU EXPENDITURES	\$ 61,278,721	\$ 73,803,231	\$ 86,770,183	\$ 81,740,020	\$ 81,016,060
Allocated Overhead	1,451,509	1,617,829	1,900,736	1,967,090	1,888,916
Total Cost with Allocated Overhead	62,730,230	75,421,060	88,670,919	83,707,110	82,904,976
RESOURCES					
Water Operating Fund		66,996,888	80,197,371	74,927,099	74,203,139
Hydroelectric Power Fund		0	0	0	0
Discretionary General Fund		0	0	0	0
Grants & Donations - Water		99,065	355,680	356,158	356,158
Contract Revenues - Water		254,637	225,000	231,300	231,300
Contract Revenues - Hydro		350,136	470,742	648,074	648,074
Interagency Revenues - Water		6,058,015	5,473,390	5,532,889	5,532,889
Interagency Revenues - Hydro		44,490	48,000	44,500	44,500
Overhead Revenues		0	0	0	0
TOTAL RESOURCES		\$ 73,803,231	\$ 86,770,183	\$ 81,740,020	\$ 81,016,060
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
DIVISIONS					
Water Division		73,408,605	86,251,441	81,047,446	80,323,486
<i>Positions</i>		<i>524</i>	<i>532</i>	<i>544</i>	<i>543</i>
Hydroelectric Power Division		394,626	518,742	692,574	692,574
<i>Positions</i>		<i>3</i>	<i>3</i>	<i>3</i>	<i>3</i>
TOTAL DIVISIONS		\$ 73,803,231	\$ 86,770,183	\$ 81,740,020	\$ 81,016,060
<i>Positions</i>		<i>527</i>	<i>535</i>	<i>547</i>	<i>546</i>
<i>General Fund Discretionary Positions</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Community Development

Office of Planning and Development Review
 Cable Communications and Franchise Management
 Energy Office

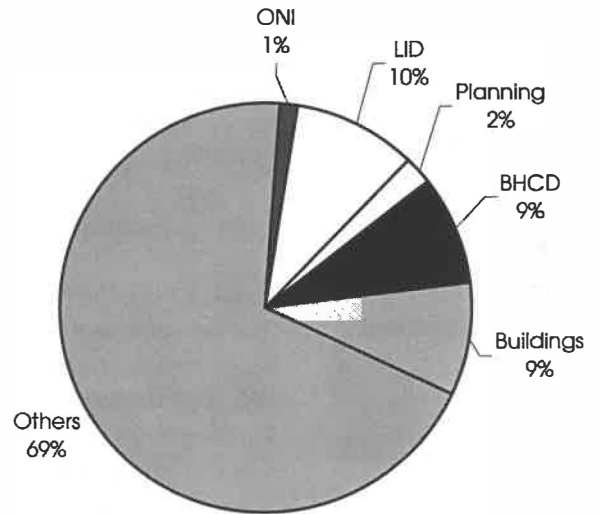
Bureau of Housing and Community Development
 Office of Neighborhood Involvement
 Bureau of Planning

Percent of City Budget
Community Development = \$383.4 Million



City Budget = \$1.68 Billion

Bureau Pie Chart



Service Area Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	52,418,468	51,054,002	-1,364,466	-6.9%
Capital	0	0	0	0.0%
Allocated Overhead Costs	2,086,125	2,145,279	59,154	-1.7%
Total Cost with Allocated Overhead	\$ 54,504,593	\$ 53,199,281	\$ -1,305,312	-6.7%
Authorized Full-Time Positions	426	437	11	-1.9%

Note: Per capita change values are adjusted for inflation and population growth.

Note: The table shows direct operating and capital costs for bureaus within the service area. The pie charts reflect bureau and fund costs in the service area, including the full allocation of centralized expenditures, for example health insurance reserves.

Service Area Highlights

DESCRIPTION

The Community Development Service Area includes services for Housing and Community Development, Office of Planning and Development Review, Office of Cable Communications and Franchise Management, Energy Office, Office of Neighborhood Involvement, and Planning.

MAJOR THEMES

Housing and Community Development

Housing and Community Development (BHCD) manages federal funds channeled to the City by the U. S. Department of Housing and Urban Development. Entitlement grants, including the Community Development Block Grant, HOME, Housing for People with Aids (HOPWA), and the Emergency Shelter Grant, will total \$17,296,000 for FY 2000-01, a net decrease of \$371,000 from the previous year. In addition, the bureau manages some City General Funds appropriated to support youth, homeless, and public safety issues.

Office of Planning and Development Review

Arising from the Blueprint 2000 process, the City Council created the Office of Planning and Development Review by merging the Bureau of Buildings and the Development Review section of the Bureau of Planning. To accelerate implementation of Blueprint 2000, the Adopted Budget provides one-time funding for 2.5 Process Manager positions in the Development Services Center. In addition, the budget doubles the staff size of the Noise Control program to 3.0 FTE.

In dealing with significantly declining revenues, the bureau has cut over \$1 million in operations costs, will continue to closely monitor revenues throughout the fiscal year, and is proposing fee increases in most program areas.

Cable Communications and Franchise Management

The Cable Office enforces cable service franchises, manages community use of the cable system, and works to maximize City franchise revenues.

In FY 2000-01 the office will continue to oversee open access to the Internet via cable and will negotiate contracts with new telecommunications companies to provide cable, telephone, and internet access to Portland residents on a broadband platform.

Energy Office

The Energy Office continues to pursue options to protect the City's economic, environmental, and public interest goals within the framework of a changing electric utility environment. The office works with local utilities, public interest groups, and energy service providers to create new, market-based mechanisms to promote energy efficiency.

The Adopted Budget includes funds for implementation of the Green Building Initiative, the City program to promote green building and site design practices throughout the City of Portland.

Office of Neighborhood Involvement

The Office of Neighborhood Involvement provides a wide range of programs and services to encourage to citizen participation and improve neighborhood and community livability. The Adopted Budget includes the addition of 1.5 FTE for the Community Residential siting program. In addition, \$24,000 was included for second and third floor graffiti removal. The Adopted Budget reflects adjustments to incorporate administrative reductions.

Planning

In 1999, the City Council adopted the recommendations from the Blueprint 2000 Stakeholders Team to reorganize the Bureau of Planning. Planning's Development Review Section merged with the Bureau of Buildings, and the long-range planning activities remained in Planning.

In FY 2000-01, the Planning Bureau reorganized its budget to include support for the following programs: Policy Coordination, Area Neighborhood Planning, Urban Design/ Historical Preservation, Policy and Code Development, Environmental Planning, Planning Technical Support, Administration and City-wide Projects. In addition, the Planning Bureau received appropriation for the following add packages: Greenway, NW Industrial Area Transition Study, North West District Association, Portland Future Focus, Endangered Species Act, Urban Design position, and SouthWest Community Plan.

Office of Planning and Development Review

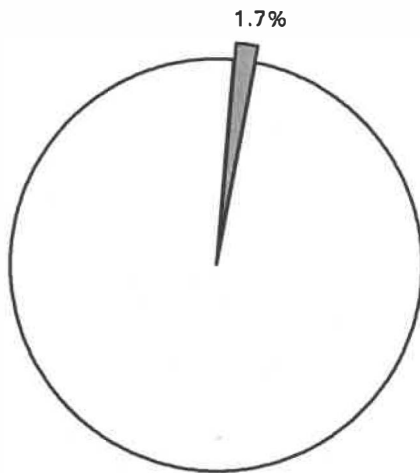
Community Development Service Area

Charlie Hales, Commissioner-in-Charge

Margaret Mahoney, Director

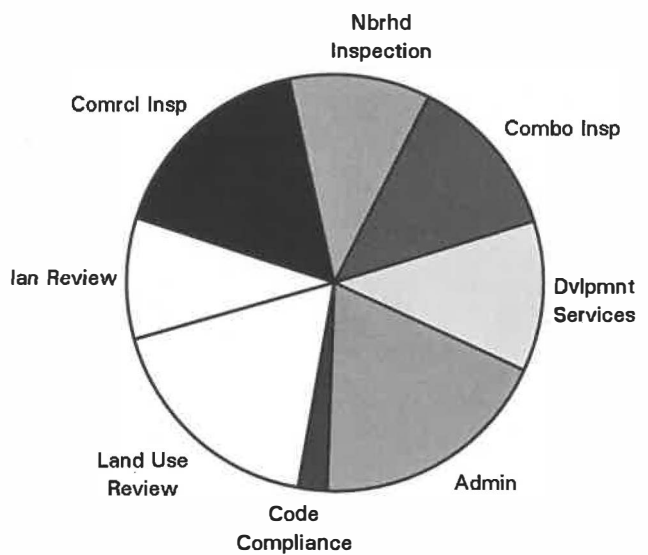
Percent of City Budget

OPDR = \$28 Million



City Budget = \$1.68 Billion

Bureau Programs

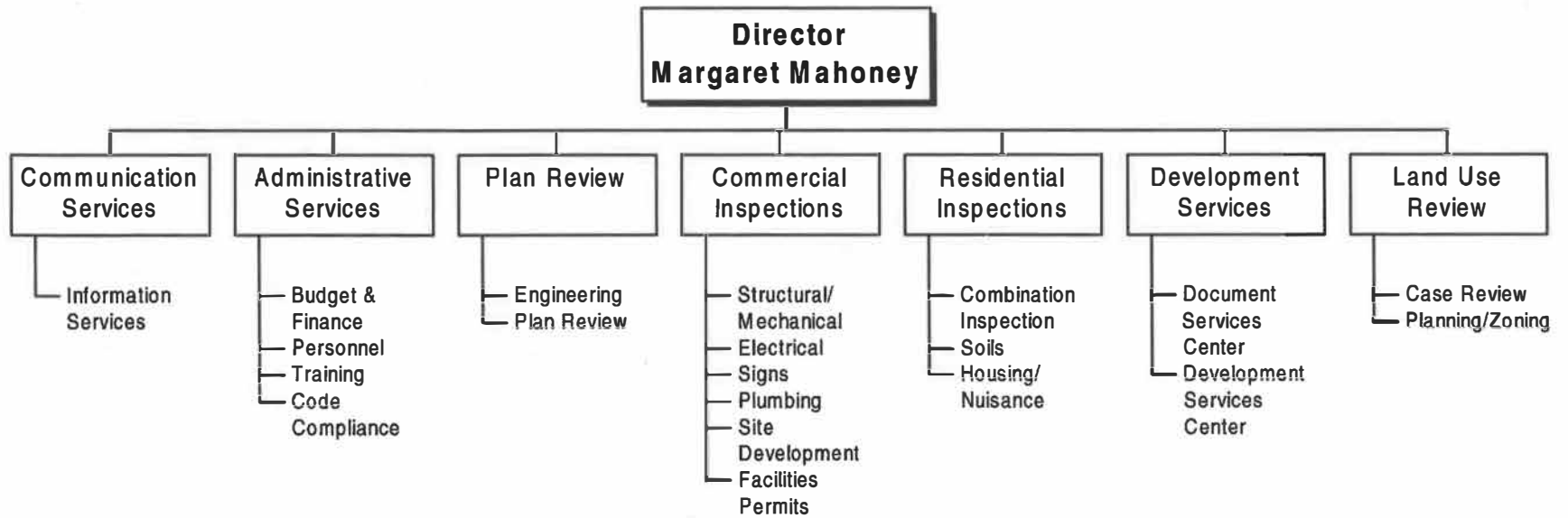


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	29,472,981	27,961,669	-1,511,312	-9.3%
Capital	0	0	0	0.0%
Allocated Overhead Costs	767,515	818,671	51,156	2.0%
Total Cost with Allocated Overhead	\$ 30,240,496	\$ 28,780,340	\$ -1,460,156	-9.0%
Authorized Full-Time Positions	298	300	2	-3.7%

Note: Per capita change values are adjusted for inflation and population growth.

Office of Planning and Development Review



Bureau Summary

BUREAU MISSION

The Office of Planning and Development Review's mission is to ensure a safe and healthful built environment and to assist in the preservation of housing and the improvement of neighborhoods.

BUREAU HIGHLIGHTS

On March 19, 1999, the City Council created the Office of Planning and Development Review (OPDR) by merging the Bureau of Buildings and the Development Review Section of the Bureau of Planning. The Development Review Section is now called the Land Use Review Division. The FY 2000-02 budget is the first budget to reflect the new organization.

Adopted Budget

The Adopted Budget funds OPDR at nearly \$28.0 million, an amount 5.1% lower than the current budget.

Reduced revenues have led to position and other reductions

- ◆ To respond to declining revenues, six positions were eliminated from the Inspections, Plan Review, and Administration programs. Contracts for outside plan review were significantly decreased, and other materials and services were reduced.
- ◆ The bureau reduced its General Fund discretionary budget \$73,733, or 2.5%, from current service levels as part of the Citywide cost containment strategy. The budget also reduced General Fund support for professional services and general administration.

General Fund support was added for Land Use Review and Noise Control

- ◆ The Adopted Budget adds \$362,000 in on-going General Fund support of the Land Use Review Program's administrative overhead requirements. It also boosts General Fund support of the Noise Control Program by \$96,810; this is enough to fund 1.5 new positions and will be on-going.

Current Trends

Construction in Portland has leveled off over the past year and that trend is expected to continue. During FY 1998-99, there was a slight decrease in the number of permits and inspections. The projected number of building permits for FY 1999-00 is 7,500, which is a 4.8% decrease from the 7,874 permits issued in FY 1998-99. The projected 168,000 inspections for FY 1999-00 is a 5.3% decrease from the FY 1998-99 level of 177,470.

Revenues were stable from FY 1996-97 through FY 1998-99. In FY 1999-00, revenues are projected to be less than the previous year. Fee increases are being recommended and are necessary to enable OPDR to provide customers with the current level of service.

Blueprint 2000

The bureau will continue to implement improvements to the Citywide Blueprint 2000 development review process. The ultimate goal is a seamless review process - one that will enhance customer service and make more efficient use of City staff.

Blueprint 2000 process improvements to continue

In FY 2000-01 and FY 2001-02, Process Managers will assist applicants for commercial and residential building permits. Most customer phone calls will be answered directly by staff instead of the voice mail system currently in use. Comprehensive performance measures will be put in place for the development process. OPDR will also develop and pilot test a training and information program for neighborhood associations and other development stakeholders.

To assist the implementation of Blueprint 2000, the Adopted Budget includes \$180,000 in one-time General Fund support to fund 2.5 FTE Process Manager positions within the Development Services Center.

TRACS Computer Program

In FY 1999-00, the bureau implemented the new TRACS computer program to record and track development services provided by City bureaus. TRACS will serve as the City’s project management, tracking, and reporting tool requested as part of Blueprint 2000.

TRACS serves as the City’s tracking and reporting tool for development review.

Following the initial implementation this past year, TRACS will be further enhanced in the following ways:

- ◆ Implement Interactive Voice Response (IVR) technology for all inspection requests, results, and status checks for plan review using FAX and touch tone phone.
- ◆ Implement sewer permits in the TRACS system.
- ◆ Fully implement land use review cases in TRACS.
- ◆ Determine delivery system of TRACS information to the public.
- ◆ Fully implement the reporting system for development related activities.

Legislative Changes

The 1999 Legislature enacted legislation that will directly impact OPDR practices. SB 512 created a new Tri-County Building Industry Service Center to develop uniform practices and procedures for the building industry in Clackamas, Multnomah, and Washington Counties. OPDR will now need to respond to directives from the Tri-County Building Industry Service Center as well as the State Building Codes Division.

Effects of new legislation

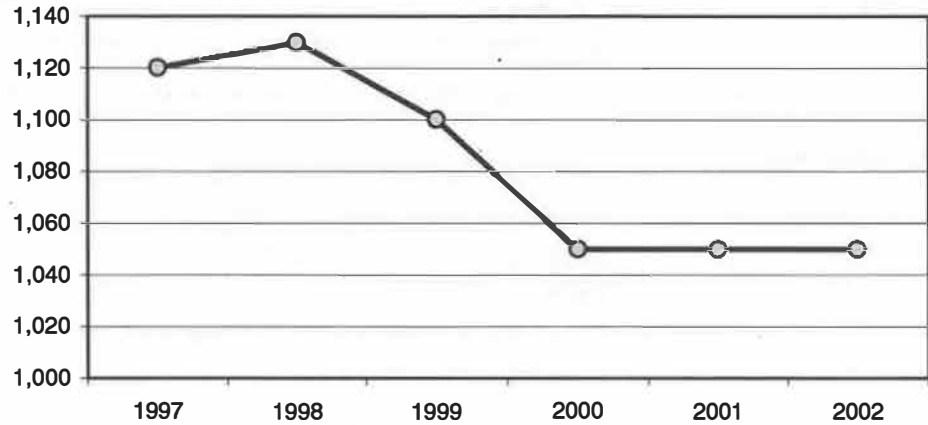
SB 587 sets a 15 day standard for OPDR to complete its first building plan review for simple residential permits. It also requires that municipalities set and meet turnaround times for commercial plan review. OPDR is working with the DCTU and COPPEA unions on a Service Improvement Initiative project to improve plan review turnaround time on commercial projects.

The new statute further clarifies that construction permit fees can only be spent on construction inspection programs. The statute restricts spending these fees on new, current, or expanded local programs, and particularly impacts the Noise Control program, which had been partially supported by construction permit fees in the past.

Performance Measures

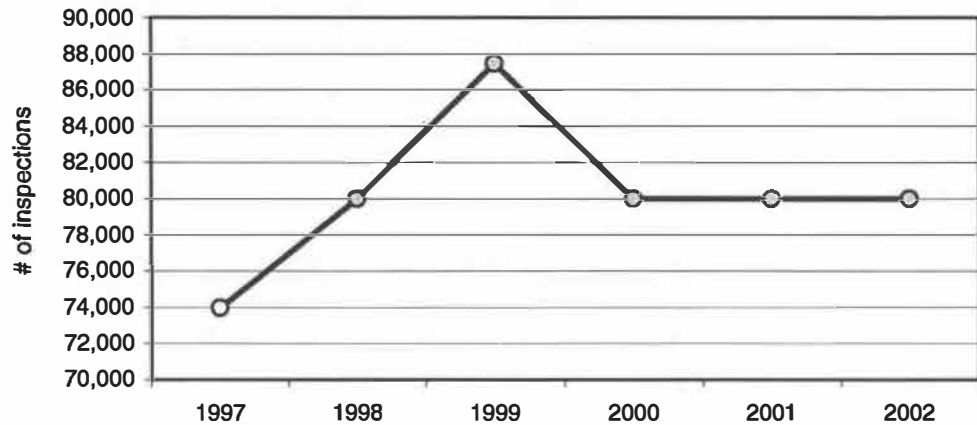
Land Use Reviews Processed

- ◆ The number of cases processed is projected to decrease 7% from its 1998 high. Construction activity in the Portland area has leveled off.



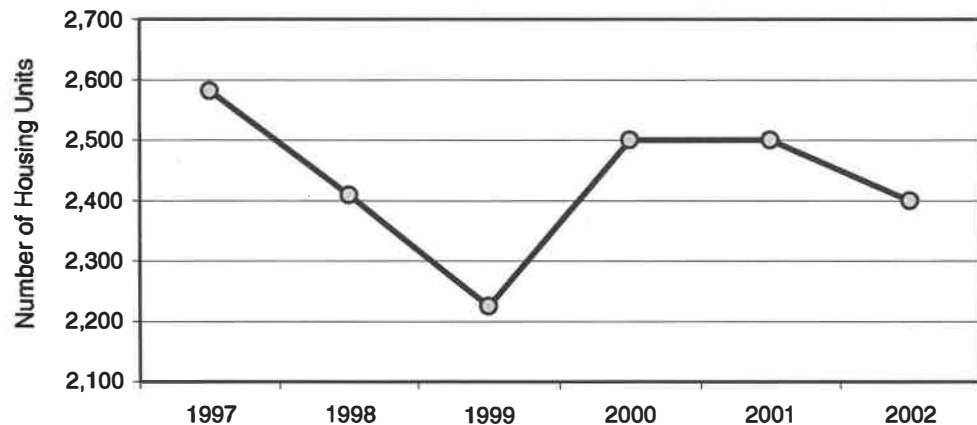
Commercial Inspections

- ◆ The number rose dramatically in 1999 because of the increased number of building permits issued.
- ◆ Inspections are expected to stabilize at 80,000 per year.



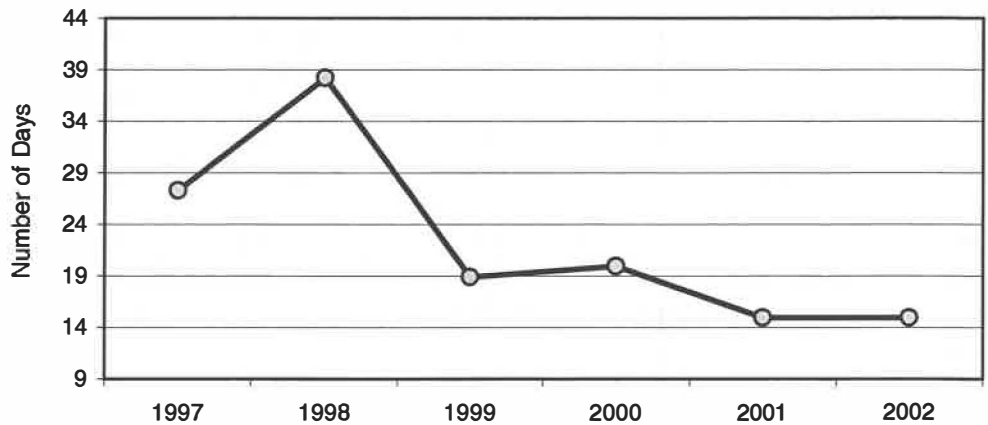
Housing Units Brought Up To Code

- ◆ The number of housing units brought up to code has been relatively stable and will remain so as long as funding is stable.

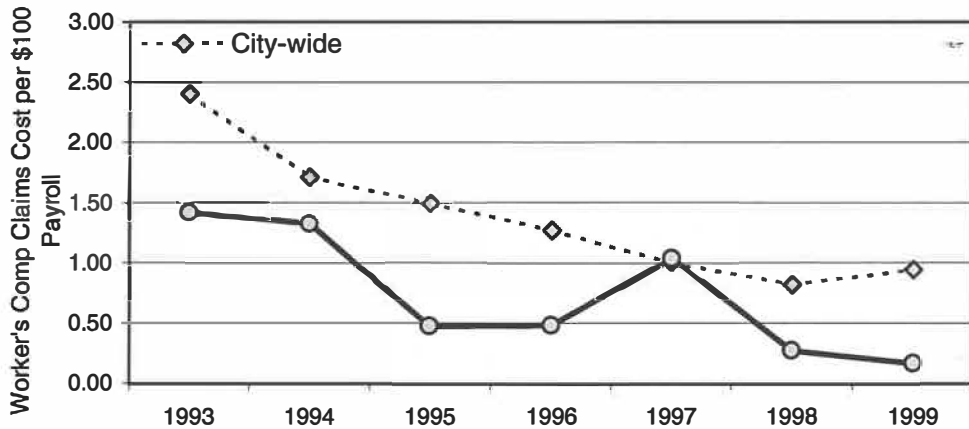


Average Number of Days for First Plan Review of Single Family Residences

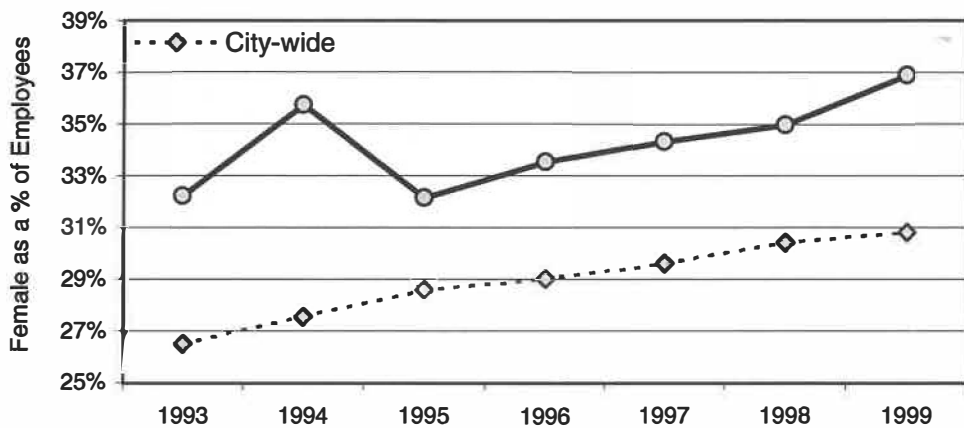
- ◆ The number of working days to first review took a dramatic jump in 1997 because of the huge increases in plans and inadequate staffing levels.
- ◆ OPDR is planning to meet the State requirement that the first review of simple, single family plans be done in 15 working days.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	13,184,832	14,641,363	20,762,496	20,653,498	20,653,498
External Materials and Services	2,233,485	2,262,933	3,140,511	2,176,190	2,176,190
Internal Materials and Services	2,444,973	2,813,193	5,239,447	5,073,454	5,073,454
Minor Capital Outlay	0	0	330,527	58,527	58,527
Equipment Cash Transfers	45,500	73,370	0	0	0
Total Operating Budget	17,908,790	19,790,859	29,472,981	27,961,669	27,961,669
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 17,908,790	\$ 19,790,859	\$ 29,472,981	\$ 27,961,669	\$ 27,961,669
Allocated Overhead	694,020	723,704	767,515	825,480	818,671
Total Cost with Allocated Overhead	18,602,810	20,514,563	30,240,496	28,787,149	28,780,340
RESOURCES					
Discretionary Resources					
General Fund		1,136,269	2,998,905	3,500,174	3,500,174
General Reserve Fund		0	179,997	0	0
Total Discretionary Resources		1,136,269	3,178,902	3,500,174	3,500,174
Non-Discretionary Resources					
Grants & Donations		3,817	0	0	0
Interagency Agreements		475,807	456,877	545,740	545,740
Cash Transfers		223,468	223,000	229,207	229,207
Bureau Program Revenue		17,833,416	25,382,055	23,609,284	23,609,284
Overhead Revenue		118,082	232,147	77,264	77,264
Total Non-Discretionary Resources		18,654,590	26,294,079	24,461,495	24,461,495
Total Resources		19,790,859	29,472,981	27,961,669	27,961,669
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Land Use Review Program		53	4,895,518	4,939,361	4,939,361
<i>Positions</i>		0	60	61	61
Administration Program		3,977,468	6,282,704	5,194,108	5,194,108
<i>Positions</i>		27	31	31	31
Code Compliance Program		623,077	707,137	666,533	666,533
<i>Positions</i>		10	10	10	10
Combination Inspections Program		3,537,279	3,851,093	3,571,486	3,571,486
<i>Positions</i>		47	46	45	45
Commercial Inspections Program		4,360,337	4,817,589	4,592,934	4,592,934
<i>Positions</i>		54	57	56	56
Plan Review Program		2,198,031	3,051,764	2,671,165	2,671,165
<i>Positions</i>		26	31	30	30
Neighborhood Inspections Program		2,371,126	2,847,971	3,028,714	3,028,714
<i>Positions</i>		32	31	34	34
Development Services Program		2,723,488	3,019,205	3,297,368	3,297,368
<i>Positions</i>		30	33	34	34
TOTAL PROGRAMS		\$ 19,790,859	\$ 29,472,981	\$ 27,961,669	\$ 27,961,669
<i>Positions</i>		224	298	300	300
<i>General Fund Discretionary Positions</i>		12	35	40	40

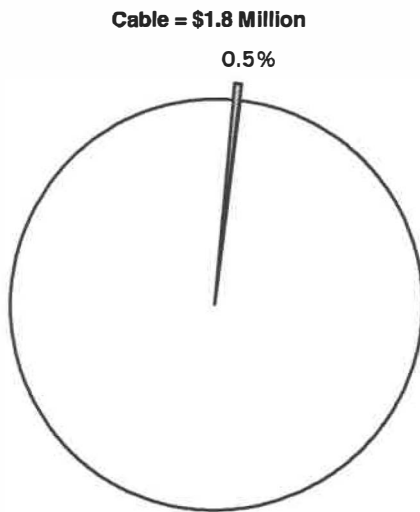
Cable Communications and Franchise Management

Community Development Service Area

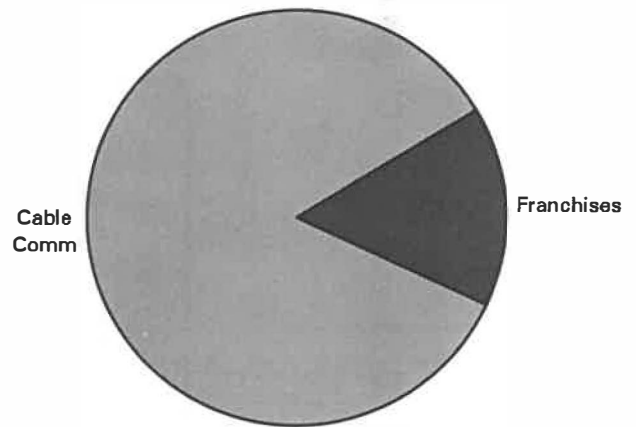
Erik Sten, Commissioner-in-Charge

David Olson, Director

Percent of General Fund



Bureau Programs

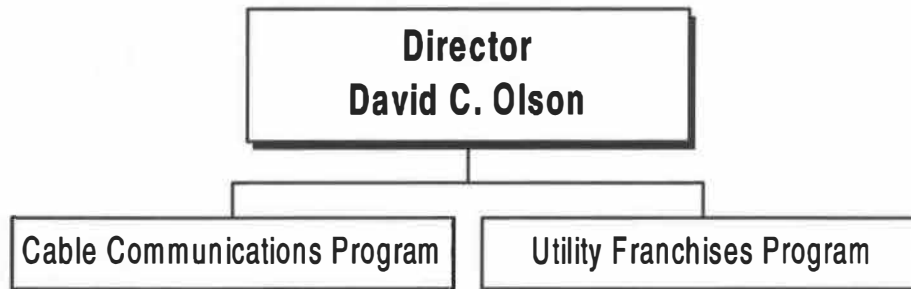


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	1,717,565	1,750,212	32,647	-2.5%
Capital	0	0	0	0.0%
Allocated Overhead Costs	185,199	207,647	22,448	7.2%
Total Cost with Allocated Overhead	\$ 1,902,764	\$ 1,957,859	\$ 55,095	-1.6%
Authorized Full-Time Positions	6	6	0	-4.4%

Note: Per capita change values are adjusted for inflation and population growth.

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 right-of-way; to defend the City's role and the public interest in rapidly changing telecommunications and utility markets; and to regulate and advocate on matters related to cable communications for the Mt. Hood Cable Regulatory Commission (MHCRC), on behalf of Fairview, Gresham, Multnomah County, Portland, Troutdale and Wood Village.

BUREAU HIGHLIGHTS

Accomplishments

Developed broadband RFQ process that may lead to cable competition in City.

With the support of the Mayor and Commissioner Sten, the Cable Office issued a Request for Qualifications for "broadband" (high speed, high capacity) telecommunications providers to provide new competitive choices and high-speed Internet access for Portland residents.

Choices for Portland cable viewers

After attracting nearly a dozen responses from interested companies, it appears that Portland will conclude an agreement with one or more of these companies. They will provide a significant investment in new telecommunications infrastructure to serve all City residents, and will provide real choice for residents in cable and telecommunications services for the first time in City history. **Funded Community Access Capital Grants.**

\$850,000 for community grants in FY 2000-01

The Mt. Hood Cable Regulatory Commission grants funds for community communications projects that assist public and non-profit organizations throughout Multnomah County. These projects promote the use and availability of advanced cable system technologies at low cost to meet organizational communication needs. Nearly \$750,000 is appropriated in FY 1999-00, and \$850,000 is budgeted for FY 2000-01.

Negotiated new telecommunications franchises.

More than 20 telecom companies now have franchises within Portland

Supporting the Mayor's goals of a competitive telecommunications environment and a wired City, staff negotiated three new telecommunications franchises with Level 3 Communications, AT&T Local Services, and IXC Communications. The franchises will provide additional resources to the City's General Fund and will add to the communications infrastructure of the City.

Cooperated in developing a Wide Area Network.

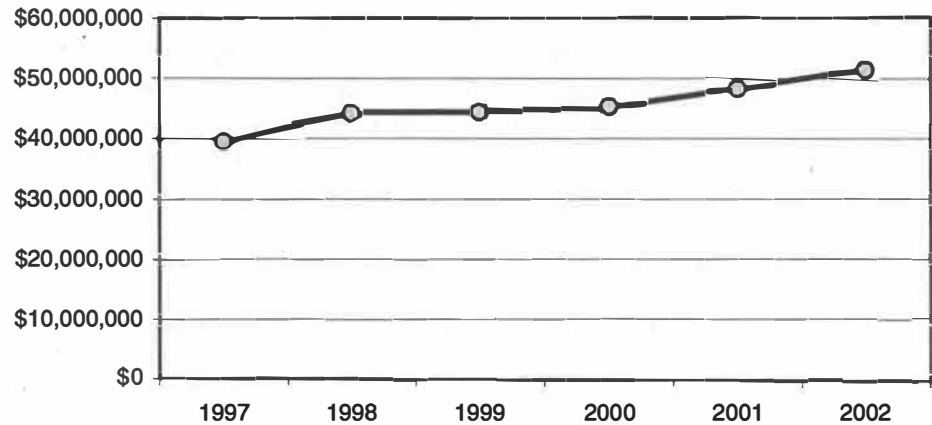
High-speed telecommunications throughout City government

In cooperation with the Bureau of General Services, the Cable Office helped integrate franchise assets that have led to the design and initial deployment of a Wide Area Network. The network will provide high-speed telecommunications capability between and among City agencies, and speed the delivery of City services to citizens. This may save scarce General Fund dollars that would otherwise have to be diverted to pay the full retail cost of such capabilities.

Performance Measures

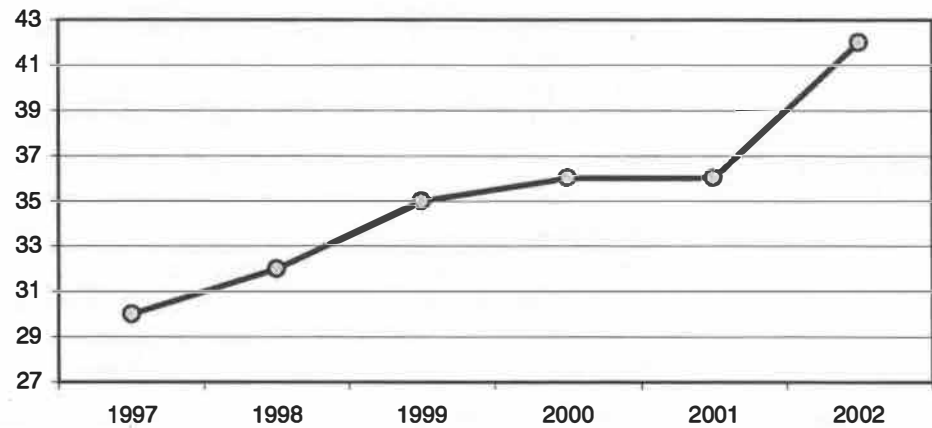
General Fund Revenues Generated

- ◆ Franchise fee revenues have increased more than 23% during the last five years, from \$39 to over \$48 million.



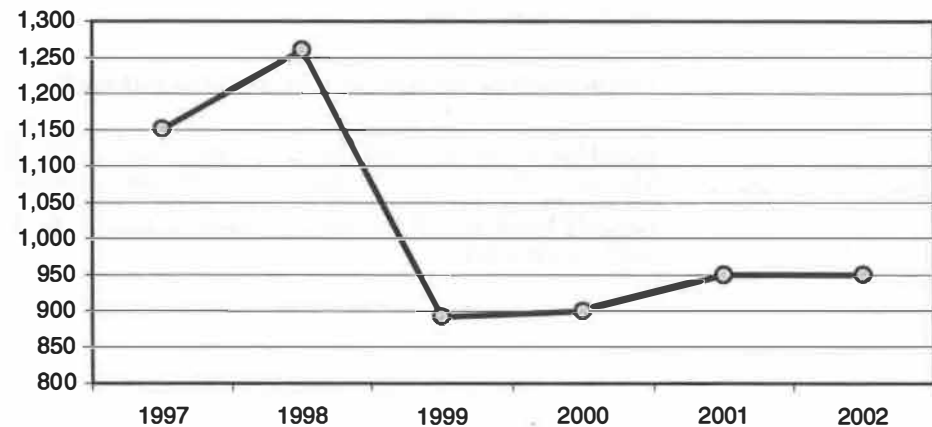
Franchises Administered

- ◆ The office currently administers 36 franchises and expects this number to rise in future years.



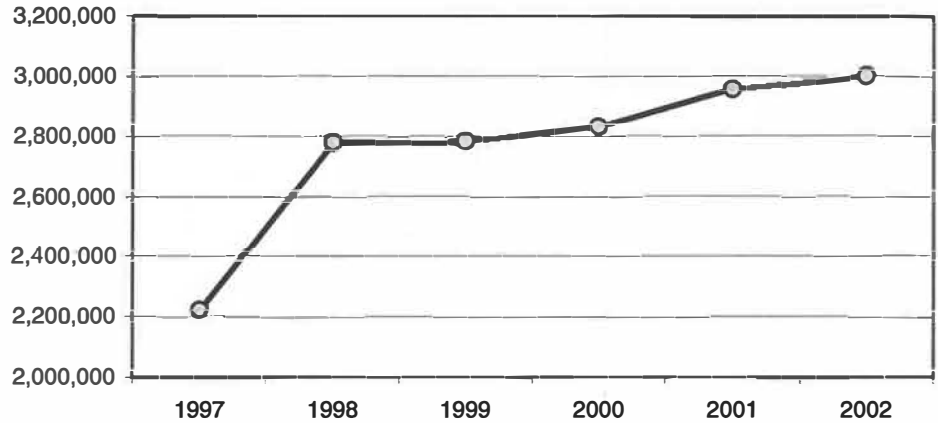
Cable TV Complaints Handled

- ◆ On average, over 98% of complaints are resolved within two days.

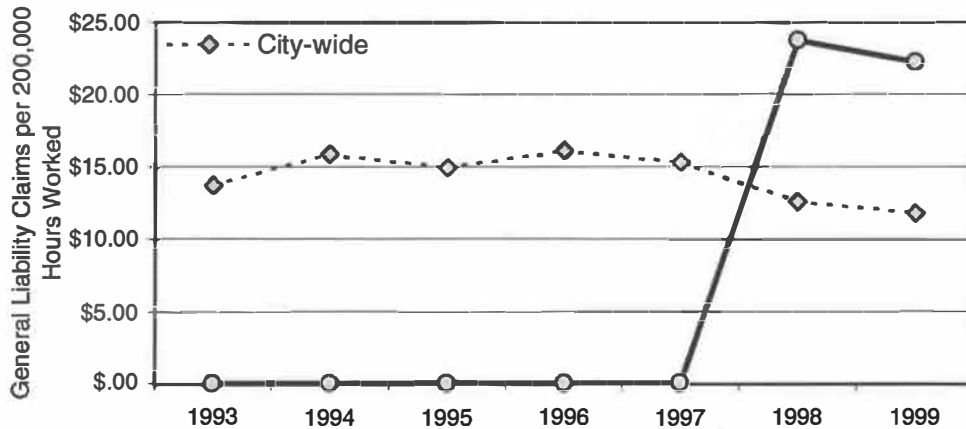


PEG Funding and Grants

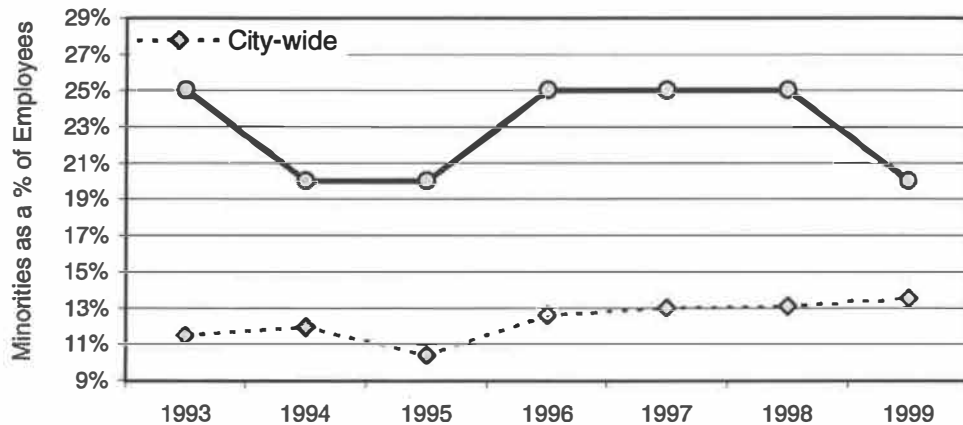
- ◆ The PEG grants provide funding to non-profit, educational, community, and local government organizations to acquire telecommunications equipment.
- ◆ The growth in grant funds parallels the growth in cable franchise fee revenues.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Cable Communications and Franchise Management AU 300

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	386,824	417,918	472,409	479,316	479,316
External Materials and Services	869,032	721,071	793,155	982,358	997,358
Internal Materials and Services	396,219	409,157	452,001	273,538	273,538
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	1,652,075	1,548,146	1,717,565	1,735,212	1,750,212
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 1,652,075	\$ 1,548,146	\$ 1,717,565	\$ 1,735,212	\$ 1,750,212
Allocated Overhead	190,692	118,608	185,199	170,834	207,647
Total Cost with Allocated Overhead	1,842,767	1,666,754	1,902,764	1,906,046	1,957,859
RESOURCES					
General Fund Discretionary		1,306,418	1,451,505	1,458,642	1,473,642
Non-Discretionary Revenues					
Grants & Donations		0	0	0	0
Contract Revenues		0	0	0	0
Interagency Revenues		241,728	266,060	276,570	276,570
Program Revenue		0	0	0	0
Total Non-Discretionary Revenues		241,728	266,060	276,570	276,570
TOTAL GENERAL FUND RESOURCES		\$ 1,548,146	\$ 1,717,565	\$ 1,735,212	\$ 1,750,212
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Cable Communications		1,339,256	1,423,402	1,475,610	1,475,610
<i>Positions</i>		3	4	3	3
Utility Franchises		208,890	294,163	259,602	274,602
<i>Positions</i>		2	3	2	2
TOTAL PROGRAMS		\$ 1,548,146	\$ 1,717,565	\$ 1,735,212	\$ 1,750,212
<i>Positions</i>		5	6	6	6
<i>General Fund Discretionary Positions</i>		5	5	5	5

Energy Office

Community Development Service Area

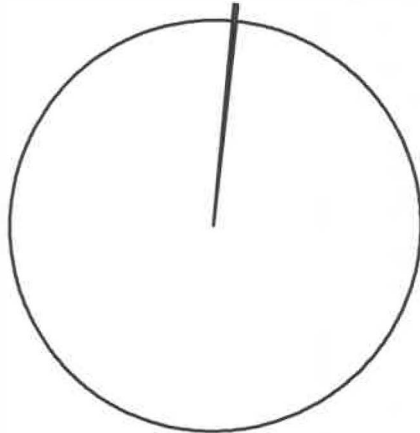
Erik Sten, Commissioner-in-Charge

Susan Anderson, Director

Percent of General Fund

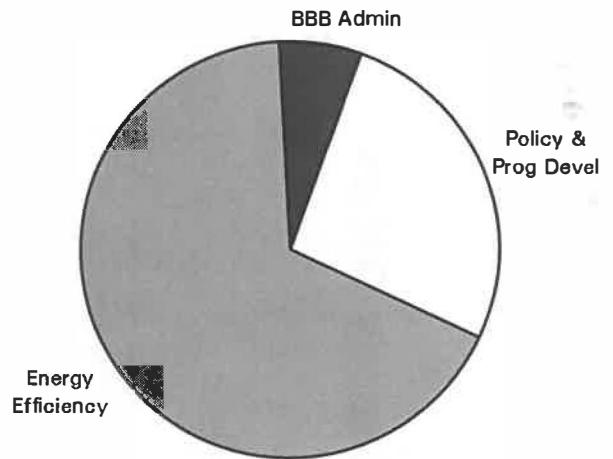
Energy = \$762.5 Thousand

0.2%



General Fund = \$354 Million

Bureau Programs

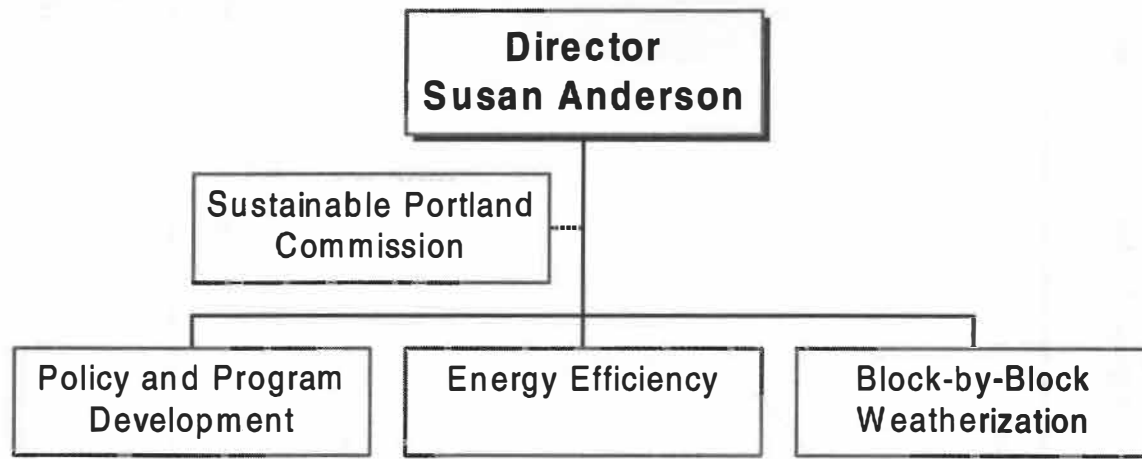


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	1,143,928	762,502	-381,426	-36.3%
Capital	0	0	0	0.0%
Allocated Overhead Costs	126,088	98,670	-27,418	-25.2%
Total Cost with Allocated Overhead	\$ 1,270,016	\$ 861,172	\$ -408,844	-35.2%
Authorized Full-Time Positions	11	8	-3	-30.4%

Note: Per capita change values are adjusted for inflation and population growth.

Energy Office



Bureau Summary

BUREAU MISSION

The mission of the Energy Office is to enhance the livability, stability and economic vitality of the City of Portland through programs and policies that promote energy and natural resource efficiency and the use of renewable resources.

BUREAU HIGHLIGHTS

Revenues

Energy Office revenues are comprised of General Fund support, interagency agreements, federal and state grants, and contracts with local utilities and other non-profit agencies. General Fund support in FY 2000-01 is budgeted at \$277,157. Several grants and contracts have already been awarded to the Energy Office for FY 2000-01 and are budgeted for \$318,500.

General Fund dollars leverage outside funds

The office will continue to leverage its General Fund support to obtain grants, utility contracts and state and local interagency agreements. In FY 2000-01, the bureau anticipates receiving an additional, currently unbudgeted \$175,000, in new grants and contracts.

Budget

The Adopted Budget for the Energy Office is \$762,502. The General Fund supports the director, a part-time assistant, staff for the Sustainable Portland Commission and some office expenses. Other staff and materials are funded by grants, contracts, and interagency agreements. The Energy Office will have eight staff in FY 2000-01.

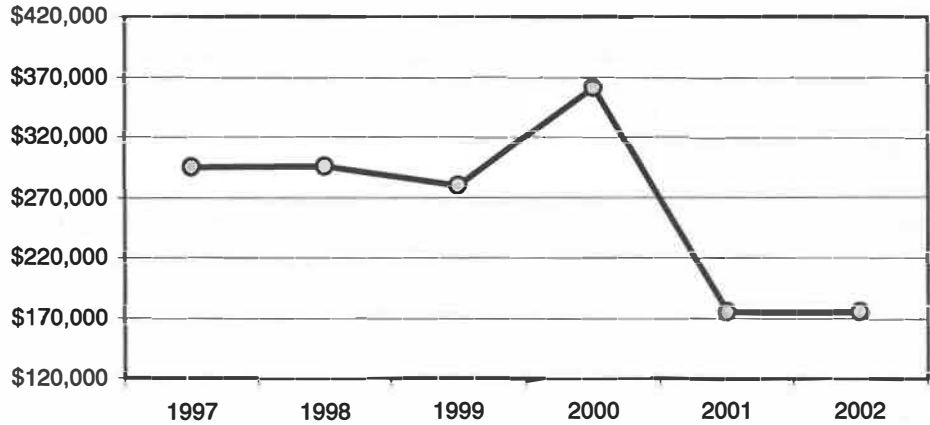
Green Building Initiative

The Energy Office requested \$195,000 in General Fund support for the Green Building Initiative, approved by Council in December of 1999. Funding for the program is available within the Refuse Disposal Fund, and explicit appropriations will be made early in the 2000-01 fiscal year.

Performance Measures

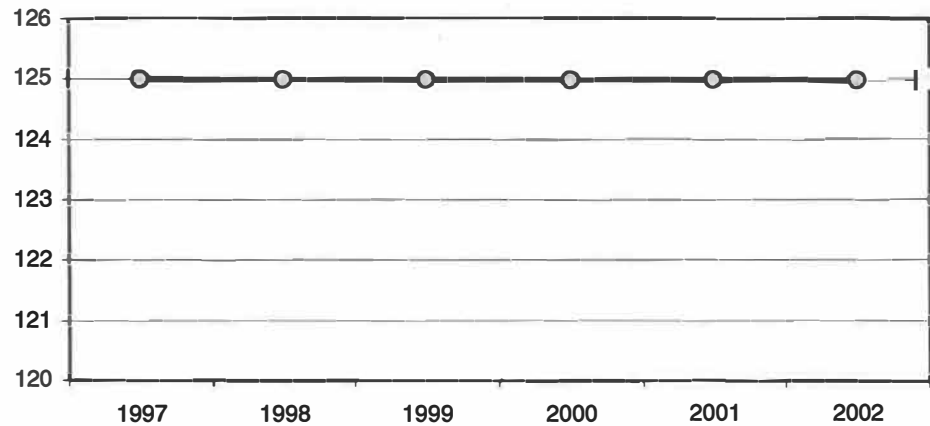
Grants & Contracts Awarded

- ◆ The Energy Office anticipates \$175,000 in new grants and contracts in FY 2000-01.
- ◆ The drop reflects the ending of the \$500,000 four-year Rebuild America grant from the US Dept. of Energy.



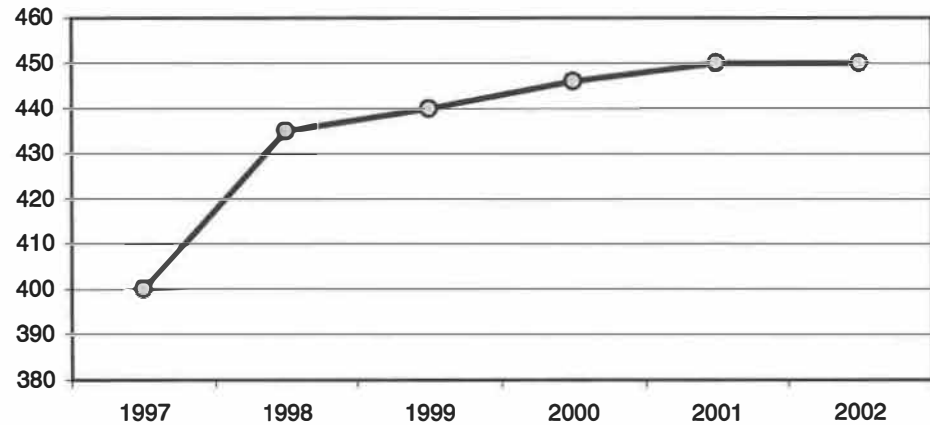
Low-Income Homes Weatherized

- ◆ The Block-By-Block Weatherization Program has weatherized 2,468 homes and saved \$1.94 million in energy bills.



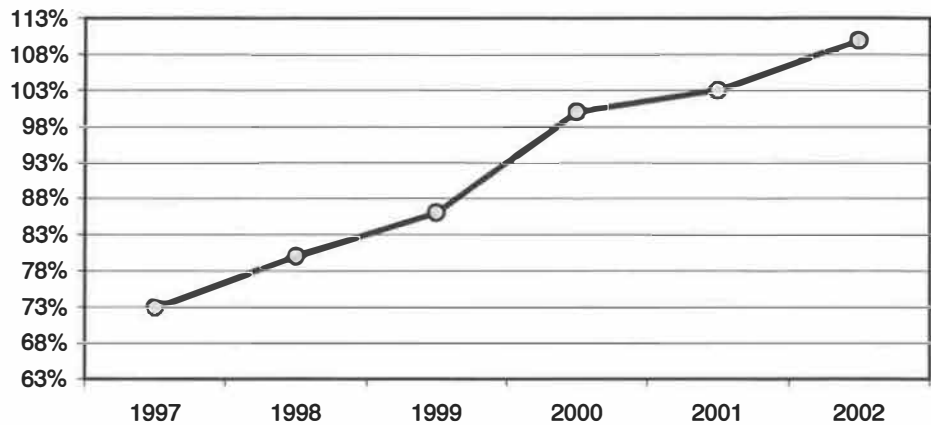
Attendees Per Fair

- ◆ In FY 2000-01, more than 1,200 residents are expected to attend three Neighborhood Fix-It-Fairs.

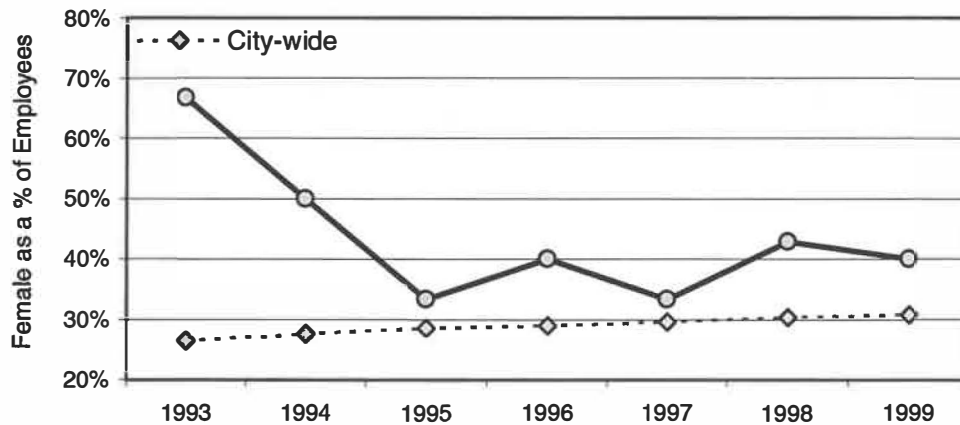


Percent Achieved of Year 2000 Energy Savings Goal

- ◆ The Energy Office will reach its goal of achieving \$1.5 million in annual savings on City facilities in calendar year 2000.
- ◆ In future years, City facilities' energy savings will exceed year 2000 goals.



Workforce Diversity — Bureau Employees vs. Citywide Employees



	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	542,510	535,796	574,313	566,653	566,653
External Materials and Services	144,595	237,742	487,757	102,784	102,784
Internal Materials and Services	64,735	81,127	81,858	93,065	93,065
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	751,840	854,665	1,143,928	762,502	762,502
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 751,840	\$ 854,665	\$ 1,143,928	\$ 762,502	\$ 762,502
Allocated Overhead	57,868	101,544	126,088	116,662	98,670
Total Cost with Allocated Overhead	809,708	956,209	1,270,016	879,164	861,172
RESOURCES					
General Fund Discretionary		362,210	365,921	277,157	277,157
Non-Discretionary Revenues					
Grants & Donations		269,498	583,500	318,500	318,500
Contract Revenues		0	0	0	0
Interagency Revenues		202,425	194,507	166,845	166,845
Program Revenue		20,532	0	0	0
Total Non-Discretionary Revenues		492,455	778,007	485,345	485,345
TOTAL GENERAL FUND RESOURCES		\$ 854,665	\$ 1,143,928	\$ 762,502	\$ 762,502
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Policy & Program Development		301,514	288,715	199,127	200,945
<i>Positions</i>		2	2	1	1
Block By Block Admin		27,500	40,000	50,000	50,000
<i>Positions</i>		0	0	1	1
Energy Efficiency		525,651	815,213	513,375	511,557
<i>Positions</i>		5	9	6	6
TOTAL PROGRAMS		\$ 854,665	\$ 1,143,928	\$ 762,502	\$ 762,502
<i>Positions</i>		8	11	8	8
<i>General Fund Discretionary Positions</i>		3	3	2	2

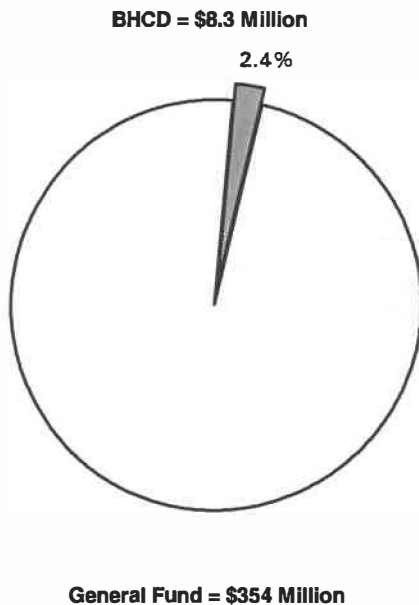
Bureau of Housing and Community Development

Community Development Service Area

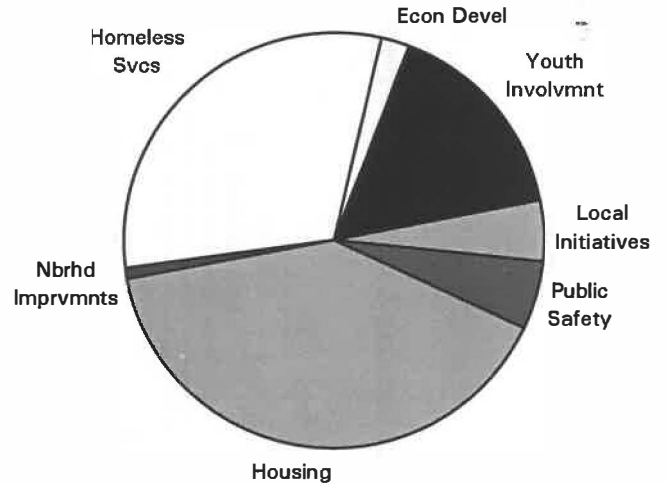
Erik Sten, Commissioner-in-Charge

Steve Rudman, Director

Percent of General Fund



Bureau Programs

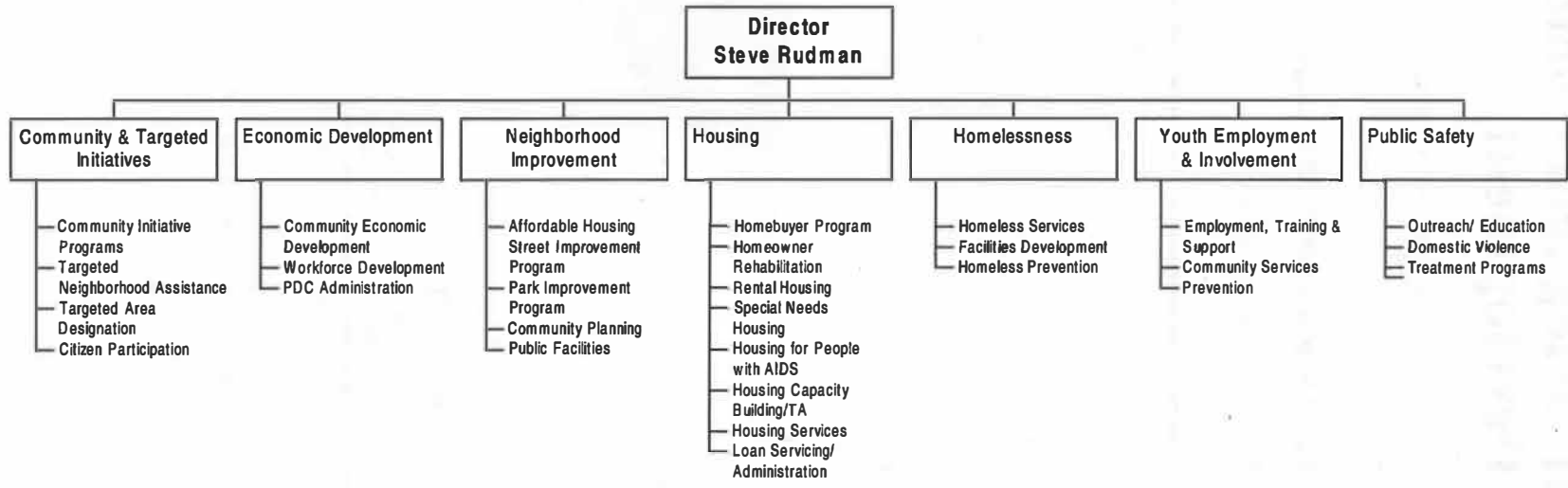


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	9,850,903	8,347,799	-1,503,104	-19.0%
Capital	0	0	0	0.0%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 9,850,903	\$ 8,347,799	\$ -1,503,104	-19.0%
Authorized Full-Time Positions	18	18	0	-4.4%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau of Housing & Community Development



Bureau Summary

BUREAU MISSION

The mission of the Bureau of Housing and Community Development is to work as a professional team in partnership with the community to effectively steward the community development resources of the City of Portland and to serve as a catalyst in order to stabilize and improve neighborhoods and enable people to improve the quality of their lives.

BUREAU HIGHLIGHTS

Introduction

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 (HUD). The bureau centralizes the planning, tracking, reporting, and evaluation of these federal grant funds. In addition, the bureau manages City General Funds appropriated to support the program areas of Housing, Youth Employment, Homeless, and Public Safety. In addition to the bureau's direct budget, it manages two funds that contain the Community Development Block Grant, and the Home Investment Partnership Program grant.

In FY 2000-01 the City's Housing and Community Development budget is decreased by nearly \$4.0 million compared to the FY 1999-00 Adopted Budget, for a total budget of about \$27.1 million.

Funding

*Entitlement grants total
\$17,296,000.*

Entitlement Grants and Related Funding

The four entitlement grants that BHCD administers are the Community Development Block Grant (CDBG), HOME, Housing for People with Aids (HOPWA), and the Emergency Shelter Grant (ESG). The federal award for these grants for FY 2000-01 totals \$17,296,000.

The FY 2000-01 award is a net reduction of \$371,000 from the FY 1999-00 award. Decreases include 4.5% in CDBG (\$374,000) and 0.1% in HOME (\$3,000). HOPWA increases by 0.8% (\$6,000), and ESG remains the same.

The CDBG budgeted income totals reflect loss of the \$1,332,052 Revolving Loan Fund, a one-time resource, and a decline in program income of \$950,000. CDBG carryover to FY 2000-01 is \$408,000, a decrease of \$1,610,678.

Categorical Grants and Other Funding

FY 2000-01 is the final year of the Lead Based Paint grant. Additional funding is budgeted for the McKinney and YouthBuild grants. PILOT funding remains the same.

General Fund Discretionary

General Fund discretionary budget is \$2.575 million, which is 97.5% of FY 1999-00 current service level. This amount includes a \$150,000 replacement of one-time funding for homeless youth services and transfers \$275,373 to Portland Parks and Recreation for youth programs.

In addition, the bureau is assuming responsibility for appropriation decisions for the \$4.35 million additional General Fund for housing services for the very low income included in the Housing Investment Fund approved budget.

Consolidated Plan

The bureau has completed a Five-Year Consolidated Plan for HUD covering the four entitlement grants. The Consolidated Plan is guided by four strategic directions: Safety Net for Those Most in Need; Access to Individual Opportunity; Affordable Housing Preservation and Changing Neighborhoods. The Major Initiatives section of the Strategic Direction includes details on the Consolidated Plan and these four strategic directions.

Programs

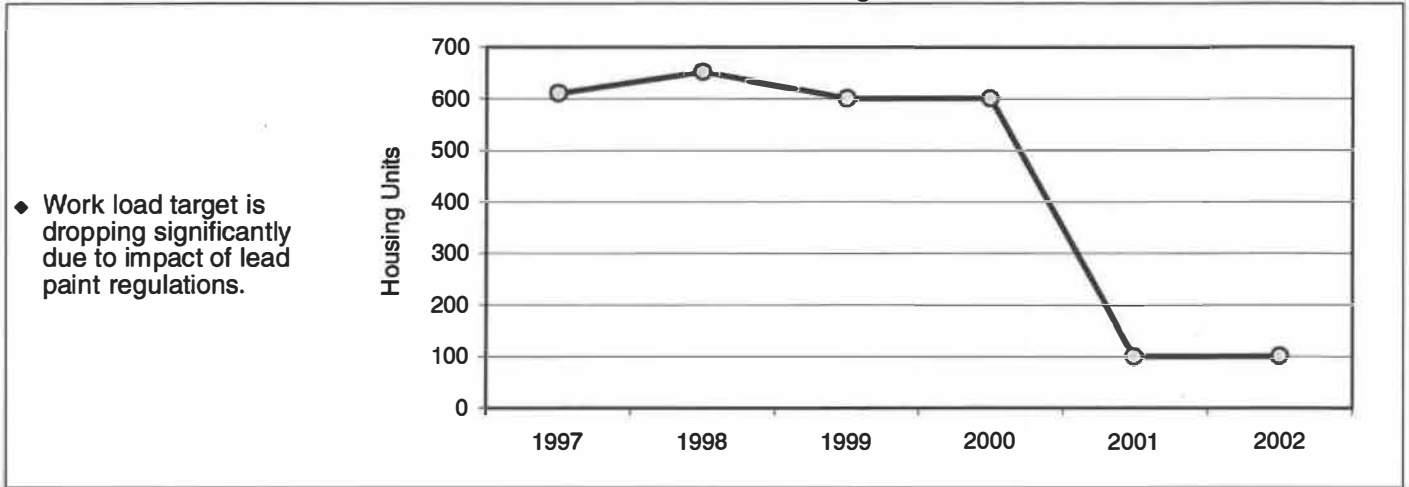
BHCD provides a balance of services which address the four strategic directions within seven program areas. In order to provide this balance with reduced resources, agencies funded by BHCD are not provided cost of living adjustments in this budget.

Most of the reductions in the program areas are targeted to public agencies and the larger semi-public organizations. Where possible, this budget attempts to fund non-profit agencies at the same level as in FY 1999-00.

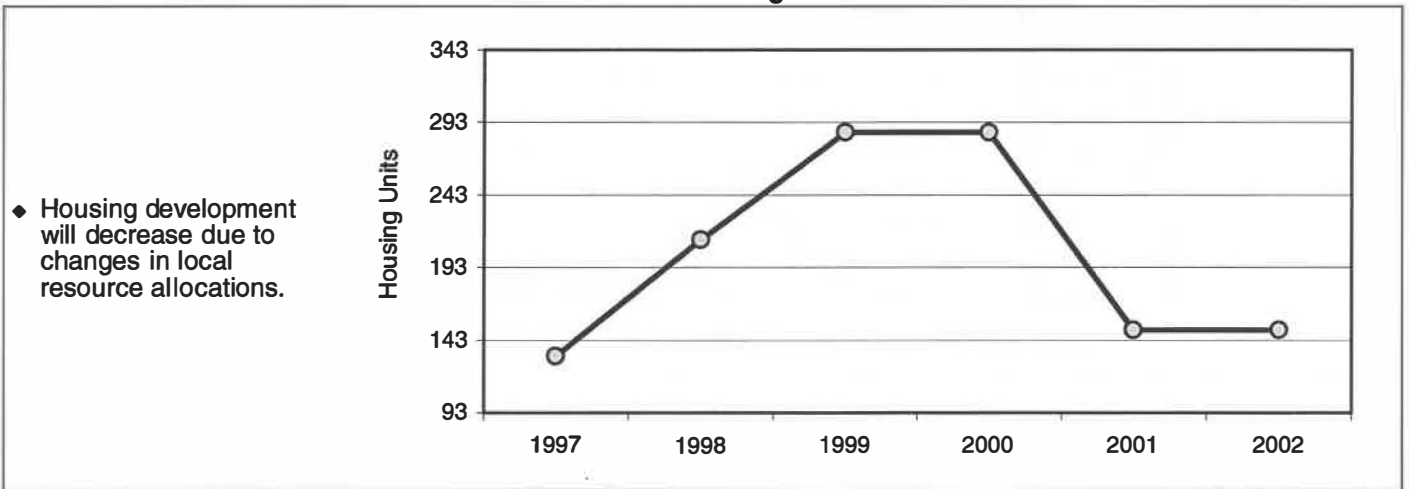
Programmatic highlights are detailed in the Overview of Program section.

Performance Measures

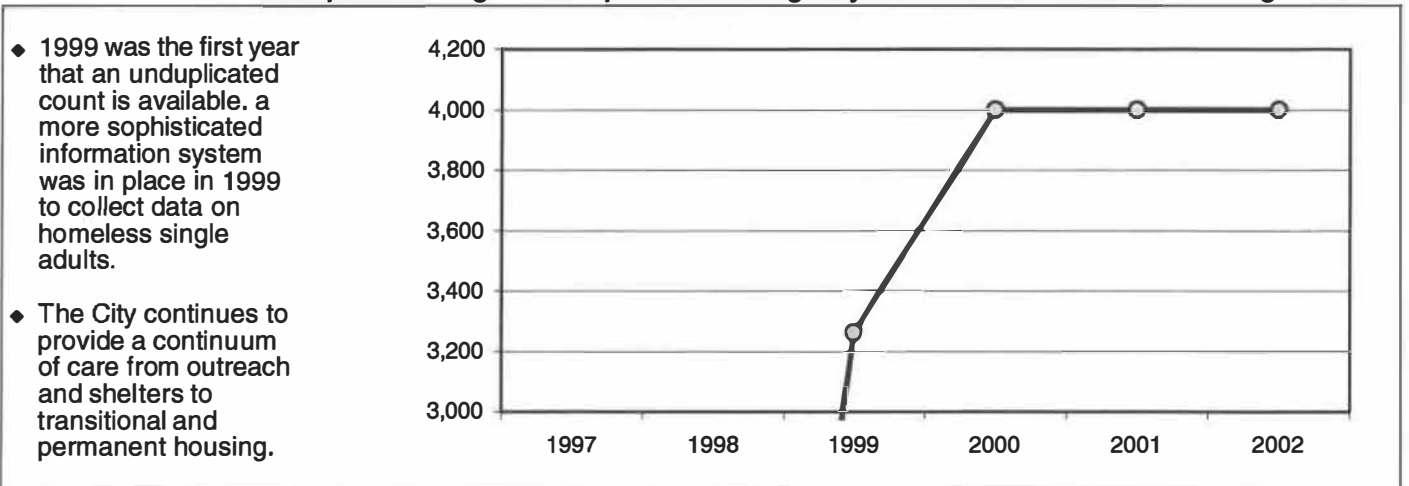
Number of rehabilitated housing units



Number of new housing units built

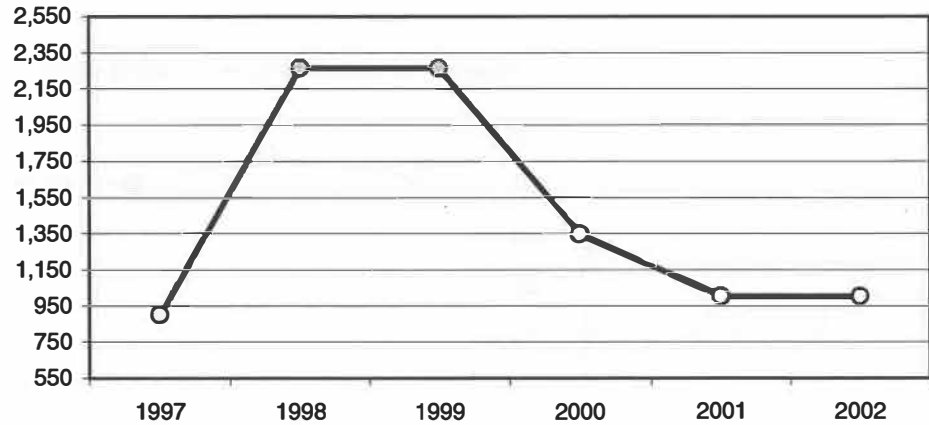


Number of unduplicated single adults provided emergency shelter and transitional housing

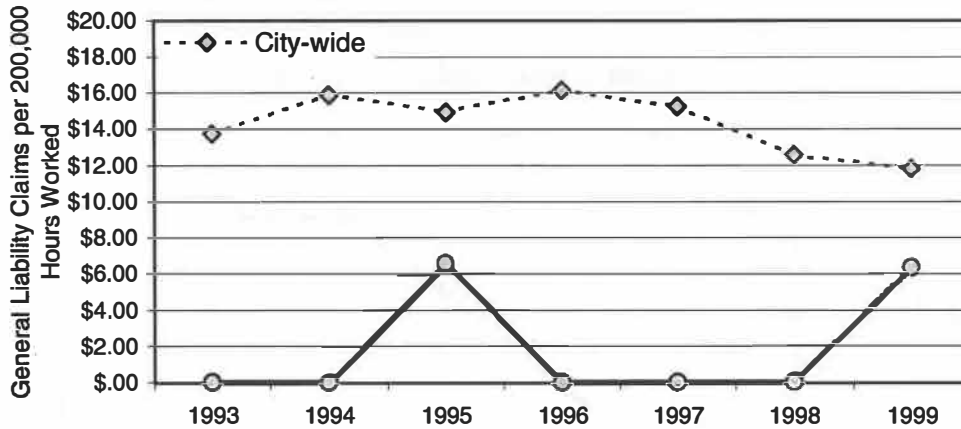


No. of youth placed in summer or year round employment

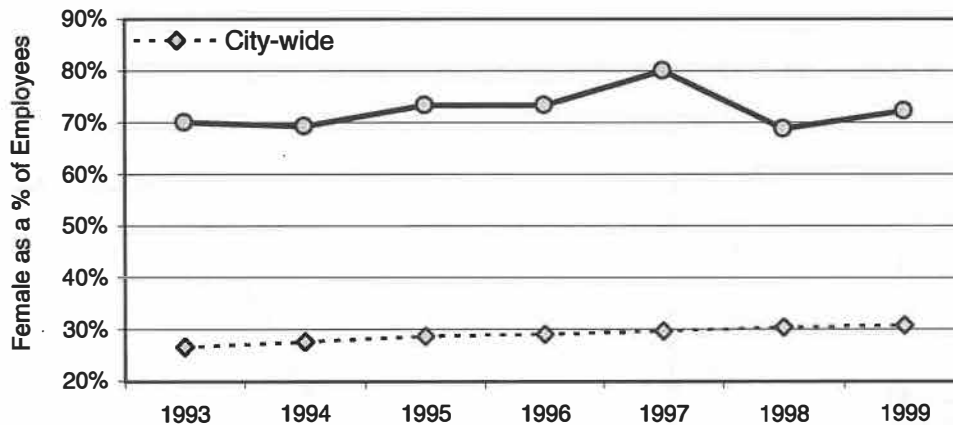
- ◆ Higher-risk youth require more labor intensive staffing and deeper wage subsidies.
- ◆ Larger numbers of lower to moderate risk youth can be served with equivalent resources.
- ◆ Programs integrating employment and education are more expensive and more effective.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Bureau of Housing and Community Development AU 540

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	1,030,422	1,173,262	1,256,595	1,305,454	1,305,454
External Materials and Services	5,129,150	5,966,945	8,329,055	6,770,057	6,820,057
Internal Materials and Services	80,804	149,393	265,253	222,288	222,288
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	6,240,376	7,289,600	9,850,903	8,297,799	8,347,799
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 6,240,376	\$ 7,289,600	\$ 9,850,903	\$ 8,297,799	\$ 8,347,799
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	6,240,376	7,289,600	9,850,903	8,297,799	8,347,799
RESOURCES					
General Fund Discretionary		2,960,524	2,930,338	2,575,790	2,625,790
Non-Discretionary Revenues					
Grants & Donations		2,901,194	4,924,947	3,870,422	3,870,422
Contract Revenues		0	320,000	320,000	320,000
Interagency Revenues		1,404,859	1,675,618	1,531,587	1,531,587
Program Revenue		23,023	0	0	0
Total Non-Discretionary Revenues		4,329,076	6,920,565	5,722,009	5,722,009
TOTAL GENERAL FUND RESOURCES		\$ 7,289,600	\$ 9,850,903	\$ 8,297,799	\$ 8,347,799
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Housing Programs		1,634,630	3,811,615	3,349,846	3,349,846
<i>Positions</i>		7	7	7	7
Economic Development		0	0	174,783	174,783
<i>Positions</i>		2	2	2	2
Neighborhood Improvements		20,000	0	64,031	64,031
<i>Positions</i>		1	1	1	1
Homeless Facilities & Services		1,984,745	2,410,449	2,569,969	2,569,969
<i>Positions</i>		2	2	2	2
Youth Employment & Involvement		1,850,681	1,586,049	1,299,898	1,349,898
<i>Positions</i>		2	2	2	2
Public Safety		366,651	378,772	439,297	439,297
<i>Positions</i>		1	1	1	1
Community & Targeted Initiatives		0	0	399,975	399,975
<i>Positions</i>		5	5	5	5
BHCD Administration		1,432,893	1,664,018	0	0
<i>Positions</i>		0	0	0	0
TOTAL PROGRAMS		\$ 7,289,600	\$ 9,850,903	\$ 8,297,799	\$ 8,347,799
<i>Positions</i>		18	18	18	18
<i>General Fund Discretionary Positions</i>		0	0	0	0

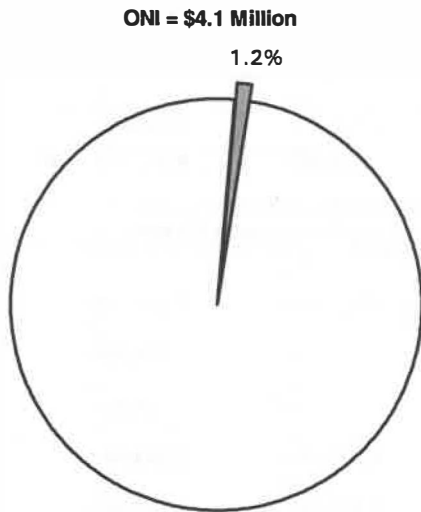
Office of Neighborhood Involvement

Community Development Service Area

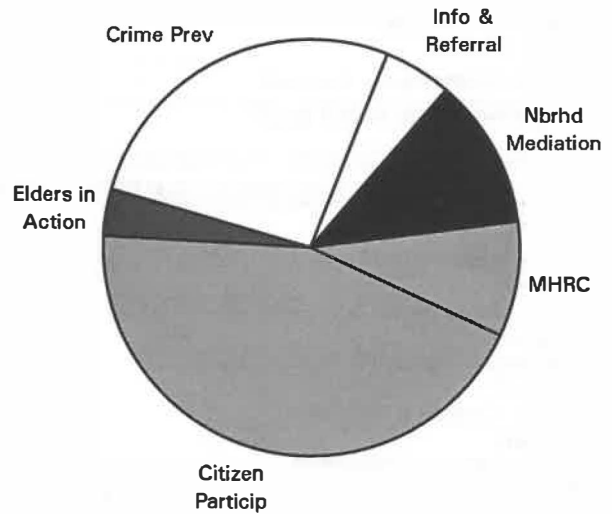
Dan Saltzman, Commissioner-in-Charge

David Lane, Director

Percent of General Fund



Bureau Programs

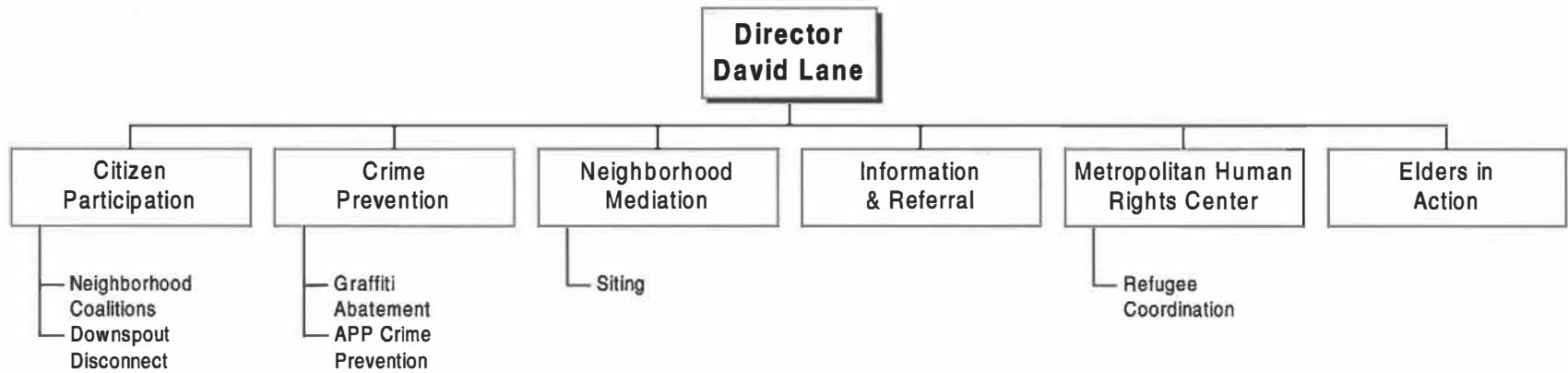


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	4,183,288	4,137,335	-45,953	-5.4%
Capital	0	0	0	0.0%
Allocated Overhead Costs	164,062	124,607	-39,455	-27.4%
Total Cost with Allocated Overhead	\$ 4,347,350	\$ 4,261,942	\$ -85,408	-6.2%
Authorized Full-Time Positions	36	39	3	3.6%

Note: Per capita change values are adjusted for inflation and population growth.

Office Of Neighborhood Involvement



Bureau Summary

BUREAU MISSION

The Office of Neighborhood Involvement is the service bureau that provides opportunities for all Portland citizens to interact with their City government in building safe and livable neighborhoods. Its goal is to facilitate an open, inclusive community process for discussion of important civic decisions among neighbors, neighborhood associations, businesses, and government.

Citizen involvement results in more shared responsibility, more open and responsive government, and better decisions and policies. Underlying effective community dialogue and citizen involvement, ONI works to build mutual respect among all people, improve the livability of neighborhoods, and increase the sense of community.

BUREAU HIGHLIGHTS

Overview

The Office of Neighborhood Involvement works to support, improve, and increase the community-wide process of dialogue around important civic issues. ONI's goal is to facilitate citizen participation and improve communication among citizens, neighborhood associations, district coalitions/neighborhood offices and other community partners. ONI works with other City bureaus to ensure that Portland's citizens have an active voice in important decisions, goal settings, planning, and directions for Portland. ONI supports the active work of neighbors, neighborhood associations, coalitions, business associations, and community partners to maintain and improve the livability of Portland's neighborhoods.

Neighborhood Network and Outreach to Citizens

The citizen participation programs of the ONI provide support to the 95 recognized neighborhood associations and two centralized programs. Funds for the neighborhood network support contracts with five district coalition offices and two neighborhood offices. Two other centralized citizen participation programs of ONI are Neighborhood Outreach and the Downspout Disconnection Program. In addition, Portland's neighborhood network includes 40 neighborhood business associations and the neighborhood network system is a model for which Portland continues to receive national and international attention.

Other Programs

ONI's other programs help build community and increase neighbor communication with other neighbors, community partners, businesses, and government. These include:

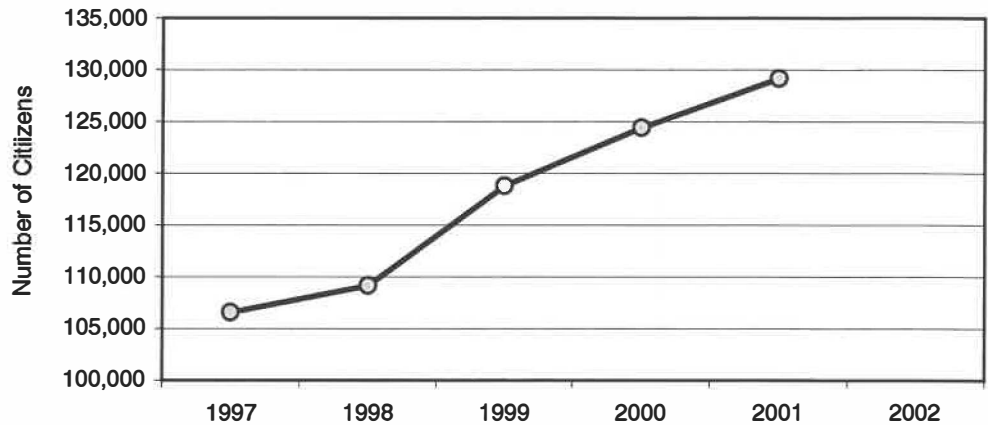
- ◆ Crime Prevention, including the Graffiti Abatement Program.
- ◆ Elders in Action, via contract.
- ◆ Information and Referral Program.
- ◆ Metropolitan Human Rights Center (a joint program with Multnomah County).
- ◆ Neighborhood Mediation Center.
- ◆ Refugee and Immigrant Coordinator.

The FY 2000-01 ONI budget reflects a continuation of a range of programs and services related to citizen participation, neighborhood, and community. ONI's budget also reflects a consolidation of administrative functions and strengthening of community support capability. Given the cut in CSL, ONI has worked to maintain current service levels and continue efforts to strengthen citizen involvement.

Performance Measures

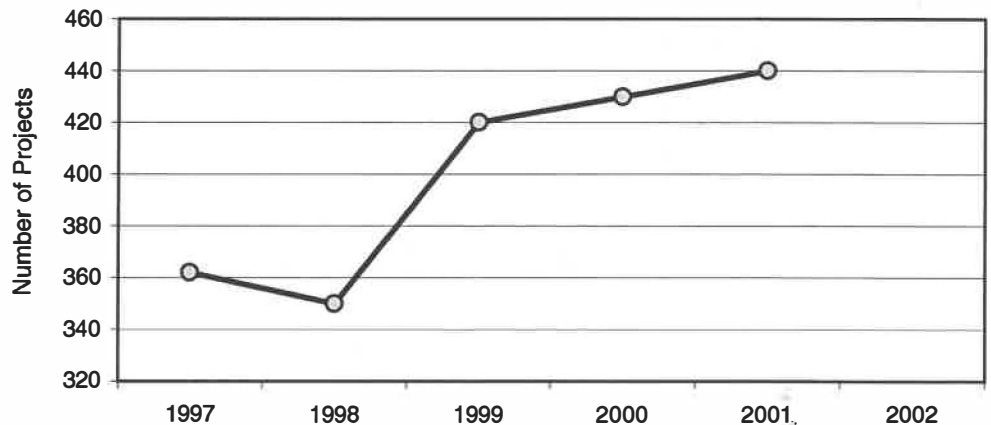
Number of Citizens Involved

- ◆ The neighborhood association network is a vital way for citizens to become involved in neighborhood-based organizations and projects.
- ◆ Increasing numbers of involved citizens help to improve neighborhood livability and build community.



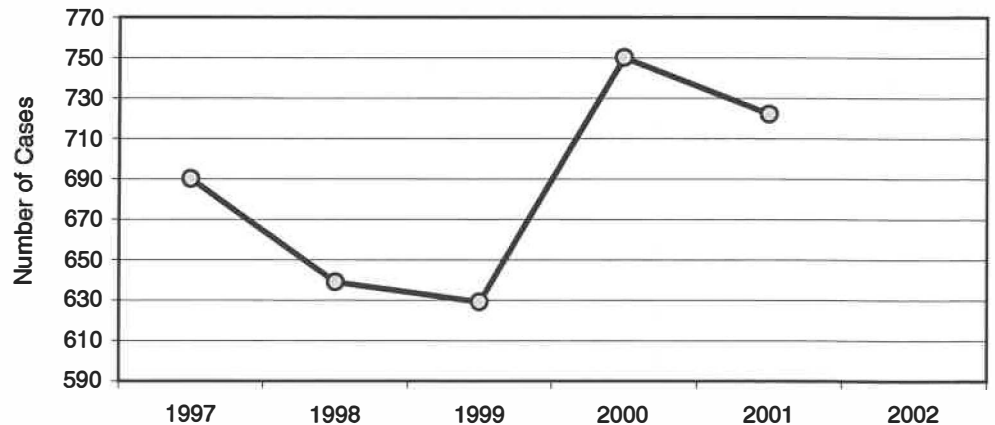
Number of Crime Prevention and Community Policing Projects

- ◆ Increased staff collaboration and increased citizen awareness of crime prevention resources have resulted in an increasing number of projects.

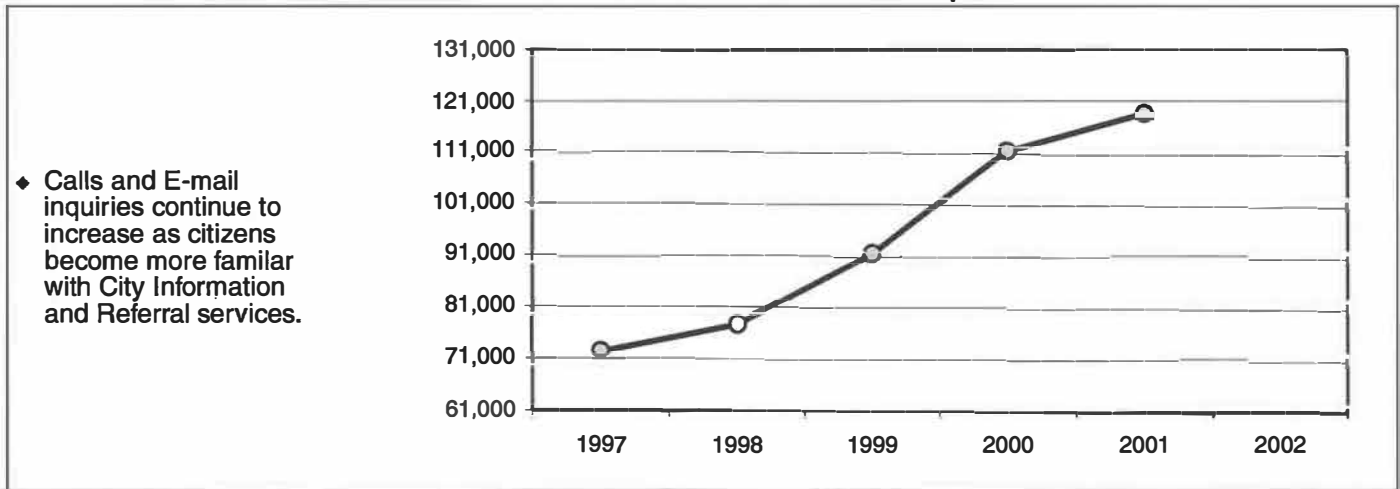


Number of New Cases Receiving Mediation Services

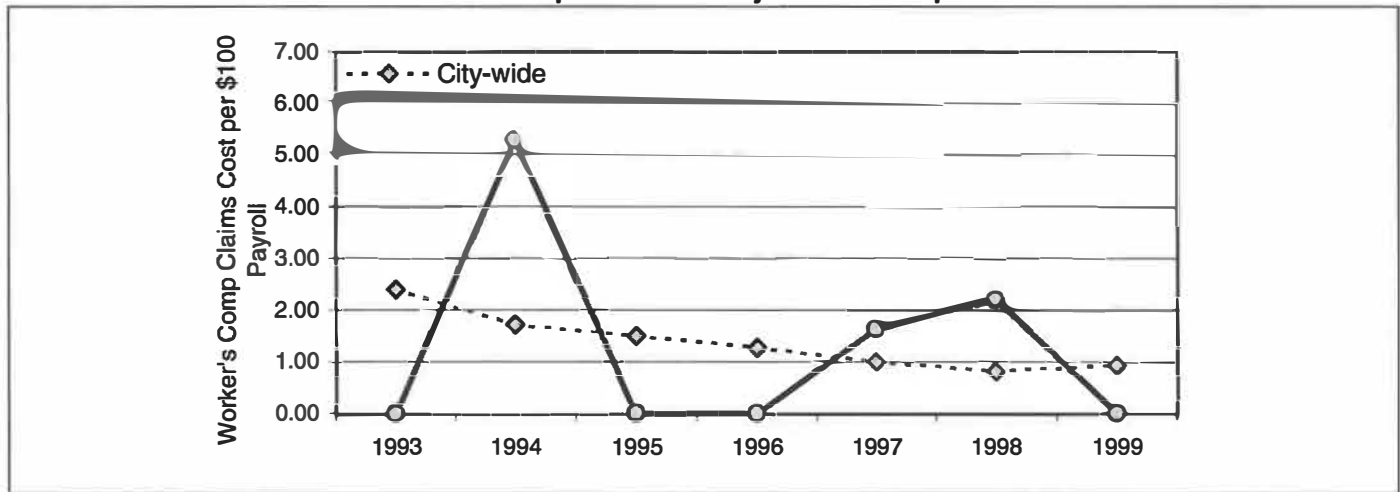
- ◆ Discussion about center funding and continuance as a City program resulted in a caseload drop in FY 97-98. For a time the Center declined new cases.
- ◆ The budget was restored in FY 1999-00, resulting in an increase in the number of new cases.



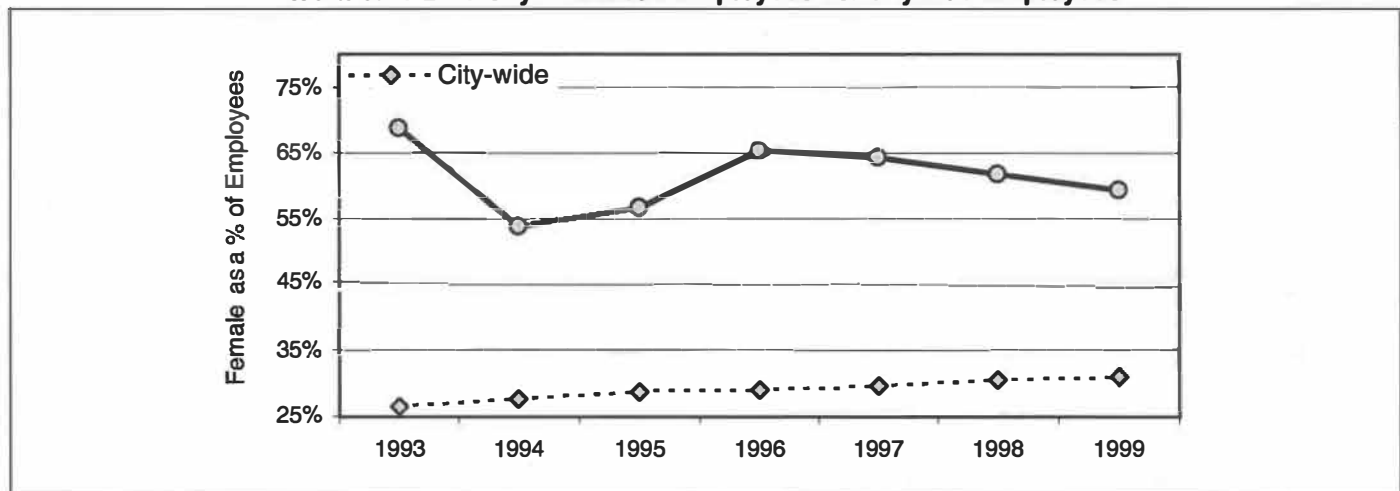
Number of Information and Referral Calls and E-mail Inquiries Received



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	2,145,211	2,226,420	2,446,601	2,484,138	2,508,628
External Materials and Services	434,724	1,936,940	1,469,602	1,314,785	1,290,295
Internal Materials and Services	255,972	324,339	267,085	338,412	338,412
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	8,376	0	0	0	0
Total Operating Budget	2,844,283	4,487,699	4,183,288	4,137,335	4,137,335
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 2,844,283	\$ 4,487,699	\$ 4,183,288	\$ 4,137,335	\$ 4,137,335
Allocated Overhead	115,390	120,391	164,062	163,849	124,607
Total Cost with Allocated Overhead	2,959,673	4,608,090	4,347,350	4,301,184	4,261,942
RESOURCES					
General Fund Discretionary		3,864,988	3,587,077	3,598,156	3,628,586
Non-Discretionary Revenues					
Grants & Donations		33,000	24,196	12,098	12,098
Contract Revenues		277,850	252,797	189,496	189,496
Interagency Revenues		156,194	154,205	192,500	192,500
Program Revenue		29,657	20,555	0	0
Overhead Revenues		140,565	144,458	145,085	114,655
Total Non-Discretionary Revenues		637,266	596,211	539,179	508,749
TOTAL GENERAL FUND RESOURCES		\$ 4,502,254	\$ 4,183,288	\$ 4,137,335	\$ 4,137,335
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Citizen Participation		2,306,616	1,940,311	1,835,193	1,810,703
<i>Positions</i>		<i>11</i>	<i>10</i>	<i>11</i>	<i>11</i>
Crime Prevention		995,562	1,008,755	1,136,036	1,091,940
<i>Positions</i>		<i>10</i>	<i>12</i>	<i>12</i>	<i>12</i>
Neighborhood Mediation Center		425,568	516,196	480,689	480,689
<i>Positions</i>		<i>5</i>	<i>5</i>	<i>7</i>	<i>7</i>
Elders in Action		196,156	160,347	160,275	160,275
<i>Positions</i>		<i>2</i>	<i>1</i>	<i>1</i>	<i>1</i>
Information & Referral		254,687	235,436	181,409	225,505
<i>Positions</i>		<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>
Metropolitan Human Rights Center		309,110	322,243	343,733	368,223
<i>Positions</i>		<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>
TOTAL PROGRAMS		\$ 4,487,699	\$ 4,183,288	\$ 4,137,335	\$ 4,137,335
<i>Positions</i>		36	36	39	39
<i>General Fund Discretionary Positions</i>		32	32	36	36

Bureau of Planning

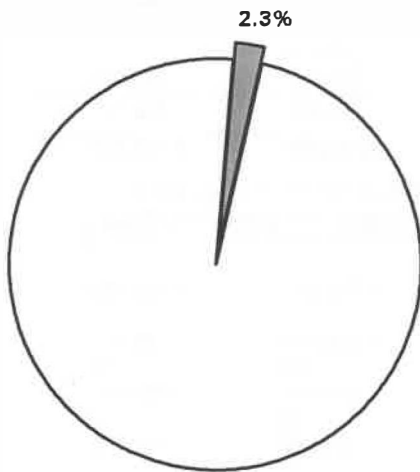
Community Development Service Area

Mayor Vera Katz, Commissioner-in-Charge

Gil Kelley, Director

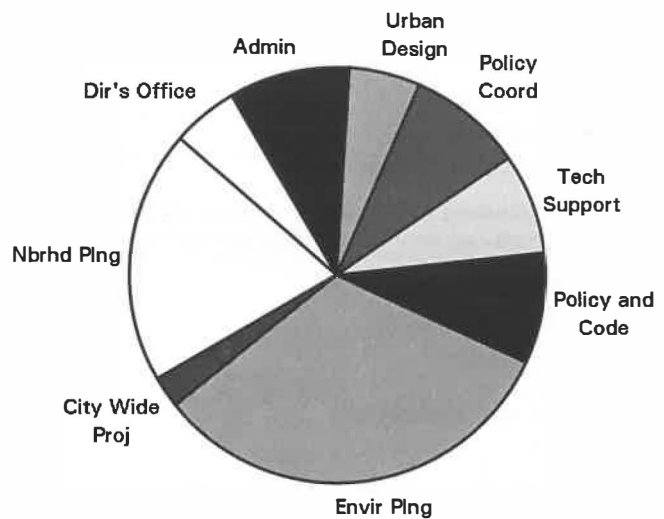
Percent of General Fund

Planning = \$8.1 Million



General Fund = \$354 Million

Bureau Programs

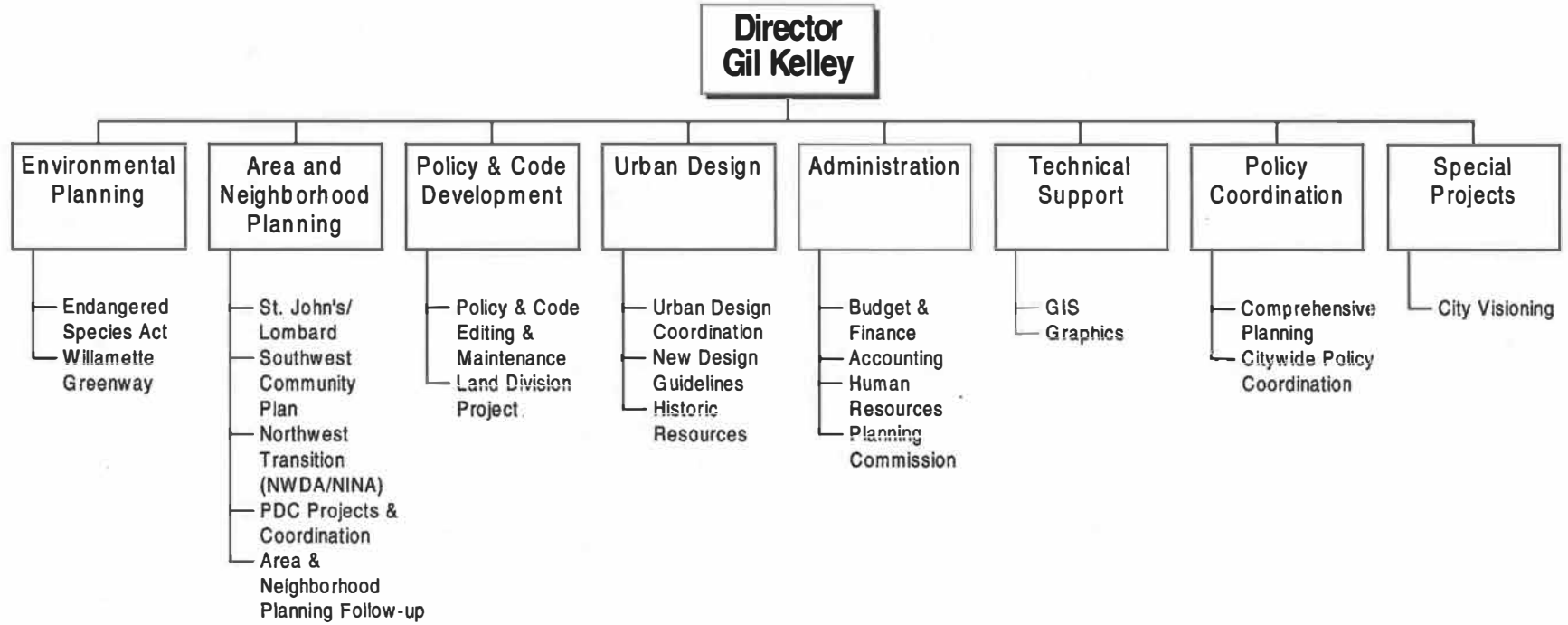


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	6,049,803	8,094,485	2,044,682	28.0%
Capital	0	0	0	0.0%
Allocated Overhead Costs	843,261	895,684	52,423	1.6%
Total Cost with Allocated Overhead	\$ 6,893,064	\$ 8,990,169	\$ 2,097,105	24.7%
Authorized Full-Time Positions	57	67	10	12.4%

Note: Per capita change values are adjusted for inflation and population growth.

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 which responds to neighborhood needs, embraces community values, and prepares the City for the future. The bureau acts to ensure that all plans and policies are consistent with the City's Comprehensive Plan and strategic plan. The bureau promotes a fair and open process for citizen involvement planning.

BUREAU HIGHLIGHTS

Public interest and concern about the direction and focus of the City's long range planning functions prompted a formal examination of Portland's planning program in the spring of 1999. In response to Council resolution in January 1999, the Mayor appointed a small advisory team to initiate a public dialogue. Stakeholder interviews and a series of focus groups resulted in general consensus on some key issues and identified what should be the essential core functions in the City's Bureau of Planning (BOP). These core functions include: Vision planning; Comprehensive Planning; Implementation of the 2040 Plan; Inter-bureau coordination; and Quality Urban Design.

New Directional Changes

Since the arrival of the bureau's new Director, Gil Kelley, a new organization of the bureau's work program and budget has been outlined which reorganizes the bureau into distinct functional program areas nested within the bureau's overall staffing table and to make work programs within them more explicit.

The work program is arranged by seven functional areas overseen by the Director, each with a core General Fund Staff, a designated manager and a detailed two-year work program. The seven program areas are: Policy Coordination; Area and Neighborhood Planning; Urban Design; Code Development; Comprehensive Planning; Environmental Planning; Planning Technical Support; Administration.

Add Packages

Several of this Adopted Budget's add packages support the second year of project work initiated in FY 1999-2000:

Endangered Species Act Response (Coordinated Citywide Program)

The citywide ESA program, with a budget of \$2.7 million (\$1.86 million budgeted through the Planning Bureau) will be moved effective July 1, 2000 to the Planning Bureau from the Bureau of Environmental Services.

The Bureau of Planning's portion of this budget totals \$511,000. As a part of the citywide ESA response, the BOP ESA Team participates on the ESA Steering Committee, Public Involvement Committee, Riparian and Waterbody Construction Committee, and is responsible for leading and staffing the ESA Planning, Permitting and Enforcement Committee. The BOP ESA Team maintains on-going coordination, regarding ESA issues, with the Willamette River Greenway Plan Update Team and OPDR staff. BOP ESA staff is organizing and coordinating citywide fish habitat and presence inventories.

Willamette River Greenway

The purpose of this package is to continue work initiated in FY 1998-99 on the multi-year update of the comprehensive Willamette River Greenway Plan based on the Greenway resolution adopted by City Council in November 1998 and the ESA resolution adopted by City Council in June 1998. A total of \$425,014 in one-time dollars is allocated to this project.

NW Industrial Area Transition Study

The Adopted Budget includes \$352,000 of one-time funding to support the development and implementation of a strategy for the transition from industrial zoning to mixed use or residential zoning in the northwest Portland industrial Area.

SW Community Plan

The Adopted Budget includes \$253,000 in one time funding for FY 2000-01 which will be used to complete a Comprehensive Plan/zoning map for the Southwest Community Plan area. The scope of work and process for this next phase of the Southwest Community Plan will be defined through conversations in the spring of 2000 with the public, Planning Commission and City Council. Efforts will build upon the work previously done by the Planning Commission, residents, and business representatives in earlier phases of this project.

City Vision (Future Focus II)

This one-time add-package of \$100,000 carries over from FY 1999-2000 because the project was delayed due to arrival of new director. This amount funds a review and update Portland Future Focus I which was a community based strategic plan that was adopted by City Council Resolution in August 1991.

Policy Coordination

The on-going policy coordination add package is supported by General Fund overhead in the amount of \$50,844 and funds one position. The add package responds to council direction (Resolution 35789) that the Bureau of Planning will take on a strong leadership role in ensuring better coordination of long range planning and development functions among all City bureaus. A new "Planning Coordination Team," has been established to be chaired by the Planning Director and comprised of the bureau directors of PDC, PDOT, OM&F, Parks, BHCD, ONI, BES, Water, Energy, and OPDR.

Comprehensive Planning

The new Comprehensive Planning Program will take the lead in coordinating an interbureau effort to update the City's Comprehensive Plan. In the near term, the group will explore how to refine Metro 2040 concepts for mixed use design types (town centers, main streets) specific to Portland, and amend the Comprehensive Plan as appropriate to incorporate new corresponding policies. This work includes developing urban design prototypes for different areas of the city, as well as coordinated approaches to provide public facilities and services to meet the needs of these mixed-use areas over time. This is an on-going add package to supported by General Fund overhead in the amount of \$283,038 and adds four positions in Planning.

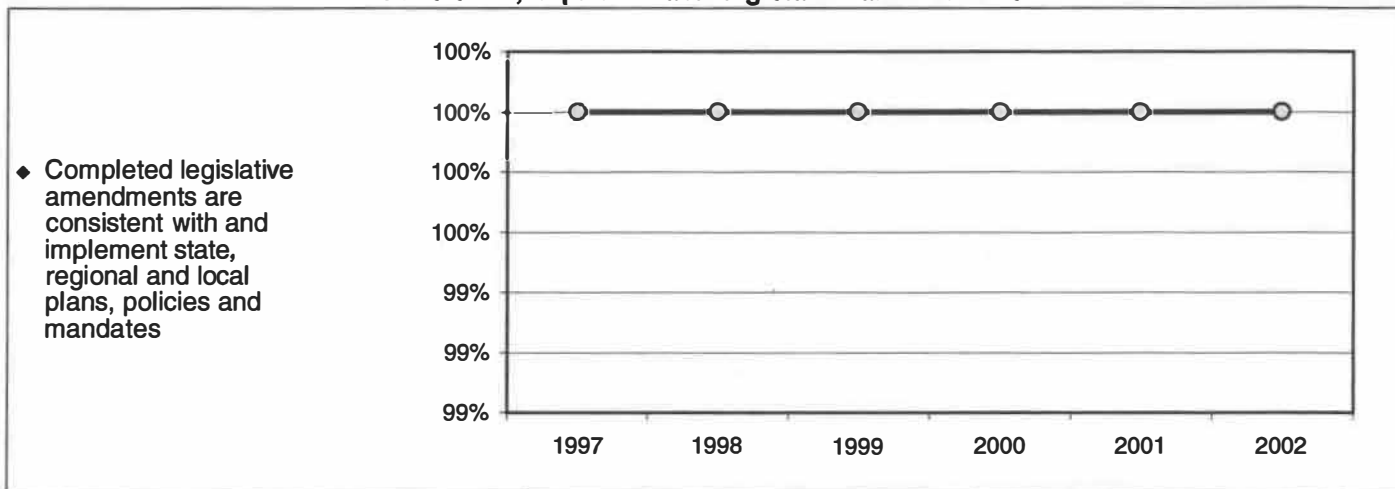
*New Program Area Add
Packages*

Technical Adjustments

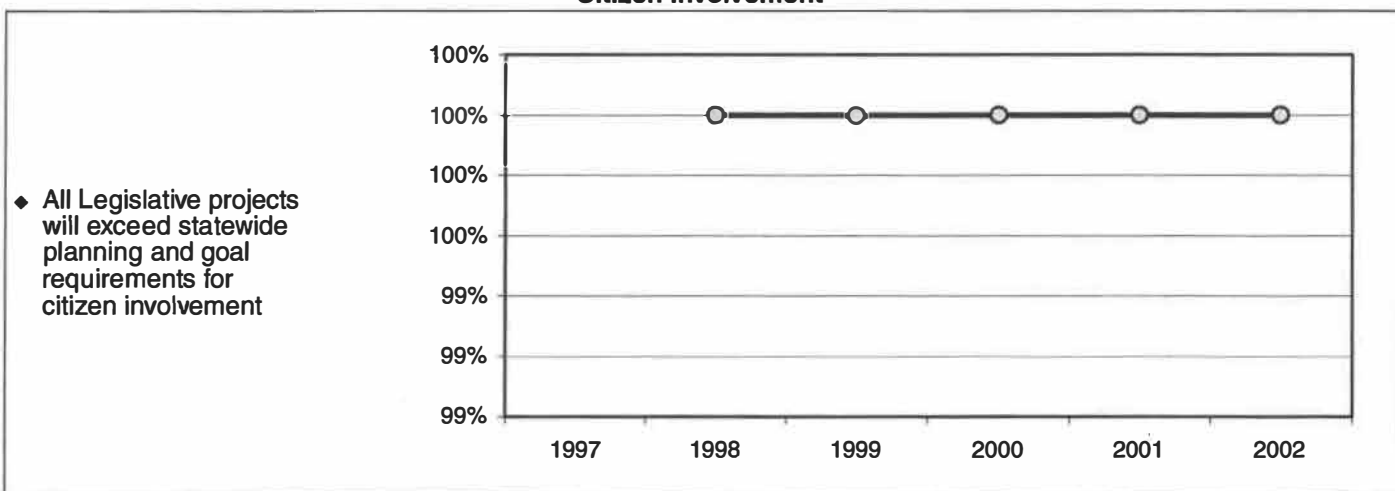
The Adopted Budget carries forward funding set aside for 2040 implementation work to be conducted by PDOT and funded through Planning in the St. John's area. The scope of this work has not yet been identified. Additionally, this budget contains \$20,000 carryover funding for specific park improvements identified by the Hollywood and Sandy plan.

Performance Measures

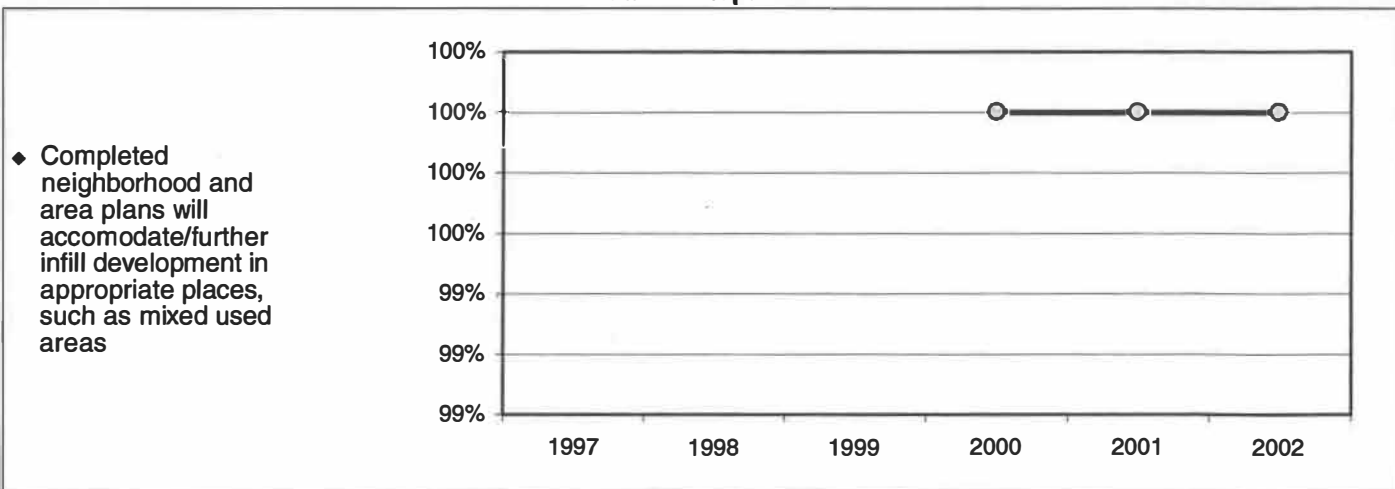
Consistent, implementable legislative amendments



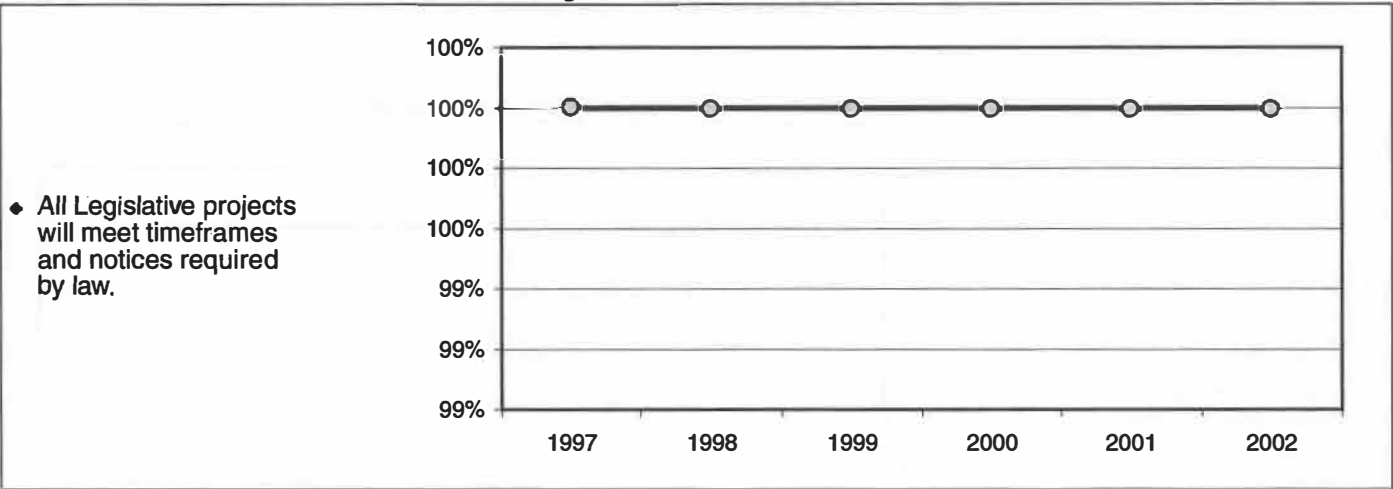
Citizen involvement



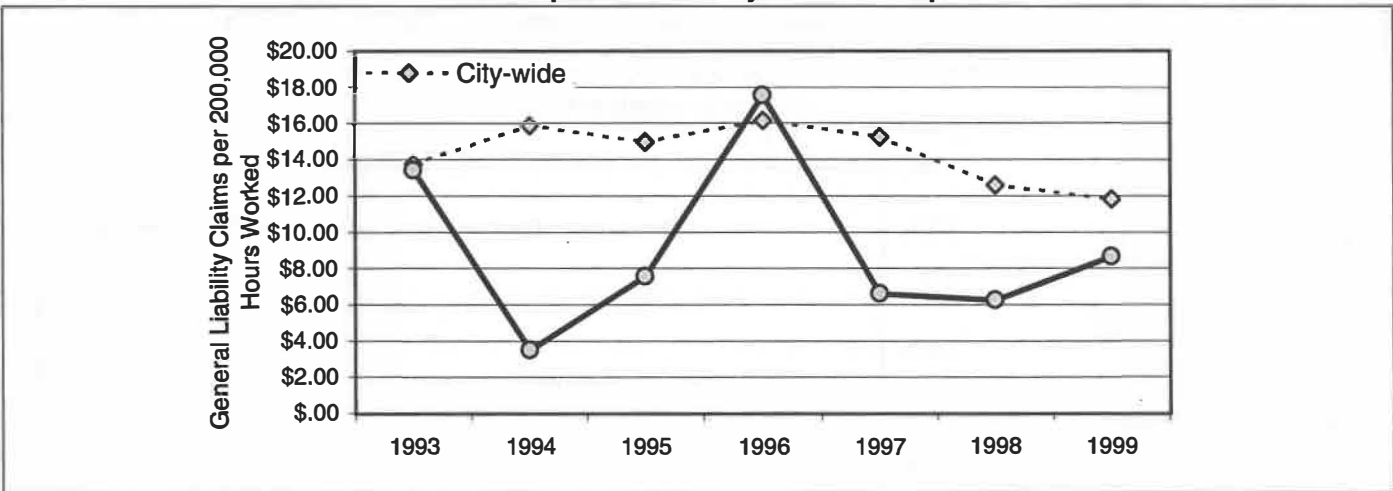
Infill Development



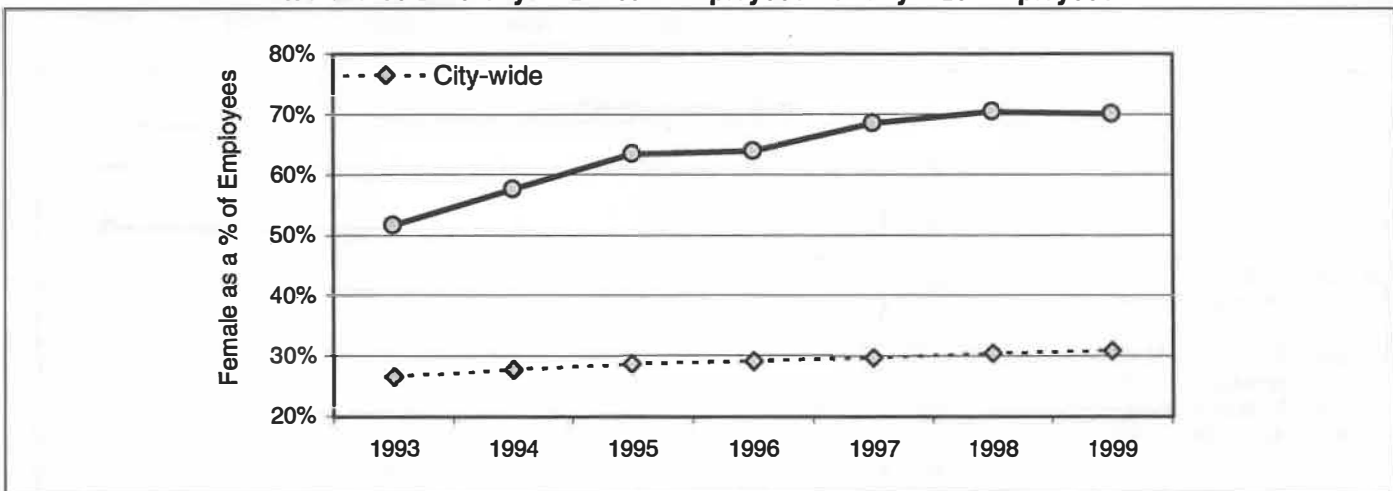
Legislative timeframes met



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Bureau of Planning AU 510

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	6,144,487	6,704,084	3,907,199	4,896,009	4,896,009
External Materials and Services	634,323	727,400	1,227,866	1,645,138	1,665,138
Internal Materials and Services	1,123,518	1,155,034	914,738	1,433,338	1,533,338
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	9,000	0	0	0
Total Operating Budget	7,902,328	8,595,518	6,049,803	7,974,485	8,094,485
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 7,902,328	\$ 8,595,518	\$ 6,049,803	\$ 7,974,485	\$ 8,094,485
Allocated Overhead	1,130,660	1,246,751	843,261	1,009,981	895,684
Total Cost with Allocated Overhead	9,032,988	9,842,269	6,893,064	8,984,466	8,990,169
RESOURCES					
General Fund Discretionary		5,469,607	5,173,103	6,397,693	6,300,972
Non-Discretionary Revenues					
Grants & Donations		134,180	96,008	0	0
Contract Revenues		103,939	4,171	607,625	607,625
Interagency Revenues		404,660	763,241	969,167	969,167
Program Revenue		2,483,132	13,280	0	0
Overhead Revenues		0	0	0	216,721
Total Non-Discretionary Revenues		3,125,911	876,700	1,576,792	1,793,513
TOTAL GENERAL FUND RESOURCES		\$ 8,595,518	\$ 6,049,803	\$ 7,974,485	\$ 8,094,485
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					

PROGRAMS

Director's Office	0	0	421,478	421,478
<i>Positions</i>	0	0	3	3
Policy Coordination	0	0	721,119	721,119
<i>Positions</i>	0	0	10	10
Area Neighborhood Planning	0	0	1,606,900	1,606,900
<i>Positions</i>	0	0	16	16
Urban Design/Historical Preservation	0	0	431,954	431,954
<i>Positions</i>	0	0	5	5
Policy and Code Development	0	0	707,038	707,038
<i>Positions</i>	0	0	7	7
Environmental Planning	0	0	2,607,962	2,607,962
<i>Positions</i>	0	0	16	16
Planning Tech Support	0	0	624,841	624,841
<i>Positions</i>	0	0	6	6
Administration	0	0	753,193	773,193
<i>Positions</i>	0	0	5	5
City Wide Special Projects	0	0	100,000	200,000
<i>Positions</i>	0	0	1	1
Comprehensive Planning	0	0	0	0
<i>Positions</i>	0	0	0	0
Current Planning	2,976,460	0	0	0
<i>Positions</i>	38	0	0	0
City/Neighborhood Planning	2,623,476	2,323,522	0	0
<i>Positions</i>	31	36	0	0
Permit Center	1,256,905	163,741	0	0
<i>Positions</i>	19	0	0	0
Planning Support Group	571,225	1,286,328	0	0
<i>Positions</i>	8	7	0	0
City Wide GIS	0	0	0	0
<i>Positions</i>	1	0	0	0
Administration	1,167,452	2,238,218	0	0

Bureau of Planning AU 510

SUMMARY OF BUREAU BUDGET

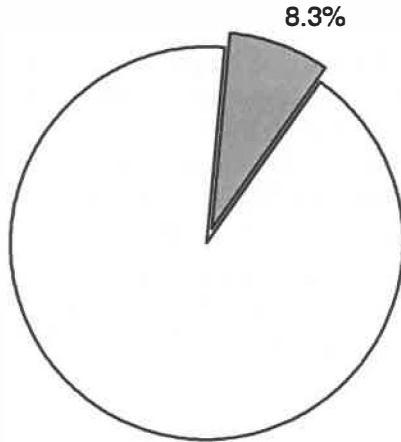
PROGRAMS		<i>12</i>	<i>14</i>	<i>0</i>	<i>0</i>
<i>Positions</i>					
TOTAL PROGRAMS	\$	8,595,518	\$ 6,011,809	\$ 7,974,485	\$ 8,094,485
<i>Positions</i>		109	57	67	67
<i>General Fund Discretionary Positions</i>		71	47	34	34

Transportation and Parking

Office of Transportation

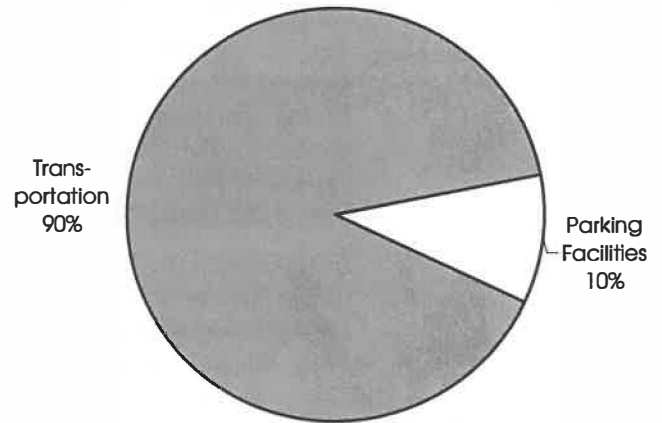
Percent of City Budget

Transportation and Parking = \$139.5 Million



City Budget = \$1.68 Billion

Bureau Pie Chart



Service Area Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	72,593,190	74,863,013	2,269,823	-1.4%
Capital	64,916,825	49,885,300	-15,031,525	-26.5%
Allocated Overhead Costs	3,048,945	3,249,914	200,969	1.9%
Total Cost with Allocated Overhead	\$ 140,558,960	\$ 127,998,227	\$ -12,560,733	-12.9%
Authorized Full-Time Positions	714	713	-1	-4.5%

Note: Per capita change values are adjusted for inflation and population growth.

Note: The table shows direct operating and capital costs for bureaus within the service area. The pie charts reflect bureau and fund costs in the service area, including the full allocation of centralized expenditures, for example health insurance reserves.

Service Area Highlights

DESCRIPTION

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 one bureau, the Office of Transportation, and its related funds, the Transportation Operating Fund, the Transportation Reserve Fund, and the Gas Tax Bond Redemption Fund.

The service area also includes several parking funds which are managed by the Bureau of General Services. There is one operating fund, the Parking Facilities Fund, which accounts for the operation and maintenance of six of the seven City owned parking garages in downtown Portland (the Smart Park system). The six locations are Third and Alder (Morrison Park East), 10th and Yamhill (Morrison Park West), 4th and Yamhill, Naito (or Front) and Davis (Old Town), O'Bryant Square, and 1st and Jefferson.

In addition to the Parking Facilities Fund, there are four bond redemption funds, managed by the Bureau of Financial Management, that account for the fee revenues and debt service for the construction of four of the Smart Park garages: Morrison Park East, Morrison Park West, 4th and Yamhill, and Old Town.

MAJOR THEMES

The Office of Transportation

Budget Deficit

In FY 2000-01, Portland Transportation faces a funding deficit of \$4.4 million, which results from the combined effects of age, usage, increasing size, decreasing purchasing power, and declining revenues.

Balancing the Budget

Portland Transportation balanced its FY 2000-01 Adopted Budget at \$125 million with the following:

- ◆ \$2.2 million in one-time savings from a reduction in Portland Transportation's contingency appropriation (\$1 million), and a reduction in year-end carryover (\$1.2 million)
- ◆ \$418,000 in additional revenues from the Bureau of Environmental Services
- ◆ \$1.8 million of operating and CIP reductions

General Fund Support

The FY 2000-01 Adopted Budget includes \$6.4 million in General Fund support as follows:

- ◆ \$4.8 million for ongoing support for street light operating
- ◆ \$707,885 for downtown street cleaning
- ◆ \$466,000 for downtown sidewalk scrubbing, the abandoned auto program and landscape maintenance
- ◆ \$450,000 for street light capital improvements

Office of Transportation

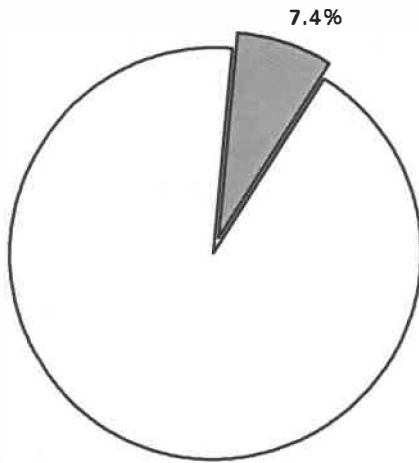
Transportation and Parking Service Area

Charlie Hales, Commissioner-in-Charge

Vic Rhodes, Director

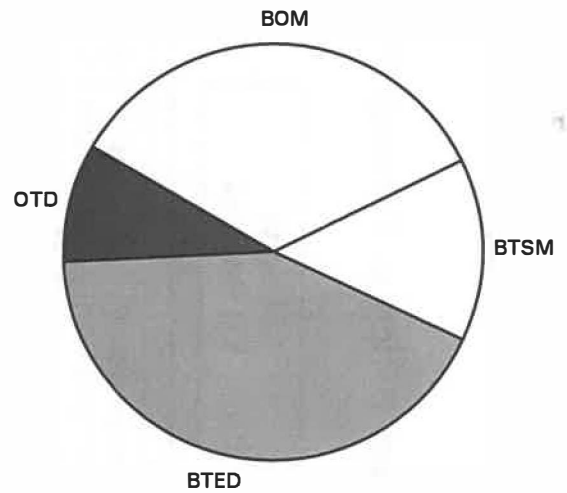
Percent of City Budget

Transp = \$124.7 Million



City Budget = \$1.68 Billion

Bureau Divisions

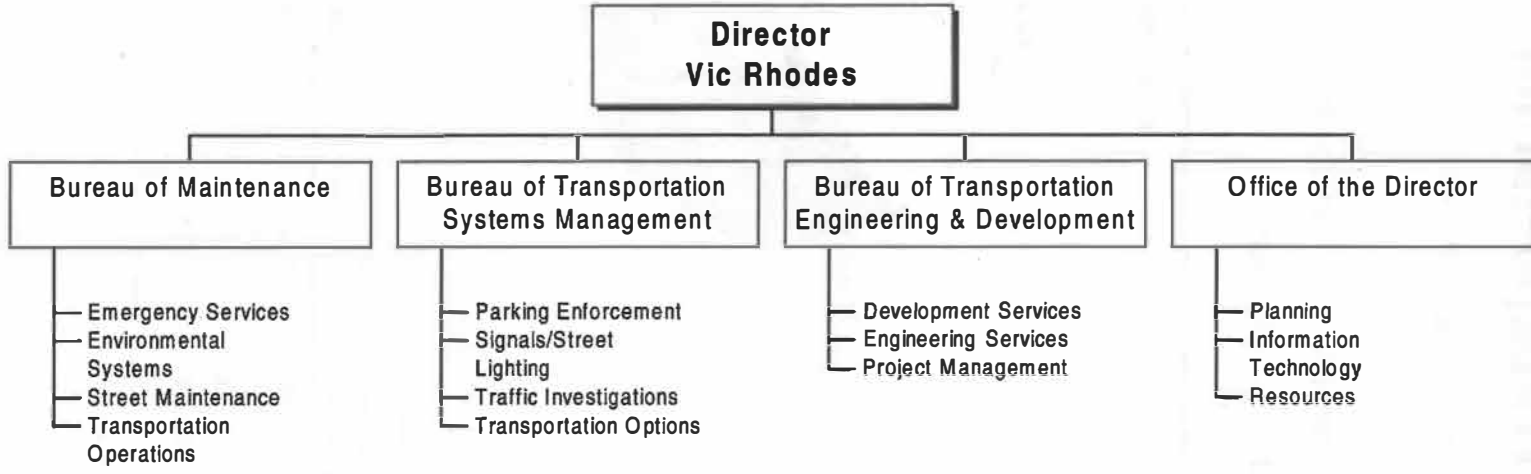


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	72,593,190	74,863,013	2,269,823	-1.4%
Capital	64,916,825	49,885,300	-15,031,525	-26.5%
Allocated Overhead Costs	3,048,945	3,249,914	200,969	1.9%
Total Cost with Allocated Overhead	\$ 140,558,960	\$ 127,998,227	\$ -12,560,733	-12.9%
Authorized Full-Time Positions	714	713	-1	-4.5%

Note: Per capita change values are adjusted for inflation and population growth.

Portland Office of Transportation



Bureau Summary

BUREAU MISSION

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

BUREAU HIGHLIGHTS

Summary

This year's biennial budget once again highlights the need to secure a stable and on-going funding base for the City's transportation services. Portland Transportation faces resource shortfalls which will make it impossible to continue current service provisions. Over the last three years the shortfall in discretionary revenue has resulted in service reductions totaling approximately \$8 million. Contributing factors to this decline are the failure to raise the gas tax at a state level since 1993, concurrent loss of purchasing power resulting from inflation, expansion in the asset base, increased use of the system, and the aging of the community's transportation infrastructure.

FY 2000-01 Adopted Budget

Resources for FY 2000-01 will fall \$4.4 million short of meeting current service level requirements. An additional shortfall of \$2.3 million is projected for FY 2001-02 for a combined two year total of \$6.7 million or 12% of discretionary revenues. Because reductions of \$4.4 million in the first year would significantly impact the community, Portland Transportation plans to use one-time funds and interagency revenues to reduce the size of the reduction package required to balance the first year. In doing so the shortfall in FY 2001-02 will be increased by a like amount.

One-Time Funds

Ending Fund Balance: Portland Transportation projects a positive ending fund balance of \$1.2 million, significantly above earlier projections. The majority of the increase is due to a statutory change that allows the garnishing of state income tax refunds for the payment of outstanding parking citations. The collections from the large backlog in unpaid parking fines has created a significant one-time increase in revenue from this source.

Contingency Appropriation: Portland Transportation has examined the past five years of spending from the \$2.5 million contingency appropriation and found the highest spending level to be \$1.5 million. Therefore, the contingency appropriation will be reduced to \$1.5 million, creating one-time funding of \$1 million.

Revenues

Solid Waste Funding: The Bureau of Environmental Services (BES) has agreed to provide \$600,000 in solid waste funds for recycling and leaf removal activities in each year of the budget. In the first year this is reduced by \$50,000 to jointly fund a work process and efficiency study between BES and Portland Transportation. Additionally, a reduction of \$132,000 in the drainage interagency agreement from BES will be made in both years to provide rate relief. This results in net resource increases of \$418,000 in FY 2000-01 and \$468,000 in FY 2001-02.

**FY 2000-01
Balancing**

Portland Transportation's financial forecast, adjusted by the above mitigation strategies, results in a FY 2000-01 shortfall of \$1.8 million and \$4.4 million in FY 2001-02. In dealing with budget reductions last year, Portland Transportation crafted the following balancing principles; identify and honor prior commitments, stop "accelerated cost" maintenance backlog growth, reduce/manage inventory growth, reduce travel demand through multi-modal efforts focused on main streets and town centers, and work toward a sustainable level of service.

Before beginning to craft the budget, the Portland Transportation Director's Team made two key decisions largely based on these principles:

1. Declare off limits any reductions affecting maintenance and operation of the arterial and collector systems because these systems provide the backbone of urban mobility. Prior year reductions lead Portland Transportation to believe that any additional reductions would have an adverse affect on all modes of travel.
2. Hold harmless operating programs and capital projects which leverage external resources. The average leverage in the Capital Improvement Program is approximately eight to one. Saving one dollar in Portland Transportation discretionary funds would therefore result in the loss of eight external dollars.

**FY 2000-01
Reductions**

Service reductions for FY 2000-01 include;

- ◆ Development Partnering CIP \$70,000
- ◆ Freight Access CIP \$36,875
- ◆ Curb Ramp/Corner Repair \$150,000
- ◆ Overhead Efficiencies \$400,000
- ◆ PTE, Education, and Travel reductions \$250,000
- ◆ Landslides CIP \$79,620
- ◆ Traffic Calming CIP \$150,000
- ◆ Congestion Management CIP \$50,000

General Fund Support

In FY 2000-01, the General Fund provides ongoing support of \$4.8 million for street light operating and \$707,885 for downtown street cleaning. In addition, there is \$466,000 for partial support for downtown sidewalk scrubbing, the abandoned auto program and landscape maintenance, and \$450,000 for street light capital improvements. The General Fund did not provide support to Portland Transportation for \$250,000 of landscape maintenance, \$225,289 for Endangered Species Act (ESA), or \$134,342 to restore 2.5% cuts to street lighting operating and downtown street cleaning.

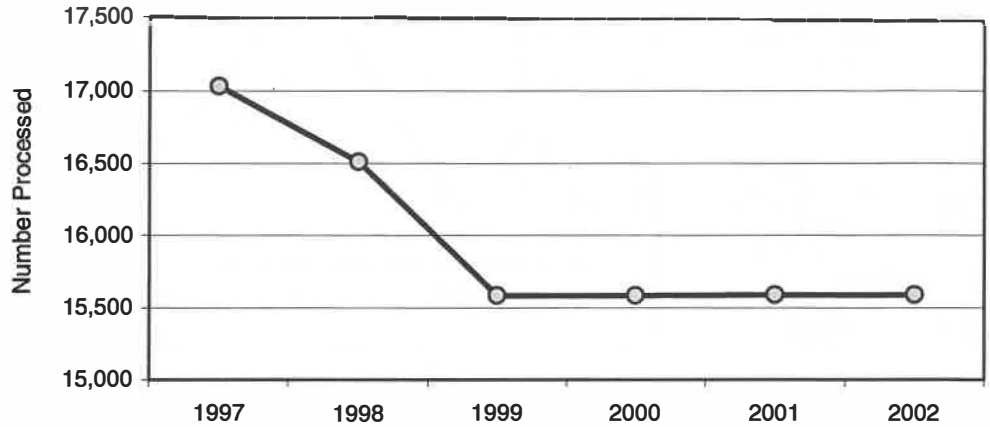
**FY 2001-02
Balancing**

The impact of the revenue shortfall on the community in the second year is enormous. Cutting an additional \$4.2 million in services results in a budget which is not indicative of a full service city. With this level of reductions, Portland Transportation will reduce capacity to deal with growth, address neighborhood concerns regarding traffic speed and congestion and implement the Regional 2040 agenda.

Performance Measures

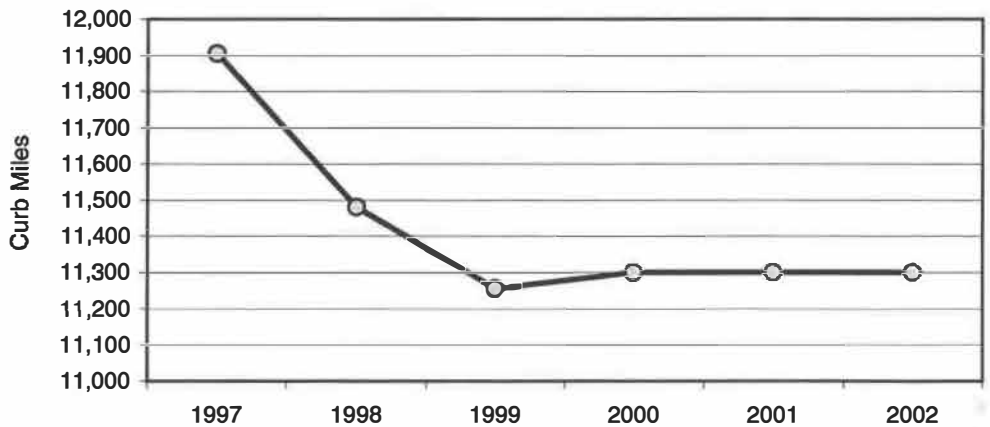
Applications, Permits, and Acquisitions Processed

- ◆ Gross permit level is expected to remain constant.
- ◆ Major telecommunication installations are now complete and work is expected to be primarily maintenance and upgrade activity.



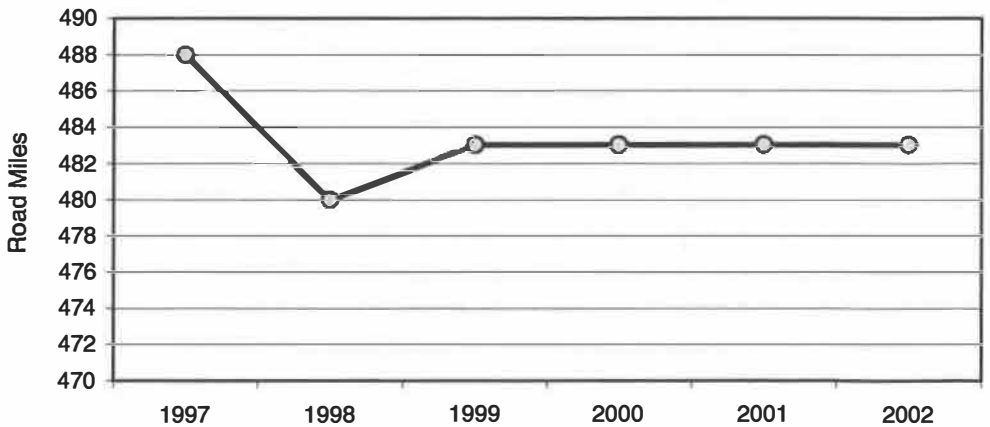
Curb Miles Street Cleaned

- ◆ The curb miles cleaned for residential areas has been reduced to balance the budget. Residential areas are now cleaned 6 times per year.
- ◆ The curb miles for the Central Business District has been maintained at 6 nights per week.



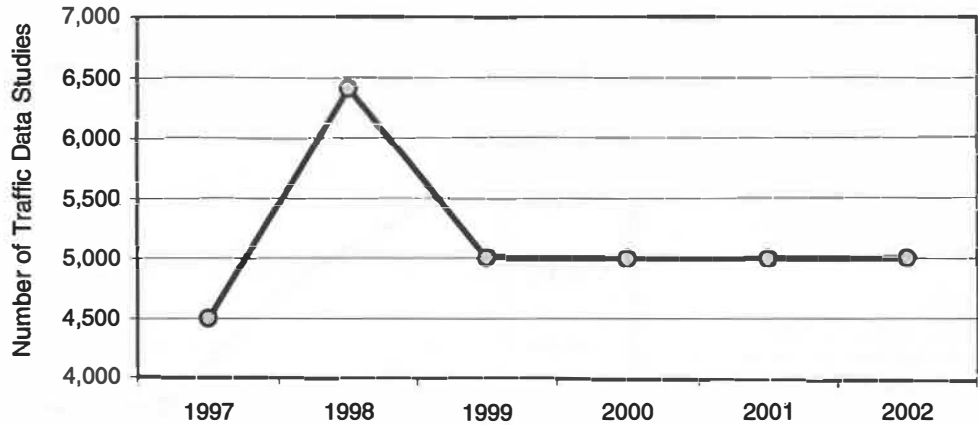
Pavement Backlog

- ◆ Additional funds have been redirected to street preservation to keep the backlog from increasing.

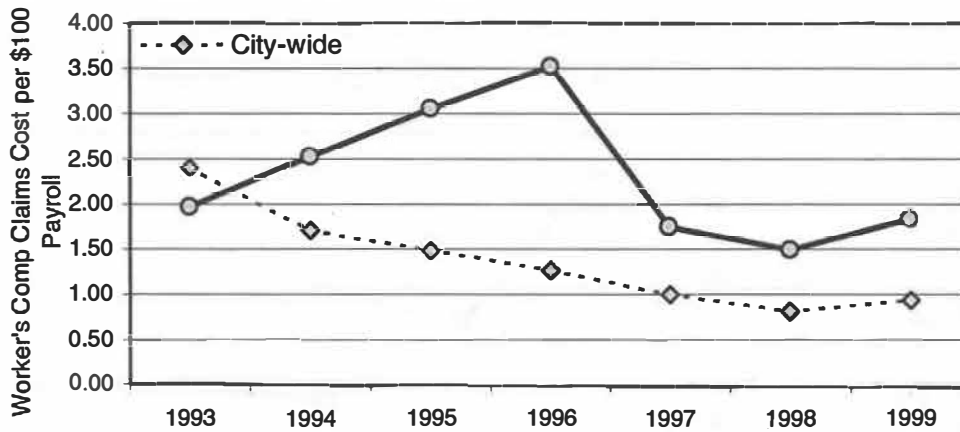


Traffic Data Studies Performed

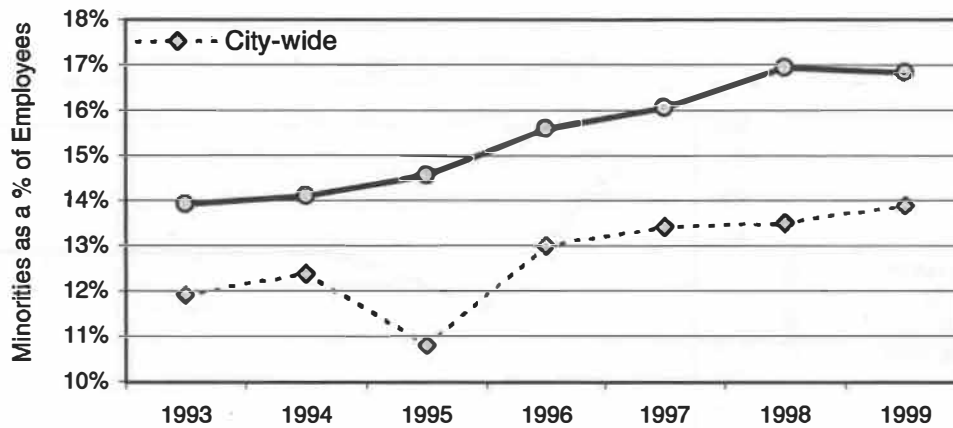
- ◆ Typical data studies include making counts of traffic volumes, speeds and turning movements. Cost savings are realized through efficient use of staff across bureaus.
- ◆ New tasks include inspection of newly installed traffic signs, minor tree pruning to clear traffic signs, and video taping intersection activity for traffic movement.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Office of Transportation AU 159

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	38,798,609	40,286,747	42,062,922	42,093,569	41,966,632
External Materials and Services	14,428,805	14,475,161	16,758,541	18,784,520	18,794,227
Internal Materials and Services	12,262,221	11,992,567	13,230,394	13,759,493	13,689,254
Minor Capital Outlay	1,795,685	462,823	441,438	412,900	412,900
Equipment Cash Transfers	124,644	231,578	99,895	0	0
Total Operating Budget	67,409,964	67,448,876	72,593,190	75,050,482	74,863,013
Capital Improvements	17,254,892	25,243,683	64,916,825	49,951,930	49,885,300
TOTAL BUREAU EXPENDITURES	\$ 84,664,856	\$ 92,692,559	\$ 137,510,015	\$ 125,002,412	\$ 124,748,313
Allocated Overhead	2,438,193	2,951,517	3,048,945	3,278,224	3,249,914
Total Cost with Allocated Overhead	87,103,049	95,644,076	140,558,960	128,280,636	127,998,227
RESOURCES					
General Transportation Discretionary		48,904,776	86,993,318	61,829,459	61,475,360
Discretionary General Fund		11,028,113	6,721,027	6,456,853	6,456,853
Total Discretionary Revenues		59,932,889	93,714,345	68,286,312	67,932,213
Grants & Donations		3,165,589	3,958,795	8,636,813	8,636,813
Contract Revenues		5,349,907	11,780,407	14,671,012	14,671,012
Interagency Revenues		15,671,745	22,806,590	22,661,256	22,761,256
Bureau Program Revenues		8,572,429	5,249,878	10,747,019	10,747,019
Total Non-Discretionary Revenues		32,759,670	43,795,670	56,716,100	56,816,100
TOTAL RESOURCES		\$ 92,692,559	\$ 137,510,015	\$ 125,002,412	\$ 124,748,313
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
DIVISIONS					
Bureau of Maintenance		41,842,165	42,490,364	43,247,538	43,219,573
<i>Positions</i>		<i>428</i>	<i>398</i>	<i>400</i>	<i>400</i>
Bureau of Transportation Systems Management		17,160,487	18,831,658	17,522,158	17,590,244
<i>Positions</i>		<i>118</i>	<i>134</i>	<i>133</i>	<i>133</i>
Bureau of Transportation Engineering & Development		29,308,444	67,153,743	52,863,300	52,615,906
<i>Positions</i>		<i>136</i>	<i>121</i>	<i>121</i>	<i>119</i>
Office of Transportation Director		4,381,463	9,034,250	11,369,416	11,322,590
<i>Positions</i>		<i>34</i>	<i>61</i>	<i>61</i>	<i>61</i>
TOTAL DIVISIONS		\$ 92,692,559	\$ 137,510,015	\$ 125,002,412	\$ 124,748,313
<i>Positions</i>		<i>716</i>	<i>714</i>	<i>715</i>	<i>713</i>
<i>General Fund Discretionary Positions</i>		<i>28</i>	<i>23</i>	<i>23</i>	<i>23</i>



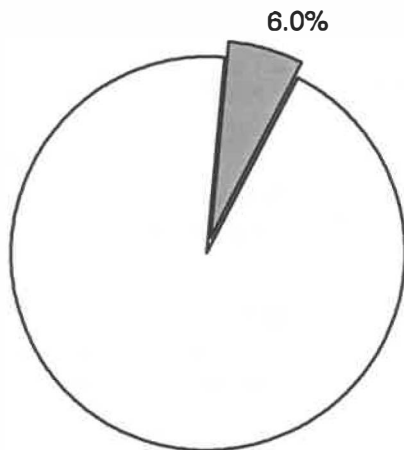
Legislative, Administrative and Support Services

Portland Development Commission
 Office of the City Attorney
 Office of the City Auditor
 Office of Management and Finance
 Office of Government Relations
 Bureau of Licenses

Office of the Mayor
 Commissioner of Public Utilities
 Commissioner of Public Works
 Commissioner of Public Affairs
 Commissioner of Public Safety
 Special Appropriations

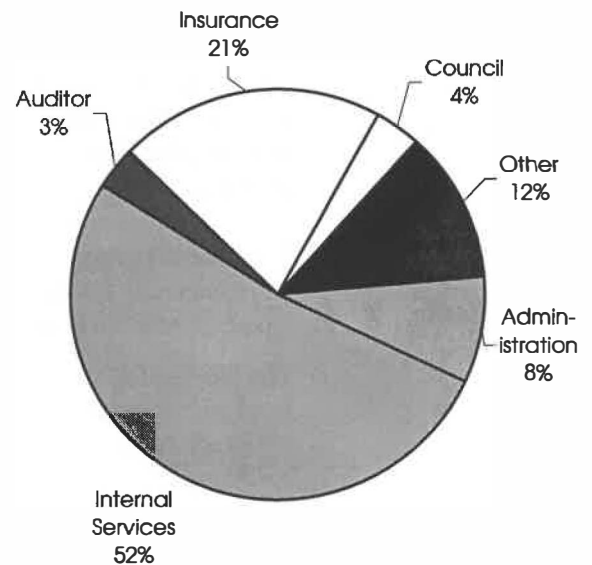
Percent of City Budget

Leg/Admin/Support Services = \$101.4 Million



City Budget = \$1.68 Billion

Bureau Pie Chart



Service Area Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	125,128,656	116,341,417	-8,787,239	-11.1%
Capital	19,495,575	14,489,492	-5,006,083	-28.9%
Allocated Overhead Costs	2,603,889	2,316,768	-287,121	-14.9%
Total Cost with Allocated Overhead	\$ 147,228,120	\$ 133,147,677	\$ -14,080,443	-13.5%
Authorized Full-Time Positions	607	614	7	-3.3%

Note: Per capita change values are adjusted for inflation and population growth.

Note: The table shows direct operating and capital costs for bureaus within the service area. The pie charts reflect bureau and fund costs in the service area, including the full allocation of centralized expenditures, for example health insurance reserves.

Service Area Highlights

DESCRIPTION

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

MAJOR THEMES

City Attorney

The Adopted Budget will fund an additional paralegal position for six months during the upcoming State legislative session. It will also support completion of the City Code Update Project.

City Auditor

The Auditor's Office reduced its budget while preserving all on-going activities and services. The Adopted Budget will fund several new programs, such as a City Ombudsman, an enterprise records management system (E-Files), and closed captioning of Council sessions.

Future Management and Financial Reorganization

The Council created a new Office of Management and Finance effective May 3, 2000. The reorganization merges the Office of Finance and Administration, the Bureau of General Services, and the Bureau of Purchases.

The Office of Management and Finance's Adopted Budget reflects a reduced current service level and is focused on maintaining critical and basic services and the ability to meet customer needs. The Adopted Budget, for example, reduces BGS operating budgets by 3.75%.

The reductions eliminated six positions and trimmed repair and maintenance, and supplies budgets. In addition, Vehicle Services will lease lower cost vehicles, saving \$15,000, and Printing and Distribution Services will eliminate commercial vended printing and require stricter adherence to addressing standards, saving \$270,000.

Some decision packages were included in the Adopted Budget to enhance City programs and services. A few examples of these are:

- ◆ The Bureau of Purchases plans to expand procurement card oversight to reduce processing time for small purchases and to strengthen controls.
- ◆ \$100,000 is allocated to the Citywide Service Improvement Initiative program in the Bureau of Human Resources.
- ◆ \$270,000 was approved for Communications Services for an 800 MHz software agreement and \$8 million to construct the Integrated Regional Networking Enterprise (IRNE).
- ◆ Facilities Services will complete construction of a childcare facility in the Portland Building using \$495,000 of capital set-aside funds.

Bureau of Licenses

The bureau will continue to develop the Business License Information System (BLIS) and will add 4.5 full-time revenue collecting employees when the system is completed.

The Adopted Budget also will allow Licenses to partner with other City and State agencies to develop a new small business assistance program. The program will ultimately provide Portland's business community with information and access to resources.

**Special
Appropriations**

The ballet and opera will each receive \$200,000 in General Fund support this year as part of a multi-year commitment to each.

The budget creates two new Special Appropriations, Storefront Improvements and Enterprise Zones, both under the auspices of the Portland Development Commission.

Reductions in Special Appropriations have been made where possible. These include City Memberships and Dues, Council Emergency Funds, and the Employee Suggestion Program.

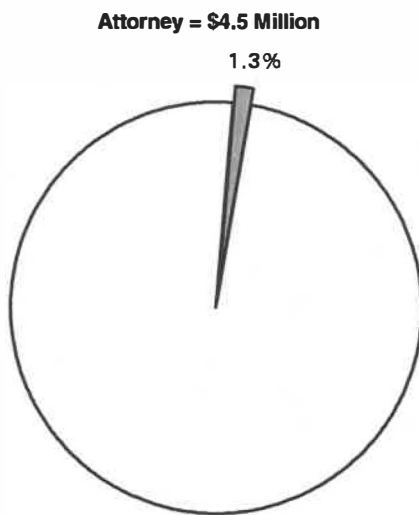
Office of the City Attorney

Legislative, Administrative and Support Services Service Area

Mayor Vera Katz, Commissioner-in-Charge

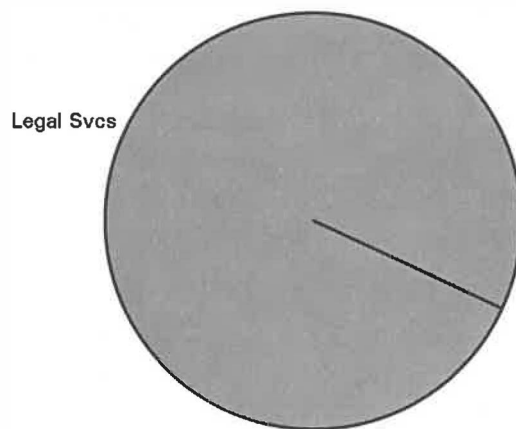
Jeffrey L. Rogers, City Attorney

Percent of General Fund



General Fund = \$354 Million

Bureau Programs

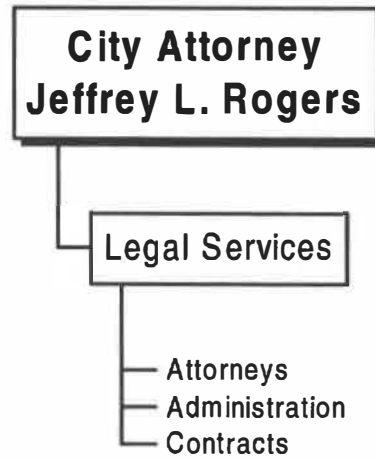


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	4,370,120	4,502,576	132,456	-1.5%
Capital	0	0	0	0.0%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 4,370,120	\$ 4,502,576	\$ 132,456	-1.5%
Authorized Full-Time Positions	39	40	1	-1.9%

Note: Per capita change values are adjusted for inflation and population growth.

Office of the City Attorney



Bureau Summary

BUREAU MISSION

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 HIGHLIGHTS

Workload

Staff size has been relatively constant over 10 years.

The City of Portland's legal requirements continue to increase while the size of the City Attorney's staff is basically the same as ten years ago. As in recent years, this situation will result in the City spending more on legal services because of the need to hire outside counsel to handle overflow.

The office competes with private law firms in litigation, land use, hiring, and other areas.

During the past year, the City spent about \$1 million dollars on outside counsel. Some of those expenditures were required because of conflicts of interest or the need for very specialized services. However, part of the outside counsel costs resulted from overflow, because the City Attorney's office has not had the capacity to absorb all of the increasing volume of City legal work that must be done. The City sends overflow cases to outside counsel, who are more expensive than the City Attorney's Office.

As confirmed by Risk Management statistics, in the last few years tort cases (as well as other litigation) have become larger and more complex, and are taking longer to resolve. The most difficult and costly cases have been constitutional challenges in federal court to policies and programs put into place by City Council. The second largest exposure comes from tort cases filed against the City, and especially the Police Bureau.

The City's non-litigation legal workload is comprised of general advice; legal analysis and opinions for City Council, bureaus, and managers; and consultation regarding the legal issues that come up in City programs.

Cost Control

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

Reducing Attorney Costs

Two of the most effective ways to control the City's legal costs are to minimize the use of outside counsel and to maximize use of paralegal assistants. The City's legal costs have increased in the past three years as the City has hired outside firms to handle overflow work. Some of that overflow work could also be handled by paralegals.

When the Legislature is in session the City Attorney's Office reviews legislative bills that may impact the City of Portland and its citizens. The Council approved funding in this budget for a Paralegal Assistant to provide support during the upcoming State legislative session. This one-time funding of a position for 6 months will cost \$32,830 and will be funded out of the General Fund.

Internal Cost Control Program

The City Attorney’s Office reduced its Materials and Services support in order to make the 5% reductions requested by City Council. The office maintains an effective internal cost control program. Financial management and partnership with other internal City bureaus and service providers help keep expenses low compared to comparable non-City law offices and firms.

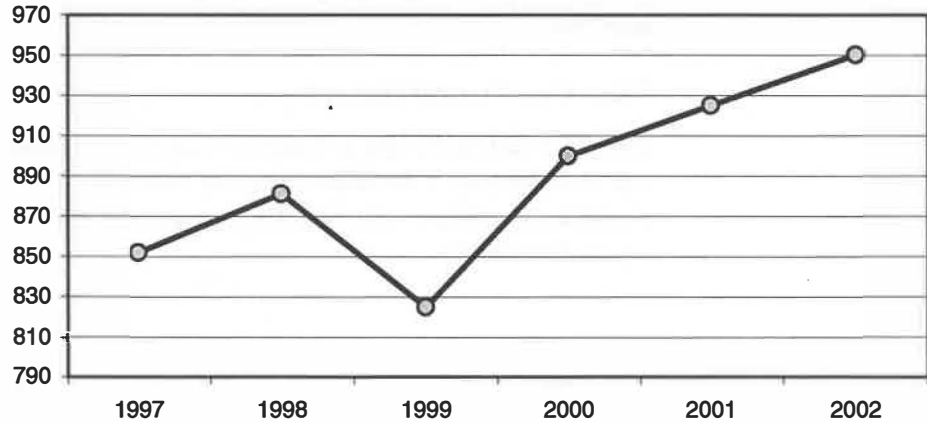
Other Cost Control Options

The office staff is rapidly shifting to computer-assisted legal research work. This conversion will ultimately save the office time and money because automated research is being made available at desktops, reducing library expenses and eliminating the costly purchase of some legal subscriptions.

Performance Measures

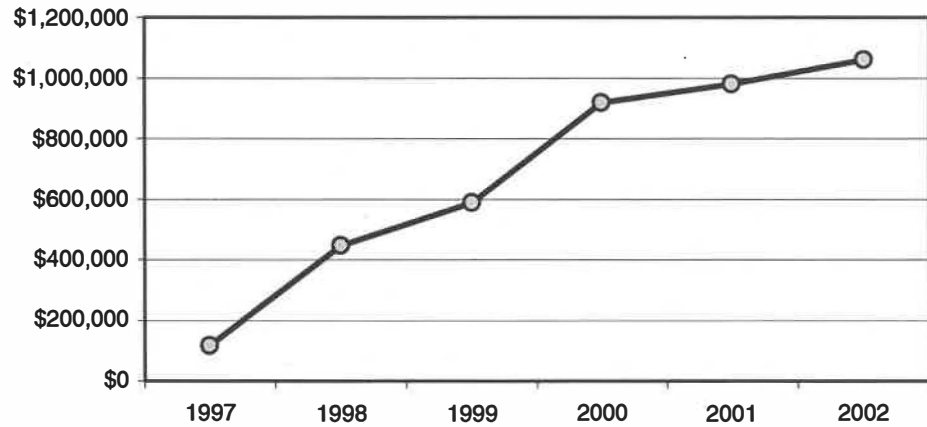
Litigation Cases Handled

- ◆ Complexity and cost of litigation have increased despite efforts to minimize litigation.



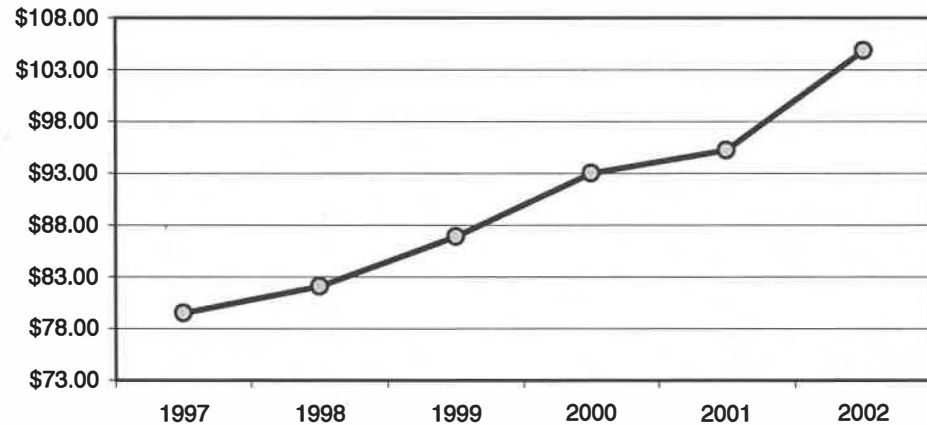
Outside Legal Expense

- ◆ Hiring outside counsel is usually 1.5 to 2.5 times as expensive as handling the work in-house.
- ◆ (Note: The FY 2000 amount does not include outside counsel costs for Civic Stadium negotiations.)



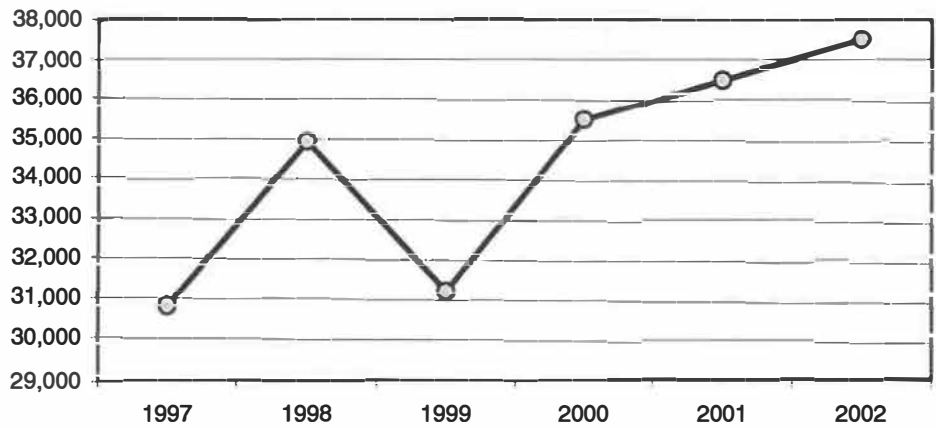
Fully Loaded Hourly Rate

- ◆ A law office's fully loaded hourly rate includes direct expenses for staff and materials necessary to produce legal work, and also both indirect and direct overhead costs.

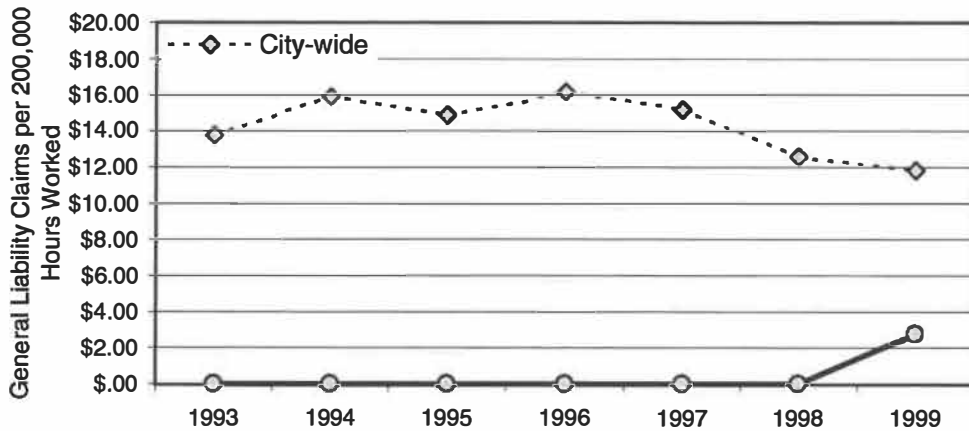


Legal Document Pages

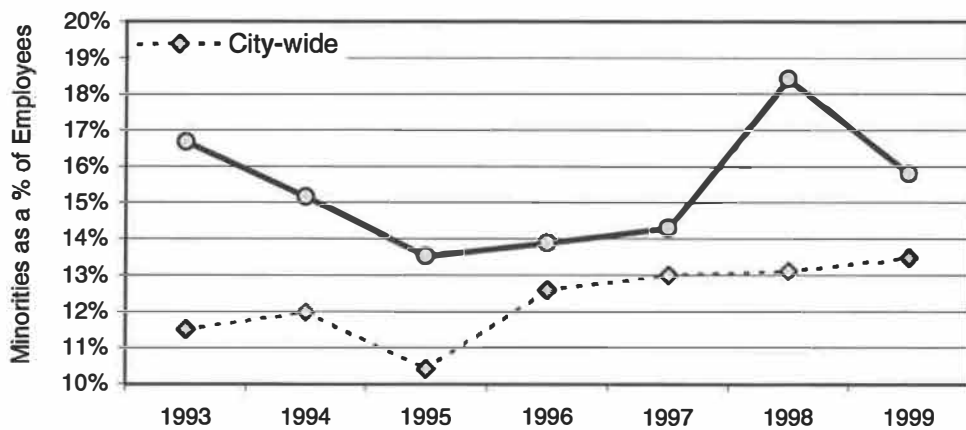
◆ While all legal work is document-intensive, actual printing requirements fluctuate.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



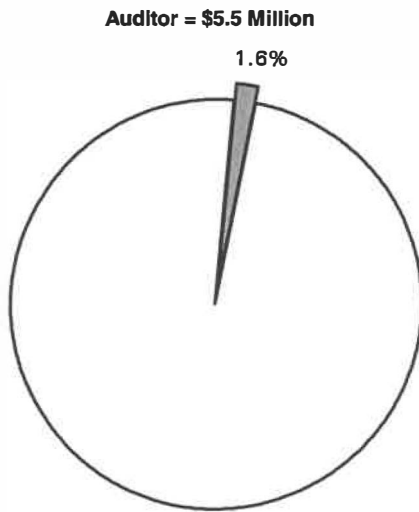
	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	3,275,143	3,553,551	3,704,513	3,744,893	3,744,893
External Materials and Services	267,247	293,721	301,933	314,038	356,538
Internal Materials and Services	354,611	342,824	363,674	401,145	401,145
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	9,200	0	0	0	0
Total Operating Budget	3,906,201	4,190,096	4,370,120	4,460,076	4,502,576
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 3,906,201	\$ 4,190,096	\$ 4,370,120	\$ 4,460,076	\$ 4,502,576
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	3,906,201	4,190,096	4,370,120	4,460,076	4,502,576
RESOURCES					
General Fund Discretionary		1,285,823	1,467,578	1,450,631	1,530,331
Non-Discretionary Revenues					
Grants & Donations		0	0	0	0
Contract Revenues		0	0	0	0
Interagency Revenues		1,893,205	1,776,715	1,884,075	1,884,075
Program Revenue		3,946	0	0	0
Overhead Revenues		1,007,122	1,125,827	1,125,370	1,088,170
Total Non-Discretionary Revenues		2,904,273	2,902,542	3,009,445	2,972,245
TOTAL GENERAL FUND RESOURCES		\$ 4,190,096	\$ 4,370,120	\$ 4,460,076	\$ 4,502,576
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Administration		655,094	0	0	0
<i>Positions</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Legal Services		3,535,002	4,370,120	4,460,076	4,502,576
<i>Positions</i>		<i>39</i>	<i>39</i>	<i>40</i>	<i>40</i>
TOTAL PROGRAMS		\$ 4,190,096	\$ 4,370,120	\$ 4,460,076	\$ 4,502,576
<i>Positions</i>		<i>39</i>	<i>39</i>	<i>40</i>	<i>40</i>
<i>General Fund Discretionary Positions</i>					
		13	13	14	14

Office of the City Auditor

Legislative, Administrative and Support Services Service Area

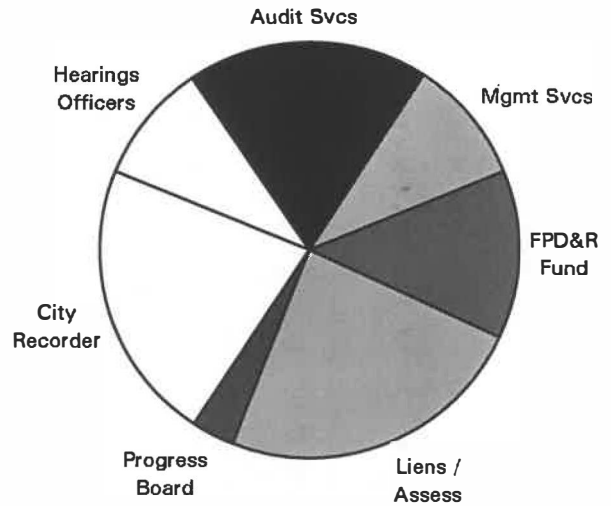
Gary Blackmer, City Auditor

Percent of General Fund



General Fund = \$354 Million

Bureau Programs

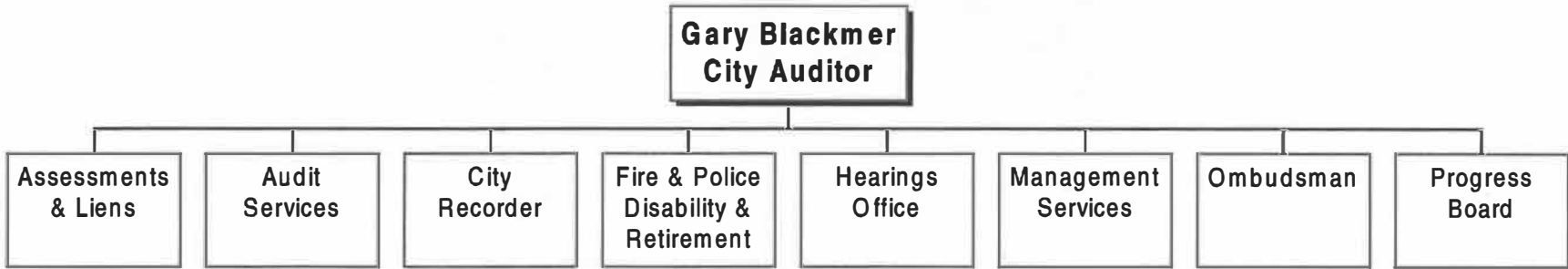


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	5,205,262	5,298,481	93,219	-2.7%
Capital	0	205,000	205,000	0.0%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 5,205,262	\$ 5,503,481	\$ 298,219	1.1%
Authorized Full-Time Positions	56	58	2	-1.0%

Note: Per capita change values are adjusted for inflation and population growth.

Office of the City Auditor



Bureau Summary

BUREAU MISSION

The mission of the City Auditor's Office is to promote open and accountable government by providing independent and impartial reviews, public access to information, and service for City government and the public. To that end, the Auditor's Office performs audits, maintains City records, and provides financial services with integrity, sensitivity, and efficiency.

BUREAU HIGHLIGHTS

Budget Summary

The City Auditor, Gary Blackmer, took office on January 4, 2000. This is his first opportunity to reshape the budget and propose new activities that will improve the accountability of City government and increase access to citywide information for citizens and current and future City Councils.

Adopted Budget

The Adopted Budget supports accountability and enhanced access to City government.

In November 1999, the City Auditor proposed to Council a two-year plan for assessing whether some duties should be removed from his office, as well as adding several new capabilities. The FY 2000-02 Adopted Budget for the Auditor's Office supports these changes within the limited City funds available. The budget makes reductions to the Auditor's Office while preserving all its ongoing activities and services provided to citizens, other City bureaus, and agencies. The budget also funds a City Ombudsman program, a half-time auditor position, closed captioning for Council sessions, an enterprise records management system and technician, and an Assistant Risk Specialist position for the Fire and Police Disability and Retirement Fund (FPD&R).

Each new program will benefit citizens and City bureaus. The Ombudsman program will provide an independent, centralized point to resolve complaints that citizens have regarding City actions. The half-year funding will allow a professional ombudsman to work with City bureaus, the Hearings Office, and the City Council to develop procedures, City Code, and clear responsibilities to serve the public effectively. In FY 2001-02, when the program becomes fully functional, the Ombudsman will be funded for the full year and two assistants will be added.

The half-time auditor position is the first staff increase in the Audit Services Division in 15 years. This position will allow the Auditor's Office to be more responsive to City needs, such as addressing the increasing number of requests for audits and special reviews.

The Adopted Budget also provides funding for closed captioning of all City Council sessions for the hearing impaired through a City funding match of a three-year federal grant.

The budget funds the "E-Files" capital project -- an enterprise records management system. This system can preserve information in an electronic format, reducing future storage costs and increasing accessibility. A technician will be hired halfway through the first fiscal year; the hardware, software, and technical services needed to establish the system are funded with one-time capital set-aside resources.

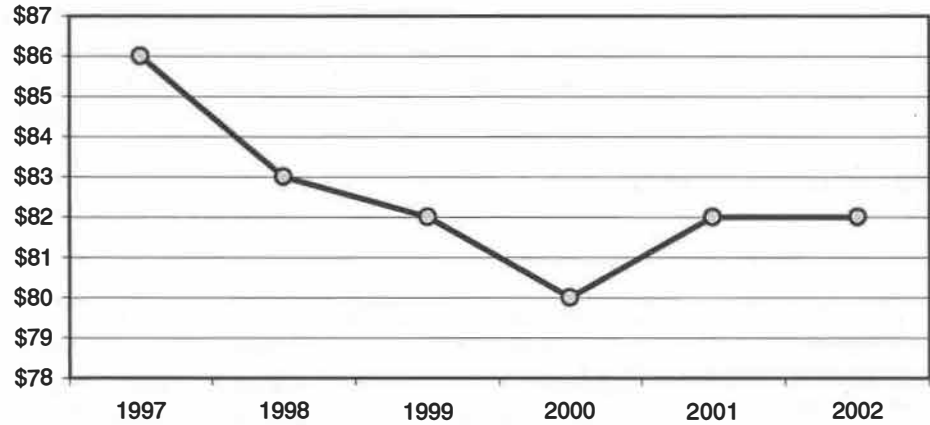
The Adopted Budget includes one new Assistant Risk Specialist position to assist in managing the disability claims process for the FPD&R Division. This position is fully funded through an interagency agreement with the FPD&R Fund.

In addition to the program enhancements, the Auditor's Office has made budget cuts by eliminating one Customer Accounts Specialist position, making a 20% reduction in Professional Services, amounting to \$70,000, and making other reductions in Materials and Services.

Performance Measures

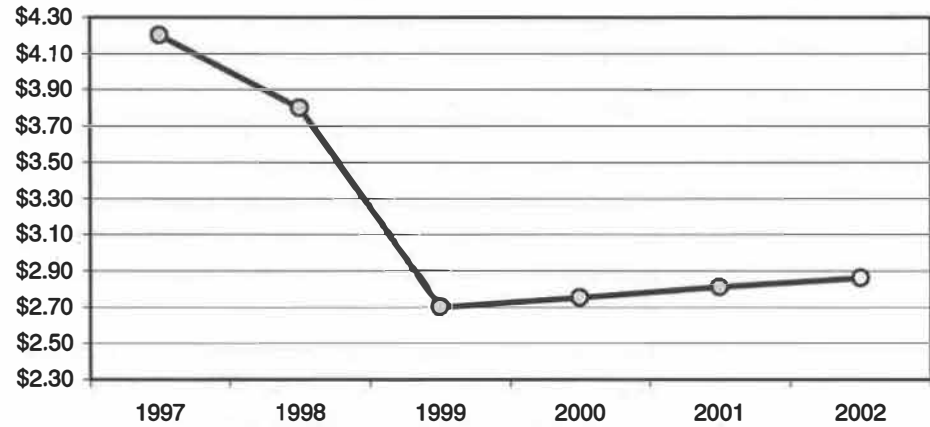
Full cost per Audit Hour

◆ The full costs per Audit Hour have decreased since FY 1997.



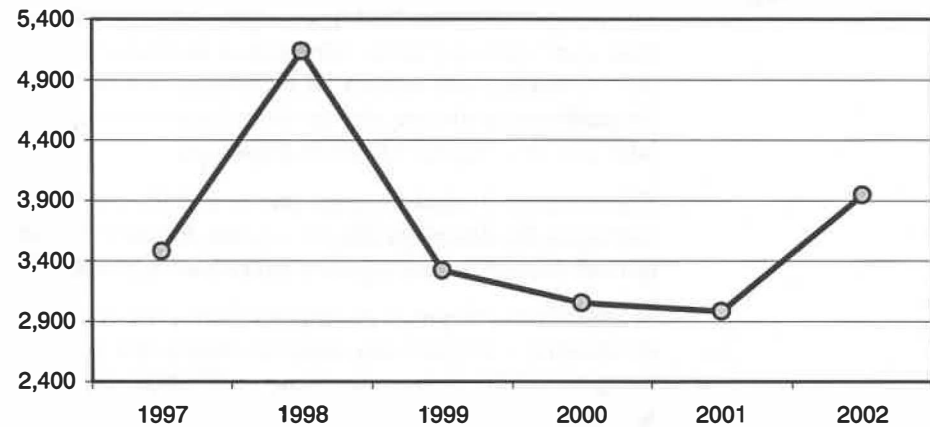
Direct Cost per Retrieval and Delivery of Record

◆ Direct costs have decreased since FY 1996.

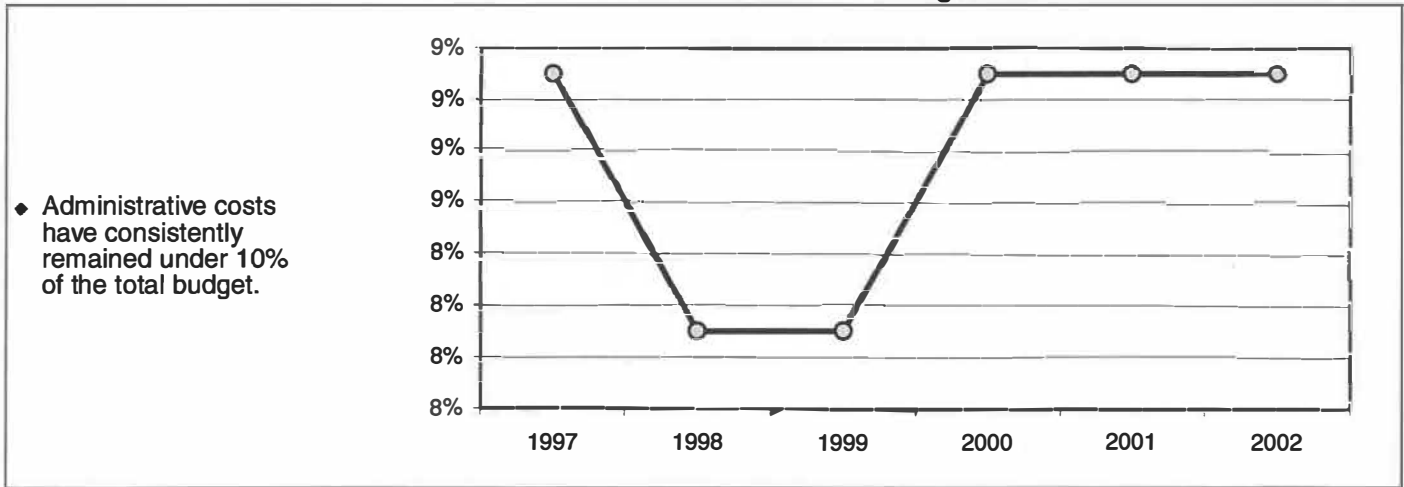


New Liens Recorded

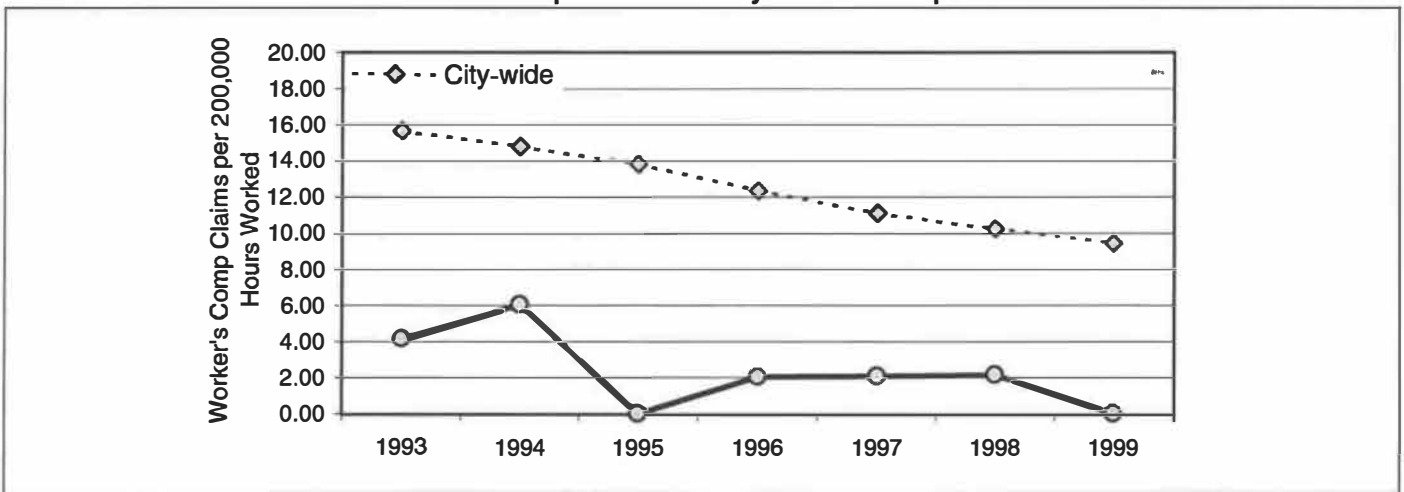
◆ The number of new liens recorded has fluctuated since FY 1997 due to special projects, such as the Central City Streetcar.



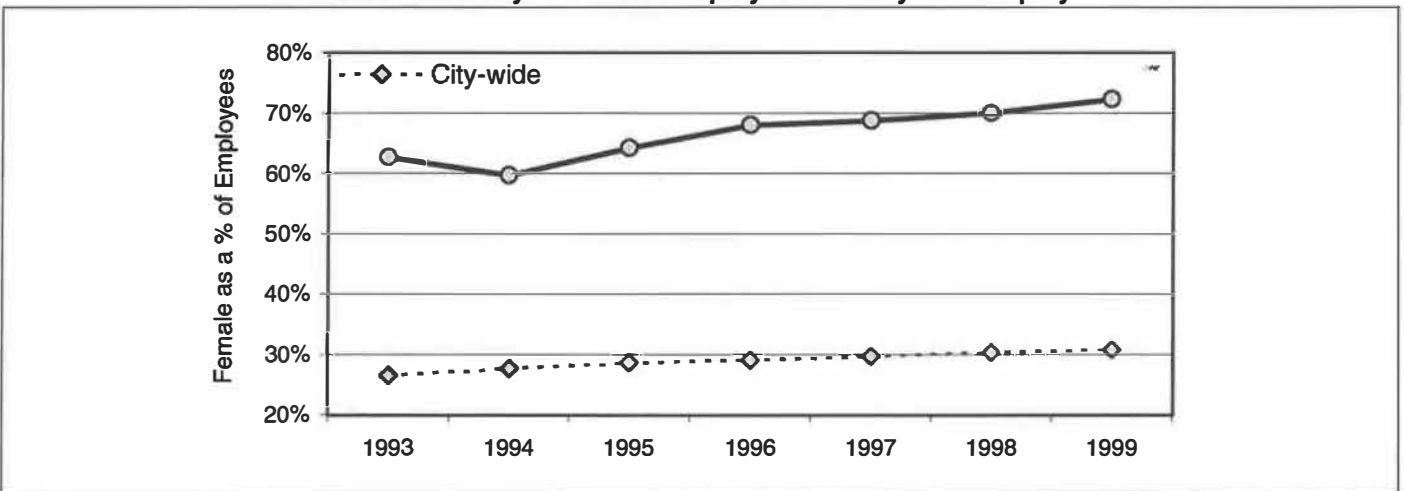
Administrative Costs as a % of Total Budget



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	3,105,794	3,388,905	3,731,902	3,855,401	3,848,401
External Materials and Services	374,333	368,143	698,333	598,544	598,544
Internal Materials and Services	606,301	659,414	775,027	851,536	851,536
Minor Capital Outlay	0	0	0	205,000	0
Equipment Cash Transfers	4,700	0	0	0	0
Total Operating Budget	4,091,128	4,416,462	5,205,262	5,510,481	5,298,481
Capital Improvements	0	0	0	0	205,000
TOTAL BUREAU EXPENDITURES	\$ 4,091,128	\$ 4,416,462	\$ 5,205,262	\$ 5,510,481	\$ 5,503,481
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	4,091,128	4,416,462	5,205,262	5,510,481	5,503,481
RESOURCES					
General Fund Discretionary		1,245,655	1,349,997	1,661,494	1,472,388
Non-Discretionary Revenues					
Grants & Donations		0	0	0	0
Contract Revenues		19,497	76,594	98,332	98,332
Interagency Revenues		1,820,088	2,201,728	2,188,263	2,188,263
Program Revenue		118,485	160,500	137,500	137,500
Overhead Revenues		1,212,737	1,416,443	1,424,892	1,606,998
Total Non-Discretionary Revenues		3,170,807	3,855,265	3,848,987	4,031,093
TOTAL GENERAL FUND RESOURCES		\$ 4,416,462	\$ 5,205,262	\$ 5,510,481	\$ 5,503,481
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Audit Services		949,697	1,037,241	1,028,744	1,028,744
<i>Positions</i>		<i>9</i>	<i>9</i>	<i>9</i>	<i>9</i>
City Recorder		851,198	876,336	1,207,951	1,207,951
<i>Positions</i>		<i>11</i>	<i>11</i>	<i>12</i>	<i>12</i>
Liens & Assessments		1,176,689	1,446,188	1,308,712	1,308,712
<i>Positions</i>		<i>16</i>	<i>16</i>	<i>14</i>	<i>14</i>
Fire & Police Disability & Retirement Fund		551,806	664,168	722,387	722,387
<i>Positions</i>		<i>8</i>	<i>9</i>	<i>10</i>	<i>10</i>
Hearings Officers		420,624	532,807	517,803	517,803
<i>Positions</i>		<i>5</i>	<i>5</i>	<i>5</i>	<i>5</i>
Management Services		391,441	483,197	539,083	532,083
<i>Positions</i>		<i>4</i>	<i>4</i>	<i>6</i>	<i>6</i>
Progress Board		75,007	165,325	185,801	185,801
<i>Positions</i>		<i>0</i>	<i>2</i>	<i>2</i>	<i>2</i>
TOTAL PROGRAMS		\$ 4,416,462	\$ 5,205,262	\$ 5,510,481	\$ 5,503,481
<i>Positions</i>		<i>53</i>	<i>56</i>	<i>58</i>	<i>58</i>
<i>General Fund Discretionary Positions</i>		<i>13</i>	<i>13</i>	<i>15</i>	<i>15</i>

Office of Government Relations

Legislative, Administrative and Support Services Service Area

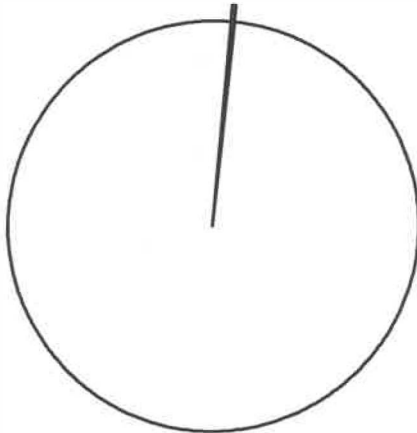
Mayor Vera Katz, Commissioner-in-Charge

Marge Kafoury, Director

Percent of General Fund

Gov Rel = \$697.1 Thousand

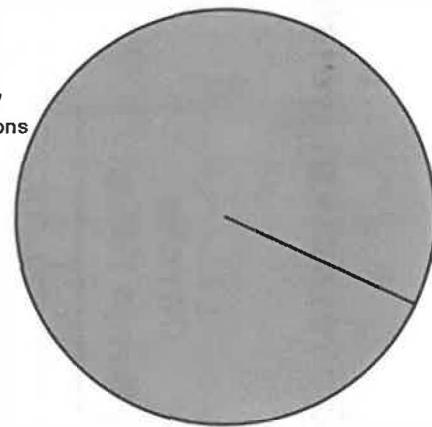
0.2%



General Fund = \$354 Million

Bureau Programs

Gov Relations

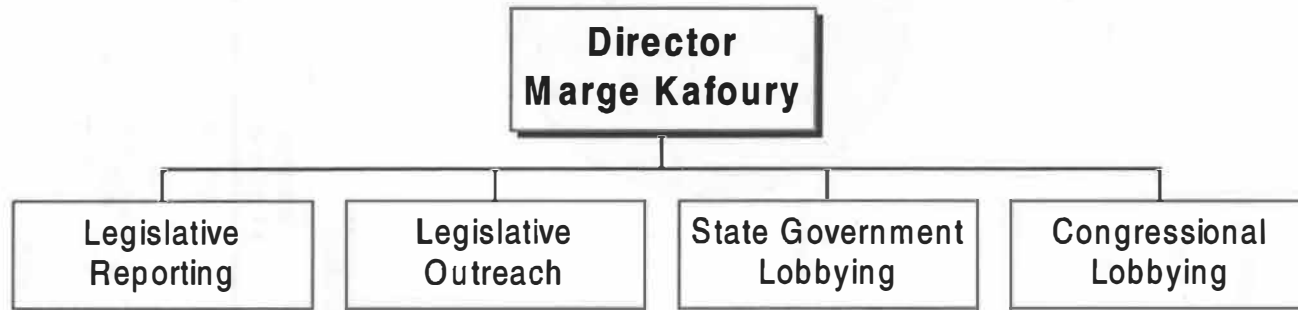


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	674,523	697,074	22,551	-1.2%
Capital	0	0	0	0.0%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 674,523	\$ 697,074	\$ 22,551	-1.2%
Authorized Full-Time Positions	4	5	1	19.5%

Note: Per capita change values are adjusted for inflation and population growth.

Office Of Government Relations



Bureau Summary

BUREAU HIGHLIGHTS

Overview

This budget reflects continued representation of City Council issues by Government Relations in advancing City objectives with local government, State, and Congress. Government Relations continues to administer the City’s Washington, D.C. lobbying contract. Government Relations will continue working with BIT to enhance and improve the Legislative Tracking System, making it user-friendly for bureaus. Government Relations is continuing the Council directed “Outreach” with the Oregon Legislative Delegation throughout the State. The bureau provides information and assistance with grants and appropriations for the City, monitors federal initiatives, and is liaison with national member associations.

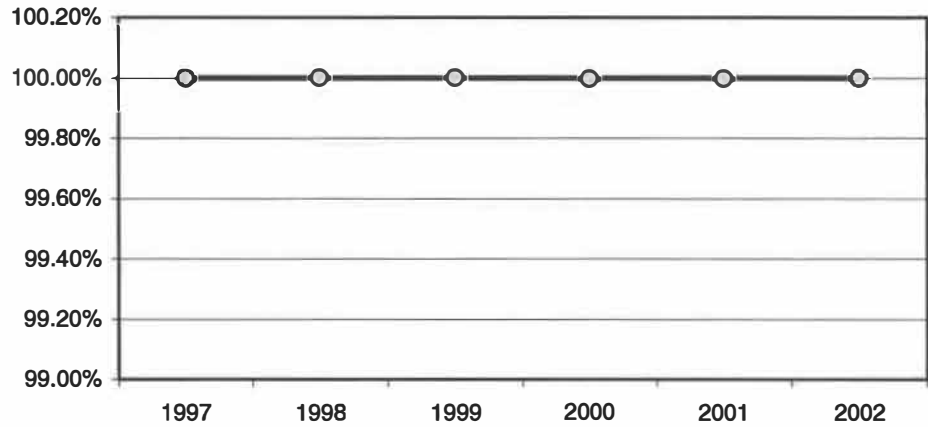
Funding

Government Relations is a funded primarily by the General Fund. In addition, the bureau receives interagency funding from Transportation, Environmental Services, and Water.

Performance Measures

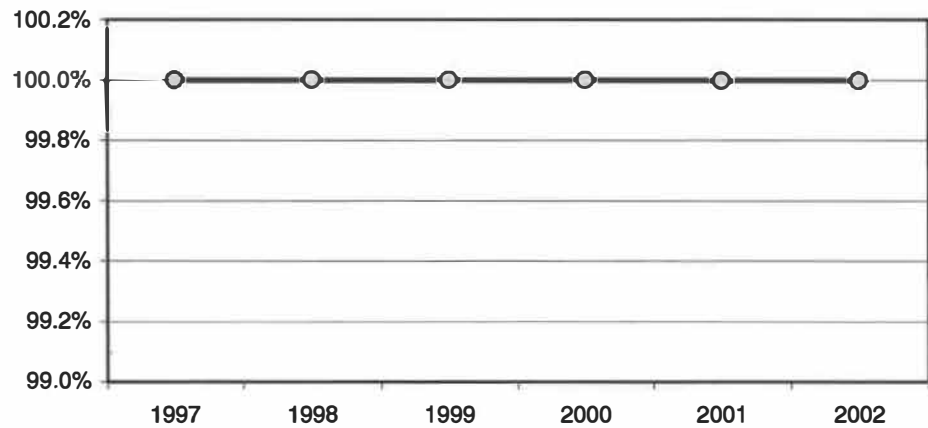
Representation at Legislature

- ◆ The Office of Government Relations will produce a Legislative Package before Legislative Sessions, and a Legislative Report after Sessions.



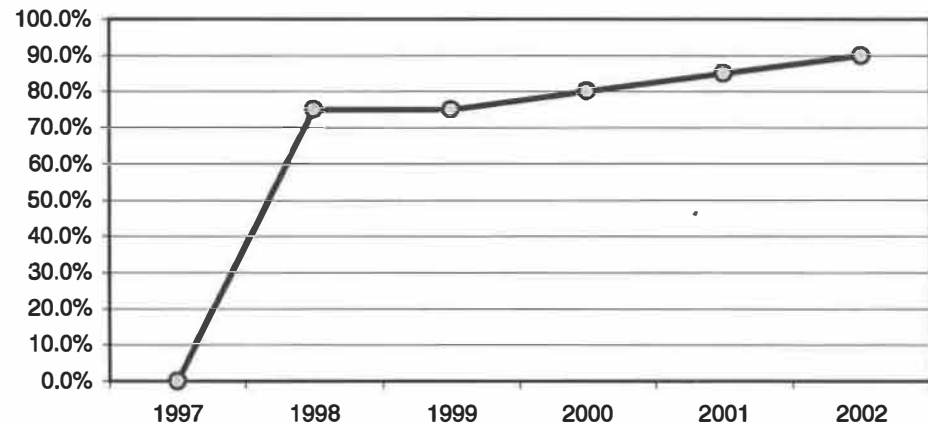
City Representation at Congress

- ◆ Government Relations continues to represent the City of Portland on issues before the U.S. Congress.

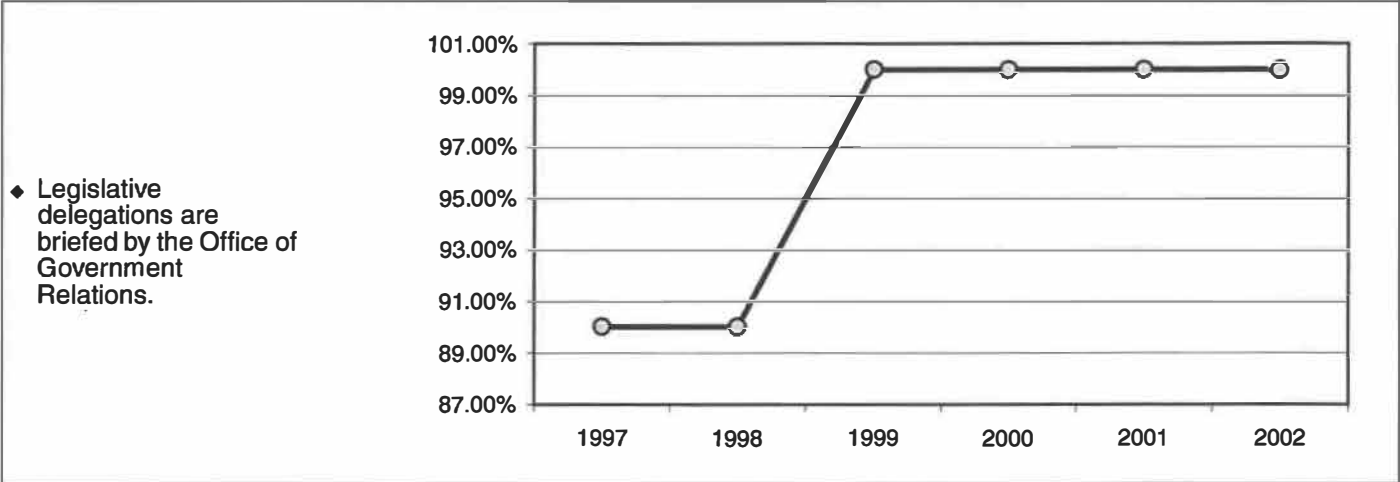


Conference Attendance

- ◆ Government Relations will conduct outreach efforts with non-Portland Legislators during Legislative Interims.



Delegation Briefings



	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	317,558	377,445	352,567	393,247	393,247
External Materials and Services	184,553	201,580	262,290	183,731	183,731
Internal Materials and Services	40,800	77,409	59,666	120,096	120,096
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	542,911	656,434	674,523	697,074	697,074
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 542,911	\$ 656,434	\$ 674,523	\$ 697,074	\$ 697,074
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	542,911	656,434	674,523	697,074	697,074
RESOURCES					
General Fund Discretionary		266,980	266,450	289,525	299,098
Non-Discretionary Revenues					
Grants & Donations		0	0	0	0
Contract Revenues		0	0	0	0
Interagency Revenues		41,970	41,970	43,390	43,390
Program Revenue		0	0	0	0
Overhead Revenues		347,484	366,103	364,159	354,586
Total Non-Discretionary Revenues		389,454	408,073	407,549	397,976
TOTAL GENERAL FUND RESOURCES		\$ 656,434	\$ 674,523	\$ 697,074	\$ 697,074
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Government Relations		656,434	674,523	697,074	697,074
<i>Positions</i>		4	4	5	5
TOTAL PROGRAMS		\$ 656,434	\$ 674,523	\$ 697,074	\$ 697,074
<i>Positions</i>		4	4	5	5
<i>General Fund Discretionary Positions</i>		2	2	2	2

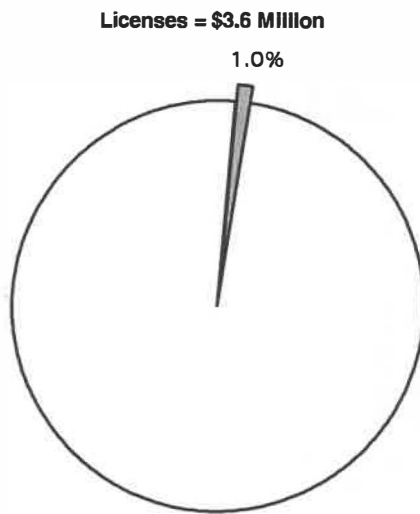
Bureau of Licenses

Legislative, Administrative and Support Services Service Area

Jim Francesconi, Commissioner-in-Charge

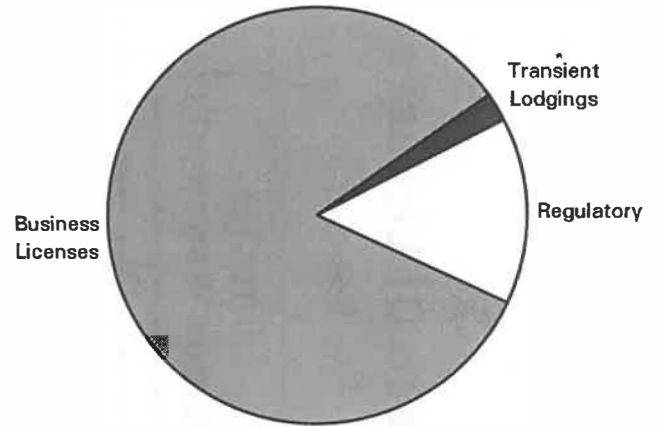
James Wadsworth, Director

Percent of General Fund



General Fund = \$354 Million

Bureau Programs

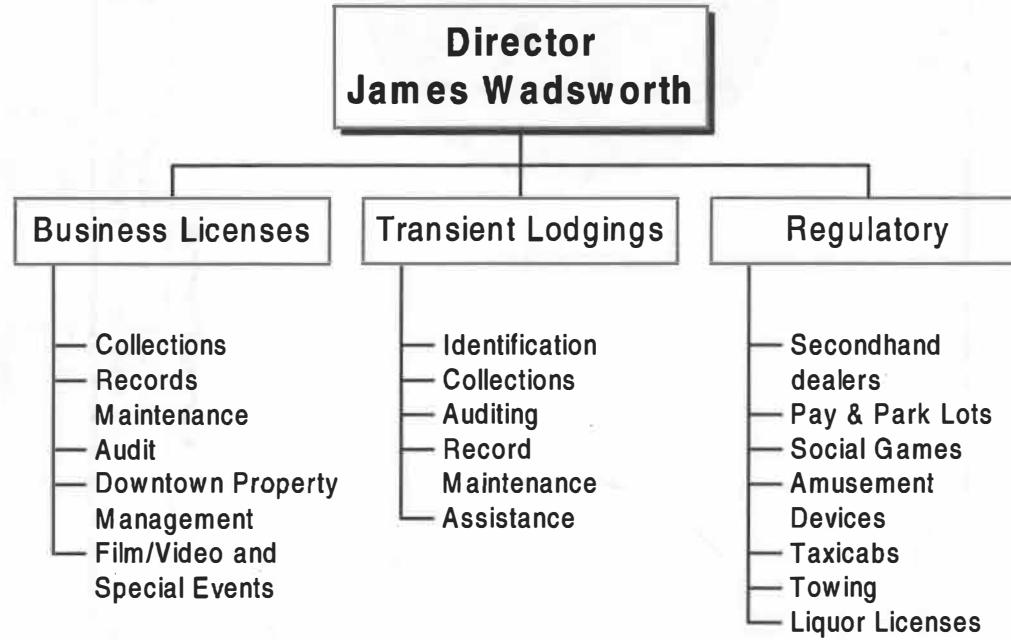


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	3,214,814	3,635,279	420,465	8.1%
Capital	0	0	0	0.0%
Allocated Overhead Costs	459,004	297,737	-161,267	-38.0%
Total Cost with Allocated Overhead	\$ 3,673,818	\$ 3,933,016	\$ 259,198	2.4%
Authorized Full-Time Positions	41	46	5	7.3%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau Of Licenses



Bureau Summary

BUREAU MISSION

A new mission statement was adopted during FY 1999-00 that better reflects the purpose and the impact bureau activities have on the community. It states: "Our mission is to 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."

BUREAU HIGHLIGHTS

Overview

The major focus of the Bureau of Licenses is to identify, license, collect, and audit a variety of license and regulatory fees and taxes paid by businesses in the city of Portland and Multnomah County. To meet this objective the bureau will continue to expand the effective use of the Business License Information System, Internet, and continue associated process reengineering and resource realignment (SII) to improve productivity, service delivery, and provide additional services to licensees, citizens, and the business community.

Challenges

Enhancing revenue collections while projecting a decrease in revenue growth will present additional challenges to the staff in the bureau. By fully utilizing computer automated functions to perform routine tasks, staff will be able to concentrate on licensing new businesses and on enhancing collection efforts for existing non-paying and delinquent accounts.

In cooperation with the Portland Development Commission, BHCD, OECDD, Small Business Association, Portland Community College, Portland State University, and members of the business community, the bureau will develop enhanced small business support through identifying, referencing, and defining links to existing City, State, Federal, and non-profit services and identifying possible new services and service delivery methods.

Revenues

Business License Program

The largest portion of the revenue collected is the consolidated Portland Business License/ Multnomah County Business Income Tax.

Transient Lodgings Program

The bureau also collects the Transient Lodgings Tax for distribution to the City, County, and Portland Oregon Visitors Association. This amount in FY 2000-01 is more than last year because of an increase in the Multnomah County portion of the tax, which will be used to renovate Civic Stadium and expand the Oregon Convention Center.

Downtown Property Management Program

The bureau administers the Downtown Business Property Management Program, which provides over \$2.7 million annually for the Downtown Clean and Safe Program managed by the Association for Portland Progress.

The bureau is collecting fees for the Lloyd Business Improvement District from member businesses for similar services in that district. These funds will also be collected through the Downtown Property Management Program. Other districts are in the organizing or planning stages and may be added in FY 2000-01.

Total Revenue Collection

In FY 2000-01, the bureau will collect approximately \$122.9 million in revenues for the City, Multnomah County, and other agencies.

Coordination & Regulation**Regulatory Programs**

The bureau administers regulatory programs including towing, taxi and other for-hire transportation, pay and park lots, secondhand dealers, amusement devices, social games, and liquor licensing.

A change in the ordinance regulating the Amusement Device Program will result in a loss of \$67,500 in revenue for FY 2000-01. It is anticipated that a change in the Towing Program ordinance will result in an additional \$32,000 in revenues for FY 2000-01. The result is a loss of \$35,500 for the Regulatory Programs.

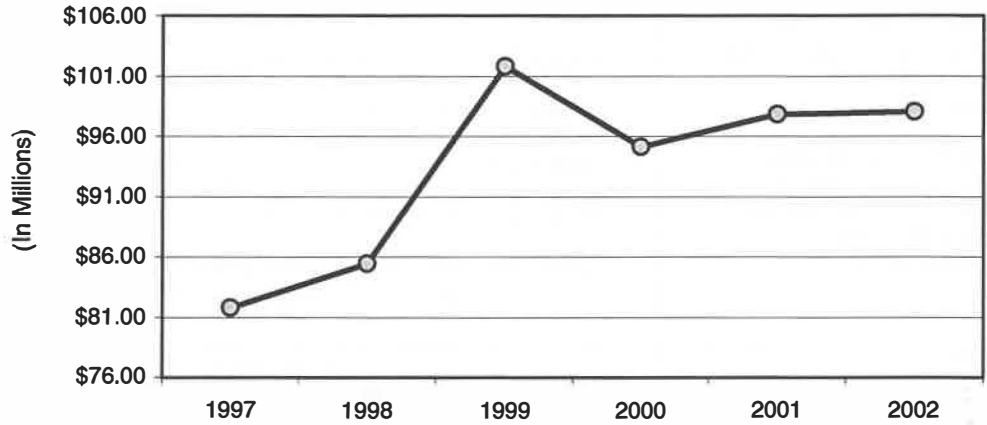
Film/Video & Special Events

In addition, the bureau coordinates permitting with other bureaus and agencies for special events such as parades and runs, as well as film and video projects that require street closures or other similar types of interruptions within the City limits.

Performance Measures

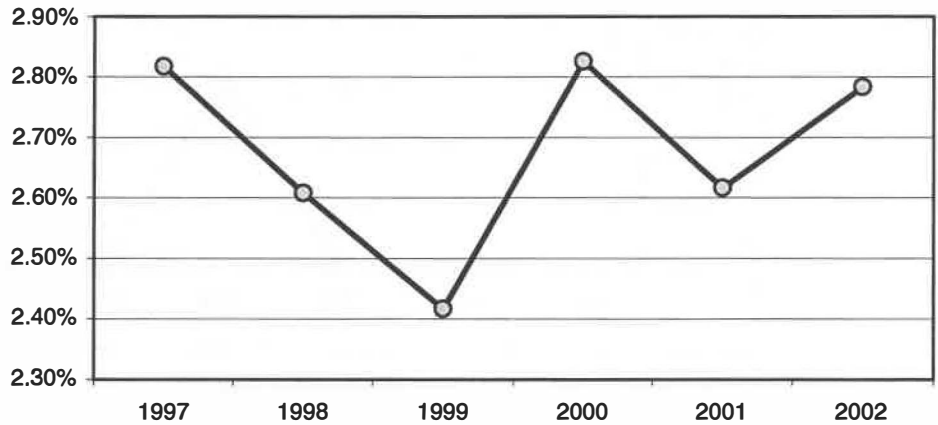
Business Licenses Total Revenue Collected

- ◆ The 1999 increase was due to a one-time only surcharge applied to MCBIT payers to support schools.
- ◆ Portland's local economy grew in past years, although it is expected to start leveling off.



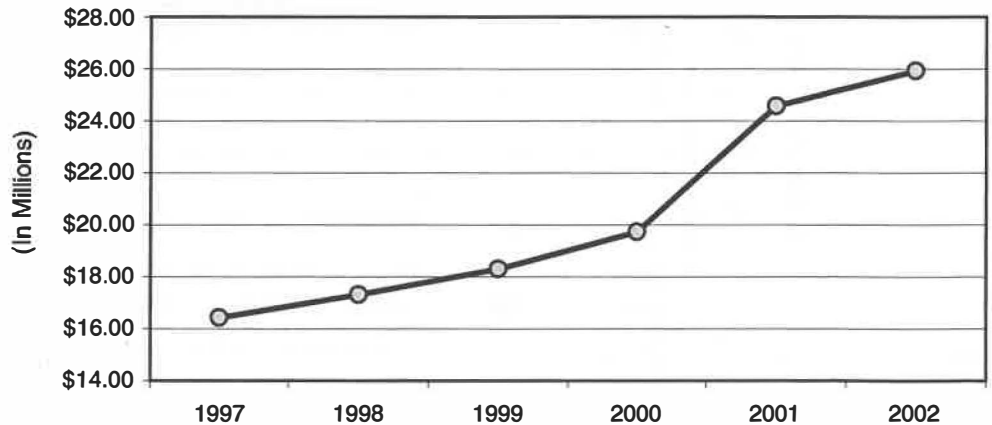
Expenses as a Percent of Revenue

- ◆ Slight increases in various years are indicative of costs associated with Business License Information System application development project.



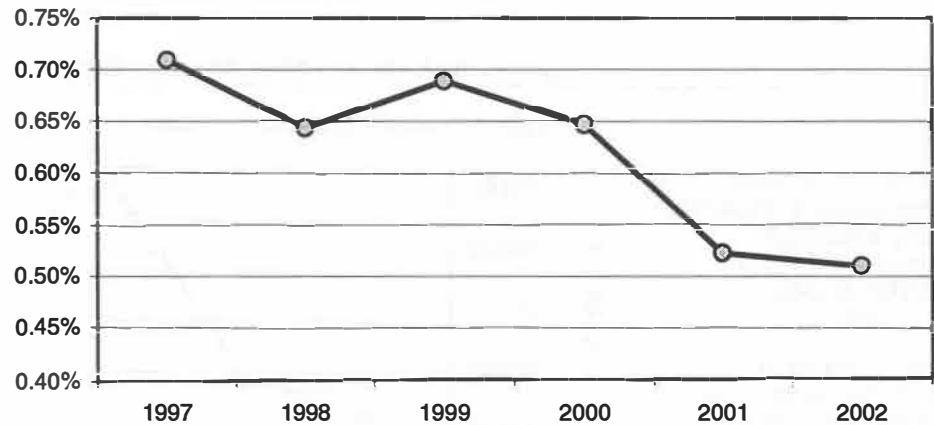
Transient Lodging Tax Collected

- ◆ In April, 2000, Multnomah County will begin collecting a temporary additional 2.5% tax for the expansion of the Convention Center and renovation of Civic Stadium.

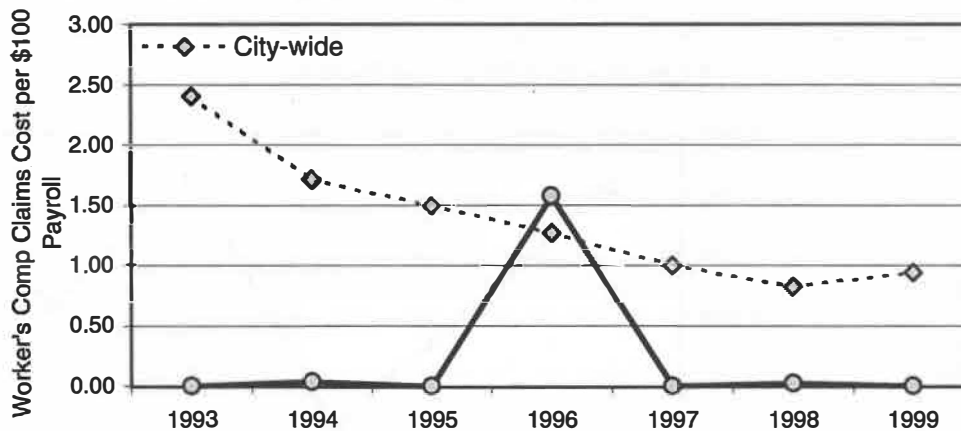


Transient Lodgings - Expenses as % of Revenues

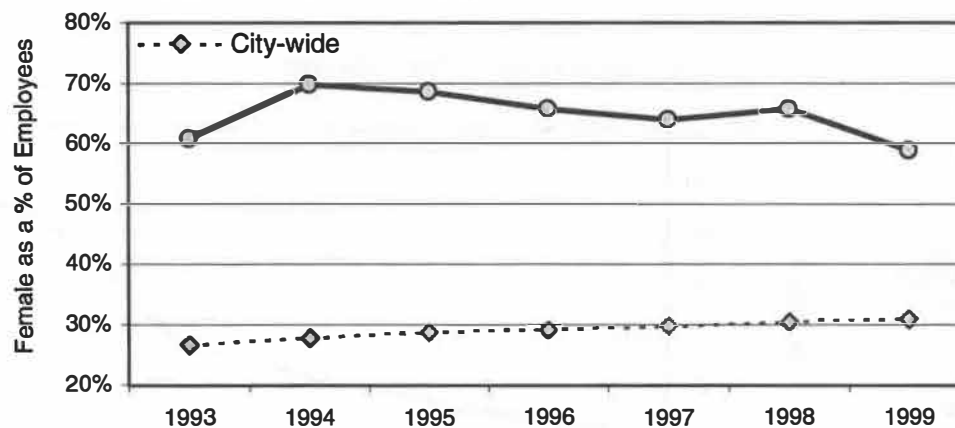
- ◆ Transient Lodging Taxes are collected from approximately 165 hotels and motels in Portland. The taxes are collected quarterly.
- ◆ Multnomah County and Convention & Tourism revenues are included in the calculation.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	2,136,897	2,258,213	2,446,871	2,771,761	2,771,761
External Materials and Services	124,091	242,810	267,127	249,602	269,602
Internal Materials and Services	544,889	478,090	500,816	593,916	593,916
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	2,805,877	2,979,113	3,214,814	3,615,279	3,635,279
Capital Improvements	35,131	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 2,841,008	\$ 2,979,113	\$ 3,214,814	\$ 3,615,279	\$ 3,635,279
Allocated Overhead	580,537	229,013	459,004	381,507	297,737
Total Cost with Allocated Overhead	3,421,545	3,208,126	3,673,818	3,996,786	3,933,016
RESOURCES					
General Fund Discretionary		1,816,529	2,043,086	2,352,769	2,372,769
Non-Discretionary Revenues					
Grants & Donations		0	0	0	0
Contract Revenues		512,886	528,273	627,978	627,978
Interagency Revenues		52,081	52,967	54,662	54,662
Program Revenue		597,617	590,488	579,870	579,870
Total Non-Discretionary Revenues		1,162,584	1,171,728	1,262,510	1,262,510
TOTAL GENERAL FUND RESOURCES		\$ 2,979,113	\$ 3,214,814	\$ 3,615,279	\$ 3,635,279
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Business Licenses		2,484,766	2,582,352	3,008,398	3,028,398
<i>Positions</i>		33	33	39	39
Regulatory Programs		392,072	543,000	521,150	521,150
<i>Positions</i>		7	7	6	6
Transient Lodgings		102,275	89,462	85,731	85,731
<i>Positions</i>		1	1	1	1
Property Management		0	0	0	0
<i>Positions</i>		0	0	0	0
TOTAL PROGRAMS		\$ 2,979,113	\$ 3,214,814	\$ 3,615,279	\$ 3,635,279
<i>Positions</i>		41	41	46	46
<i>General Fund Discretionary Positions</i>		32	32	37	37

Office of Management and Finance

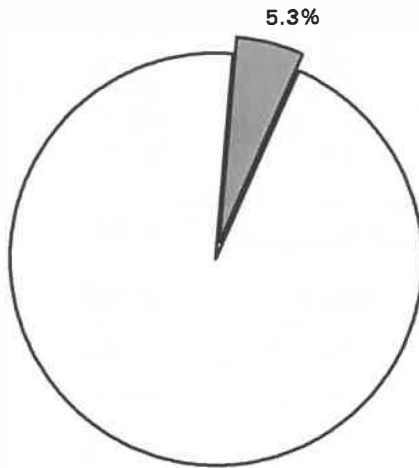
Legislative, Administrative and Support Services Service Area

Mayor Vera Katz, Commissioner-in-Charge

Timothy Grewe, Chief Administrative Officer

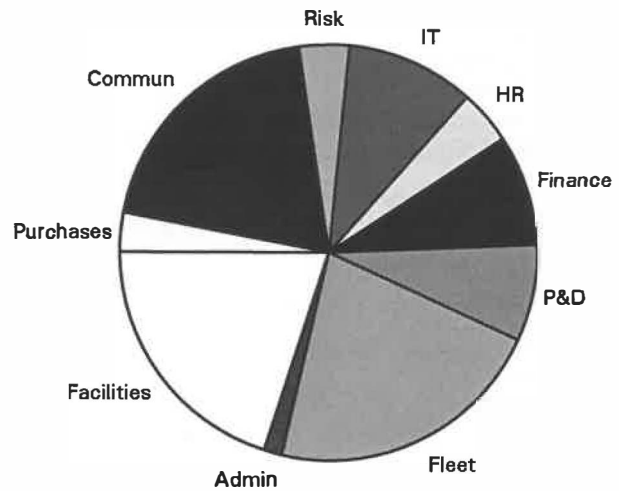
Percent of City Budget

OMF = \$89.4 Million



City Budget = \$1.68 Billion

Bureau Divisions

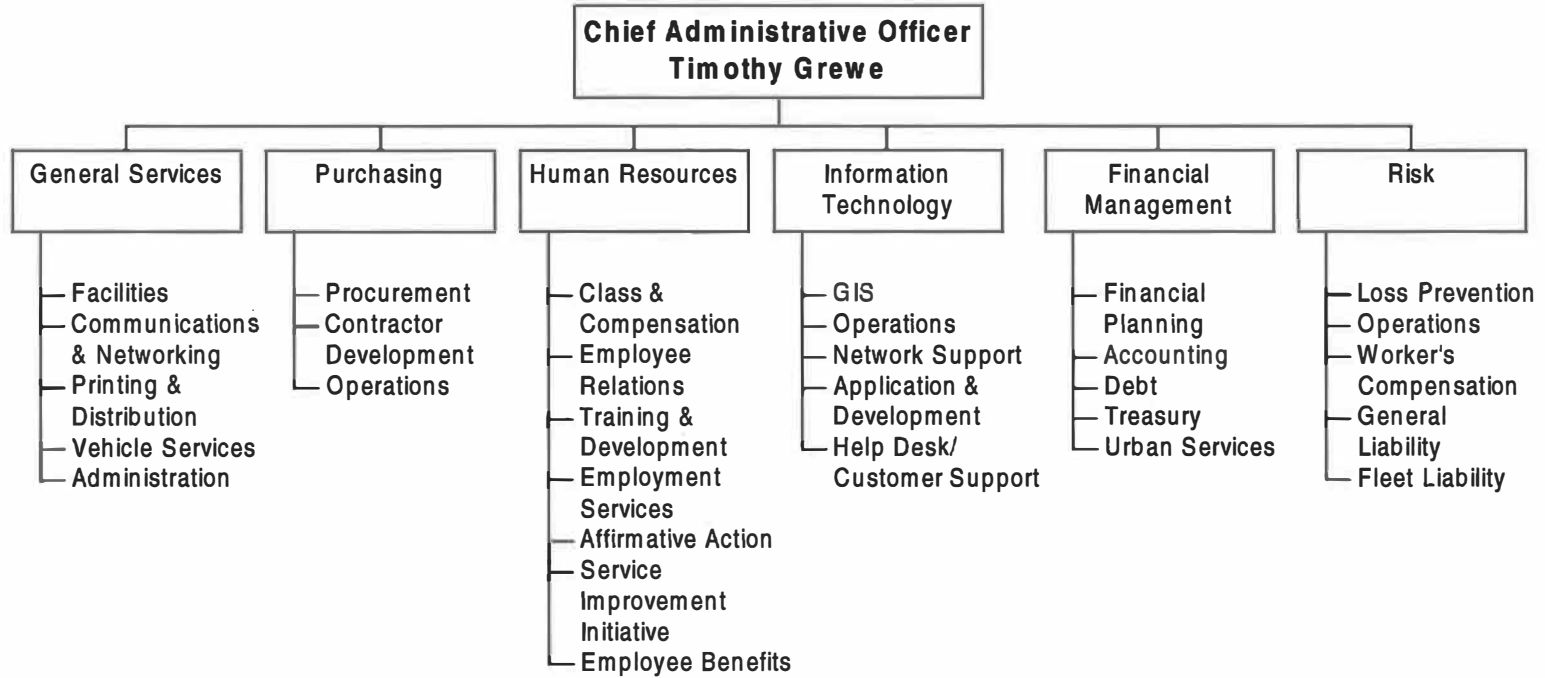


Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	84,817,845	76,988,435	-7,829,410	-13.2%
Capital	17,612,575	12,401,492	-5,211,083	-32.7%
Allocated Overhead Costs	2,144,885	2,019,031	-125,854	-10.0%
Total Cost with Allocated Overhead	\$ 104,575,305	\$ 91,408,958	\$ -13,166,347	-16.4%
Authorized Full-Time Positions	423	421	-2	-4.8%

Note: Per capita change values are adjusted for inflation and population growth.

Office of Management and Finance



Bureau Summary

BUREAU HIGHLIGHTS

Council creates the Office of Management and Finance.

The Council approved, effective May 3, 2000, a reorganization which created the Office of Management and Finance (OMF) by consolidating the Office of Finance and Administration, the Bureau of General Services, and the Bureau of Purchases. The reorganization was undertaken to achieve efficiencies and savings in the delivery of City administrative services.

OMF supports Council's strategic goals and strategies through its wide array of services.

The Office of Management and Finance provides leadership and services to the Mayor, Council, and bureaus in the following program areas:

- ◆ Financial Management
 - ◆ Financial planning and budget development.
 - ◆ Investment of the City's funds' debt issuance and management.
 - ◆ Oversight of the Oregon Arena and project leadership in other spectator facility issues.
 - ◆ Review of 2040 growth and ORS 195 service delivery policy issues.
 - ◆ Federal, state, and foundation grant compliance and reporting.
 - ◆ Intergovernmental collaboration in growth and service delivery policy issues.
- ◆ Human Resources
 - ◆ Management of human resources, employee benefits, and affirmative action.
 - ◆ Leadership in developing and implementing a Citywide approach to service improvement and labor-management partnerships.
- ◆ Information Technology
 - ◆ Corporate information technology strategic planning and services, including the Geographical Information System (GIS).
- ◆ Risk Management
 - ◆ Management and administration of the City's self-insured workers' compensation and liability insurance programs.
- ◆ Purchases
 - ◆ Administration of competitive contracting and bidding.
 - ◆ Facilitation of the City's Fair Contracting Employment Strategy implementation.
- ◆ General Services
 - ◆ Operation and maintenance of all communications-related services.
 - ◆ Facility planning, building maintenance, real property management, capital project management, and management of the City's Smart Park garage system.
 - ◆ Acquisition, modification, repair, and disposal of vehicles and equipment owned, leased, and rented by the City.
 - ◆ Copy, mail, duplication, and microfilm services.

**OMF Budget
Changes from FY
1999-00**

The Adopted Budget reflects OMF's focus on maintaining its critical and basic services and its ability to meet evolving customer needs.

FY 2000-01 OMF operating budgets resulted in reductions totaling approximately \$1.7 million. Reductions were made in a number of areas:

- ◆ Eliminating commercial quality printing services.
- ◆ Limiting mail delivery and pick-up to once a day.
- ◆ Eliminating non-essential models and options on vehicles rented and leased.
- ◆ Eliminating the Tuition Reimbursement Program.
- ◆ Reducing OMF employee training and education.
- ◆ Reducing materials and services.
- ◆ A net loss of five positions in the OMF Director's Office, Accounting Division, and the Bureau of Information Technology.

Additionally, approximately \$3.3 million in Bureau of General Services' (BGS) capital projects were removed from the FY 2000-01 budget. This was a result of delaying to FY 2001-02 the remodel of the Bureau of Purchases' space, examining other options for the Emergency Operations Center relocation, and requesting further examination of the Pearl District garage construction.

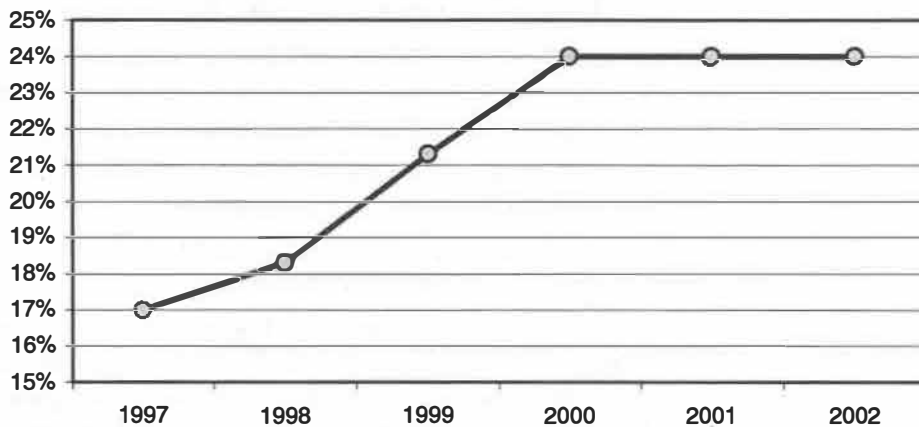
Restoration of reductions and/or enhancements to services were made by the Council as follows:

- ◆ Addition of a Procurement Card Administrator position.
- ◆ Approval of a software subscription agreement for the 800 MHz system.
- ◆ Approval of the Integrated Regional Network Enterprise (IRNE) capital project.
- ◆ Restoration of most major maintenance and capital replacement components of various BGS rates.
- ◆ Approval of capital projects to maintain, preserve, and enhance City facilities.
- ◆ Increased resources for the Citywide Service Improvement Initiative.
- ◆ A net increase of two new positions for workload assistance and organizational needs in BGS.

Performance Measures

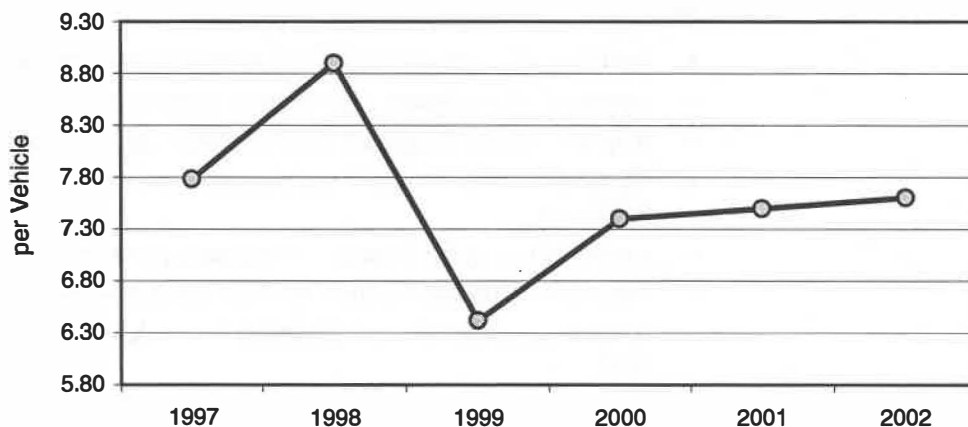
Percentage of Total Hours Worked by Minorities and Women

- ◆ Fair Contracting and Employment Strategy efforts have been implemented Citywide to increase the inclusion of women and minority-owned business enterprises on City projects.



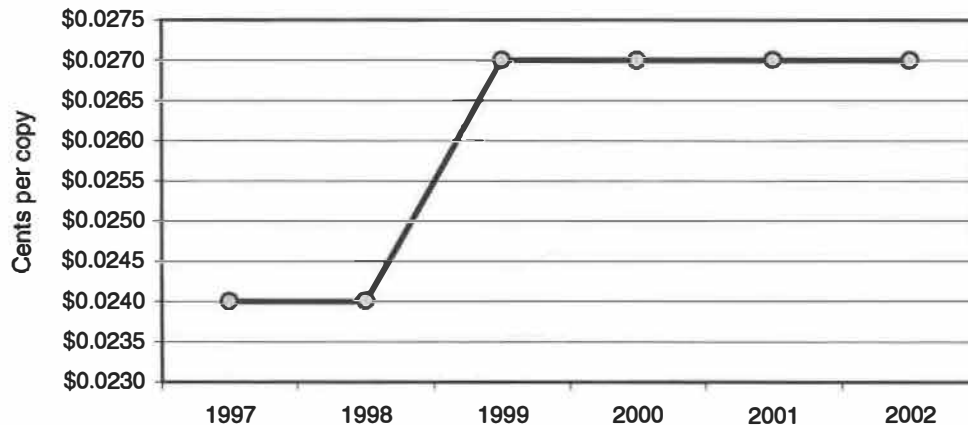
Number of Work Orders per Vehicle

- ◆ Over time, because of more thorough repairs and preventive maintenance, vehicles are becoming more reliable.
- ◆ Vehicle Services' computer system now allows repair orders to be included with Preventive Maintenance Work Orders to reduce the total number of Work Orders.



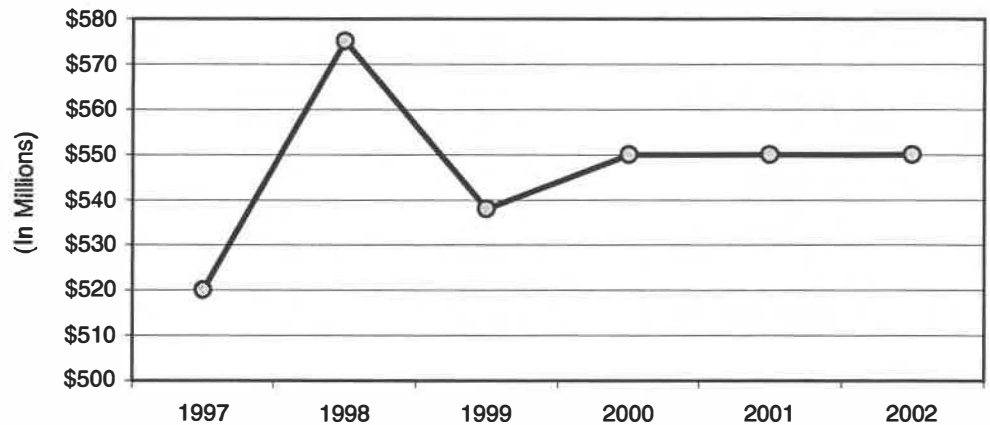
Basic Copy Center Rate

- ◆ Through efficiencies and increased volume, Printing and Distribution has only had one rate increase in the last nine years.
- ◆ Over the nine year period, inflation has averaged 3.9%, and the basic copy center rate has only increased the equivalent of 1.7%

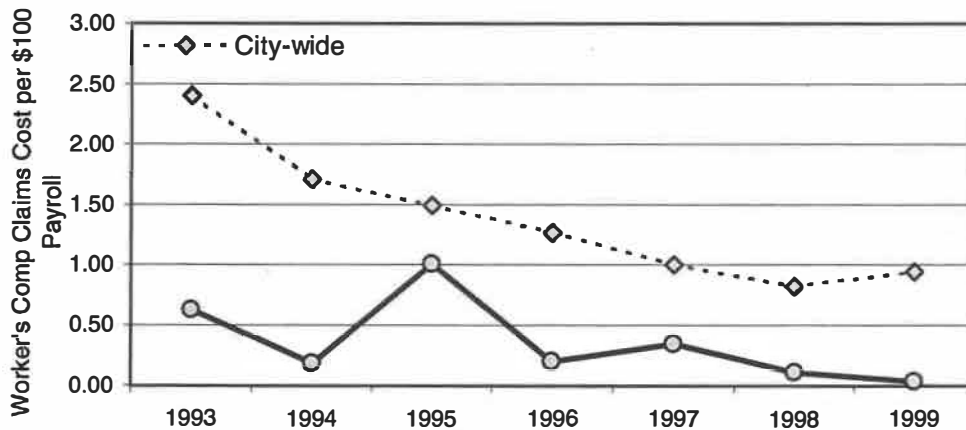


Investment Portfolio Managed

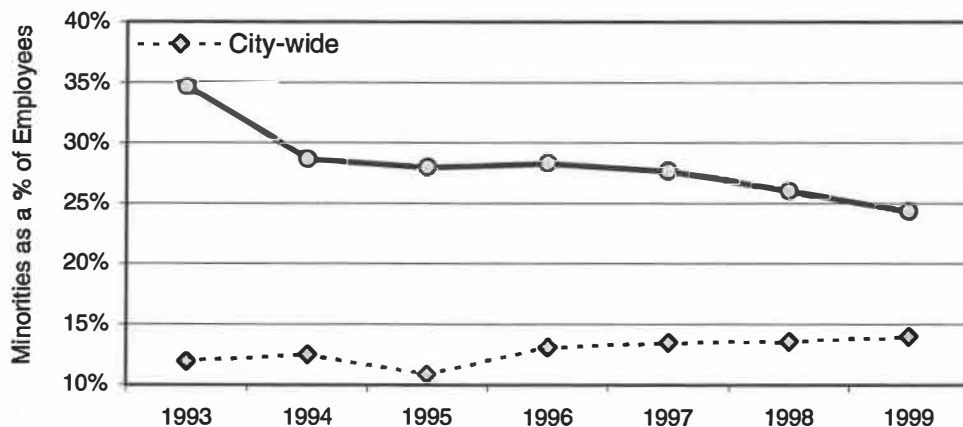
- ◆ The Investment Portfolio continues to increase.
- ◆ The portfolio size is impacted by City fund balances and the issuance of debt.



Bureau Loss Experience vs. Citywide Loss Experience



Workforce Diversity — Bureau Employees vs. Citywide Employees



Office of Management and Finance

SUMMARY OF BUREAU BUDGET

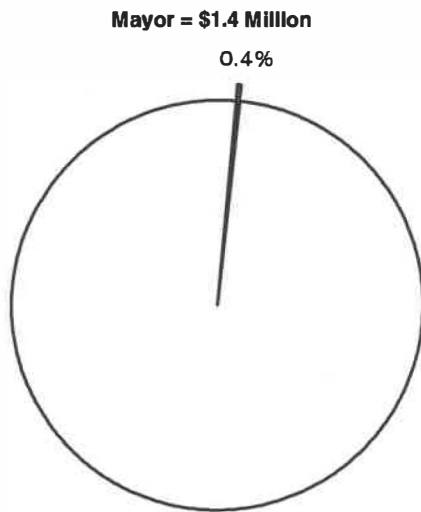
	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	22,547,110	24,846,202	28,385,897	28,845,942	28,845,942
External Materials and Services	22,337,647	28,823,168	37,064,054	33,380,630	33,783,873
Internal Materials and Services	6,225,924	8,251,551	9,309,731	7,922,650	7,922,650
Minor Capital Outlay	5,159,615	7,484,345	10,058,163	6,435,970	6,435,970
Equipment Cash Transfers	2,500	53,044	0	0	0
Total Operating Budget	56,272,796	69,458,310	84,817,845	76,585,192	76,988,435
Capital Improvements	21,732,291	23,196,413	17,612,575	12,401,492	12,401,492
TOTAL BUREAU EXPENDITURES	\$ 78,005,087	\$ 92,654,723	\$ 102,430,420	\$ 88,986,684	\$ 89,389,927
Allocated Overhead	1,951,876	2,065,464	2,144,885	2,056,513	2,019,031
Total Cost with Allocated Overhead	79,956,963	94,720,187	104,575,305	91,043,197	91,408,958
RESOURCES					
BGS Administration		1,531,724	1,426,900	1,455,745	1,455,745
Communications Fund		9,469,430	13,149,330	17,547,029	17,547,029
Facilities Services Fund		32,757,857	29,129,183	17,730,312	17,730,312
Printing & Distribution Fund		6,356,211	6,886,487	6,880,820	6,689,559
Fleet Services Fund		17,780,111	21,535,966	19,272,847	19,272,847
Information Technology Fund		0	0	8,745,444	8,144,034
Health Fund		0	0	807,231	1,076,846
Worker's Comp Fund		0	0	1,548,045	1,946,344
Insurance & Claims Fund		0	0	1,228,151	1,228,151
Discretionary General Fund		8,236,034	9,808,357	4,226,168	5,077,076
Non-Discretionary Revenues					
Grants & Donations		73,589	76,033	0	0
Contract Revenues		169,140	152,512	379,067	379,067
Interagency Revenues		10,668,665	14,476,937	1,714,894	1,774,894
Bureau Program Revenues		592,808	396,219	317,399	317,399
Overhead Revenues		5,019,154	5,392,496	7,133,532	6,750,624
Total Non-Discretionary Revenues		16,523,356	20,494,197	9,544,892	9,221,984
Total General Fund Resources		24,759,390	30,302,554	13,771,060	14,299,060
TOTAL RESOURCES		\$ 92,654,723	\$ 102,430,420	\$ 88,986,684	\$ 89,389,927
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
DIVISIONS					
Bureau of Purchases		2,418,526	2,911,799	2,761,622	2,829,622
<i>Positions</i>		24	28	28	28
Bureau of Financial Management		18,772,438	23,483,084	7,456,119	7,766,119
<i>Positions</i>		150	158	67	67
Bureau of Information Technology		0	0	8,745,444	8,811,948
<i>Positions</i>		0	0	50	50
Bureau of Human Resources		3,568,426	3,907,671	3,553,319	3,703,319
<i>Positions</i>		35	36	37	37
Bureau of Risk Management		0	0	3,583,427	3,583,427
<i>Positions</i>		0	0	36	36
Facilities Services Division		32,758,490	29,128,933	17,730,312	17,730,312
<i>Positions</i>		31	37	37	37
Communication Services Division		9,469,430	13,149,330	17,547,029	17,547,029
<i>Positions</i>		33	35	37	37
Vehicle Services Division		17,780,111	21,535,966	19,272,847	19,272,847
<i>Positions</i>		80	81	83	83
Printing & Distribution Services Division		6,356,211	6,886,487	6,880,820	6,689,559
<i>Positions</i>		29	31	29	29
Administrative Services Division-General Services		1,531,724	1,426,900	1,455,745	1,455,745
<i>Positions</i>		17	17	17	17
TOTAL DIVISIONS		\$ 92,655,356	\$ 102,430,170	\$ 88,986,684	\$ 89,389,927
<i>Positions</i>		399	423	421	421
<i>General Fund Discretionary Positions</i>		44	44	41	52

Office of the Mayor

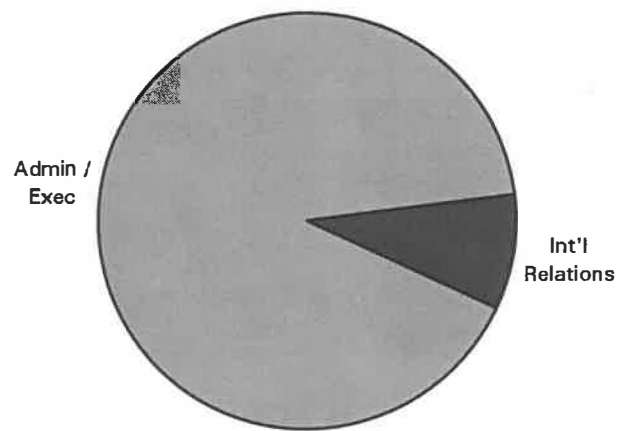
Legislative, Administrative and Support Services Service Area

Mayor Vera Katz, Commissioner-in-Charge

Percent of General Fund



Bureau Programs



Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	1,356,165	1,368,801	12,636	-3.5%
Capital	0	0	0	0.0%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 1,356,165	\$ 1,368,801	\$ 12,636	-3.5%
Authorized Full-Time Positions	16	16	0	-4.4%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau Summary

BUREAU MISSION

The office of the Mayor strives for excellence in implementing the Mayor's vision and supporting her leadership.

BUREAU HIGHLIGHTS

The Mayor is charged with the responsibility to exercise a careful supervision over the general affairs of the City. In doing so, some of the Mayor's duties include preparing a proposed City budget each year, chairing Council meetings, and assigning bureau oversight to Council members.

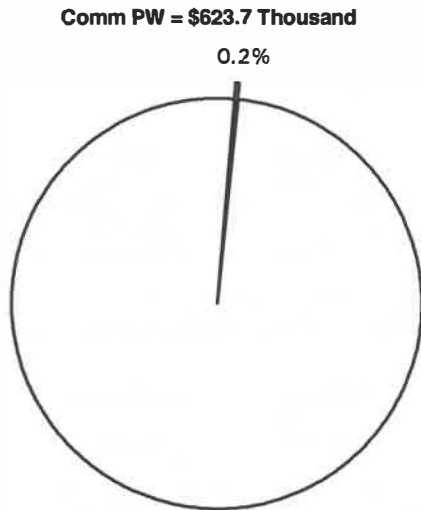
	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	1,000,791	1,061,352	1,090,896	1,066,214	1,066,214
External Materials and Services	162,293	84,899	37,142	37,172	37,172
Internal Materials and Services	152,050	218,081	228,127	265,415	265,415
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	1,315,134	1,364,332	1,356,165	1,368,801	1,368,801
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 1,315,134	\$ 1,364,332	\$ 1,356,165	\$ 1,368,801	\$ 1,368,801
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	1,315,134	1,364,332	1,356,165	1,368,801	1,368,801
RESOURCES					
General Fund Discretionary		569,546	514,870	564,787	584,184
Non-Discretionary Revenues					
Grants & Donations		7,960	0	0	0
Contract Revenues		0	0	0	0
Interagency Revenues		0	0	0	0
Program Revenue		50,631	65,648	66,100	66,100
Overhead Revenues		736,195	775,647	737,914	718,517
Total Non-Discretionary Revenues		794,786	841,295	804,014	784,617
TOTAL GENERAL FUND RESOURCES		\$ 1,364,332	\$ 1,356,165	\$ 1,368,801	\$ 1,368,801
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.					
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Administrative/Executive		1,223,293	1,230,195	1,248,144	1,248,144
<i>Positions</i>		14	14	14	14
International Relations		141,039	125,970	120,657	120,657
<i>Positions</i>		2	2	2	2
TOTAL PROGRAMS		\$ 1,364,332	\$ 1,356,165	\$ 1,368,801	\$ 1,368,801
<i>Positions</i>		16	16	16	16
<i>General Fund Discretionary Positions</i>		7	6	6	6

Commissioner of Public Works

Legislative, Administrative and Support Services Service Area

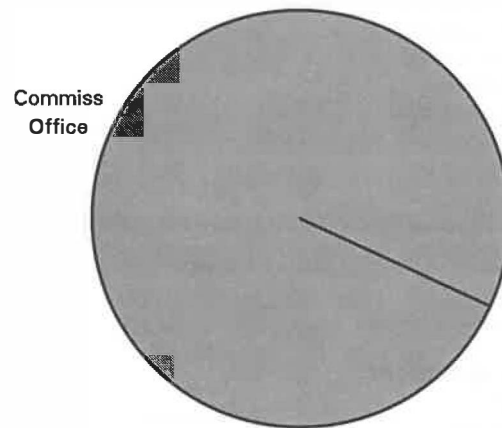
Erik Sten, Commissioner-in-Charge

Percent of General Fund



General Fund = \$354 Million

Bureau Programs



Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	632,414	623,693	-8,721	-5.7%
Capital	0	0	0	0.0%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 632,414	\$ 623,693	\$ -8,721	-5.7%
Authorized Full-Time Positions	8	8	0	-4.4%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau Summary

BUREAU HIGHLIGHTS

The Commissioner of Public Works is an elected official and is responsible for overseeing various City bureaus. Commissioner Sten also serves as the City's liaison to several boards and commissions.

Commissioner Sten's goals reflect his priorities:

- ◆ To expand housing preservation and production capacity,
- ◆ To complete the Regional Water Supply Plan,
- ◆ To support strategies promoting community environmental health,
- ◆ To support positive labor-management relations,
- ◆ To pursue consumer interest strategies, and
- ◆ To represent the City in energy and telecommunications deregulation.

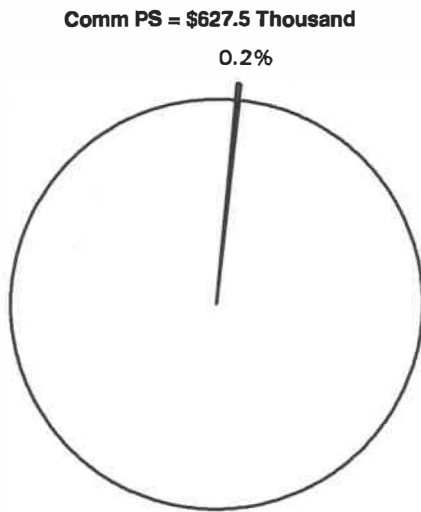
	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	470,386	475,100	532,833	518,012	518,012
External Materials and Services	11,733	20,943	20,008	5,901	5,901
Internal Materials and Services	81,782	86,143	79,573	99,780	99,780
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	563,901	582,186	632,414	623,693	623,693
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 563,901	\$ 582,186	\$ 632,414	\$ 623,693	\$ 623,693
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	563,901	582,186	632,414	623,693	623,693
RESOURCES					
General Fund Discretionary		264,034	297,334	267,869	277,221
Non-Discretionary Revenues					
Grants & Donations		0	0	0	0
Contract Revenues		0	0	0	0
Interagency Revenues		0	0	0	0
Program Revenue		116	0	0	0
Overhead Revenues		318,036	335,080	355,824	346,472
Total Non-Discretionary Revenues		318,152	335,080	355,824	346,472
TOTAL GENERAL FUND RESOURCES		\$ 582,186	\$ 632,414	\$ 623,693	\$ 623,693
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office		582,186	632,414	623,693	623,693
<i>Positions</i>		<i>8</i>	<i>8</i>	<i>8</i>	<i>8</i>
TOTAL PROGRAMS		\$ 582,186	\$ 632,414	\$ 623,693	\$ 623,693
<i>Positions</i>		<i>8</i>	<i>8</i>	<i>8</i>	<i>8</i>
<i>General Fund Discretionary Positions</i>		<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>

Commissioner of Public Safety

Legislative, Administrative and Support Services Service Area

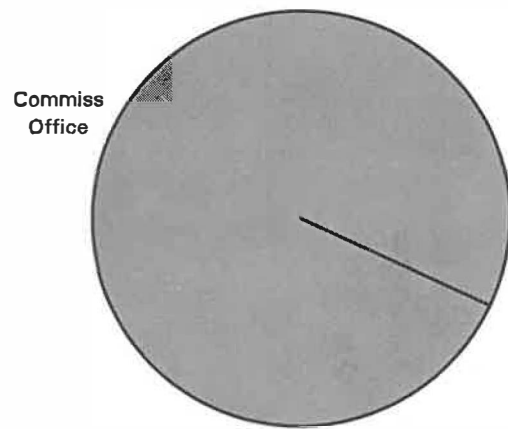
Charlie Hales, Commissioner-in-Charge

Percent of General Fund



General Fund = \$354 Million

Bureau Programs



Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	624,399	627,535	3,136	-3.9%
Capital	0	0	0	0.0%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 624,399	\$ 627,535	\$ 3,136	-3.9%
Authorized Full-Time Positions	6	6	0	-4.4%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau Summary

BUREAU HIGHLIGHTS

The Commissioner of Public Safety is an elected official and is responsible for overseeing various City bureaus. The Commissioner also serves as the City's liaison to several boards and commissions.

Commissioner of Public Safety AU 191

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	462,213	485,499	505,679	490,093	490,093
External Materials and Services	15,142	26,450	34,816	36,706	36,706
Internal Materials and Services	88,833	82,891	83,904	100,736	100,736
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	566,188	594,840	624,399	627,535	627,535
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 566,188	\$ 594,840	\$ 624,399	\$ 627,535	\$ 627,535
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	566,188	594,840	624,399	627,535	627,535
RESOURCES					
General Fund Discretionary		276,804	289,319	271,206	280,572
Non-Discretionary Revenues					
Grants & Donations		0	0	0	0
Contract Revenues		0	0	0	0
Interagency Revenues		0	0	0	0
Program Revenue		0	0	0	0
Overhead Revenues		318,036	335,080	356,329	346,963
Total Non-Discretionary Revenues		318,036	335,080	356,329	346,963
TOTAL GENERAL FUND RESOURCES		\$ 594,840	\$ 624,399	\$ 627,535	\$ 627,535
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office		594,840	624,399	627,535	627,535
Positions		6	6	6	6
TOTAL PROGRAMS		\$ 594,840	\$ 624,399	\$ 627,535	\$ 627,535
Positions		6	6	6	6
<i>General Fund Discretionary Positions</i>		3	3	3	3

Commissioner of Public Affairs

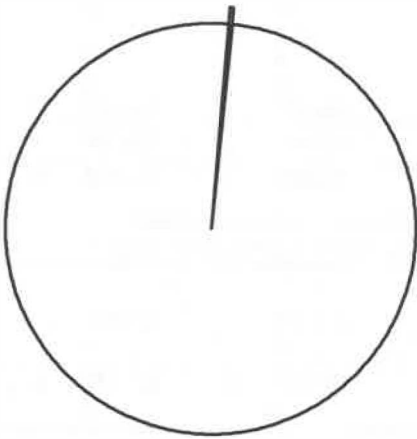
Legislative, Administrative and Support Services Service Area

Dan Saltzman, Commissioner-in-Charge

Percent of General Fund

Comm PA = \$621.3 Thousand

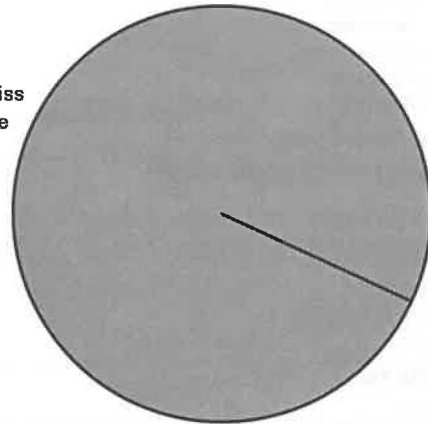
0.2%



General Fund = \$354 Million

Bureau Programs

Commiss
Office



Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	627,061	621,294	-5,767	-5.2%
Capital	0	0	0	0.0%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 627,061	\$ 621,294	\$ -5,767	-5.2%
Authorized Full-Time Positions	7	7	0	-4.4%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau Summary

BUREAU HIGHLIGHTS

Commissioner Dan Saltzman is responsible for overseeing the Bureau of Environmental Services, the Bureau of Emergency Communications, the Office of Neighborhood Involvement, and the Sustainable Portland Commission.

Commissioner Saltzman's top priorities are:

- ◆ Leading the way toward a more sustainable environment through the Green Building Initiative and formation of the Green Building Investment Fund.
- ◆ Enacting administrative reforms to reduce the cost of government.
- ◆ Implementing the Clean River Plan to clean up the Willamette River.
- ◆ Providing the most comprehensive and efficient 911 system for the safety of our citizens.
- ◆ Assisting the neighborhood associations to become a more cohesive system for neighborhood involvement.

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	466,911	493,181	506,999	488,889	488,889
External Materials and Services	45,323	35,521	33,279	32,153	32,153
Internal Materials and Services	82,776	87,413	86,783	100,252	100,252
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	3,500	0	0	0
Total Operating Budget	595,010	619,615	627,061	621,294	621,294
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 595,010	\$ 619,615	\$ 627,061	\$ 621,294	\$ 621,294
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	595,010	619,615	627,061	621,294	621,294
RESOURCES					
General Fund Discretionary		301,579	291,981	265,722	275,068
Non-Discretionary Revenues					
Grants & Donations		0	0	0	0
Contract Revenues		0	0	0	0
Interagency Revenues		0	0	0	0
Program Revenue		0	0	0	0
Overhead Revenues		318,036	335,080	355,572	346,226
Total Non-Discretionary Revenues		318,036	335,080	355,572	346,226
TOTAL GENERAL FUND RESOURCES		\$ 619,615	\$ 627,061	\$ 621,294	\$ 621,294
Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.					
PROGRAMS					
Commissioner's Office		619,615	627,061	621,294	621,294
Positions		7	7	7	7
TOTAL PROGRAMS		\$ 619,615	\$ 627,061	\$ 621,294	\$ 621,294
Positions		7	7	7	7
<i>General Fund Discretionary Positions</i>		3	3	3	3

Commissioner of Public Utilities

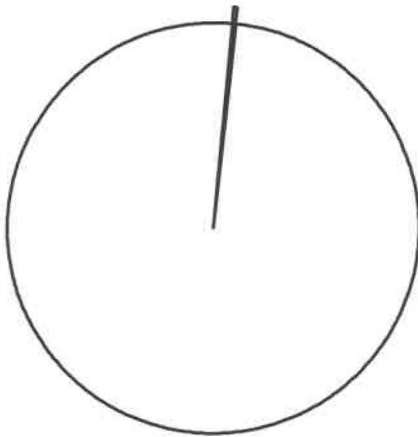
Legislative, Administrative and Support Services Service Area

Jim Francesconi, Commissioner-in-Charge

Percent of General Fund

Comm PU = \$622 Thousand

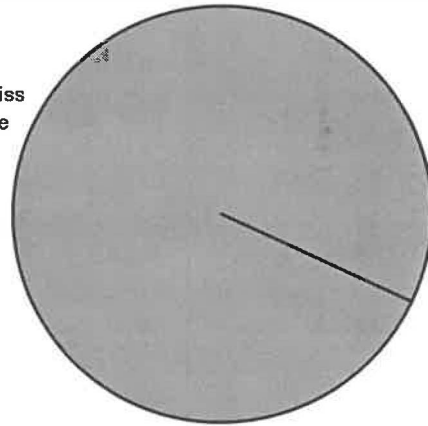
0.2%



General Fund = \$354 Million

Bureau Programs

Commiss
Office



Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	654,589	622,036	-32,553	-9.1%
Capital	0	0	0	0.0%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 654,589	\$ 622,036	\$ -32,553	-9.1%
Authorized Full-Time Positions	7	7	0	-4.4%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau Summary

BUREAU HIGHLIGHTS

The Commissioner of Public Utilities is an elected official and is responsible for overseeing various City bureaus. Commissioner Francesconi also serves as the City's liaison to several boards and commissions.

The office of the Commissioner of Public Utilities supports the Commissioner in carrying out his duties. Commissioner Francesconi is committed to developing creative partnerships with the community, the private sector, the schools, and non profit organizations to build understanding and to achieve the best possible solutions to the challenges and opportunities facing the City.

Commissioner of Public Utilities AU 193

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	498,945	475,254	511,388	496,766	496,766
External Materials and Services	14,397	25,148	51,870	22,571	22,571
Internal Materials and Services	93,753	91,569	91,331	102,699	102,699
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	0	0	0	0	0
Total Operating Budget	607,095	591,971	654,589	622,036	622,036
Capital Improvements	0	0	0	0	0
TOTAL BUREAU EXPENDITURES	\$ 607,095	\$ 591,971	\$ 654,589	\$ 622,036	\$ 622,036
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	607,095	591,971	654,589	622,036	622,036
RESOURCES					
General Fund Discretionary		273,587	319,509	266,464	275,810
Non-Discretionary Revenues					
Grants & Donations		0	0	0	0
Contract Revenues		0	0	0	0
Interagency Revenues		0	0	0	0
Program Revenue		348	0	0	0
Overhead Revenues		318,036	335,080	355,572	346,226
Total Non-Discretionary Revenues		318,384	335,080	355,572	346,226
TOTAL GENERAL FUND RESOURCES		\$ 591,971	\$ 654,589	\$ 622,036	\$ 622,036
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
PROGRAMS					
Commissioner's Office		591,971	654,589	622,036	622,036
Positions		7	7	7	7
TOTAL PROGRAMS		\$ 591,971	\$ 654,589	\$ 622,036	\$ 622,036
Positions		7	7	7	7
<i>General Fund Discretionary Positions</i>		3	3	3	3

Special Appropriations

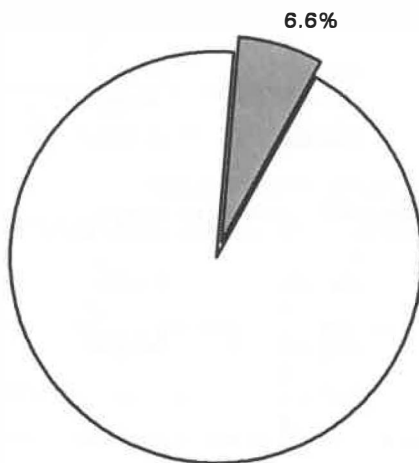
Legislative, Administrative and Support Services Service Area

Mayor Vera Katz, Commissioner-in-Charge

Timothy Grewe, Director

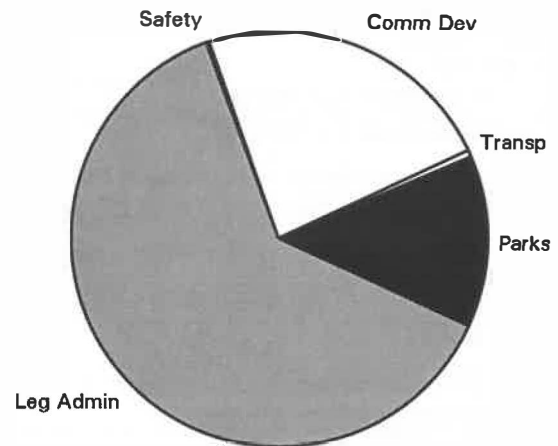
Percent of General Fund

Special Approp = \$23.2 Million



General Fund = \$354 Million

Bureau Divisions



Bureau Overview

Expenditures in Millions	Revised FY 1999-00	Adopted FY 2000-01	Change from Prior Year	Per Capita Change
Operating	22,951,464	21,356,213	-1,595,251	-11.0%
Capital	1,883,000	1,883,000	0	-4.4%
Allocated Overhead Costs	0	0	0	0.0%
Total Cost with Allocated Overhead	\$ 24,834,464	\$ 23,239,213	\$ -1,595,251	-10.5%
Authorized Full-Time Positions	0	0	0	0.0%

Note: Per capita change values are adjusted for inflation and population growth.

Bureau Summary

BUREAU HIGHLIGHTS

- Description** Special Appropriations are primarily used for General Fund expenditures on services or projects which are not specific to any particular bureau's operating budget and which provide Citywide benefit. The duration of a Special Appropriation can be a limited term or ongoing. During the course of any fiscal year, a particular bureau may be identified to provide the service, and the appropriation will be transferred to that bureau.
- Proposed FY 2000-01 Special Appropriations total approximately \$23.2 million.
- Resources** Resources for Special Appropriations in FY 2000-01 include:
- ◆ \$23.1 million in discretionary General Fund resources, and \$65,000 in Innovations Loan Fund repayments.
- New Appropriations** There are two new Special Appropriations for FY 2000-01: Storefront Improvements and Enterprise Zones.
- Closed Special Appropriations** Eleven Special Appropriations have been discontinued for FY 2000-01. They have closed because grants or one-time funding have expired. See detail in changes from prior year, below.

Special Appropriations AU 401

SUMMARY OF BUREAU BUDGET

	Actual FY 1997-98	Actual FY 1998-99	Revised FY 1999-00	Proposed FY 2000-01	Adopted FY 2000-01
EXPENDITURES					
Operating Budget					
Personal Services	175,608	9,810	0	0	0
External Materials and Services	15,438,433	16,148,744	22,031,022	20,823,457	21,153,695
Internal Materials and Services	118,660	169,361	920,442	202,518	202,518
Minor Capital Outlay	0	0	0	0	0
Equipment Cash Transfers	2,344	0	0	0	0
Total Operating Budget	15,735,045	16,327,915	22,951,464	21,025,975	21,356,213
Capital Improvements	0	5,117,000	1,883,000	0	1,883,000
TOTAL BUREAU EXPENDITURES	\$ 15,735,045	\$ 21,444,915	\$ 24,834,464	\$ 21,025,975	\$ 23,239,213
Allocated Overhead	0	0	0	0	0
Total Cost with Allocated Overhead	15,735,045	21,444,915	24,834,464	21,025,975	23,239,213
RESOURCES					
General Fund Discretionary		21,052,539	24,603,458	20,960,975	23,174,213
Non-Discretionary Revenues					
Grants & Donations		384,925	176,006	0	0
Contract Revenues		0	0	0	0
Interagency Revenues		30,000	55,000	65,000	65,000
Program Revenue		0	0	0	0
Total Non-Discretionary Revenues		414,925	231,006	65,000	65,000
TOTAL GENERAL FUND RESOURCES		\$ 21,467,464	\$ 24,834,464	\$ 21,025,975	\$ 23,239,213
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose. Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
DIVISIONS					
Public Safety Service Area		410,575	231,636	55,918	55,918
<i>Positions</i>		0	0	0	0
Parks & Recreation Service Area		3,254,944	4,290,796	3,074,543	3,074,543
<i>Positions</i>		0	0	0	0
Community Development Service Area		9,343,886	9,990,186	3,522,113	5,466,613
<i>Positions</i>		0	0	0	0
Transportation Service Area		110,039	139,888	140,612	140,612
<i>Positions</i>		0	0	0	0
Legislative & Administration Service Area		8,325,471	10,181,958	14,232,789	14,501,527
<i>Positions</i>		0	0	0	0
TOTAL DIVISIONS		\$ 21,444,915	\$ 24,834,464	\$ 21,025,975	\$ 23,239,213
<i>Positions</i>		0	0	0	0
<i>General Fund Discretionary Positions</i>		0	0	0	0