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**ADOPTED BUDGET
CITY OF PORTLAND
OREGON**



FISCAL YEAR 2002-2003

Volume Two

City Funds

Financial Plans and Policies

Portland's Willamette River Atlas River Renaissance

The composed photo illustration on the budget cover was taken from Portland's Willamette River Atlas, a colorful and educational twenty-seven-page compendium of maps and text that describe Portland's changing landscape and relationship with the Willamette River over the past 100 years. Jim Ann Carter was the graphic illustrator in the Bureau of Planning who took the original photograph and graphically shaped it into the vibrant picture seen here. Shot from the Sellwood Bridge, the right foreground highlights Sellwood Waterfront Park while Willamette Park juts into the river from the left. The Willamette River flows grandly through the region with Downtown Portland forming an impressive backdrop.

The River Atlas documents the inherent links between the Willamette River and the city of Portland and maps the current characteristics of the river. River Renaissance is the City of Portland's comprehensive initiative to respond to the challenges of the twenty-first century. The River Renaissance Vision calls for a clean and healthy river, a prosperous working harbor, vibrant new waterfront districts and neighborhoods, enhanced access to the river, and new recreational opportunities.

Adopted Budget

City of Portland, Oregon

Fiscal Year 2002-03
Volume Two

City Funds
Financial Plans and Policies

Mayor Vera Katz

Commissioner Jim Francesconi

Commissioner Dan Saltzman

Commissioner Erik Sten

Auditor Gary Blackmer

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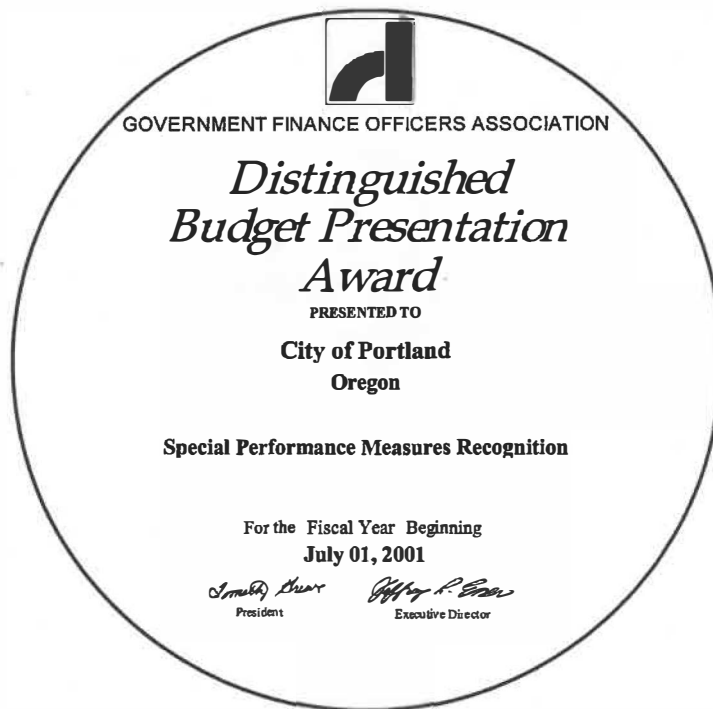
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Budget Award

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 annual budget for the fiscal year beginning July 1, 2001.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget document continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





User's Guide

The FY 2002-03 Adopted Budget document consists of three volumes. Volume One contains general information about the City of Portland budget, and presents the budgets of the City's bureaus and offices. Volume Two has information about the City's funds and Volume Three contains detail on the City's capital projects.

VOLUME ONE – BUREAU BUDGETS: PROGRAMS AND SERVICES

User's Guide	This outline describes the elements of Volume One.
Mayor's Budget Message	Mayor Vera Katz presents a budget message, highlighting the challenges, opportunities, uncertainties and decisions that she and the City have faced in the development of the Adopted Budget for FY 2002-03.
Budget Overviews	Budget Overview The Overview summarizes the City budget from a technical perspective, links decisions and programs to City Council goals and strategic issues, presents Citywide data, and summarizes the budget decisions incorporated into the Adopted Budget. Financial Overview The Financial Overview provides a summary of the financial planning process and the five-year financial forecast. It also highlights key revenue and expenditure trends and issues. Financial Tables These are a series of financial summaries of operating and capital revenues and expenditures, both Citywide and for specific bureaus and funds.
Service Area Information	City bureaus are categorized into service areas based on the nature of their programs and services. Each service area section of the budget document presents a summary description and highlights of the relevant bureaus. This is followed by the proposed budgets for each bureau in the service area. <ul style="list-style-type: none">◆ Public Safety◆ Parks, Recreation and Culture◆ Public Utilities◆ Community Development◆ Transportation and Parking◆ Legislative, Administrative and Support Services

VOLUME TWO – FINANCIAL BUDGET

Financial Summaries	Tables at the front of Volume Two summarize the City budget across all funds. The tax levy computations and urban renewal tax certifications are included. Tables summarizing outstanding debt held by the City complete the financial summaries.
Fund Summaries	Presented in the same service area order as Volume One, this section details the resources and expenditures of each City fund, with brief supporting narrative.

Appendices

The appendices include three sections of documents supporting development of the City's budget:

1. **Financial Plans:** Financial Plans provide the foundation for sound budgets. The financial plans of the General Fund and the enterprise funds are included to provide a more detailed information about the financial context and implementation decisions made in this budget
2. **Financial Policies:** These policies provide a framework for financial and budgetary decisions, especially during times of constrained or constricting resources in tension with increasing expectations for services. Financial policies also provide for a basis for stability over time, leavening more immediate interests and issues.
3. **Adopting Ordinances:** The ordinances that formally adopt the budget and levy taxes are included here. Also presented is the letter of certification of the City's Approved budget by the Multnomah County Tax Supervising and Conservation Commission.

VOLUME THREE – CAPITAL BUDGET**Overview of Capital Budgeting**

Includes an introduction to the City's Capital Improvement process, definition of capital, explains the decision process for funding General Fund projects, and process improvements.

Citywide Summary

Various tables which present CIP projects by service area, including anticipated changes to operating and maintenance costs. The tables also present a five year forecast of the capital budgets, funding sources, and costs by geographic area.

Capital Projects Detail

For each service area, this section describes each capital project, its location, five year cost estimates and sources of revenue for the projects, and any change to operating and maintenance costs. The projects are presented by Service Area.

Questions

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

Financial Summaries

Guide to the Financial Summaries

INTRODUCTION

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

APPROPRIATION SCHEDULE

Bureau Expenses by Fund

Volume Two, Table 1 summarizes 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. The total column of Table 6 is equivalent to the first column of Table 10.

Appropriation Schedule

Volume Two, Table 2, 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.

TAX LEVY COMPUTATION

Table 3 outlines City property tax levy calculations. Table 3 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.

SUMMARIES BY FUND

Tables 4 and 5 of Volume Two 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 4, 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 for the current budget and two years of history.

Revenues by Fund

Table 5 looks at Revenues by Fund. It provides a more detailed view of the major revenue types received by each fund.

HISTORICAL FUNDS

Table 6, 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.

CITY INDEBTEDNESS SUMMMARIES

Four tables are included that summarize the City's debt position. Table 7 summarizes debt outstanding by service, by type of indebtedness, and by estimated debt issues. Table 8 reports principal outstanding and interest due on City debt, with a summary by Service Area. Tables 9 and 10 are schedules of principal and interest transactions, respectively. Table 11 reports on defeased indebtedness.

Defeased bonds are payable from fully funded irrevocable escrow accounts established with the proceeds from the sale of another bond issue, refunding bonds. Defeased bonds are thereby removed as actual liabilities of the City, and the refunding bond liabilities are assumed in their place. Defeased bonds are then paid by the escrow account until their first available call date, at which time they are paid in their entirety. Bonds are defeased in this manner in order to convert higher rate debt with lower interest rate debt, or modify bond covenants for the City's benefit, or a combination of both.

GENERAL FUND/GENERAL RESERVE SUMMARIES

The General Fund and the General Reserve Fund summaries are included in this section because services provided by these funds fall into many service areas.

Summary of Bureau Expenses by Fund – FY 2002–03

TABLE 1

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	4,105,935	312,960	467,034	0	0	4,885,929
City Auditor	4,690,316	802,950	1,146,325	0	0	6,639,591
Cable Communications	603,562	820,902	298,160	0	0	1,722,624
Commissioner of Public Utilities	500,541	13,764	109,865	0	0	624,170
Commissioner of Public Works	510,534	10,925	102,711	0	0	624,170
Commissioner of Public Affairs	530,634	16,791	103,133	0	0	650,558
Commissioner of Public Safety	377,106	33,989	102,800	0	0	513,895
Community Development	1,774,211	7,042,172	166,690	0	0	8,983,073
Fire, Rescue & Emergency Service	55,836,589	4,531,616	4,335,077	950,000	0	65,653,282
Government Relations	425,523	224,696	101,408	0	0	751,627
Licenses	2,519,960	395,262	858,592	0	0	3,773,814
Mayor	956,763	32,904	390,941	0	0	1,380,608
Neighborhood Involvement	2,998,848	1,772,105	423,136	0	0	5,194,089
OMF - Bus Ops	2,767,545	1,229,729	1,120,886	0	0	5,118,160
OMF - BGS Bus Ops	293,654	29,108	20,378	0	0	343,140
OMF - Financial Management	4,504,321	685,518	2,226,050	0	0	7,415,889
OMF - Human Resources	4,163,417	649,037	845,179	0	0	5,657,633
OMF - Purchases	1,926,248	518,548	910,290	0	0	3,355,086
Parks - GF	25,421,659	10,498,932	5,528,597	11,590	0	41,460,778
Parks Stores	0	25,000	0	0	0	25,000
OSD-Green Building	317,888	42,888	32,975	0	0	393,751
OSD-Sustainable Practices	74,388	9,758	8,318	0	0	92,464
OSD-Energy	601,238	162,161	60,947	0	0	824,346
Planning	4,464,027	1,194,656	1,545,862	0	0	7,204,545
Police	91,443,842	10,767,645	21,732,936	0	0	123,944,423
Special Appropriations	0	21,982,708	220,910	0	0	22,203,618
Total General Fund	211,808,749	63,806,724	42,859,200	961,590	0	319,436,263
Operating Funds						
Spectator Facilities Fund	0	1,238,893	366,136	650,000	0	2,255,029
Assessment Collection	0	0	0	0	0	0
Planning and Development Fund	21,503,401	2,232,521	5,552,292	11,861	0	29,300,075
Cable	0	2,593,798	370,796	0	0	2,964,594
Emergency Communications	9,692,785	396,403	2,730,001	0	0	12,819,189
Golf	2,578,902	1,636,605	1,148,240	709,000	0	6,072,747
Hydropower Operating	249,246	103,300	189,004	0	0	541,550
Parking Facilities	0	3,650,565	2,893,857	0	0	6,544,422
Portland International Raceway	477,597	309,034	231,765	0	0	1,018,396
Property Management License	0	3,316,516	0	0	0	3,316,516
Public Safety	204,000	479,426	28,678	683,688	0	1,395,792
OSD-Solid Waste & Recycling	727,949	1,515,071	666,370	0	0	2,909,390
Sewage System Operating	37,068,939	29,910,351	32,903,194	68,506,193	25,000	168,413,677
Transportation Operating	50,828,084	28,694,534	16,388,465	21,876,903	0	117,787,986
Water	35,412,853	18,178,828	11,879,101	23,648,100	0	89,118,882
Total Operating Funds	158,743,756	94,255,845	75,347,899	116,085,745	25,000	444,458,245
Internal Service Funds						
Communications Svcs Operating	3,304,018	5,213,016	1,090,590	1,152,950	0	10,760,574
Information Technology Fund	11,551,653	3,235,294	1,564,417	0	0	16,351,364
Facilities Services	2,776,761	14,005,065	1,739,453	0	0	18,521,279
Fleet Services Operating	5,693,629	7,007,856	1,312,403	6,078,488	0	20,092,376
Health Insurance	422,088	30,601,170	451,372	0	0	31,474,630
Insurance and Claims Operating	665,036	4,524,224	1,642,710	0	0	6,831,970
Printing/Distribution Services	1,715,477	3,617,992	630,635	374,306	0	6,338,410
Workers' Compensation Operating	680,941	3,038,864	731,525	0	0	4,451,330
Total Internal Service Funds	26,809,603	71,243,481	9,163,105	7,605,744	0	114,821,933
Agency and Trust Funds						
Environmental Remediation	0	40,000	191,186	325,000	0	556,186
Housing Investment	0	14,701,838	0	6,500,000	0	21,201,838
Hydropower Renewal & Replacement	0	0	0	0	0	0

Summary of Bureau Expenses by Fund – FY 2002–03

TABLE 1

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
Portland Parks Memorial Trust	0	1,174,700	831,607	0	0	2,006,307
Parks Endowment Fund	0	1,400	0	0	0	1,400
Sewer Revolving Loan	0	36,000	0	0	0	36,000
Sewer System Rate Stabilization	0	0	0	0	0	0
Sewer System Safety Net	0	230,000	0	0	0	230,000
Water Growth Impact Charge Trust	0	0	0	0	0	0
Total Agency and Trust Funds	0	16,183,938	1,022,793	6,825,000	0	24,031,731
Construction Funds						
BFRES Facilities Bond Fund	0	298,513	2,069,752	11,122,248	0	13,490,513
Capital Improvement Fund	0	0	0	0	0	0
LID Construction Fund	0	75,000	3,323,741	2,249,161	0	5,647,902
Parks Bond Construction	0	0	0	0	0	0
Parks Construction	841,779	685,145	399,609	2,758,640	0	4,685,173
Sewer System Construction	0	0	0	0	0	0
Water Construction	0	0	0	0	0	0
Total Construction Funds	841,779	1,058,658	5,793,102	16,130,049	0	23,823,588
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
Gateway 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
Interstate Corridor Debt Service 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	402,083	75,000	0	0	477,083
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
Special Projects Debt Redemption	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	417,083	75,000	0	0	492,083
Federal and State Funds						
Federal Grants	0	0	0	0	0	0
Home Grant	0	4,577,293	370,707	0	0	4,948,000
Housing & Community Development	0	13,017,777	2,640,287	0	0	15,658,064
Total Federal and State Funds	0	17,595,070	3,010,994	0	0	20,606,064
Retirement Funds						
FPD&R	0	71,285,689	1,155,118	0	0	72,440,807
FPD&R Retirement Reserve	0	0	0	0	0	0
Supp Retirement Program Trust	0	7,200	0	0	0	7,200
Total Retirement Funds	0	71,292,889	1,155,118	0	0	72,448,007
Revenue and Reserve Fund						
Convention and Tourism	0	1,962,693	58,499	0	0	2,021,192
General Reserve	0	0	0	0	0	0
Parks Levy Fund	0	0	0	0	0	0
Special Finance & Resource Fund	0	42,030,000	1,140,000	0	0	43,170,000

Summary of Bureau Expenses by Fund – FY 2002–03

TABLE 1

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
Transportation Reserve	0	0	0	0	0	0
Total Revenue and Reserve Fund	0	43,992,693	1,198,499	0	0	45,191,192
TOTAL ALL FUNDS	\$ 398,203,887	\$ 379,846,381	\$ 139,625,710	\$ 147,608,128	\$ 25,000	\$1,065,309,106

Appropriation Schedule – FY 2002–03

TABLE 2

This table summarizes the major fund level requirements by bureaus in the General Fund, Special Appropriations, and other funds. Bureau level expenses are summarized in Table 6.

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
GENERAL FUND						
City Attorney	4,885,929	0	0	0	0	4,885,929
City Auditor	6,639,591	0	0	0	0	6,639,591
Cable Communications	1,722,624	0	0	0	0	1,722,624
Commissioner of Public Utilities	624,170	0	0	0	0	624,170
Commissioner of Public Works	624,170	0	0	0	0	624,170
Commissioner of Public Affairs	650,558	0	0	0	0	650,558
Commissioner of Public Safety	513,895	0	0	0	0	513,895
Community Development	8,983,073	0	0	0	0	8,983,073
Fire, Rescue & Emergency Service	65,653,282	0	35,000	0	0	65,688,282
Government Relations	751,627	0	0	0	0	751,627
Licenses	3,773,814	0	0	0	0	3,773,814
Mayor	1,380,608	0	0	0	0	1,380,608
OMF - Bus Ops	5,118,160	0	0	0	0	5,118,160
OMF - BGS Bus Ops	343,140	0	0	0	0	343,140
OMF - Financial Management	7,415,889	0	0	0	0	7,415,889
OMF - Human Resources	5,657,633	0	0	0	0	5,657,633
OMF - Purchases	3,355,086	0	0	0	0	3,355,086
Neighborhood Involvement	5,194,089	0	0	0	0	5,194,089
OSD-Green Building	393,751	0	0	0	0	393,751
OSD-Sustainable Practices	92,464	0	0	0	0	92,464
OSD-Energy	824,346	0	0	0	0	824,346
Parks - GF	41,460,778	0	0	0	0	41,460,778
Parks Stores	25,000	0	0	0	0	25,000
Planning	7,204,545	0	0	0	0	7,204,545
Police	123,944,423	0	0	0	0	123,944,423
Total General Fund Bureaus	297,232,645	0	35,000	0	0	297,267,645
Special Appropriations						
Public Safety						
Public Safety Coord Council	27,830	0	0	0	0	27,830
Pioneer Square Security	149,737	0	0	0	0	149,737
Parks & Recreation						
Holiday Festival	46,500	0	0	0	0	46,500
MERC/PCPA	630,982	0	0	0	0	630,982
Regional Arts & Culture Comm	2,379,207	0	0	0	0	2,379,207
Community Development						
Block by Block Weatherization	202,807	0	0	0	0	202,807
Children's Receiving Center	1,000,000	0	0	0	0	1,000,000
Civil Rights Enforcement	14,344	0	0	0	0	14,344
Clean & Safe (BID)	16,439	0	0	0	0	16,439
Downtown Services	775,765	0	0	0	0	775,765
Early Childhood Development	940,550	0	0	0	0	940,550
PDC 2040 Implementation	133,377	0	0	0	0	133,377
PDC Citywide Business Dev	451,138	0	0	0	0	451,138
PDC Business Districts Program	53,662	0	0	0	0	53,662
PDC Regional Business Dev	143,590	0	0	0	0	143,590
PDC Enterprise Zones	53,312	0	0	0	0	53,312
PDC Small Business Program	123,689	0	0	0	0	123,689
BHCD Workforce Development	105,489	0	0	0	0	105,489

Appropriation Schedule – FY 2002–03

TABLE 2

This table summarizes the major fund level requirements by bureaus in the General Fund, Special Appropriations, and other funds. Bureau level expenses are summarized in Table 6.

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
PDC Targeted Industry Jobs	124,526	0	0	0	0	124,526
Transportation & Parking						
Employee Transit Program	139,432	0	0	0	0	139,432
Legislative & Administration						
Business License Refunds	5,551,863	0	0	0	0	5,551,863
City Membership and Dues	240,172	0	0	0	0	240,172
Compensation Adjustments	8,053,712	0	0	0	0	8,053,712
COPPEEA Professional Development	125,000	0	0	0	0	125,000
Council Emergency Funds	5,000	0	0	0	0	5,000
Leaders Roundtable	10,038	0	0	0	0	10,038
Management Council	5,457	0	0	0	0	5,457
Special Election	200,000	0	0	0	0	200,000
Unemployment Insurance	500,000	0	0	0	0	500,000
Total Special Appropriations	22,203,618	0	0	0	0	22,203,618
Total Fund Requirements	0	7,704,136	28,178,085	10,349,589	0	46,231,810
TOTAL GENERAL FUND	\$ 319,436,263	\$ 7,704,136	\$ 28,213,085	\$ 10,349,589	\$ 0	\$ 365,703,073

OPERATING FUNDS

Assessment Collection	0	58,752	153	0	0	58,905
Cable	2,964,594	1,200,029	10,762	0	0	4,175,385
Emergency Communications	12,819,189	0	320,990	0	0	13,140,179
Golf	6,072,747	1,118,113	643,553	128,510	0	7,962,923
Hydropower Operating	541,550	187,834	262,447	0	0	991,831
Parking Facilities	6,544,422	1,920,251	6,027,146	0	0	14,491,819
Planning and Development Fund	29,300,075	1,613,828	1,210,449	0	0	32,124,352
Portland International Raceway	1,018,396	30,000	199,382	0	0	1,247,778
Property Management License	3,316,516	0	0	0	0	3,316,516
Public Safety	1,395,792	408,952	8,256	0	0	1,813,000
Solid Waste	2,909,390	1,861,505	800,045	0	0	5,570,940
Sewage System Operating	168,413,677	15,040,737	129,234,615	131,354	0	312,820,383
Spectator Facilities Fund	2,255,029	7,050,594	345,372	6,579,754	0	16,230,749
Transportation Operating	117,787,986	13,572,473	4,836,549	0	100,000	136,297,008
Water	89,118,882	14,449,856	34,734,053	490,134	40,000	138,832,925
Total Operating Funds	444,458,245	58,512,924	178,633,772	7,329,752	140,000	689,074,693
Internal Service Funds						
Communications Svcs Operating	10,760,574	10,972,509	371,618	713,372	0	22,818,073
Information Technology Fund	16,351,364	2,601,574	422,313	1,015,775	0	20,391,026
Facilities Services	18,521,279	7,738,486	1,027,757	10,093,713	0	37,381,235
Fleet Services Operating	20,092,376	2,441,636	3,139,717	0	0	25,673,729
Health Insurance	31,474,630	16,617,072	254,904	0	0	48,346,606
Insurance and Claims Operating	6,831,970	12,921,535	178,027	0	0	19,931,532
Printing/Distribution Services	6,338,410	1,005,725	265,509	0	0	7,609,644
Workers' Compensation Operating	4,451,330	11,651,742	162,056	0	0	16,265,128
Total Internal Service Funds	114,821,933	65,950,279	5,821,901	11,822,860	0	198,416,973
Agency and Trust Funds						
Environmental Remediation	556,186	93,968	466,879	0	0	1,117,033
Housing Investment	21,201,838	160,000	6,950,021	1,000,000	0	29,311,859

Appropriation Schedule – FY 2002–03

TABLE 2

This table summarizes the major fund level requirements by bureaus in the General Fund, Special Appropriations, and other funds. Bureau level expenses are summarized in Table 6.

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
Hydropower Renewal & Replacement	0	8,181,555	50,000	0	0	8,231,555
Portland Parks Memorial Trust	2,006,307	2,860,743	46,705	0	0	4,913,755
Parks Endowment Fund	1,400	0	0	0	0	1,400
Sewer Revolving Loan	36,000	1,699,293	0	0	0	1,735,293
Sewer System Rate Stabilization	0	952,959	5,475,141	0	0	6,428,100
Sewer System Safety Net	230,000	1,006,383	0	0	0	1,236,383
Water Growth Impact Charge Trust	0	0	0	0	0	0
Total Agency and Trust Funds	24,031,731	14,954,901	12,988,746	1,000,000	0	52,975,378
Construction Funds						
BFRES Facilities Bond Fund	13,490,513	13,076,325	44,930	0	0	26,611,768
Capital Improvement Fund	0	0	68,475	0	0	68,475
LID Construction Fund	5,647,902	674,514	1,644,804	3,130,000	0	11,097,220
Parks Bond Construction	0	0	0	0	0	0
Parks Construction	4,685,173	0	538,660	0	0	5,223,833
Sewer System Construction	0	10,885,606	99,916,989	0	0	110,802,595
Water Construction	0	6,333,781	42,225,210	0	0	48,558,991
Total Construction Funds	23,823,588	30,970,226	144,439,068	3,130,000	0	202,362,882
Debt Service Funds						
Airport Way Debt Service	0	0	0	6,880,338	0	6,880,338
Bancroft Bond	0	0	0	2,727,564	0	2,727,564
Bonded Debt Interest and Sinking	0	0	0	6,904,991	0	6,904,991
Central Eastside Industrial Debt	0	0	0	3,316,333	0	3,316,333
Convention Center Area Debt Svc	0	0	0	8,660,014	0	8,660,014
Parking Facilities Debt Fund	0	0	0	3,638,026	0	3,638,026
Gateway Debt Fund	0	0	0	288,454	0	288,454
Gas Tax Bond Redemption	0	0	0	795,436	0	795,436
Golf Revenue Bond	0	0	0	435,000	0	435,000
Governmental Bond Redemption	0	0	0	10,446,725	0	10,446,725
Hydropower Bond	0	0	0	3,697,384	0	3,697,384
Lents Urban Renewal Debt Fund	0	0	0	2,467,946	0	2,467,946
Interstate Corridor Debt Service Fund	0	0	0	1,405,205	0	1,405,205
N Macadam Debt Fund	0	0	0	794,861	0	794,861
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	477,083	0	0	15,708,419	0	16,185,502
River District Debt Fund	0	0	0	5,228,428	0	5,228,428
Sewage Disposal Debt	0	0	0	61,439,258	0	61,439,258
South Park Renewal Debt Service	0	0	0	5,382,621	0	5,382,621
Special Projects Debt Redemption	0	0	0	5,881,693	0	5,881,693
Washington County Supply Bond	0	0	0	2,034,185	0	2,034,185
Water Bond Sinking	0	0	0	14,609,032	0	14,609,032
Waterfront Renewal Bond Sinking	15,000	0	0	12,974,150	0	12,989,150
Total Debt Service Funds	492,083	0	0	175,716,063	0	176,208,146
Federal and State Funds						
Federal Grants	0	0	13,428,263	0	0	13,428,263
Home Grant	4,948,000	0	0	0	0	4,948,000

Appropriation Schedule – FY 2002–03

TABLE 2

This table summarizes the major fund level requirements by bureaus in the General Fund, Special Appropriations, and other funds. Bureau level expenses are summarized in Table 6.

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
Housing & Community Development	15,658,064	40,152	210,768	0	0	15,908,984
Total Federal and State Funds	20,606,064	40,152	13,639,031	0	0	34,285,247
Retirement Funds						
FPD&R	72,440,807	2,588,866	113,240	20,500,000	0	95,642,913
FPD&R Retirement Reserve	0	0	750,000	0	0	750,000
Supp Retirement Program Trust	7,200	0	0	0	0	7,200
Total Retirement Funds	72,448,007	2,588,866	863,240	20,500,000	0	96,400,113
Revenue and Reserve Fund						
Convention and Tourism	2,021,192	130,450	6,616	0	0	2,158,258
General Reserve	0	35,130,854	1,917,775	0	0	37,048,629
Parks Levy Fund	0	0	0	0	0	0
Special Finance & Resource Fund	43,170,000	0	0	0	0	43,170,000
Transportation Reserve	0	699,132	0	0	0	699,132
Total Revenue and Reserve Fund	45,191,192	35,960,436	1,924,391	0	0	83,076,019
TOTAL ALL FUNDS	\$1,065,309,106	\$ 216,681,920	\$ 386,523,234	\$ 229,848,264	\$ 140,000	\$ 1,898,502,524

Tax Levy Computation

TABLE 3

This table shows the calculation of the City's property tax levies in the format prescribed by State Law. The table also shows the amount of tax increment collections planned for the City's urban renewal districts.

	Total	General Fund Tax Base	General Obligation Debt	Fire & Police Disability & Retirement
FISCAL YEAR 2002-03				
Total Budget Requirements	471,935,197	365,703,073	6,904,991	95,642,913
Less: Budgeted Resources, Except Taxes to be Levied	(251,769,389)	(220,320,847)	(430,000)	(27,334,322)
Total Equals: Taxes Necessary To Balance	220,165,808	145,382,226	6,474,991	68,308,591
Add: Taxes Estimated not to be Received due to Delinquency & Discount	11,408,150	8,951,346	439,041	2,017,763
Total Equals: Estimated (Measure 50) Levy Receivable	231,573,958	154,333,572	6,914,032	70,326,354
Add: Estimated Measure 50 Levy Compression	8,597,096	4,267,023	0	4,330,073
Total Taxes to be Levied	240,171,053	158,600,595	6,914,032	74,656,426
Legal Basis of Taxes to be Levied				
Permanent Rate Limit Levy-Subject to \$10 Limit	158,600,595	158,600,595	0	0
Local Option Operating Tax	0	0	0	0
Local Option Capital Construction Tax	0	0	0	0
Levy for Gap Bonds	0	0	0	0
Levy for Pension & Disability Obligations	74,656,426	0	0	74,656,426
Levy For Bonded Indebtedness	6,914,032	0	6,914,032	0
TOTAL TAXES TO BE LEVIED	\$ 240,171,053	\$ 158,600,595	\$ 6,914,032	\$ 74,656,426
FISCAL YEAR 2001-02				
Total Budget Requirements	463,945,998	365,499,047	7,928,322	90,518,629
Less: Budgeted Resources, Except Taxes to be Levied	(256,769,292)	(224,426,013)	(125,000)	(32,218,279)
Total Equals: Taxes Necessary to Balance	207,176,706	141,066,594	7,803,322	58,300,350
Add: Taxes Estimated not to be Received due to Delinquency & Discount	12,423,766	8,368,357	529,109	3,526,300
Total Equals: Estimated (Measure 50) Levy Receivable	219,600,472	149,434,951	8,332,431	61,826,650
Add: Estimated Measure 5/50 Levy Compression	3,893,061	2,750,060	0	1,143,001
Total Taxes to be Levied	223,487,093	152,185,011	8,332,431	62,969,651
Legal Basis of Taxes to be Levied				
Permanent Rate Limit Levy-Subject to \$10 Limit	152,185,011	152,185,011	0	0
Local Option Operating Tax	0	0	0	0
Local Option Capital Construction Tax	0	0	0	0
Levy for Gap Bonds	0	0	0	0
Levy for Pension & Disability Obligations	62,969,651			62,969,651
Levy For Bonded Indebtedness	8,332,431		8,332,431	
TOTAL TAXES TO BE LEVIED	\$ 223,487,093	\$ 152,185,011	\$ 8,332,431	\$ 62,969,651

Urban Renewal Certification

TABLE 3

This table shows the calculation of the City's property tax levies in the format prescribed by State Law. The table also shows the amount of tax increment collections planned for the City's urban renewal districts.

Tax Increment Authority for FY 2002-03 by Plan Area	Is This An Existing District	Option Selected	Max. to Collect All Methods	Amount of Special Levy	Max. to Collect Division of Tax
Downtown Waterfront	Yes	Option No. 3	\$14,810,000	\$7,100,000	7,710,000
South Park Blocks	Yes	Option No. 3	\$7,160,000	\$1,500,000	5,660,000
Central Eastside	Yes	Option No. 1	\$4,694,670	No Special Levy	4,694,670
Lents Town Center District	New FY1999-00	Not Applicable	\$3,557,813	No Special Levy	3,557,813
River District	New FY1999-00	Not Applicable	\$7,734,478	No Special Levy	7,734,478
Airport Way	Yes	Option No. 3	\$7,640,000	\$5,100,000	2,540,000
Convention Center	Yes	Option No. 3	\$7,040,000	\$1,300,000	5,740,000
MacAdam District	New FY2000-01	Not Applicable	\$1,177,987	No Special Levy	1,177,987
Gateway Regional Center	New FY2002-03	Not Applicable	\$427,750	No Special Levy	427,750
North Interstate District	New FY2001-02	Not Applicable	\$2,069,932	No Special Levy	2,069,932
TOTAL CERTIFIED FOR COLLECTIONS			\$ 56,312,630	\$ 15,000,000	\$ 41,312,630

Total Revenues and Expenses by Fund By Fiscal Year

TABLE 4

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 1999-00	Actual FY 2000-01	Revised FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Health Insurance	61,663,650	64,582,473	62,588,532	48,346,606	48,346,606
Insurance and Claims Operating	13,724,007	16,071,471	17,627,870	19,931,532	19,931,532
Printing/Distribution Services	7,908,659	7,292,875	8,296,696	7,682,534	7,609,644
Workers' Compensation Operating	16,783,831	16,922,532	15,775,624	16,265,128	16,265,128
Total Internal Service Funds	100,080,147	104,869,351	104,288,722	92,225,800	92,152,910
Agency and Trust Funds					
Environmental Remediation	2,450,930	1,896,386	1,198,319	1,111,879	1,117,033
Housing Investment	13,896,850	16,367,224	23,971,588	14,480,047	29,311,859
Hydropower Renewal & Replacement	8,224,805	8,495,930	8,448,664	8,231,555	8,231,555
Portland Parks Memorial Trust	5,257,324	5,132,731	4,731,256	4,786,655	4,913,755
Parks Endowment Fund	0	0	0	0	30,400
Sewer Revolving Loan	1,611,309	1,586,763	1,670,788	1,726,877	1,735,293
Sewer System Rate Stabilization	15,031,467	11,955,169	34,391,230	6,210,584	6,428,100
Sewer System Safety Net	2,069,974	1,436,318	2,218,337	1,236,383	1,236,383
Water Growth Impact Charge Trust	1,465,251	1,554,293	1,617,180	1,651,949	1,651,949
Total Agency and Trust Funds	50,007,910	48,424,814	78,247,362	39,435,929	54,656,327
Construction Funds					
BFRES Facilities Bond Fund	25,665,881	25,415,991	15,635,000	26,611,768	26,611,768
Capital Improvement Fund	957,112	141,892	98,594	68,475	68,475
LID Construction Fund	7,098,898	12,552,256	27,771,753	11,243,220	11,097,220
Parks Bond Construction	11,663,418	1,216,916	0	0	0
Parks Construction	7,463,957	9,832,052	11,091,514	8,248,833	5,223,833
Sewer System Construction	132,695,272	205,934,302	163,875,878	120,101,326	110,802,595
Water Construction	63,280,837	42,714,168	56,824,960	56,881,418	57,010,852
Total Construction Funds	248,825,375	297,807,577	275,297,699	223,155,040	210,814,743
Operating Funds					
Spectator Facilities Fund	13,881,033	80,896,511	28,192,796	16,230,749	16,230,749
Assessment Collection	50,117	53,155	59,862	58,905	58,905
Planning and Development Fund	31,096,265	31,331,485	33,182,407	31,670,352	32,124,352
Cable	4,330,507	5,033,943	3,399,314	4,991,822	5,391,273
General Fund	348,259,114	348,075,791	367,692,784	369,387,293	365,703,073
Emergency Communications	16,528,924	17,229,389	13,564,967	13,140,179	13,140,179
Golf	9,436,288	7,127,428	12,872,949	7,962,923	7,962,923
Hydropower Operating	1,086,584	1,244,600	1,100,706	991,831	991,831
Parking Facilities	42,469,652	31,873,807	17,343,922	14,491,819	14,491,819
Portland International Raceway	958,459	1,073,951	1,060,321	1,179,296	1,247,778
Property Management License	2,969,416	3,079,291	3,044,817	3,316,516	3,316,516
Public Safety	1,565,404	2,090,243	2,793,131	1,813,000	1,813,000
Solid Waste	7,465,155	7,536,957	6,835,081	5,570,940	5,570,940
Sewage System Operating	237,251,334	246,739,905	303,725,404	300,855,690	312,820,383
Transportation Operating	132,619,902	132,474,905	128,043,591	136,297,008	136,297,008
Water	131,550,508	125,579,483	121,282,717	138,738,365	138,832,925
Total Operating Funds	981,518,662	1,041,440,844	1,044,194,769	1,046,696,688	1,055,993,654
Internal Service Funds					
Communications Svcs Operating	19,113,050	20,678,409	28,715,158	22,818,963	22,818,073
Information Technology Fund	16,258,191	17,724,477	24,736,000	20,353,577	20,391,026
Facilities Services	44,532,176	37,830,640	45,288,416	37,385,204	37,381,235
Fleet Services Operating	34,442,789	35,869,474	37,887,633	31,925,122	31,920,284
Debt Service Funds					
Airport Way Debt Service	82,528,739	7,601,217	7,720,831	7,280,693	7,280,693

Total Revenues and Expenses by Fund By Fiscal Year

TABLE 4

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 1999-00	Actual FY 2000-01	Revised FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Bancroft Bond	15,781,790	13,212,949	11,464,677	10,640,034	10,640,034
Bonded Debt Interest and Sinking	8,206,700	8,448,177	7,928,322	6,904,991	6,904,991
Central Eastside Industrial Debt	4,666,535	3,647,289	4,359,126	3,316,333	3,316,333
Convention Center Area Debt Svc	7,254,829	15,100,792	6,455,300	8,660,014	8,660,014
Parking Facilities Debt Fund	2,162,673	1,945,664	2,415,723	3,638,026	3,638,026
Gateway Debt Fund	0	0	0	288,454	288,454
Gas Tax Bond Redemption	788,380	793,015	791,962	795,436	795,436
Golf Revenue Bond	953,849	617,206	321,268	447,529	447,529
Governmental Bond Redemption	3,281,762	4,178,471	10,652,782	9,866,725	10,446,725
Hydropower Bond	7,998,672	8,084,989	8,134,930	7,967,940	7,967,940
Lents Urban Renewal Debt Fund	1,208,608	2,295,687	3,178,174	2,467,946	2,467,946
Interstate Corridor Debt Service Fund	0	0	1,130,091	1,405,205	1,405,205
N Macadam Debt Fund	0	108,053	592,977	794,861	794,861
Morrison Park East Bond	808,293	824,407	795,966	0	0
Morrison Park West Bond	702,401	699,511	674,313	0	0
Old Town Parking Bond	673,084	671,772	662,298	0	0
Pension Debt Redemption Fund	41,504,542	40,422,093	30,701,604	27,737,980	27,737,980
River District Debt Fund	605,000	3,674,107	4,742,787	5,228,428	5,228,428
Sewage Disposal Debt	55,901,266	58,778,653	63,677,102	64,347,160	64,272,376
South Park Renewal Debt Service	6,909,904	16,753,997	7,315,575	5,971,996	5,971,996
Special Projects Debt Redemption	0	7,065,864	9,294,789	8,051,546	8,051,546
Washington County Supply Bond	3,356,602	3,655,128	3,636,192	3,792,650	3,792,650
Water Bond Sinking	11,149,896	12,591,532	14,038,413	14,603,477	14,609,032
Waterfront Renewal Bond Sinking	18,842,429	46,807,533	18,159,950	16,724,150	16,724,150
Total Debt Service Funds	275,285,954	257,978,106	218,845,152	210,931,574	211,442,345
Federal and State Funds					
Federal Grants	17,790,631	25,060,112	23,257,612	13,428,263	13,428,263
Home Grant	3,969,690	3,309,475	11,813,068	4,948,000	4,948,000
Housing & Community Development	18,044,703	20,280,570	23,267,648	15,908,984	15,908,984
Total Federal and State Funds	39,805,024	48,650,157	58,338,328	34,285,247	34,285,247
Retirement Funds					
FPD&R	75,378,037	81,827,774	90,518,629	95,642,913	95,642,913
FPD&R Retirement Reserve	750,000	750,000	750,000	750,000	750,000
Supp Retirement Program Trust	373,862	374,635	108,633	99,133	99,133
Total Retirement Funds	76,501,899	82,952,409	91,377,262	96,492,046	96,492,046
Revenue and Reserve Funds					
Convention and Tourism	2,293,517	2,364,769	2,339,992	2,158,258	2,158,258
General Reserve	37,126,636	36,905,287	36,331,166	37,048,629	37,048,629
Parks Levy Fund	0	0	0	12,807,667	0
Special Finance & Resource Fund	358,766,785	285,024,730	46,086,397	42,000,000	43,170,000
Transportation Reserve	602,289	638,890	656,289	699,132	699,132
Total Revenue and Reserve Funds	398,789,227	324,933,676	85,413,844	94,713,686	83,076,019
TOTAL ALL FUNDS	\$ 1,886,246,972	\$ 1,868,058,192	\$ 1,634,796,562	\$ 1,595,602,107	\$ 1,593,799,929

Summary of Revenues by Fund – FY 2002–03

TABLE 5

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	149,036,195	99,989,802	43,371,840	64,011,981	9,293,255	365,703,073
Spectator Facilities Fund	0	6,715,866	2,599,362	0	6,915,521	16,230,749
Assessment Collection	0	0	4,000	0	54,905	58,905
Planning and Development Fund	0	23,715,000	3,160,000	3,201,300	2,048,052	32,124,352
Cable	0	761,165	1,705,440	250,995	2,673,673	5,391,273
Emergency Communications	0	50,000	4,770,301	8,319,878	0	13,140,179
Golf	0	7,407,399	136,746	28,874	389,904	7,962,923
Hydropower Operating	0	0	654,270	79,961	257,600	991,831
Parking Facilities	0	10,221,050	129,067	795,312	3,346,390	14,491,819
Portland International Raceway	0	1,165,000	5,000	1,921	75,857	1,247,778
Property Management License	0	3,300,000	16,516	0	0	3,316,516
Public Safety	0	0	100,000	0	1,713,000	1,813,000
Solid Waste	0	2,853,439	327,808	0	2,389,693	5,570,940
Sewage System Operating	0	154,830,437	1,171,265	110,424,070	46,394,611	312,820,383
Transportation Operating	0	17,777,194	71,628,651	30,020,557	16,870,606	136,297,008
Water	0	70,616,740	914,915	49,817,999	17,483,271	138,832,925
Total Operating Funds	149,036,195	399,403,092	130,695,181	266,952,848	109,906,338	1,055,993,654
Internal Service Funds						
Communications Svcs Operating	0	1,993,866	304,000	10,228,968	10,291,239	22,818,073
Information Technology Fund	0	0	242,174	16,268,515	3,880,337	20,391,026
Facilities Services	0	1,979,763	2,056,850	24,818,123	8,526,499	37,381,235
Fleet Services Operating	0	30,000	1,102,000	17,151,425	13,636,859	31,920,284
Health Insurance	0	26,416,550	823,846	0	21,106,210	48,346,606
Insurance and Claims Operating	0	0	330,874	7,062,712	12,537,946	19,931,532
Printing/Distribution Services	0	256,842	1,184,961	5,207,144	960,697	7,609,644
Workers' Compensation Operating	0	0	407,811	3,771,178	12,086,139	16,265,128
Total Internal Service Funds	0	30,677,021	6,452,516	84,508,065	83,025,926	204,663,528
Agency and Trust Funds						
Environmental Remediation	0	559,161	16,500	0	541,372	1,117,033
Housing Investment	0	450,000	23,760,000	55,652	5,046,207	29,311,859
Hydropower Renewal & Replacement	0	0	187,500	0	8,044,055	8,231,555
Portland Parks Memorial Trust	0	1,598,800	182,000	293,500	2,839,455	4,913,755
Parks Endowment Fund	0	0	1,400	0	29,000	30,400
Sewer Revolving Loan	0	35,000	85,000	0	1,615,293	1,735,293
Sewer System Rate Stabilization	0	0	101,205	0	6,326,895	6,428,100
Sewer System Safety Net	0	0	240,000	0	996,383	1,236,383
Water Growth Impact Charge Trust	0	0	34,769	0	1,617,180	1,651,949
Total Agency and Trust Funds	0	2,642,961	24,608,374	349,152	27,055,840	54,656,327
Construction Funds						
BFRES Facilities Bond Fund	0	0	20,238,000	116,300	6,257,468	26,611,768
Capital Improvement Fund	0	0	2,475	0	66,000	68,475
LID Construction Fund	0	751,000	8,581,438	550,328	1,214,454	11,097,220
Parks Bond Construction	0	0	0	0	0	0
Parks Construction	0	1,734,546	749,787	1,903,500	836,000	5,223,833
Sewer System Construction	0	594,644	1,234,745	55,413,013	53,560,193	110,802,595
Water Construction	0	1,966,873	38,190,008	13,432,932	3,421,039	57,010,852
Total Construction Funds	0	5,047,063	68,996,453	71,416,073	65,355,154	210,814,743
Debt Service Funds						
Airport Way Debt Service	6,768,962	0	84,000	0	427,731	7,280,693

Summary of Revenues by Fund – FY 2002–03

TABLE 5

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
Bancroft Bond	0	0	4,319,925	0	6,320,109	10,640,034
Bonded Debt Interest and Sinking	6,604,991	0	50,000	0	250,000	6,904,991
Central Eastside Industrial Debt	3,266,333	0	50,000	0	0	3,316,333
Convention Center Area Debt Svc	5,195,466	0	55,000	0	3,409,548	8,660,014
Parking Facilities Debt Fund	0	0	0	3,638,026	0	3,638,026
Gateway Debt Fund	284,454	0	4,000	0	0	288,454
Gas Tax Bond Redemption	0	0	0	795,436	0	795,436
Golf Revenue Bond	0	0	700	435,000	11,829	447,529
Governmental Bond Redemption	0	0	0	10,446,725	0	10,446,725
Hydropower Bond	0	0	3,649,740	0	4,318,200	7,967,940
Lents Urban Renewal Debt Fund	2,430,946	0	37,000	0	0	2,467,946
Interstate Corridor Debt Service Fund	1,386,505	0	18,700	0	0	1,405,205
N Macadam Debt Fund	783,861	0	11,000	0	0	794,861
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
River District Debt Fund	5,158,428	0	70,000	0	0	5,228,428
Pension Debt Redemption Fund	0	0	545,745	9,889,794	17,302,441	27,737,980
Sewage Disposal Debt	0	0	25,000	61,438,962	2,808,414	64,272,376
South Park Renewal Debt Service	5,309,121	0	73,500	0	589,375	5,971,996
Special Projects Debt Redemption	0	0	4,445,671	0	3,605,875	8,051,546
Washington County Supply Bond	0	1,867,078	0	203,419	1,722,153	3,792,650
Water Bond Sinking	0	0	0	14,609,032	0	14,609,032
Waterfront Renewal Bond Sinking	12,097,150	0	202,000	690,000	3,735,000	16,724,150
Total Debt Service Funds	49,286,217	1,867,078	13,641,981	102,146,394	44,500,675	211,442,345
Federal and State Funds						
Federal Grants	0	0	13,428,263	0	0	13,428,263
Home Grant	0	0	4,948,000	0	0	4,948,000
Housing & Community Development	0	18,000	15,890,984	0	0	15,908,984
Total Federal and State Funds	0	18,000	34,267,247	0	0	34,285,247
Retirement Funds						
FPD&R	69,708,591	0	20,700,000	801,412	4,432,910	95,642,913
FPD&R Retirement Reserve	0	0	0	0	750,000	750,000
Supp Retirement Program Trust	0	0	2,500	0	96,633	99,133
Total Retirement Funds	69,708,591	0	20,702,500	801,412	5,279,543	96,492,046
Revenue and Reserve Fund						
Convention and Tourism	0	0	2,043,708	0	114,550	2,158,258
General Reserve	0	0	854,370	0	36,194,259	37,048,629
Parks Levy Fund	0	0	0	0	0	0
Special Finance & Resource Fund	0	0	43,030,000	0	140,000	43,170,000
Transportation Reserve	0	0	30,000	0	669,132	699,132
Total Revenue and Reserve Fund	0	0	45,958,078	0	37,117,941	83,076,019
TOTAL ALL FUNDS	\$ 268,031,003	\$ 439,655,215	\$ 345,322,330	\$ 526,173,944	\$ 372,241,417	\$1,951,423,909

Historical Funds and Appropriations

TABLE 6

This table shows the City funds and General Fund Special Appropriations that have been closed in the past three years.

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Adopted FY 2002-03
HISTORICAL FUNDS				
Morrison Park West Bond Redemption Fund	702,401	699,511	674,313	0
Morrison Park East Bond Redemption Fund	808,293	824,407	795,966	0
Old Town Parking Bond Redemption Fund	673,084	671,772	662,298	0
Total Historical Funds	2,183,778	2,195,690	2,132,577	0
HISTORICAL SPECIAL APPROPRIATIONS				
General Fund				
Cultural Tourism	200,000	0	0	0
Portland Area Schools	4,249,998	0	0	0
2040 / PDC	1,043,400	0	0	0
Civil Rights Mediation	16,832	0	0	0
Regional Drug Initiative - Federal	176,001	0	0	0
Endangered Species Act	607,514	0	0	0
IRS Rebate	0	0	84,100	0
Innovation Loan Fund	0	28,400	0	0
Schools Surplus Property	0	1,883,000	0	0
PDC Storefront Improvements	0	200,000	0	0
Qwest Refund	0	3,067,152	0	0
Oregon Bureau of Labor & Industries	10,248	17,352	0	0
Employee Suggestion Program	7,267	0	0	0
Fair Housing of Oregon	11,510	7,673	26,172	0
Oregon Historical Society	35,000	35,000	0	0
Regional Drug Initiative - City	27,710	27,853	28,551	0
Regional Drug Initiative - Unity	0	57,880	134,713	0
PDC Waterfront Development Activities	479,657	469,778	419,543	0
Total Historical Special Appropriations	7,365,532	5,794,088	693,079	0
TOTAL HISTORICAL FUNDS AND APPROPRIATIONS	\$ 9,549,310	\$ 7,989,778	\$ 2,825,656	\$ 0

Summary of Indebtedness

TABLE 7

DEBT OUTSTANDING

Service Area	Facility/Function	Type of Indebtedness	FY 2000-01	FY 2001-02	Change
DEBT OUTSTANDING BY SERVICE AREA					
Parks, Recreation and Culture					
Arena		Limited Tax Revenue Bonds	\$10,280,000	\$9,790,000	(\$490,000)
Arena		Limited Tax Bonds	8,745,000	8,400,000	(345,000)
Arena		Gas Tax Revenue Bonds	12,503,102	12,293,102	(210,000)
Civic Stadium		Limited Tax Revenue Bonds	35,000,000	34,390,000	(610,000)
PCPA		Limited Tax Revenue Bonds	2,100,000	2,040,000	(60,000)
Civic Stadium/Performing Arts		Voter Approved General Obligation Bonds	855,000	0	(855,000)
Golf		Revenue Bonds	3,600,000	3,600,000	0
Parks System		Voter Approved General Obligation Bonds	48,150,000	46,820,000	(1,330,000)
			121,233,102	117,333,102	(3,900,000)
Public Utilities					
Sewer System		Revenue Bonds	747,045,000	724,370,000	(22,675,000)
		State Loans	648,034	623,711	(24,323)
Water System		Revenue Bonds	99,930,000	96,940,000	(2,990,000)
		General Obligation Water Revenue Bonds	35,975,867	30,103,780	(5,872,087)
		Water Line of Credit	0	5,412,567	5,412,567
Hydroelectric Power		Revenue Bonds	31,125,000	29,490,000	(1,635,000)
			914,723,901	886,940,058	(27,783,843)
Community Development and Services					
Public Infrastructure		Department of Environmental Quality Bonds	2,480,000	770,000	(1,710,000)
		Limited Tax Improvement Bonds	13,730,000	10,730,000	(3,000,000)
Local Improvement line of credit		Limited Tax Revenue (secured)	16,816,254	12,584,204	(4,232,050)
Housing Preservation Line		Limited Tax Revenue (secured)	4,804,438	6,404,438	1,600,000
Convention Ctr Expan.		Limited Tax Revenue Bonds	99,998,888	99,998,888	0
Interstate Max Interim		Limited Tax Revenue Bonds	35,700,000	35,700,000	0
			173,529,580	166,187,530	(7,342,050)
Transportation and Parking					
Parking Facilities		Parking Revenue Refunding Bonds	11,850,000	9,815,000	(2,035,000)
Street Lovejoy		OTIB Loan	3,190,000	2,500,000	(690,000)
Streetcar		Parking Revenue Bonds	28,460,000	27,970,000	(490,000)
Street Improvements		Gas Tax Revenue Bonds	8,255,000	7,895,000	(360,000)
			51,755,000	48,180,000	(3,575,000)
Legislative, Admin. And Support Services					
Equipment and Facility		Limited Tax Revenue Bonds	73,210,000	78,335,000	5,125,000
		State Loans	69,541	60,437	(9,104)
		Full Faith & Credit Obligations	28,140,000	24,330,000	(3,810,000)
Pension		Limited Tax Pension Obligations	300,848,346	300,848,346	0
Emergency Facilities		Voter Approved General Obligation Bonds	22,880,000	22,020,000	(860,000)
			425,147,887	425,593,783	445,896
Portland Development Services					
Airport Way		Tax Increment	66,130,000	64,135,000	(1,995,000)
Central Eastside		Tax Increment	14,256,500	10,800,000	(3,456,500)
Convention Center		Tax Increment	49,380,000	49,380,000	0
Lents		Tax Increment	8,100,000	6,400,000	(1,700,000)
River District		Tax Increment	15,700,000	23,500,000	7,800,000
North Macadam		Tax Increment	573,000	500,000	(73,000)
South Park Blocks		Tax Increment	41,845,000	40,645,000	(1,200,000)
Waterfront		Tax Increment	75,167,208	71,819,933	(3,347,275)
OMSI		Limited Tax General Obligation Notes	503,252	485,557	(17,695)
			271,654,960	267,665,490	(3,989,470)

Summary of Indebtedness

TABLE 7

DEBT OUTSTANDING

Service Area	Facility/ Function	Type of Indebtedness	FY 2000-01	FY 2001-02	Change
TOTAL DEBT OUTSTANDING			1,958,044,430	1,911,899,963	(46,144,467)
TYPE OF INDEBTEDNESS					
		Limited Tax Bonds	309,593,346	309,248,346	(345,000)
		Limited Tax Improvement Bonds	13,730,000	10,730,000	(3,000,000)
		General Obligation Water Revenue Bonds	35,975,867	30,103,780	(5,872,087)
		Voter Approved General Obligation Bonds	71,885,000	68,840,000	(3,045,000)
		Gas Tax Revenue Bonds	20,758,102	20,188,102	(570,000)
		Revenue Bonds	893,550,000	864,215,000	(29,335,000)
		Limited Tax Revenue Bonds	306,369,580	312,625,097	6,255,517
		State Loans	3,907,575	3,184,148	(723,427)
		Department of Environmental Quality Bonds	2,480,000	770,000	(1,710,000)
		Full Faith and Credit Obligations	28,140,000	24,330,000	(3,810,000)
		Tax Increment	271,151,708	267,179,933	(3,971,775)
		Limited Tax General Obligation Notes	503,252	485,557	(17,695)
TOTAL DEBT OUTSTANDING			1,958,044,430	1,911,899,963	(46,144,467)

ACTUAL DEBT OUTSTANDING

Facility/ Function	Type of Indebtedness	FY 2000-01	FY 2001-02	FY 2002-03
ACTUAL DEBT OUTSTANDING JULY 1, 2001		\$1,958,044,430		
Debt Issued Fiscal Year 2001-02				
General Obligation Parks Refunding Bonds	General Obligation		\$29,810,000	
Parking System Revenue Refunding Bonds	Parking Revenue		10,200,000	
Tax Increment Line of credit	River District		10,000,000	
IRNE/SDC/EOC/Streetcar	Limited Tax Revenue Bonds		11,320,000	
Water System Line of Credit	Limited Tax Revenue		5,412,567	
Total			66,742,567	
Total Debt Redeemed Fiscal Year 2001-02			(112,887,034)	
TOTAL PROJECTED DEBT OUTSTANDING JULY 1, 2002		\$	\$1,911,899,963	\$
Estimated Debt to be Issued Fiscal Year 2002-03				
Tax Increment	River District			40,000,000
Water Revenue Bonds	Water System Improvements			45,000,000
Limited Tax Improvement	Public Infrastructure			10,000,000
Total				95,000,000
Total Projected Debt Redemption Fiscal Year 2002-03				(81,000,000)
TOTAL PROJECTED DEBT OUTSTANDING JULY 1, 2003		\$	\$	\$1,925,899,963

Summary of Indebtedness

TABLE 8
DEBT SERVICE

Service Area Facility/Function	Type of Indebtedness	Principal	Interest	Total
Parks, Recreation and Culture				
Arena	Limited Tax Revenue Bonds	520,000	695,206	1,215,206
Arena	Limited Tax Bonds	370,000	623,463	993,463
Arena	Gas Tax Revenue Bonds	310,000	258,708	568,708
		1,200,000	1,577,377	2,777,377
Golf	Revenue Bonds	-	435,000	435,000
Parks / Fire	Voter Approved General Obligation Bonds	3,550,000	4,978,759	8,528,759
Civic Stadium 2001	Limited Tax Revenue Bonds	840,000	2,297,905	3,137,905
PCPA 2001	Limited Tax Revenue Bonds	70,000	100,630	170,630
		4,460,000	7,812,294	12,272,294
Public Utilities				
Sewer System	Revenue Bonds	23,805,000	37,580,434	61,385,434
	State Loans	24,507	29,318	53,825
		23,829,507	37,609,752	61,439,259
Water System	Revenue Bonds	4,950,000	6,384,578	11,334,578
	General Obligation Water Revenue Bonds	4,262,174	1,046,464	5,308,638
		9,212,174	7,431,042	16,643,216
Hydroelectric Power	Revenue Bonds	1,750,000	1,975,986	3,725,986
		34,791,681	47,016,780	81,808,461
Community Development and Services				
Public Infrastructure	Department of Environmental Quality Bonds	1,135,000	47,983	1,182,983
	Limited Tax Improvement Bonds	975,000	547,546	1,522,546
Convention Ctr Expan.	Limited Tax Revenue Bonds	-	4,193,813	4,193,813
Interstate Max Interim	Limited Tax Revenue Bonds	-	1,517,250	1,517,250
		2,110,000	6,306,592	8,416,592
Transportation and Parking				
Parking Facilities	Revenue Bonds	1,990,000	1,648,026	3,638,026
Street Improvements	Gas Tax Revenue Bonds	380,000	415,435	795,435
		2,370,000	2,063,461	4,433,461
Legislative, Admin. And Support Services				
Pension Bonds	Limited Tax Bonds	-	15,708,419	15,708,419
Equipment and Facility	Limited Tax Revenue Bonds	4,795,000	2,524,527	7,319,527
	State Loans	9,820	3,460	13,280
	Full Faith & Credit Obligations	3,985,000	1,127,376	5,112,376
		8,789,820	19,363,782	28,153,602
Portland Development Commission				
Airport Way	Tax Increment	3,175,174	3,705,164	6,880,338
Central Eastside	Tax Increment	2,593,383	650,000	3,243,383
Convention Center	Tax Increment	5,369,613	3,290,401	8,660,014
South Park Blocks	Tax Increment	2,903,661	2,478,960	5,382,621
Waterfront	Tax Increment	7,867,151	5,106,998	12,974,149
OMSI	Limited Tax General Obligation Notes	41,388	31,561	72,949
		21,950,370	15,263,084	37,213,454
TOTAL DEBT SERVICE BY SERVICE AREA		75,671,871	99,403,370	175,075,241
	Limited Tax Bonds	370,000	16,331,882	16,701,882
	Limited Tax Improvement Bonds	975,000	547,546	1,522,546
	General Obligation Water Revenue Bonds	4,262,174	1,046,464	5,308,638
	Voter Approved General Obligation Bonds	3,550,000	4,978,759	8,528,759
	Gas Tax Revenue Bonds	690,000	674,143	1,364,143
	Revenue Bonds	32,495,000	48,024,024	80,519,024

Summary of Indebtedness

TABLE 8
DEBT SERVICE

Service Area Facility/Function	Type of Indebtedness	Principal	Interest	Total
	Limited Tax Revenue Bonds	6,225,000	11,329,331	17,554,331
	State Loans	34,327	32,778	67,105
	Department of Environmental Quality Bonds	1,135,000	47,983	1,182,983
	Full Faith and Credit Obligations	3,985,000	1,127,376	5,112,376
	Tax Increment	21,908,982	15,231,523	37,140,505
	Limited Tax General Obligation Notes	41,388	31,561	72,949
TOTAL DEBT SERVICE BY TYPE		75,671,871	99,403,370	175,075,241

Principal Over the Life of the Debt

TABLE 9

Schedule of Projected Bond Principal Transactions

PRINCIPAL REQUIREMENTS

Fiscal Year	Parks, Recreation & Culture				Public Utilities			Community Development and Services	Transportation and Parking		Legislative, Admin. and Support Services	Portland Development Commission
	Arena	Parks System	Golf	Civic Stadium & Performing Arts	Sewer System	Water System	Hydroelectric	Public Improvements	Public Street Improvements	Parking System	Facility and Equipment	Urban Renewal
2002/03	1,200,000	3,420,000	3,600,000	910,000	23,829,507	14,624,741	1,750,000	14,694,204	380,000	1,990,000	17,079,257	48,126,525
2003/04	1,370,000	3,580,000		960,000	25,009,700	9,587,208	1,855,000	450,000	395,000	2,155,000	10,785,573	7,299,380
2004/05	1,560,000	3,760,000		1,025,000	26,299,906	9,442,244	1,970,000	0	420,000	1,980,000	48,465,348	7,674,601
2005/06	1,760,000	3,950,000		1,080,000	27,645,124	7,777,155	2,115,000	0	435,000	1,640,000	9,961,025	8,092,088
2006/07	1,975,000	4,140,000		1,140,000	29,135,355	5,145,000	2,225,000	0	460,000	1,705,000	12,841,882	8,519,765
2007/08	2,210,000	4,355,000		1,215,000	31,380,598	5,410,000	1,500,000	0	475,000	1,780,000	15,341,789	11,799,409
2008/09	2,465,000	1,140,000		1,290,000	32,985,858	5,690,000	1,600,000	0	505,000	1,840,000	14,470,000	9,760,909
2009/10	2,016,247	1,200,000		1,365,000	34,656,136	5,985,000	1,700,000	0	535,000	1,920,000	15,414,780	11,354,316
2010/11	2,129,011	1,250,000		1,460,000	36,416,442	6,300,000	1,825,000	155,000	555,000	1,995,000	17,129,440	12,143,497
2011/12	2,254,128	1,310,000		1,545,000	38,246,764	4,885,000	1,950,000	0	585,000	1,605,000	18,775,734	12,900,000
2012/13	2,381,638	1,370,000		1,650,000	40,177,103	5,145,000	2,075,000	0	620,000	1,675,000	20,253,250	13,805,000
2013/14	2,521,946	1,440,000		1,750,000	42,192,457	5,420,000	2,225,000	1,580,000	655,000	1,250,000	21,298,112	14,660,000
2014/15	1,469,525	1,510,000		1,870,000	44,277,831	5,710,000	2,375,000	690,000	695,000	1,310,000	23,605,530	15,505,000
2015/16	1,567,469	1,580,000		1,990,000	46,458,223	6,025,000	2,525,000	2,165,000	720,000	1,370,000	26,086,940	16,390,000
2016/17	1,097,835	1,660,000		2,125,000	48,828,634	6,350,000	1,800,000	0	220,000	1,430,000	26,594,000	17,340,000
2017/18	1,074,427	1,750,000		2,270,000	51,434,073	6,670,000		1,830,000	240,000	1,500,000	29,240,720	18,335,000
2018/19	1,038,418	1,850,000		2,425,000	45,900,000	7,030,000		3,655,000		1,570,000	29,794,480	19,370,000
2019/20	392,457			2,585,000	48,620,000	7,420,000				1,650,000	31,127,480	14,590,000
2020/21				2,765,000	51,480,000	7,840,000				1,720,000	35,236,250	
2021/22				2,790,000						1,810,000	39,672,172	
2022/23				2,220,000						1,900,000	12,985,175	
2023/24										1,990,000	13,075,423	
2024/25											13,194,733	
2025/26											13,352,228	
2026/27											13,528,274	
2027/28											13,742,955	
2028/29											14,074,559	
TOTAL	\$ 30,483,102	\$ 39,265,000	\$ 3,600,000	\$ 36,430,000	\$724,973,711	\$132,456,347	\$ 29,490,000	\$ 25,219,204	\$ 7,895,000	\$ 37,785,000	\$566,637,109	\$267,665,490

Interest Over the Life of the Debt

TABLE 10

Schedule of Projected Bond Interest Transactions

INTEREST REQUIREMENTS

Fiscal Year	Parks, Recreation & Culture				Public Utilities			Community Development and Services	Transportation and Parking		Legislative, Admin. and Support Services	Portland Development Commission
	Arena	Parks System	Golf	Civic Stadium & Performing Arts	Sewer System	Water System	Hydroelectric	Public Improvements	Public Street Improvements	Parking System	Facility and Equipment	Urban Renewal
2001/02	1,643,225	2,658,120	300,000	2,665,800	38,734,463	6,590,675	2,086,060	774,619	431,960	2,051,563	32,104,276	19,350,316
2002/03	1,577,375	2,535,720	300,000	2,398,535	37,609,752	6,193,042	1,975,986	725,832	415,435	1,685,629	30,717,869	14,407,470
2003/04	1,501,560	2,405,513	300,000	2,343,585	36,418,549	5,770,064	1,857,473	681,177	397,645	1,601,174	30,233,653	14,041,379
2004/05	1,415,005	2,267,263	300,000	2,285,635	35,137,964	5,323,404	1,730,675	657,552	378,718	1,517,984	28,964,970	13,667,790
2005/06	1,316,470	2,120,313		2,225,735	33,791,205	4,922,158	1,593,530	657,552	358,193	1,448,116	27,625,779	13,259,152
2006/07	1,205,023	1,965,463		2,162,455	32,298,831	4,613,178	1,446,063	657,552	336,590	1,386,104	27,197,052	12,826,087
2007/08	1,079,050	1,800,643		2,095,495	30,731,880	4,352,293	1,317,750	657,552	313,310	1,320,438	26,560,920	12,331,839
2008/09	937,895	1,623,768		2,018,500	29,136,572	4,073,389	1,209,250	657,552	288,893	1,249,821	25,749,395	11,588,733
2009/10	1,502,478	1,433,673		1,936,540	27,463,524	3,777,411	1,093,750	624,372	262,440	1,174,747	25,618,105	10,001,769
2010/11	1,505,526	1,231,828		1,849,615	25,701,949	3,463,179	970,375	624,372	233,893	1,094,225	24,878,363	9,216,996
2011/12	1,508,605	1,013,150		1,758,315	23,868,677	3,175,144	838,250	624,372	203,858	1,009,722	24,106,915	8,392,406
2012/13	1,507,335	780,563		1,659,690	21,942,139	2,915,359	697,375	624,372	171,920	919,216	23,259,376	7,485,244
2013/14	1,498,991	534,750		1,552,770	19,918,333	2,640,288	546,875	624,372	137,760	843,938	22,291,756	6,629,096
2014/15	1,013,118	274,850		1,437,500	17,840,624	2,346,725	385,875	538,122	101,670	786,125	21,158,017	5,787,700
2015/16	1,066,656			1,314,250	15,660,019	2,034,038	214,375	466,459	63,160	723,900	20,036,249	4,898,635
2016/17	2,822,165			1,181,090	13,283,482	1,713,438	63,000	310,781	23,000	658,825	18,773,597	3,950,498
2017/18	3,005,573			1,038,800	10,685,002	1,385,275		310,781	12,000	590,900	17,179,939	2,959,000
2018/19	3,201,582			886,750	7,052,298	1,028,231		184,275		519,650	15,386,364	1,921,923
2019/20	1,312,543			719,700	4,339,775	635,250				445,075	13,496,464	
2020/21				541,450	1,472,550	215,600				366,700	10,680,776	
2021/22				350,700						285,000	7,823,924	
2022/23				155,400						194,500	36,546,538	
2023/24										99,500	38,039,290	
2024/25											39,571,480	
2025/26											41,133,834	
2026/27											42,733,164	
2027/28											44,383,870	
2028/29											46,071,129	
2029/30											487,388	
TOTAL	\$ 30,620,173	\$ 22,645,613	\$ 1,200,000	\$ 34,072,210	\$463,087,586	\$ 67,168,138	\$ 18,026,661	\$ 10,401,663	\$ 4,130,443	\$ 21,393,849	\$466,019,838	\$172,716,032

Summary of Defeased Indebtedness

TABLE 11

DEFEASED BONDS PAYABLE

Type of Indebtedness	Principal		
	Outstanding 7-1-01	Maturity FY 2001-02	Outstanding 7-1-02
<p>The City will have \$270.96 million of defeased bonds outstanding as of July 1, 2002. Defeased bonds are payable from fully funded irrevocable escrow accounts established with the proceeds from the sale of another bond issue, refunding bonds. Defeased bonds are thereby removed as actual liabilities of the City, and the refunding bond liabilities are assumed in their place. Defeased bonds are then paid by the escrow account until their first available call date, at which time they are paid in their entirety. Bonds are defeased in this manner in order to convert higher rate debt with lower interest rate debt, or modify bond covenants for the City's benefit, or a combination of both.</p>			
DEFEASED BONDS OUTSTANDING			
Urban Renewal & Redevelopment Bonds			
Downtown Waterfront 1992 Series L	9,560,000	9,560,000	0
	9,560,000	9,560,000	0
General Obligation Parks Bonds			
General Obligation Parks 1995 Series A	0	0	9,720,000
General Obligation Parks 1995 Series B	0	0	18,785,000
	0	0	28,505,000
Parking System Revenue Bonds			
Morrison Park East, 1977 Series A	0	940,000	0
Morrison Park West, 1977 Series B	0	1,460,000	0
Parking Refunding Bonds, Series 1992 (Old Town)	0	550,000	0
	0	2,950,000	0
Sewer Revenue Bonds			
Series 1992 A	57,115,000	0	57,115,000
Series 1994 A	185,335,000	0	185,335,000
	242,450,000	0	242,450,000
TOTAL DEFEASED BONDS OUTSTANDING	\$ 252,010,000	\$ 12,510,000	\$ 270,955,000

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES					
External Revenues					
Property Taxes					
Current Property Taxes	128,299,316	134,391,946	141,066,594	145,382,226	145,382,226
Payments In Lieu of Taxes	666,031	860,267	494,318	617,767	617,767
Prior Year Property Taxes	3,169,438	2,848,833	3,922,235	3,036,202	3,036,202
	132,134,785	138,101,046	145,483,147	149,036,195	149,036,195
Lodging Taxes	10,715,419	11,152,604	11,268,217	10,488,630	10,488,630
Licenses and Permits					
Business Licenses	50,794,774	51,983,615	50,284,160	46,640,528	46,640,528
Construction Permits	1,056,787	1,137,312	1,044,570	1,001,000	1,001,000
Other Permits	815,128	827,162	1,595,360	2,664,616	2,664,616
Public Utility Licenses	35,086,708	38,585,587	32,712,009	38,048,724	37,275,724
	87,753,397	92,533,676	85,636,099	88,354,868	87,581,868
Service Charges and Fees					
Concessions	0	8,971	41,000	19,000	19,000
Inspection Fees	1,187,040	1,032,816	1,100,000	900,000	900,000
Miscellaneous	2,130,819	2,213,506	2,368,810	2,288,662	2,282,449
Parking Fees	5,636	0	0	0	0
Parks & Recreation Facilities	5,622,215	6,487,128	7,734,283	7,599,506	7,409,537
Rents and Reimbursements	1,661,458	2,074,914	1,079,261	1,797,533	1,796,948
	10,607,168	11,817,335	12,323,354	12,604,701	12,407,934
State Sources					
State Cost Sharing	20,243	19,188	25,000	40,000	40,000
State Shared Revenue	8,128,623	9,321,908	8,804,053	8,868,233	8,868,233
	8,148,866	9,341,096	8,829,053	8,908,233	8,908,233
Local Sources					
City Overhead Charges	163,494	363,623	212,358	310,377	297,888
Local Cost Sharing	4,277,684	4,030,944	5,068,028	4,490,756	4,521,756
Local Shared Revenue	2,209,771	2,810,552	2,881,543	2,955,251	2,955,251
Locally Administered Fed Funds	220,266	141,173	123,978	125,770	125,770
Multnomah County Cost Sharing	1,427,965	1,853,946	1,498,351	1,545,163	1,472,585
	8,299,180	9,200,238	9,784,258	9,427,317	9,373,250
Miscellaneous Revenues					
Bond and Note Sales	0	0	10,000,000	10,000,000	10,000,000
Interest Earned	2,697,359	2,915,055	2,778,140	1,471,022	1,471,022
Loan Repayments	25,322	35,240	0	0	0
Other Miscellaneous	1,598,799	857,979	1,488,011	2,821,808	2,833,279
Private Grants/Donations	22,866	56,880	104,000	1,926	1,926
Refunds	282,618	257,653	254,222	267,000	267,000
Sale of Capital Assets	260,694	0	0	0	0
Sales Miscellaneous	40,686	49,993	20,700	28,500	28,500
	4,928,344	4,172,800	14,645,073	14,590,256	14,601,727
Total External Revenues	262,587,159	276,318,795	287,969,201	293,410,200	292,397,837
Internal Revenues					
Overhead Cash Transfers					
Arena/Coliseum Operating Fund	0	52,583	268,575	76,122	80,214
Assessment Collection Fund	(2)	257	130	109	153
BFRES Facilities Bond Fund	0	101,906	51,909	43,487	44,930
Buildings Operating Fund	835,871	852,129	648,044	656,365	686,045
Cable Fund	17,737	14,974	13,078	10,093	10,762
Communications Services Fund	283,988	275,205	237,278	259,496	276,732
Computer Services Fund	189,622	129,871	154,756	251,461	261,255

General Fund – 101

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
Convention and Tourism Fund	11,221	11,323	5,808	6,087	6,616
Emergency Communications Fund	287,839	225,779	214,363	213,412	221,488
Environmental Remediation Fund	8,740	5,969	2,618	2,585	2,912
Fleet Services Fund	300,731	532,492	555,907	530,551	566,678
FPD&R Fund	84,343	78,305	63,752	79,858	84,897
Golf Fund	156,825	210,897	137,430	118,345	122,988
Health Insurance Fund	189,752	209,959	181,357	228,117	240,110
Hydropower Operating Fund	60,560	54,644	52,139	51,204	52,798
Insurance And Claims Fund	159,664	146,239	147,119	141,686	145,105
LID Construction Fund	22,099	123,115	150,883	111,322	118,311
Parking Facilities Fund	43,928	163,922	84,175	101,883	108,106
Parks Bond Construction Fund	25,000	0	0	0	0
Parks Construction Fund	48,752	106,027	86,722	86,264	89,978
Portland Building Fund	870,609	779,751	831,782	842,114	925,154
Portland International Raceway	24,198	0	20,996	27,247	27,994
Printing/Distribution Fund	253,183	215,968	228,723	183,276	199,236
Public Safety Capital Fund	12,219	2,981	7,187	7,375	7,949
Refuse Disposal Fund	103,298	121,822	125,104	120,971	124,340
Sewage System Operating Fund	2,912,240	1,803,078	1,883,975	2,303,899	2,464,649
Transportation Operating Fund	3,245,146	3,118,582	2,502,755	2,338,701	2,492,489
Water Fund	1,919,949	2,166,406	1,910,288	1,464,313	1,563,515
Workers' Comp Operating Fund	123,002	124,818	115,534	127,541	129,134
	12,190,514	11,629,002	10,682,387	10,383,884	11,054,538
Other Cash Transfers					
Cable Fund	3,307	0	26,520	0	0
Federal Grants Indirect	24,888	23,578	31,071	0	0
Fleet Services Fund	0	0	0	1,360,853	1,360,853
General Reserve Fund	2,100,000	1,550,000	460,296	1,463,775	1,463,775
Housing & Community Development	131,196	97,624	96,515	133,690	133,690
Hydropower Operating Fund	250,000	200,000	150,000	200,000	200,000
Parking Facilities Fund	178,235	190,418	196,130	202,014	202,014
Parks Memorial Trust Fund	0	0	40,000	0	0
Refuse Disposal Fund	35,000	274,731	1,283,424	505,862	505,862
Sewage System Operating Fund	8,717,263	8,588,283	9,750,000	10,417,152	10,417,152
Capital Improvement Fund	765,000	0	0	0	0
Water Fund	3,272,147	3,313,415	3,717,679	3,914,491	3,917,219
	15,477,036	14,238,049	15,751,635	18,197,837	18,200,565
Federal Grants Transfers	13,395,641	13,980,534	14,341,638	8,558,264	8,558,264
Interfund Service Reimbursements					
Arena Operating	337,648	307,897	315,365	365,136	365,136
BFRES Facilities GO Bond Const	0	0	70,950	88,752	88,752
Buildings	306,691	152,611	533,390	444,892	462,467
Cable Commission/Access	280,024	301,897	302,821	301,395	301,395
Communications Services	356,666	367,383	403,303	399,909	400,896
Community Development	0	0	20,979	23,444	23,444
Computer Services Fund	5,618,379	109,246	100,013	474,113	494,452
Convention and Tourism	52,967	54,662	92,243	58,499	58,499
Emergency Communications	801	1,772	129,291	133,251	133,251
Environmental Remediation	1,566	1,544	10,500	0	0
Environmental Services	2,263,892	1,819,112	2,600,530	2,430,031	2,387,637
Environmental Svcs - Internal	0	0	13,000	18,000	18,000
Facilities Services Fund	536,120	627,327	708,396	744,441	744,639

General Fund – 101

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
Fleet Management	325,240	313,517	365,618	360,062	360,062
FPD&R	737,656	850,615	936,218	1,090,739	1,090,739
General Services	0	9,871	0	0	0
Golf Operating Fund	359,153	369,414	487,065	496,732	496,732
Health Insurance	905,997	32,972	215,044	250,509	250,509
Home Grant Operating Fund	206,997	277,695	359,153	370,707	370,707
Housing & Community Development	1,734,808	1,660,265	1,630,515	1,742,928	1,742,928
Hydropower Operating Fund	20,200	20,607	25,668	26,240	26,438
Insurance & Claims Fund	2,281,882	957,792	1,418,616	1,519,494	1,519,494
Licenses	0	0	78,000	76,000	76,000
LID Construction Fund	1,159,923	1,139,161	1,281,396	1,462,464	1,316,464
Parking Facilities Fund	245,792	245,916	331,288	341,501	341,501
Parks Bureau	11,000	0	12,000	0	0
Parks Capital Improvement Fund	132,231	21,351	0	0	0
Parks Construction Fund	12,064	481,096	366,545	332,496	334,076
Parks Serial Levy	0	0	0	4,910,000	0
POBS Retirement	0	0	0	75,000	75,000
Portland International Raceway	29,173	54,148	64,502	96,864	96,864
Portland Parks Trust	625,807	649,132	649,027	608,222	608,222
Printing & Distribution	174,137	181,170	199,838	188,965	188,965
Public Safety Capital	1,122	1,063	18,148	26,915	26,915
Refuse Disposal Fund	34,404	97,300	378,592	433,369	433,214
Sewage Construction Fund	0	73,062	0	0	0
Special Finance and Resources	0	0	0	0	1,000,000
Special Finance and Resources	140,000	0	0	0	140,000
Transportation	1,679,559	1,102,761	1,830,104	1,610,128	1,647,245
Water Bureau	947,187	956,482	1,706,561	1,547,586	1,561,014
Workers Compensation Fund	1,854,047	683,232	601,012	605,773	605,773
	23,373,133	13,922,073	18,255,691	23,654,557	19,787,430
Intra-Fund Service Reimbursement	1,593,689	1,099,527	6,378,499	6,411,184	6,411,184
Total Internal Revenues	66,030,013	54,869,185	65,409,850	67,205,726	64,011,981
Beginning Fund Balance	19,641,942	16,887,811	14,313,733	8,771,367	9,293,255
TOTAL RESOURCES	\$ 348,259,114	\$ 348,075,791	\$ 367,692,784	\$ 369,387,293	\$ 365,703,073

REQUIREMENTS

Bureau Expenses

Personal Services	199,509,480	202,955,725	210,956,241	213,867,722	211,808,749
External Materials and Services	55,883,362	54,389,773	66,214,928	66,053,338	63,806,724
Internal Materials and Services					
Communications Services	4,753,541	4,924,006	4,961,843	5,235,839	5,234,949
Data Processing Services	3,765,200	3,341,099	5,792,762	6,175,849	6,138,298
Facilities Services	9,854,837	8,564,949	8,209,624	8,305,507	8,307,345
Fleet Services	8,103,440	8,111,799	7,942,260	7,582,071	7,577,233
Insurance	4,331,840	5,074,565	5,213,690	5,675,681	5,675,681
Printing & Distribution	2,482,831	2,127,789	2,362,347	2,375,775	2,302,885
City Attorney	2,750	2,845	0	0	0
City Auditor	0	0	0	0	0
BFRES Bond	0	0	0	116,300	116,300
Buildings	3,992	238,771	122,692	27,158	27,158
Cable Commission	409,286	242,245	250,023	250,995	250,995
Computer Services	1,050,075	30,000	219,700	0	0
Environmental Services	722,476	109,742	0	0	0
Environmental Svcs - Int	0	0	86,279	85,000	85,136

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
FPD&R	45,753	49,723	54,739	51,412	51,412
Government Bond Redemption	15,673	78,200	29,142	29,180	29,180
Neighborhood Involvement	0	44,005	0	0	0
Parking Facilities	311,580	312,120	336,000	369,000	369,000
Parks Construction	0	7,650	0	0	0
Portland Parks Trust	0	15,000	0	136,000	136,000
Transportation	278,621	347,871	40,000	20,000	20,000
Water Bureau	16,232	51,422	14,500	27,000	27,000
Same Fund Services	1,601,940	1,062,546	6,489,478	6,510,628	6,510,628
	37,750,067	34,736,347	42,125,079	42,973,395	42,859,200
Capital Outlay	1,222,453	3,224,696	2,280,718	961,590	961,590
Equipment Cash Transfers					
Communications Services	0	11,200	0	0	0
Facilities Services	25,000	0	35,000	0	0
Fleet Operating	429,207	491,420	595,000	0	0
Printing & Distribution	20,066	24,150	8,500	0	0
	474,273	526,770	638,500	0	0
Minor Equipment Transfers					
Communications Services	700,660	1,448,606	218,502	0	0
Printing & Distribution	10,705	8,750	7,400	0	0
	711,365	1,457,356	225,902	0	0
Total Bureau Expenses	295,551,000	297,290,667	322,441,368	323,856,045	319,436,263
Fund Requirements					
General Operating Contingency					
General Operating Contingency	0	0	2,247,184	3,808,574	3,682,248
Prior Years Encumbered	0	0	1,315,725	3,500,000	4,021,888
	0	0	3,562,909	7,308,574	7,704,136
Fund Cash Transfers					
Buildings Fund	3,028,905	3,500,174	3,329,443	2,129,886	2,129,886
Communication Services	0	0	0	257,950	257,950
Computer Services	1,266,185	690,030	388,252	399,900	474,900
Emergency Communications	8,632,546	8,442,819	8,375,535	8,318,245	8,318,245
Facilities Services	3,262,685	3,457,890	3,409,050	2,796,150	2,796,150
Housing Investment	8,034,262	5,680,000	485,068	55,652	55,652
Intermediate Debt Fund	2,756,637	3,796,877	3,809,720	2,747,549	2,977,549
Parking Facilities Fund	13,056	13,124	13,283	0	0
Parks Construction	2,105,000	1,520,000	2,133,450	900,000	900,000
Pension Debt Redemption Fund	0	3,023,112	2,928,143	3,843,602	3,843,602
Printing & Distribution	0	201,875	40,000	0	0
Sewage Operating Fund	0	0	0	0	35,000
Transportation Operating	6,721,027	6,456,853	6,426,974	6,424,151	6,424,151
	35,820,303	36,782,754	31,338,918	27,873,085	28,213,085
Debt Retirement	0	0	10,349,589	10,349,589	10,349,589
Unappropriated Ending Balance					
Unappropriated Ending Balance	16,887,811	14,002,370	0	0	0
	16,887,811	14,002,370	0	0	0
Total Fund Requirements	52,708,114	50,785,124	45,251,416	45,531,248	46,266,810
TOTAL REQUIREMENTS	\$ 348,259,114	\$ 348,075,791	\$ 367,692,784	\$ 369,387,293	\$ 365,703,073

General Reserve Fund – 202

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	1,889,605	2,058,648	1,484,529	1,299,268	854,370	854,370
	1,889,605	2,058,648	1,484,529	1,299,268	854,370	854,370
Total External Revenues	1,889,605	2,058,648	1,484,529	1,299,268	854,370	854,370
Internal Revenues						
Beginning Fund Balance	35,237,031	34,846,639	34,846,637	35,355,287	36,194,259	36,194,259
TOTAL RESOURCES	\$ 37,126,636	\$ 36,905,287	\$ 36,331,166	\$ 36,654,555	\$ 37,048,629	\$ 37,048,629
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	35,870,870	0	35,584,854	35,130,854
	0	0	35,870,870	0	35,584,854	35,130,854
Fund Cash Transfers						
Buildings Fund	179,997	0	0	0	0	454,000
General Fund	2,100,000	1,550,000	460,296	460,296	1,463,775	1,463,775
	2,279,997	1,550,000	460,296	460,296	1,463,775	1,917,775
Unappropriated Ending Balance						
Unappropriated Ending Balance	34,846,639	35,355,287	0	36,194,259	0	0
	34,846,639	35,355,287	0	36,194,259	0	0
Total Fund Requirements	37,126,636	36,905,287	36,331,166	36,654,555	37,048,629	37,048,629
TOTAL REQUIREMENTS	\$ 37,126,636	\$ 36,905,287	\$ 36,331,166	\$ 36,654,555	\$ 37,048,629	\$ 37,048,629

FUND OVERVIEW

The General Reserve Fund was created in FY 1987-88 for the purpose of building a reserve for the General Fund. It is the established objective and Council-adopted policy to maintain a reserve level equal to 10% of General Fund revenues net of short-term borrowing. This policy, adopted by City Council in May of 1990, sets forth the conditions under which reserves may be used.

The policy defines the first 5% of reserves as an emergency reserve which is available to fund major one-time, unanticipated expenditure requirements or to offset unanticipated revenue fluctuations that occur within a fiscal year. The second five percent of the reserve fund is defined as a counter-cyclical reserve and is available to either maintain General Fund current service level programs or to adjust expenditure growth to match slower revenue growth during the first 18 to 24 months of a recession. The General Reserve Fund is expected to remain at the full 10% level during FY 2002-03.

City Council's five-year financial plan allows using the reserves in excess of the required 10% level to fund one-time General Fund appropriations and budgets. In FY 2002-03, the five-year financial plan schedules \$1,463,775 of excess reserve use. The interest income for the General Reserve Fund is projected to keep reserves at the required 10% level throughout the five-year financial forecast period ending FY 2006-07.

The General Reserve Fund has been used in the past to reserve funds for other uses. The fund currently includes two other small reserves or balances. During FY 1992-93 and FY 1993-94, Council chose to reserve additional funds for the City's Fire and Police Disability and Retirement Fund. Over a two-year period ending in FY 1993-94, Council put \$1,100,516 into the General Reserve Fund as a separate reserve for this public safety retirement system.

The Planning Bureau created a counter-cyclical reserve within the General Reserve Fund during FY 1994-95. The reserve was funded with annual land use review fees in excess of operating requirements. In FY 1999-00 land use review moved from the Bureau of Planning to the newly formed Office of Planning and Development Review. This budget, FY 2002-03, transfers the balance of the land use reserves to the Planning and Development Fund (Fund 116) of Office of Planning and Development Review. The balance transferred is \$454,000.

Managing Agency Office of Management and Finance, Financial Planning.



Public Safety Service Area Funds

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559000 Other Fund Services	0	0	70,950	0	88,752	88,752
Total Internal Materials and Services	678,965	1,265,332	3,760,950	2,956,000	2,069,752	2,069,752
Total Materials and Services	712,658	1,257,109	3,760,950	2,975,658	2,368,265	2,368,265
Capital Outlay						
561000 Land	601,129	989,638	419,000	0	0	0
562000 Buildings	343,800	3,339,082	8,871,000	7,693,000	11,122,248	11,122,248
564000 Capital Equipment	0	433,990	0	0	0	0
Total Capital Outlay	944,929	4,762,710	9,290,000	7,693,000	11,122,248	11,122,248
573000 Equipment Cash Transfers	137,715	210,798	2,167,000	2,268,000	0	0
TOTAL Bureau Expenses	\$ 1,795,302	\$ 6,230,617	\$ 15,217,950	\$ 12,936,658	\$ 13,490,513	\$ 13,490,513

FUND OVERVIEW

On November 7, 1998, the citizens of Portland authorized the sale of \$53.8 million in general obligation bonds to support a \$62.6 million program to improve the City’s emergency facilities, including:

- ◆ Seismic upgrades to allow firefighters to effectively respond to an earthquake in the metropolitan area.
- ◆ Relocation and construction of new facilities to meet the goal of a four-minute response time to emergency calls.
- ◆ Renovation of facilities to be consistent with the evolving mission of the Portland Bureau of Fire, Rescue and Emergency Services (BFRES). For example, a major portion of the work is Emergency Medical Services, yet few of the facilities were appropriately equipped.
- ◆ Response to ADA accessibility requirements and female firefighter accommodations.
- ◆ Response to the issue of some emergency facilities approaching the end of their useful lives.

It is anticipated it will take between eight and ten years to fully implement this program. Of the \$62.6 million program, \$60 million will be used to improve fire facilities and \$2.6 million to expand the Portland Communications Center.

Managing Agency

Office of Management and Finance, Business Operations

Emergency Communication Fund – 115

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Miscellaneous	50,211	71,370	50,000	50,000	50,000	50,000
	50,211	71,370	50,000	50,000	50,000	50,000
State Sources						
State Cost Sharing	2,200,140	2,297,145	2,250,089	1,249,969	2,190,022	2,190,022
	2,200,140	2,297,145	2,250,089	1,249,969	2,190,022	2,190,022
Local Sources						
Local Cost Sharing	2,021,139	2,125,823	2,193,955	1,194,054	2,300,184	2,300,184
Multnomah County Cost Sharing	681,994	528,540	506,388	506,388	280,095	280,095
	2,703,133	2,654,363	2,700,343	1,700,442	2,580,279	2,580,279
Miscellaneous Revenues						
Interest Earned	148,560	166,762	0	0	0	0
	148,560	166,762	0	0	0	0
Total External Revenues	5,102,044	5,189,640	5,000,432	3,000,411	4,820,301	4,820,301
Internal Revenues						
Other Cash Transfers						
Fleet Services Fund	0	0	0	0	1,633	1,633
General Fund	8,632,546	8,442,819	8,375,535	7,720,758	8,318,245	8,318,245
	8,632,546	8,442,819	8,375,535	7,720,758	8,319,878	8,319,878
Total Internal Revenues	8,632,546	8,442,819	8,375,535	7,720,758	8,319,878	8,319,878
Beginning Fund Balance	2,794,334	3,596,930	189,000	3,154,798	0	0
TOTAL RESOURCES	\$ 16,528,924	\$ 17,229,389	\$ 13,564,967	\$ 13,875,967	\$ 13,140,179	\$ 13,140,179
REQUIREMENTS						
Bureau Expenses						
Personal Services						
	10,529,177	10,793,334	9,591,258	9,669,703	9,700,861	9,692,785
External Materials and Services						
	783,835	1,263,926	381,111	577,755	390,596	396,403
Internal Materials and Services						
Communications Services	462,268	353,120	428,229	423,429	441,434	441,434
Data Processing Services	113,822	145,574	1,568,796	1,568,796	1,577,629	1,577,629
Facilities Services	252,383	253,156	294,590	294,590	313,319	307,512
Fleet Services	5,636	5,966	7,298	7,298	7,118	7,118
Insurance	273,833	306,468	304,427	304,427	227,546	227,546
Printing & Distribution	32,251	29,795	36,449	36,449	35,511	35,511
Finance & Administration	801	1,772	129,291	129,291	133,251	133,251
Parking Facilities	1,320	0	0	0	0	0
	1,142,314	1,095,851	2,769,080	2,764,280	2,735,808	2,730,001
Capital Outlay						
	0	219,085	0	68,000	0	0
Equipment Cash Transfers						
Communications Services	44,924	0	0	0	0	0
Facilities Services	110,675	0	500,000	500,000	0	0
Printing & Distribution	4,000	0	0	0	0	0
	159,599	0	500,000	500,000	0	0
Total Bureau Expenses	12,614,925	13,372,196	13,241,449	13,579,738	12,827,265	12,819,189
Fund Requirements						
General Fund Overhead						
	287,839	225,779	214,363	214,363	213,412	221,488
Fund Cash Transfers						
Health Insurance	29,230	0	0	0	0	0
Pension Debt Redemption Fund	0	76,616	109,155	81,866	99,502	99,502
Public Safety Fund	0	400,000	0	0	0	0
	29,230	476,616	109,155	81,866	99,502	99,502

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Unappropriated Ending Balance						
Unappropriated Ending Balance	3,596,930	3,154,798	0	0	0	0
	3,596,930	3,154,798	0	0	0	0
Total Fund Requirements	3,913,999	3,857,193	323,518	296,229	312,914	320,990
TOTAL REQUIREMENTS	\$ 16,528,924	\$ 17,229,389	\$ 13,564,967	\$ 13,875,967	\$ 13,140,179	\$ 13,140,179

FUND OVERVIEW

Resources

Resources to the Bureau of Emergency Communications are primarily cost-sharing payments received from Multnomah County and other jurisdictions served by the bureau. Services provided are emergency 911 call taking and dispatching of police, emergency medical and fire personnel.

Cost Sharing

Resources for FY 2002-03 include \$10.5 million in cost-sharing payments from the City of Portland's General Fund (including allocated State 911 revenue) and local cost-sharing payments of \$2.6 million projected to be received from Multnomah County and the cities of Gresham, Troutdale, Fairview, Maywood Park, and Wood Village.

State of Oregon

Bureau resources include \$2.1 million of State 911 revenue budgeted as an offset to City of Portland billings. Approximately \$3,400 in 911 revenue will be received to offset Maywood Park's billings. These revenue sources have been included in the previous cost-sharing information. Other cities receive the State 911 revenue directly.

Other Activity

The State of Oregon continues to pay for the telephone system costs related to providing the emergency response to 911 calls within Multnomah County. These costs are paid directly by the State and are not reflected in the FY 2002-03 BOEC budget.

Managing Agency

Bureau of Emergency Communications.

CHANGES FROM PRIOR YEAR

The Bureau of Emergency Communications eliminated four full-time positions as a result of the Citywide funding reductions introduced during the City Fall Budget Monitoring Process in 2001-02. These reductions are budgeted to continue in FY 2002-03.

Fire & Police Disability & Retirement Fund – 651

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	54,984,410	61,121,374	58,300,350	58,300,350	68,308,591	68,308,591
Prior Year Property Taxes	1,344,678	1,231,079	1,400,000	1,400,000	1,400,000	1,400,000
	56,329,088	62,352,453	59,700,350	59,700,350	69,708,591	69,708,591
Miscellaneous Revenues						
Bond and Note Sales	11,033,220	11,068,047	20,000,000	11,050,310	20,000,000	20,000,000
Interest Earned	1,344,253	1,533,921	1,200,000	938,740	700,000	700,000
Other Miscellaneous	100,533	34,781	3,915	10,955	0	0
	12,478,006	12,636,749	21,203,915	12,000,005	20,700,000	20,700,000
Total External Revenues	68,807,094	74,989,202	80,904,265	71,700,355	90,408,591	90,408,591
Internal Revenues						
Other Cash Transfers						
FPD&R Reserve	0	0	750,000	0	750,000	750,000
	0	0	750,000	0	750,000	750,000
Interfund Service Reimbursements						
Fire Bureau	19,124	19,059	16,125	7,467	0	0
Police Bureau	26,629	30,664	38,614	44,732	51,412	51,412
	45,753	49,723	54,739	52,199	51,412	51,412
Total Internal Revenues	45,753	49,723	804,739	52,199	801,412	801,412
Beginning Fund Balance	6,525,190	6,788,849	8,809,625	9,476,962	4,432,910	4,432,910
TOTAL RESOURCES	\$ 75,378,037	\$ 81,827,774	\$ 90,518,629	\$ 81,229,516	\$ 95,642,913	\$ 95,642,913
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	56,290,082	59,818,296	66,441,627	64,343,121	71,285,689	71,285,689
Internal Materials and Services						
Communications Services	9,580	14,707	13,131	13,585	14,822	14,822
Data Processing Services	8,053	14,822	14,641	12,624	14,442	14,442
Facilities Services	15	114	0	0	0	0
Printing & Distribution	35,243	38,094	34,156	36,573	35,115	35,115
City Auditor	638,356	728,629	823,576	839,673	974,850	974,850
Finance & Administration	31,870	38,241	18,307	18,307	17,321	17,321
Fire Bureau	30,811	32,303	31,722	35,576	33,040	33,040
Police Bureau	36,619	51,442	62,613	62,613	65,528	65,528
	790,547	918,352	998,146	1,018,951	1,155,118	1,155,118
Capital Outlay	11,426	0	10,831	8,000	0	0
Total Bureau Expenses	57,092,055	60,736,648	67,450,604	65,370,072	72,440,807	72,440,807
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	2,448,880	0	2,567,254	2,562,215
Compensation Adjustment	0	0	29,589	0	26,651	26,651
	0	0	2,478,469	0	2,593,905	2,588,866
General Fund Overhead	84,343	78,305	63,752	69,974	79,858	84,897
Fund Cash Transfers						
Pension Debt Redemption Fund	0	16,415	25,804	19,353	28,343	28,343
	0	16,415	25,804	19,353	28,343	28,343
Debt Retirement	11,412,790	11,519,444	20,500,000	11,337,207	20,500,000	20,500,000
Unappropriated Ending Balance						
Unappropriated Ending Balance	6,788,849	9,476,962	0	4,432,910	0	0
	6,788,849	9,476,962	0	4,432,910	0	0
Total Fund Requirements	18,285,982	21,091,126	23,068,025	15,859,444	23,202,106	23,202,106
TOTAL REQUIREMENTS	\$ 75,378,037	\$ 81,827,774	\$ 90,518,629	\$ 81,229,516	\$ 95,642,913	\$ 95,642,913

FUND OVERVIEW

Chapter 5 of the Portland City Charter establishes the Fire and Police Disability and Retirement (FPD&R) Fund for the sworn employees of the Fire and Police bureaus, their surviving spouses and dependent minor children. The fund is supported primarily through a separate property tax levy authorized by the voters in 1948. The levy is a rate-based levy, providing a maximum rate of \$2.80 per \$1,000 real market value.

CHANGES FROM PRIOR YEAR

Total requirements net of tax anticipation notes (TANs), Debt Retirement, rose by \$5.1 million or 7.3% from \$70.5 million in FY 2001-02 to \$75.6 million in FY 2002-03.

The FY 2002-03 Adopted Budget supports all ongoing activities and services provided to members and the Board of Trustees. The budget also includes two decision packages. The first package is to fully fund the addition of 2.5 FTE in the Auditor's Office, the office expansion, and the additional outside investigative services approved by the Board of Trustees in FY 2001-02. The other decision is a package to reduce the administrative budget by 4.1% of the current service level (CSL) target.

Managing Agency Fire and Police Disability and Retirement Fund Board of Trustees.

Fire & Police Disability & Retirement Reserve Fund – 652

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Internal Revenues						
Beginning Fund Balance	750,000	750,000	750,000	750,000	750,000	750,000
TOTAL RESOURCES	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Fund Cash Transfers						
FPD&R	0	0	750,000	0	750,000	750,000
	0	0	750,000	0	750,000	750,000
Unappropriated Ending Balance						
Unappropriated Ending Balance	750,000	750,000	0	750,000	0	0
	750,000	750,000	0	750,000	0	0
Total Fund Requirements	750,000	750,000	750,000	750,000	750,000	750,000
TOTAL REQUIREMENTS	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000

FUND OVERVIEW

The reserve fund was established by City Charter and is to be maintained in the amount of \$750,000. It is for use only in the event the Fire and Police Disability and Retirement Fund becomes depleted to the extent that current obligations cannot be met. Interest income on the \$750,000 is booked directly to the operating fund.

Managing Agency Fire and Police Disability and Retirement Fund Board of Trustees.

Public Safety Fund – 118

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Prior Year Property Taxes	679	239	0	0	0	0
	679	239	0	0	0	0
Miscellaneous Revenues						
Interest Earned	82,057	81,981	60,000	60,000	100,000	100,000
Other Miscellaneous	0	98,644	0	1,284,738	0	0
	82,057	180,625	60,000	1,344,738	100,000	100,000
Total External Revenues	82,736	180,864	60,000	1,344,738	100,000	100,000
Internal Revenues						
Other Cash Transfers						
Emergency Communications Fund	0	400,000	0	0	0	0
	0	400,000	0	0	0	0
Total Internal Revenues	0	400,000	0	0	0	0
Beginning Fund Balance	1,482,668	1,509,379	2,733,131	1,448,393	1,713,000	1,713,000
TOTAL RESOURCES	\$ 1,565,404	\$ 2,090,243	\$ 2,793,131	\$ 2,793,131	\$ 1,813,000	\$ 1,813,000

REQUIREMENTS						
Bureau Expenses						
Personal Services	0	0	170,000	170,000	204,000	204,000
External Materials and Services	42,684	527,074	1,170,983	378,330	480,000	479,426
Internal Materials and Services						
Data Processing Services	0	1,979	1,813	1,909	1,763	1,763
Finance & Administration	1,122	1,063	0	0	0	0
Police Bureau	0	0	18,148	18,143	26,915	26,915
	1,122	3,042	19,961	20,052	28,678	28,678
Capital Outlay	0	108,753	0	0	683,688	683,688
Equipment Cash Transfers						
Facilities Services	0	0	700,000	0	0	0
	0	0	700,000	0	0	0
Total Bureau Expenses	43,806	638,869	2,060,944	568,382	1,396,366	1,395,792
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	725,000	505,489	408,952	408,952
	0	0	725,000	505,489	408,952	408,952
General Fund Overhead	12,219	2,981	7,187	6,260	7,375	7,949
Fund Cash Transfers						
Pension Debt Redemption Fund	0	0	0	0	307	307
	0	0	0	0	307	307
Unappropriated Ending Balance						
Unappropriated Ending Balance	1,509,379	1,448,393	0	1,713,000	0	0
	1,509,379	1,448,393	0	1,713,000	0	0
Total Fund Requirements	1,521,598	1,451,374	732,187	2,224,749	416,634	417,208
TOTAL REQUIREMENTS	\$ 1,565,404	\$ 2,090,243	\$ 2,793,131	\$ 2,793,131	\$ 1,813,000	\$ 1,813,000

LINE ITEM DETAIL – AU 260						
Personnel Services						
511000 Full-Time Employees	0	0	125,000	125,000	150,000	150,000
517000 Benefits	0	0	45,000	45,000	54,000	54,000
Total Personnel Services	0	0	170,000	170,000	204,000	204,000
Materials and Services						
External Materials and Services						
521000 Professional Services	0	0	0	0	130,000	130,000
524000 Repair & Maintenance Services	0	0	28,951	6,845	50,000	50,000
529000 Miscellaneous Services	0	0	25,000	20,000	50,000	50,000
532000 Operating Supplies	0	0	0	1,485	50,000	50,000

534000	Minor Equipment & Tools	42,684	527,074	1,117,032	350,000	200,000	199,426
Total External Materials and Services		42,684	527,074	1,170,983	378,330	480,000	479,426
Internal Materials and Services							
555000	Data Processing Services	0	1,979	1,813	1,909	1,763	1,763
559000	Other Fund Services	1,122	1,063	18,148	18,143	26,915	26,915
Total Internal Materials and Services		1,122	3,042	19,961	20,052	28,678	28,678
Total Materials and Services		43,806	530,116	1,190,944	398,382	508,678	508,104
Capital Outlay							
564000	Capital Equipment	0	108,753	0	0	683,688	683,688
Total Capital Outlay		0	108,753	0	0	683,688	683,688
573000	Equipment Cash Transfers	0	0	700,000	0	0	0
TOTAL Bureau Expenses		\$ 43,806	\$ 638,869	\$ 2,060,944	\$ 568,382	\$ 1,396,366	\$ 1,395,792

FUND OVERVIEW

Resources

The Public Safety Fund is dedicated to support the Bureau of Emergency Communications (BOEC) and acts as the contingency account and major maintenance and replacement fund for the bureau.

Tax Levy

The original funding source was a 1989 levy for the construction of the Communications Center at 9911 S.E. Bush Street and the acquisition and enhancement of a computer-aided dispatch computer system to support the call-taking and dispatch activities at BOEC.

State of Oregon

Money remaining in the fund is primarily from reimbursements from the State of Oregon to purchase and upgrade the 911 phone system and from accumulated interest income.

CAD Reserve and Other Fund Balance Reserves

During FY 2000-01 the Computer-Aided Dispatch (CAD) System Reserve Fund was dissolved. This fund was supported by annual contributions from all the BOEC user jurisdictions. It was determined the fund was not growing at a rate sufficient to provide funds to replace the CAD system when needed and that a future bond issue would be needed. The user jurisdiction shares of the reserve fund were returned to each jurisdiction. Portland chose to provide \$500,000 in additional funds to the Communications Center remodel project and transfer \$1.7 million of its refund share into the Public Safety Fund.

The year-end fund balance also contained balances for the purchase of a master digital recorder unit, surplus revenues from the prior year, and a balance from a completed HVAC project which were included in the refund amount.

Balance and Planned Expenditures

The fund is projected to contain approximately \$1.8 million during FY 2002-03. Funds are dedicated to acquisition of information technology (IT) equipment and support for other IT requirements, computer-aided dispatch system workstation upgrades/replacements, a pilot project which promotes sick leave reduction, a general BOEC operating contingency and City interagency services provided by the Bureau of Information Technology, Investment Services and General Fund Overhead bureaus.

Managing Agency

Bureau of Emergency Communications.

Supplemental Retirement Program Trust Fund – 654

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	21,519	7,386	9,000	4,000	2,500	2,500
	21,519	7,386	9,000	4,000	2,500	2,500
Total External Revenues	21,519	7,386	9,000	4,000	2,500	2,500
Internal Revenues						
Beginning Fund Balance	352,343	367,249	99,633	99,633	96,633	96,633
TOTAL RESOURCES	\$ 373,862	\$ 374,635	\$ 108,633	\$ 103,633	\$ 99,133	\$ 99,133
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	6,613	6,700	7,000	7,000	7,200	7,200
Total Bureau Expenses	6,613	6,700	7,000	7,000	7,200	7,200
Fund Requirements						
Fund Cash Transfers						
Health Insurance	0	269,615	0	0	0	0
	0	269,615	0	0	0	0
Unappropriated Ending Balance						
Unappropriated Ending Balance	367,249	98,320	101,633	96,633	91,933	91,933
	367,249	98,320	101,633	96,633	91,933	91,933
Total Fund Requirements	367,249	367,935	101,633	96,633	91,933	91,933
TOTAL REQUIREMENTS	\$ 373,862	\$ 374,635	\$ 108,633	\$ 103,633	\$ 99,133	\$ 99,133
LINE ITEM DETAIL – AU 229						
Materials and Services						
External Materials and Services						
547000 Retirement System Payments	6,613	6,700	7,000	7,000	7,200	7,200
Total External Materials and Services	6,613	6,700	7,000	7,000	7,200	7,200
Total Materials and Services	6,613	6,700	7,000	7,000	7,200	7,200
TOTAL Bureau Expenses	\$ 6,613	\$ 6,700	\$ 7,000	\$ 7,000	\$ 7,200	\$ 7,200

FUND OVERVIEW

The Supplemental Retirement Program Trust Fund was established by City ordinance #138016 for the purpose of providing certain disability, service requirement, and death benefits for Bruce Baker, a former Chief of Police for the City of Portland. This supplemental trust was established in accordance with ORS 236.620 because Mr. Baker was not eligible for membership in, or benefits from, either the Fire and Police Disability and Retirement System (FPD&R) or the Public Employees Retirement System (PERS).

Managing Agency Office of Management and Finance, Financial Planning.

CHANGES FROM PRIOR YEAR

Interest earnings have been lowered to 2 1/2% for FY 2002-03 to reflect current market conditions per the City Treasurer.

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Bonded Debt Interest and Sinking Fund – 302

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	7,278,629	7,814,693	7,803,322	7,518,816	6,474,991	6,474,991
Prior Year Property Taxes	157,937	146,224	75,000	110,000	130,000	130,000
	<u>7,436,566</u>	<u>7,960,917</u>	<u>7,878,322</u>	<u>7,628,816</u>	<u>6,604,991</u>	<u>6,604,991</u>
Miscellaneous Revenues						
Interest Earned	148,842	158,883	50,000	50,000	50,000	50,000
	<u>148,842</u>	<u>158,883</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total External Revenues	<u>7,585,408</u>	<u>8,119,800</u>	<u>7,928,322</u>	<u>7,678,816</u>	<u>6,654,991</u>	<u>6,654,991</u>
Internal Revenues						
Interfund Service Reimbursements						
Special Finance and Resource	0	0	0	40,000	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>0</u>	<u>0</u>
Total Internal Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>0</u>	<u>0</u>
Beginning Fund Balance	621,292	328,377	0	499,506	250,000	250,000
TOTAL RESOURCES	\$ 8,206,700	\$ 8,448,177	\$ 7,928,322	\$ 8,218,322	\$ 6,904,991	\$ 6,904,991
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	7,878,323	7,948,671	7,928,322	7,968,322	6,904,991	6,904,991
Unappropriated Ending Balance						
Unappropriated Ending Balance	328,377	499,506	0	250,000	0	0
	<u>328,377</u>	<u>499,506</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	<u>8,206,700</u>	<u>8,448,177</u>	<u>7,928,322</u>	<u>8,218,322</u>	<u>6,904,991</u>	<u>6,904,991</u>
TOTAL REQUIREMENTS	\$ 8,206,700	\$ 8,448,177	\$ 7,928,322	\$ 8,218,322	\$ 6,904,991	\$ 6,904,991

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to the financing and refinancing of bonds issued for the renovation of the City's park system and the Bureau of Fire, Rescue and Emergency Services' infrastructure.

Principal and interest on these bonds are paid from property taxes. The City is obligated to levy an annual ad valorem tax, without limitation to rate or amount, upon all property within the city sufficient to service the debt.

Managing Agency Office of Management and Finance, Financial Management.

Bonded Debt Interest and Sinking Fund – 302

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
General Obligation Parks Bonds, 1995 Series A						
03/01/1995 - Due 6/1	20,000,000					
		2002/03	855,000	5.20%	869,063	1,724,063
		2003/04	900,000	5.25%	824,603	1,724,603
		2004/05	950,000	5.30%	777,353	1,727,353
		2005/06	1,000,000	5.30%	727,003	1,727,003
		2006/07	1,050,000	5.40%	674,003	1,724,003
		2007/08	1,105,000	5.50%	617,303	1,722,303
		TOTAL	5,860,000		4,489,325	10,349,325
General Obligation Parks Bonds, 1995 Series B						
03/01/1995 - Due 6/1	38,800,000					
		2002/03	1,665,000	5.15%	1,666,658	3,331,658
		2003/04	1,750,000	5.20%	1,580,910	3,330,910
		2004/05	1,840,000	5.25%	1,489,910	3,329,910
		2005/06	1,940,000	5.25%	1,393,310	3,333,310
		2006/07	2,040,000	5.30%	1,291,460	3,331,460
		2007/08	2,150,000	5.40%	1,183,340	3,333,340
		TOTAL	11,385,000		8,605,588	19,990,588
General Obligation Emergency Facility Bonds, 1999 Series A						
06/01/1999 - Due 6/1	24,500,000					
		2002/03	130,000	3.20%	1,350,050	1,480,050
		2003/04	130,000	3.40%	1,345,890	1,475,890
		2004/05	135,000	3.60%	1,341,470	1,476,470
		2005/06	140,000	3.70%	1,336,610	1,476,610
		2006/07	145,000	3.90%	1,331,430	1,476,430
		2007/08	155,000	4.00%	1,325,775	1,480,775
		2008/09	3,595,000	4.15%	1,319,575	4,914,575
		2009/10	3,745,000	4.25%	1,170,383	4,915,383
		2010/11	3,900,000	4.50%	1,011,220	4,911,220
		2011/12	4,075,000	5.00%	835,720	4,910,720
		2012/13	4,280,000	4.50%	631,970	4,911,970
		2013/14	4,470,000	4.60%	439,370	4,909,370
		2014/15	4,675,000	5.00%	233,750	4,908,750
		TOTAL	29,575,000		13,673,213	43,248,213
General Obligation Parks Refunding Bonds, 2001 Series A						
07/01/2001 - Due 6/1	29,810,000					
		2002/03	900,000	4.50%	1,092,988	1,992,988
		2003/04	930,000	4.50%	1,052,488	1,982,488
		2004/05	970,000	4.50%	1,010,638	1,980,638
		2005/06	1,010,000	4.50%	966,988	1,976,988
		2006/07	1,050,000	5.00%	921,538	1,971,538
		2007/08	1,100,000	5.00%	869,038	1,969,038
		2008/09	1,140,000	5.00%	814,038	1,954,038
		2009/10	1,200,000	4.90%	757,038	1,957,038
		2010/11	1,250,000	5.00%	698,238	1,948,238
		2011/12	1,310,000	5.00%	635,738	1,945,738
		2012/13	1,370,000	5.00%	570,238	1,940,238
		2013/14	1,440,000	5.13%	501,738	1,941,738
		2014/15	1,510,000	5.13%	427,938	1,937,938
		2015/16	1,580,000	5.13%	350,550	1,930,550
		2016/17	1,660,000	5.13%	269,575	1,929,575
		2017/18	1,750,000	5.13%	184,500	1,934,500
		2018/19	1,850,000	5.13%	94,813	1,944,813
		TOTAL	22,020,000		11,218,075	33,238,075

COMBINED DEBT SERVICE

Bonded Debt Interest and Sinking Fund – 302

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
	113,430,000					
		2002/03	3,550,000		4,978,758	8,528,758
		2003/04	3,710,000		4,803,890	8,513,890
		2004/05	3,895,000		4,619,370	8,514,370
		2005/06	4,090,000		4,423,910	8,513,910
		2006/07	4,285,000		4,218,430	8,503,430
		2007/08	4,510,000		3,995,455	8,505,455
		2008/09	4,735,000		2,133,613	6,868,613
		2009/10	4,945,000		1,927,420	6,872,420
		2010/11	5,150,000		1,709,458	6,859,458
		2011/12	5,385,000		1,471,458	6,856,458
		2012/13	5,650,000		1,202,208	6,852,208
		2013/14	5,910,000		941,108	6,851,108
		2014/15	6,185,000		661,688	6,846,688
		2015/16	1,580,000		350,550	1,930,550
		2016/17	1,660,000		269,575	1,929,575
		2017/18	1,750,000		184,500	1,934,500
		2018/19	1,850,000		94,813	1,944,813
TOTAL FUND DEBT SERVICE			\$ 68,840,000		\$ 37,986,200	\$ 106,826,200

Golf Fund – 154

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Concessions	208,870	249,227	194,985	255,000	375,322	375,322
Parks & Recreation Facilities	5,125,397	6,001,507	7,221,904	6,525,000	7,032,077	7,032,077
Rents and Reimbursements	6,647	790	0	800	0	0
	5,340,914	6,251,524	7,416,889	6,780,800	7,407,399	7,407,399
Miscellaneous Revenues						
Bond and Note Sales	3,904,670	0	4,549,417	0	0	0
Interest Earned	1,091	65,246	80,000	48,000	65,246	65,246
Other Miscellaneous	512	61,954	0	0	0	0
Private Grants/Donations	480	0	0	0	0	0
Sales Miscellaneous	3,275	10,755	10,800	9,800	71,500	71,500
	3,910,028	137,955	4,640,217	57,800	136,746	136,746
Total External Revenues	9,250,942	6,389,479	12,057,106	6,838,600	7,544,145	7,544,145
Internal Revenues						
Other Cash Transfers						
Fleet Services Fund	0	0	0	0	28,874	28,874
	0	0	0	0	28,874	28,874
Total Internal Revenues	0	0	0	0	28,874	28,874
Beginning Fund Balance	185,346	737,949	815,843	816,586	389,904	389,904
TOTAL RESOURCES	\$ 9,436,288	\$ 7,127,428	\$ 12,872,949	\$ 7,655,186	\$ 7,962,923	\$ 7,962,923
REQUIREMENTS						
Bureau Expenses						
Personal Services	2,571,956	2,518,599	2,498,252	2,643,249	2,578,902	2,578,902
External Materials and Services	1,573,812	1,868,197	1,974,140	1,600,000	1,636,605	1,636,605
Internal Materials and Services						
Communications Services	11,547	11,695	12,487	0	15,401	15,401
Data Processing Services	7,425	16,645	15,039	0	14,617	14,617
Facilities Services	24	0	0	0	0	0
Fleet Services	105,171	106,664	240,645	0	255,566	255,566
Insurance	66,462	73,362	71,792	0	77,870	77,870
Printing & Distribution	2,391	3,307	737	0	2,807	2,807
Environmental Services	4,774	308	0	0	0	0
Environmental Svcs - Int	0	0	0	0	2,447	2,447
Finance & Administration	8,431	8,575	52,566	0	57,567	57,567
Parking Facilities	3,120	3,120	3,360	0	1,800	1,800
Parks Bureau	350,722	360,839	434,499	825,000	439,165	439,165
Parks Construction	0	2,903	120,000	0	281,000	281,000
Transportation	8,967	1,496	0	0	0	0
	569,034	588,914	951,125	825,000	1,148,240	1,148,240
Capital Outlay	3,107,272	387,093	4,561,551	1,252,495	709,000	709,000
Total Bureau Expenses	7,822,074	5,362,803	9,985,068	6,320,744	6,072,747	6,072,747
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	1,839,200	389,904	1,122,756	1,118,113
	0	0	1,839,200	389,904	1,122,756	1,118,113
General Fund Overhead	156,825	210,897	137,430	86,429	118,345	122,988
Fund Cash Transfers						
Golf Revenue Bond	669,074	606,226	300,000	288,171	435,000	435,000
Health Insurance	6,765	0	0	0	0	0
Intermediate Debt Fund	0	0	0	500,000	0	0
Pension Debt Redemption Fund	0	65,913	93,251	69,938	85,565	85,565
	675,839	672,139	393,251	858,109	520,565	520,565
Debt Retirement	43,601	65,003	518,000	0	128,510	128,510

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Unappropriated Ending Balance						
Unappropriated Ending Balance	737,949	816,586	0	0	0	0
	737,949	816,586	0	0	0	0
Total Fund Requirements	1,614,214	1,764,625	2,887,881	1,334,442	1,890,176	1,890,176
TOTAL REQUIREMENTS	\$ 9,436,288	\$ 7,127,428	\$ 12,872,949	\$ 7,655,186	\$ 7,962,923	\$ 7,962,923

FUND OVERVIEW

The Golf Operating Fund is designed to account for a self-sufficient, revenue-based golf program within Portland Parks and Recreation. The program supports five regulation-sized golf courses at four sites, along with clubhouses and other support facilities. The courses encompass approximately 750 acres within the metropolitan area.

Managing Agency Portland Parks and Recreation.

Golf Revenue Bond Redemption Fund – 353

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Bond and Note Sales	36,330	0	0	0	0	0
Interest Earned	15,691	1,212	12,000	850	700	700
	52,021	1,212	12,000	850	700	700
Total External Revenues	52,021	1,212	12,000	850	700	700
Internal Revenues						
Other Cash Transfers						
Golf Fund	669,074	606,226	300,000	288,171	435,000	435,000
	669,074	606,226	300,000	288,171	435,000	435,000
Total Internal Revenues	669,074	606,226	300,000	288,171	435,000	435,000
Beginning Fund Balance	232,754	9,768	9,268	10,979	11,829	11,829
TOTAL RESOURCES	\$ 953,849	\$ 617,206	\$ 321,268	\$ 300,000	\$ 447,529	\$ 447,529
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	944,081	606,226	300,000	288,171	435,000	435,000
Unappropriated Ending Balance						
Unappropriated Ending Balance	9,768	10,980	21,268	11,829	12,529	12,529
	9,768	10,980	21,268	11,829	12,529	12,529
Total Fund Requirements	953,849	617,206	321,268	300,000	447,529	447,529
TOTAL REQUIREMENTS	\$ 953,849	\$ 617,206	\$ 321,268	\$ 300,000	\$ 447,529	\$ 447,529

LINE ITEM DETAIL – AU 619

FUND OVERVIEW

This fund pays principal and interest on a line of credit established in 2000 to make improvements at Eastmoreland, Heron Lakes, Redtail (previously known as Progress Downs), and Rose City golf courses. Debt service on these bonds is payable from and secured by net revenues of the golf system.

Managing Agency Portland Parks and Recreation.

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Golf System Revenue Bonds, 2000						
Series A						
02/01/2000 - Due 11/1	3,600,000					
		2002/03	-	variable	435,000	435,000
		2003/04	3,600,000	variable	435,000	4,035,000
TOTAL FUND DEBT SERVICE			\$ 3,600,000		\$ 870,000	\$ 4,470,000

Parks Bond Construction Fund – 504

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	359,685	38,905	0	0	0	0
Other Miscellaneous	5,040	0	0	0	0	0
	<u>364,725</u>	<u>38,905</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total External Revenues	364,725	38,905	0	0	0	0
Internal Revenues						
Beginning Fund Balance	11,298,693	1,178,011	0	0	0	0
TOTAL RESOURCES	\$ 11,663,418	\$ 1,216,916	\$ 0	\$ 0	\$ 0	\$ 0
REQUIREMENTS						
Bureau Expenses						
Personal Services	706,560	0	0	0	0	0
External Materials and Services	1,244,771	246,497	0	0	0	0
Internal Materials and Services						
Communications Services	39,041	1,228	0	0	0	0
Facilities Services	15	0	0	0	0	0
Fleet Services	7,157	0	0	0	0	0
Printing & Distribution	11,865	452	0	0	0	0
Environmental Services	11,375	0	0	0	0	0
Finance & Administration	31,260	20,602	0	0	0	0
Parking Facilities	7,800	0	0	0	0	0
Parks Bureau	100,969	749	0	0	0	0
Transportation	12,093	0	0	0	0	0
Water Bureau	24,168	0	0	0	0	0
	<u>245,743</u>	<u>23,031</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Outlay	8,261,370	926,450	0	0	0	0
Total Bureau Expenses	10,458,444	1,195,978	0	0	0	0
Fund Requirements						
General Fund Overhead	25,000	0	0	0	0	0
Fund Cash Transfers						
Health Insurance	1,688	0	0	0	0	0
Pension Debt Redemption Fund	0	36,515	0	0	0	0
	<u>1,688</u>	<u>36,515</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unappropriated Ending Balance						
Unappropriated Ending Balance	1,178,286	(15,577)	0	0	0	0
	<u>1,178,286</u>	<u>(15,577)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	1,204,974	20,938	0	0	0	0
TOTAL REQUIREMENTS	\$ 11,663,418	\$ 1,216,916	\$ 0	\$ 0	\$ 0	\$ 0

FUND OVERVIEW

The Parks Bond Construction Fund was established to account for capital improvements funded by a \$58.8 million General Obligation bond issue. This capital program, sometimes referred to as the GOBI, was passed by voters in November 1994, and implementation began in the Spring of 1995.

Work was completed in FY 2000-01 and the fund has been closed. Therefore no funds are budgeted in FY 2002-03.

Managing Agency Portland Parks and Recreation.

Parks Construction Fund – 505

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Public Works/Utility Charge	1,243,204	1,456,385	1,300,000	1,335,000	1,734,546	1,734,546
Rents and Reimbursements	30,021	38,708	7,000	7,000	0	0
	1,273,225	1,495,093	1,307,000	1,342,000	1,734,546	1,734,546
Local Sources						
Local Cost Sharing	353,864	1,147,674	4,692,205	2,013,978	569,787	569,787
	353,864	1,147,674	4,692,205	2,013,978	569,787	569,787
Miscellaneous Revenues						
Bond and Note Sales	0	2,250,000	0	0	0	0
Collection of Assessment	303,415	518,480	0	0	0	0
Interest Earned	136,726	173,693	189,266	145,000	180,000	180,000
Other Miscellaneous	155,170	1,048	0	0	0	0
Private Grants/Donations	113,909	52,400	0	0	0	0
Sale of Capital Assets	14,566	0	0	0	0	0
	723,786	2,995,621	189,266	145,000	180,000	180,000
Total External Revenues	2,350,875	5,638,388	6,188,471	3,500,978	2,484,333	2,484,333
Internal Revenues						
Other Cash Transfers						
General Fund	2,105,000	1,520,000	2,133,450	2,133,450	900,000	900,000
Parks Memorial Trust Fund	0	0	30,000	30,000	0	0
	2,105,000	1,520,000	2,163,450	2,163,450	900,000	900,000
Federal Grants Transfers						
	28,726	90,934	12,865	4,000	500,000	500,000
Interfund Service Reimbursements						
Environmental Services	33,325	10,000	7,000	7,000	0	0
Golf Operating Fund	0	2,903	120,000	8,500	281,000	281,000
Housing & Community Development	0	13,000	0	0	0	0
Neighborhood Involvement	0	7,650	0	0	0	0
Parks Serial Levy	0	0	0	0	3,025,000	0
Portland Parks Trust	1,232,710	577,144	220,000	210,000	222,500	222,500
Transportation	33,325	0	0	0	0	0
Water Bureau	359,650	0	0	0	0	0
	1,659,010	610,697	347,000	225,500	3,528,500	503,500
Equipment Cash Transfers						
Tr/ Park Trust	0	0	30,000	0	0	0
	0	0	30,000	0	0	0
Total Internal Revenues	3,792,736	2,221,631	2,553,315	2,392,950	4,928,500	1,903,500
Beginning Fund Balance	1,320,346	3,871,806	2,349,728	2,343,490	836,000	836,000
TOTAL RESOURCES	\$ 7,463,957	\$ 11,731,825	\$ 11,091,514	\$ 8,237,418	\$ 8,248,833	\$ 5,223,833

REQUIREMENTS

Bureau Expenses						
Personal Services	169,591	6,093	1,089,485	0	929,697	841,779
External Materials and Services	674,466	(743,460)	1,062,283	0	690,439	685,145
Internal Materials and Services						
Communications Services	1,968	20,330	9,806	0	11,686	11,686
Data Processing Services	0	12,689	11,539	0	21,215	21,215
Facilities Services	93	119	0	0	0	0
Fleet Services	0	5,622	4,710	0	5,170	5,170
Printing & Distribution	6,172	17,590	14,500	0	23,862	23,862
Environmental Services	5,131	11,240	10,000	0	0	0
Finance & Administration	0	0	9,615	0	10,745	10,745
Parking Facilities	0	3,480	3,360	0	3,600	3,600
Parks Bureau	12,064	481,098	356,930	0	321,751	321,751
Special Appropriations	0	0	0	0	0	1,580
Transportation	0	74,450	30,400	0	0	0

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Water Bureau	0	12,486	0	0	0	0
	25,428	639,104	450,860	0	398,029	399,609
Capital Outlay	2,673,914	9,328,961	7,869,917	6,970,771	5,695,722	2,758,640
Total Bureau Expenses	3,543,399	9,230,428	10,472,545	6,970,771	7,713,887	4,685,173
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	229,838	836,000	0	0
	0	0	229,838	836,000	0	0
General Fund Overhead	48,752	106,027	86,722	137,590	86,264	89,978
Fund Cash Transfers						
Intermediate Debt Fund	0	51,270	265,000	265,000	421,521	421,521
Pension Debt Redemption Fund	0	610	37,409	28,057	27,161	27,161
	0	51,880	302,409	293,057	448,682	448,682
Unappropriated Ending Balance						
Unappropriated Ending Balance	3,871,806	2,343,490	0	0	0	0
	3,871,806	2,343,490	0	0	0	0
Total Fund Requirements	3,920,558	2,501,397	618,969	1,266,647	534,946	538,660
TOTAL REQUIREMENTS	\$ 7,463,957	\$ 11,731,825	\$ 11,091,514	\$ 8,237,418	\$ 8,248,833	\$ 5,223,833

FUND OVERVIEW

The Parks Construction Fund was created in FY 1998-99 as a way to improve and streamline the financial management and accounting for capital improvement program expenditures for Portland Parks and Recreation. Projects approved through the Capital Review Committee using General Fund resources are included here, as well as projects funded with non-discretionary resources, including the Park System Development Charge established in the Fall of 1998. A total of \$900,000 of General Fund discretionary resources is included in the FY 2002-03 Adopted Budget.

The reduction of \$3.025 million from FY 2002-03 Proposed to Adopted is due to the failure of the Parks Local Option Levy in the May election because the 50% turnout required was not met.

Managing Agency Portland Parks and Recreation.

Parks Endowment Fund – 402

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	0	0	0	0	0	1,400
	0	0	0	0	0	1,400
Total External Revenues	0	0	0	0	0	1,400
Internal Revenues						
Beginning Fund Balance	0	0	0	29,000	0	29,000
TOTAL RESOURCES	\$ 0	\$ 0	\$ 0	\$ 29,000	\$ 0	\$ 30,400
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	0	0	0	0	0	1,400
Total Bureau Expenses	0	0	0	0	0	1,400
Fund Requirements						
Unappropriated Ending Balance						
Unappropriated Ending Balance	0	0	0	29,000	0	29,000
	0	0	0	29,000	0	29,000
Total Fund Requirements	0	0	0	29,000	0	29,000
TOTAL REQUIREMENTS	\$ 0	\$ 0	\$ 0	\$ 29,000	\$ 0	\$ 30,400
LINE ITEM DETAIL – AU 453						
Materials and Services						
External Materials and Services						
539000 Other Commodities External	0	0	0	0	0	1,400
Total External Materials and Services	0	0	0	0	0	1,400
Total Materials and Services	0	0	0	0	0	1,400
TOTAL Bureau Expenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,400

FUND OVERVIEW

The Parks Endowment Fund accounts for gifts, donations, and endowments of a permanent nature, whereby the principal is invested and earnings are available to support Parks and Recreation programs and activities. The first such endowment is described below.

The F.L. Beach Curbside Rose Award Trust was established in 1975 through a gift of stock. The purpose of the donation was to encourage planting and maintaining roses visible to the public through a system of awards in an annual competition. Under the terms and conditions of this donation, after the shares of stock were sold only the income from the investment could be used for prizes and awards. Any income not used for this purpose shall apply to increase the trust reserve.

The fund has \$29,000 in principal that is projected to generate approximately \$1,400 in earnings in FY 2002-03.

This fund had been included within the Portland Parks Trust Fund, but new accounting requirements from the Governmental Accounting Standards Board (GASB) via pronouncement GASB 34 require that this type of fund be segregated in a permanent fund.

CHANGES FROM PRIOR YEAR

The F.L. Beach Rose Visibility Fund is being transferred to the newly established Parks Endowment Fund from the Portland Parks Trust Fund.

The fund has \$29,000 in assets that are projected to generate approximately \$1,400 in earnings in FY 2002-03.

Portland International Raceway Fund – 156

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Concessions	195,788	155,870	175,000	170,000	180,000	180,000
Rents and Reimbursements	753,288	813,140	708,000	1,138,000	825,000	985,000
	949,076	969,010	883,000	1,308,000	1,005,000	1,165,000
Local Sources						
Local Cost Sharing	0	0	75,000	0	0	0
	0	0	75,000	0	0	0
Miscellaneous Revenues						
Interest Earned	2,301	450	10,000	800	0	0
Other Miscellaneous	4,812	5,398	0	22,000	5,000	5,000
	7,113	5,848	10,000	22,800	5,000	5,000
Total External Revenues	956,189	974,858	968,000	1,330,800	1,010,000	1,170,000
Internal Revenues						
Other Cash Transfers						
Fleet Services Fund	0	0	0	0	1,921	1,921
	0	0	0	0	1,921	1,921
Interfund Service Reimbursements						
Police Bureau	0	0	0	19,200	0	0
Portland Parks Trust	0	0	0	20,000	0	0
	0	0	0	39,200	0	0
Total Internal Revenues	0	0	0	39,200	1,921	1,921
Beginning Fund Balance	2,270	99,093	92,321	92,321	167,375	75,857
TOTAL RESOURCES	\$ 958,459	\$ 1,073,951	\$ 1,060,321	\$ 1,462,321	\$ 1,179,296	\$ 1,247,778

REQUIREMENTS

Bureau Expenses						
Personal Services	452,712	437,929	433,842	478,000	477,597	477,597
External Materials and Services	275,601	359,268	374,091	554,000	361,237	309,034
Internal Materials and Services						
Communications Services	10,230	9,735	11,176	0	15,604	15,604
Data Processing Services	965	2,562	2,315	0	2,251	2,251
Fleet Services	5,061	4,947	5,035	0	5,921	5,921
Insurance	20,157	25,341	25,506	0	35,396	35,396
Printing & Distribution	841	626	829	0	729	729
Environmental Services	0	55,000	60,000	0	75,000	75,000
Finance & Administration	0	0	5,245	0	5,861	5,861
Parks Bureau	29,173	54,149	59,257	226,000	91,003	91,003
Transportation	8,572	0	0	0	0	0
	74,999	152,360	169,363	226,000	231,765	231,765
Capital Outlay	30,894	19,384	0	110,318	0	0
Total Bureau Expenses	834,206	968,941	977,296	1,368,318	1,070,599	1,018,396
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	45,183	75,857	67,562	30,000
	0	0	45,183	75,857	67,562	30,000
General Fund Overhead	24,198	0	20,996	5,512	27,247	27,994
Fund Cash Transfers						
Health Insurance	962	0	0	0	0	0
Pension Debt Redemption Fund	0	12,689	16,846	12,634	13,888	13,888
Portland Parks Memorial Trust	0	0	0	0	0	157,500
	962	12,689	16,846	12,634	13,888	171,388

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Unappropriated Ending Balance						
Unappropriated Ending Balance	99,093	92,321	0	0	0	0
	99,093	92,321	0	0	0	0
Total Fund Requirements	124,253	105,010	83,025	94,003	108,697	229,382
TOTAL REQUIREMENTS	\$ 958,459	\$ 1,073,951	\$ 1,060,321	\$ 1,462,321	\$ 1,179,296	\$ 1,247,778

FUND OVERVIEW

The Portland International Raceway (PIR) Operating Fund is a separate enterprise fund within Portland Parks and Recreation. It is a wholly self-sustaining operation which manages the world-class road course, motocross track, open air exhibit areas, and related spectator facilities. The facility attracts over 500,000 spectators to about 135 events annually and is used nearly every day of the year.

Managing Agency Portland Parks and Recreation.

Portland Parks Memorial Trust Funds – 602

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Concessions	56,271	49,926	60,000	40,000	45,000	45,000
Parking Fees	159,307	162,208	153,000	163,000	164,000	164,000
Parks & Recreation Facilities	1,099,820	1,183,650	1,000,500	921,000	973,800	973,800
Rents and Reimbursements	271,116	389,182	301,500	420,000	416,000	416,000
	1,586,514	1,784,966	1,515,000	1,544,000	1,598,800	1,598,800
Miscellaneous Revenues						
Interest Earned	171,582	182,431	170,100	155,000	137,400	136,000
Other Miscellaneous	3,101	27,969	0	0	0	0
Private Grants/Donations	254,258	404,122	10,500	230,000	46,000	46,000
	428,941	614,522	180,600	385,000	183,400	182,000
Total External Revenues	2,015,455	2,399,488	1,695,600	1,929,000	1,782,200	1,780,800
Internal Revenues						
Other Cash Transfers						
Portland International Raceway	0	0	0	0	0	157,500
Sewage System Operating Fund	0	25,520	0	0	0	0
	0	25,520	0	0	0	157,500
Interfund Service Reimbursements						
Parks Bureau	0	0	0	0	136,000	136,000
Police Bureau	0	15,000	0	0	0	0
Transportation	0	99,124	0	0	0	0
	0	114,124	0	0	136,000	136,000
Total Internal Revenues	0	139,644	0	0	136,000	293,500
Beginning Fund Balance	3,241,869	2,593,599	3,035,656	3,035,655	2,868,455	2,839,455
TOTAL RESOURCES	\$ 5,257,324	\$ 5,132,731	\$ 4,731,256	\$ 4,964,655	\$ 4,786,655	\$ 4,913,755
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	803,713	870,089	1,094,684	1,215,200	1,176,100	1,174,700
Internal Materials and Services						
Communications Services	325	374	372	0	385	385
Printing & Distribution	1,170	334	0	0	500	500
Finance & Administration	2,111	2,096	0	0	0	0
Neighborhood Involvement	7,500	7,500	7,700	0	7,800	7,800
Parks Bureau	616,196	639,538	641,327	840,000	600,422	600,422
Parks Construction	1,232,710	577,144	220,000	0	222,500	222,500
	1,860,012	1,226,986	869,399	840,000	831,607	831,607
Equipment Cash Transfers						
Parks Construction	0	0	30,000	30,000	0	0
	0	0	30,000	30,000	0	0
Total Bureau Expenses	2,663,725	2,097,075	1,994,083	2,085,200	2,007,707	2,006,307
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	2,638,462	2,839,455	2,749,948	2,860,743
	0	0	2,638,462	2,839,455	2,749,948	2,860,743
Fund Cash Transfers						
General Fund	0	0	40,000	40,000	0	0
Parks Construction	0	0	30,000	0	0	0
Water Fund	0	0	0	0	0	46,705
	0	0	70,000	40,000	0	46,705

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Unappropriated Ending Balance						
Unappropriated Ending Balance	2,593,599	3,035,656	28,711	0	29,000	0
	2,593,599	3,035,656	28,711	0	29,000	0
Total Fund Requirements	2,593,599	3,035,656	2,737,173	2,879,455	2,778,948	2,907,448
TOTAL REQUIREMENTS	\$ 5,257,324	\$ 5,132,731	\$ 4,731,256	\$ 4,964,655	\$ 4,786,655	\$ 4,913,755
LINE ITEM DETAIL – AU 450						
Materials and Services						
External Materials and Services						
521000 Professional Services	13,300	16,911	15,000	0	0	0
522000 Utilities	2,276	2,538	4,201	0	2,200	2,200
523000 Equipment Rental	2,102	10,254	49,000	0	25,000	25,000
524000 Repair & Maintenance Services	47,010	81,493	108,737	0	154,000	154,000
528000 Local Match Payments	125,296	127,229	199,000	0	230,000	230,000
529000 Miscellaneous Services	161,879	128,839	140,000	0	192,000	192,000
531000 Office Supplies	1,655	3,320	6,067	0	7,000	7,000
532000 Operating Supplies	86,353	76,426	136,000	1,215,200	137,500	137,500
533000 Repair & Maintenance Supplies	18,786	21,942	21,000	0	20,000	20,000
534000 Minor Equipment & Tools	50,191	55,849	76,000	0	57,000	57,000
535000 Clothing & Uniforms	25,640	16,228	41,000	0	41,000	41,000
539000 Other Commodities External	197,329	258,604	221,700	0	214,400	213,000
541000 Education	2,457	4,938	7,000	0	10,000	10,000
543000 Out-of-Town Travel	8,306	15,684	11,979	0	20,000	20,000
544000 Space Rental	698	0	1,000	0	0	0
549000 Miscellaneous	60,435	49,834	57,000	0	66,000	66,000
Total External Materials and Services	803,713	870,089	1,094,684	1,215,200	1,176,100	1,174,700
Internal Materials and Services						
552000 Printing & Distribution	1,170	334	0	0	500	500
554000 Communications Services	325	374	372	0	385	385
559000 Other Fund Services	1,858,517	1,226,278	869,027	840,000	830,722	830,722
Total Internal Materials and Services	1,860,012	1,226,986	869,399	840,000	831,607	831,607
Total Materials and Services	2,663,725	2,097,075	1,964,083	2,055,200	2,007,707	2,006,307
573000 Equipment Cash Transfers	0	0	30,000	30,000	0	0
TOTAL Bureau Expenses	\$ 2,663,725	\$ 2,097,075	\$ 1,994,083	\$ 2,085,200	\$ 2,007,707	\$ 2,006,307

FUND OVERVIEW

The Portland Parks Trust Fund, consisting of 13 separate funds, was established to receive donations from grants, neighborhood associations, foundations, friends organizations and others who designate funds to be applied to specific parks or projects. Trust fund expenditures are governed by a written set of guidelines that encourage leveraging trust fund expenditures as a match with other sources of support. Trust fund contributions are often one-time investments. They are also used to provide specific benefits to a particular park or constituency and generally benefit the overall growth and mission of the entire park system.

FY 2002-03 Budget

The FY 2002-03 Portland Parks Trust Fund’s Adopted Budget includes \$100,000 support for sponsorships and \$75,000 for maintenance and property taxes of rental properties. The Youth Trust fund is budgeted for \$378,621 to be used for recreation opportunities for low-income youth.

Activities

The Oaks Pioneer Church Trust includes \$32,385 for building and landscape maintenance. The Forest Park Trust is budgeted to use \$10,000 for matching funds to leverage funds from outside organizations for acquisitions to the park. The Willamette Park Trust has \$39,900 budgeted for parking management services. The North Portland Trust Fund has \$42,800 budgeted for North Portland priority recreation and activities in agreement with the local neighborhood and business community, with the funding coming from ticket surcharges at selected events at Portland International Raceway.

Activities in the other trust funds are at approximately the same level as in FY 2001-02, and include:

\$2,000 - Delta Park Trust

\$3,000 - SP 4449 Trust

\$40,000 - Columbia South Shore Trails Trust

\$1,000 - Rose Garden Trust

\$663,044 - Recreation Trust

\$40,000 - Parks Operations Trust

\$3,200 - Portland International Raceway Timing Tower Trust

Managing Agency

Portland Parks and Recreation.

CHANGES FROM PRIOR YEAR

The F.L. Beach Rose Visibility Fund is being transferred to the newly established Parks Endowment Fund.

The fund has \$29,000 in assets that are projected to generate approximately \$1,400 in earnings in FY 2002-03.

Spectator Facilities Operating Fund – 160

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Parking Fees	1,508,052	1,439,276	1,427,810	1,427,810	1,400,000	1,400,000
Rents and Reimbursements	3,834,094	4,614,966	5,195,991	5,195,991	5,315,866	5,315,866
	5,342,146	6,054,242	6,623,801	6,623,801	6,715,866	6,715,866
Local Sources						
Local Cost Sharing	0	0	2,140,260	2,140,260	2,193,585	2,193,585
	0	0	2,140,260	2,140,260	2,193,585	2,193,585
Miscellaneous Revenues						
Bond and Note Sales	0	67,285,583	2,146,448	2,146,448	0	0
Interest Earned	558,610	757,693	506,094	625,235	334,433	334,433
Other Miscellaneous	80,079	90,534	104,136	104,136	71,344	71,344
Refunds	11,865	18,129	0	0	0	0
Sale of Capital Assets	0	20,000	0	0	0	0
	650,554	68,171,939	2,756,678	2,875,819	405,777	405,777
Total External Revenues	5,992,700	74,226,181	11,520,739	11,639,880	9,315,228	9,315,228
Internal Revenues						
Beginning Fund Balance	7,888,333	6,670,330	16,672,057	16,643,550	6,915,521	6,915,521
TOTAL RESOURCES	\$ 13,881,033	\$ 80,896,511	\$ 28,192,796	\$ 28,283,430	\$ 16,230,749	\$ 16,230,749
REQUIREMENTS						
Bureau Expenses						
External Materials and Services	3,060,391	2,447,175	1,667,760	1,667,760	1,238,893	1,238,893
Internal Materials and Services						
Communications Services	325	374	476	476	0	0
Facilities Services	45	0	2,950	2,950	0	0
Printing & Distribution	222	3,544	976	976	1,000	1,000
Finance & Administration	309,648	307,897	315,365	315,365	365,136	365,136
Planning	28,000	0	0	0	0	0
Transportation	85,000	0	0	0	0	0
	423,240	311,815	319,767	319,767	366,136	366,136
Capital Outlay	35,483	29,340,586	2,700,000	2,700,000	650,000	650,000
Total Bureau Expenses	3,519,114	32,099,576	4,687,527	4,687,527	2,255,029	2,255,029
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	6,944,028	0	7,054,686	7,050,594
	0	0	6,944,028	0	7,054,686	7,050,594
General Fund Overhead	0	52,583	268,575	390,993	76,122	80,214
Fund Cash Transfers						
Improvement Bond Int & Sinking	264,556	264,334	266,180	266,180	265,158	265,158
Pension Debt Redemption Fund	0	6,026	13,107	9,830	0	0
Transportation Operating	200,000	43,173	0	0	0	0
	464,556	313,533	279,287	276,010	265,158	265,158
Debt Retirement	3,227,033	31,787,269	16,013,379	16,013,379	6,579,754	6,579,754
Unappropriated Ending Balance						
Unappropriated Ending Balance	6,670,330	16,643,550	0	6,915,521	0	0
	6,670,330	16,643,550	0	6,915,521	0	0
Total Fund Requirements	10,361,919	48,796,935	23,505,269	23,595,903	13,975,720	13,975,720
TOTAL REQUIREMENTS	\$ 13,881,033	\$ 80,896,511	\$ 28,192,796	\$ 28,283,430	\$ 16,230,749	\$ 16,230,749

LINE ITEM DETAIL – AU 203

Materials and Services

External Materials and Services

521000 Professional Services	2,873,770	563,885	497,866	497,866	631,118	631,118
522000 Utilities	24,911	24,275	27,464	27,464	29,022	29,022
524000 Repair & Maintenance Services	77,130	65,550	169,330	169,330	142,210	142,210
525000 Non-Capital Improvement	12,488	1,442,552	0	0	0	0

529000	Miscellaneous Services	57,195	264,565	960,130	960,130	419,975	419,975
531000	Office Supplies	251	341	277	277	310	310
532000	Operating Supplies	4,283	4,091	4,723	4,723	7,111	7,111
534000	Minor Equipment & Tools	8,759	1,772	0	0	0	0
535000	Clothing & Uniforms	312	706	344	344	779	779
539000	Other Commodities External	699	1,015	571	571	1,000	1,000
549000	Miscellaneous	593	78,423	7,055	7,055	7,368	7,368
Total External Materials and Services		3,060,391	2,447,175	1,667,760	1,667,760	1,238,893	1,238,893
Internal Materials and Services							
552000	Printing & Distribution	222	3,544	976	976	1,000	1,000
553000	Facilities Services	45	0	2,950	2,950	0	0
554000	Communications Services	325	374	476	476	0	0
559000	Other Fund Services	422,648	307,897	315,365	315,365	365,136	365,136
Total Internal Materials and Services		423,240	311,815	319,767	319,767	366,136	366,136
Total Materials and Services		3,483,631	2,758,990	1,987,527	1,987,527	1,605,029	1,605,029
Capital Outlay							
562000	Buildings	0	28,263,856	2,500,000	2,500,000	150,000	150,000
563000	Improvements	0	0	200,000	200,000	500,000	500,000
564000	Capital Equipment	35,483	1,076,730	0	0	0	0
Total Capital Outlay		35,483	29,340,586	2,700,000	2,700,000	650,000	650,000
TOTAL Bureau Expenses		\$ 3,519,114	\$ 32,099,576	\$ 4,687,527	\$ 4,687,527	\$ 2,255,029	\$ 2,255,029

FUND OVERVIEW

Fund Description	The Spectator Facilities Operating Fund is an enterprise fund within the Office of Management and Finance established to budget, monitor and account for resources and requirements for the Oregon Arena Project and other activities.
Major Programs	The fund is composed of four major program categories: Parking Operations, Memorial Coliseum, Other Arena Project Activities and PGE Park. The Spectator Facilities Division within the Office of Management and Finance oversees these programs.
Program Activities	Major program activities include operations and maintenance, capital improvements, financial planning, contract administration, special projects and liaison activities between the City and other governmental agencies, and private citizen groups.
Fund Reserves	<p>The Spectator Facilities Operating Fund includes several specific reserves including:</p> <ul style="list-style-type: none"> ◆ Revenue Stabilization Account which is available for catastrophic events and for ordinary costs and expenses related to the Arena Public Facilities when ordinary resources from the General Account are not sufficient. ◆ Capital Improvement Reserve Account which is available to fund future capital outlay expenditures associated with the Arena Public Facilities. ◆ General Account which is available to cover ordinary costs and expenses of the Arena Project operations in the event revenues received are insufficient to meet requirements.
Arena History	In 1992, the City of Portland and the Oregon Arena Corporation (OAC) entered into a development agreement and several other related agreements and leases for planning, developing, and managing the Oregon Arena Project, currently recognized as the Rose Quarter. The agreements concluded a process that brought to Portland an innovative public/private development and the largest public/private arrangement ever formed in Oregon.

City project costs of \$44 million are recovered through user fees, parking revenues, and other project revenues.

The Oregon Arena Project included construction of a state of the art 20,000+ seat arena, an entertainment and office complex, a public plaza, and public and private garages as well as improvements to the Memorial Coliseum and the infrastructure. The City's aggregate cost for public improvements and other costs totaled \$44 million. The City recovers its investment in this project with user and suite fees, parking revenue and other project-related revenues. OAC contributed approximately \$230 million toward the project.

PGE Park

In 2000, the City of Portland and Portland Family Entertainment (PFE) entered into a re-development agreement and a 20-year operating agreement to form a public/private effort for the renovation and enhanced operation of PGE Park (formally Civic Stadium). The City's cost for public improvements was \$33 million. The City recovers its investment in this project with a share of ticket and gross revenues, license fees and other project-related revenues.

Managing Agency Office of Management and Finance, Financial Management.

CHANGES FROM PRIOR YEAR

Accomplishments There have been significant accomplishments in the Spectator Facilities Division.

Parking Facility Counters

Testing of automatic car counters in the East and West parking garages located at the Rose Quarter has been successfully completed. The counters provide information which will be reconciled to parking reports, and will also be used to assist with managing the parking operations.

Civic Stadium Redevelopment Project

The Civic Stadium (now PGE Park) redevelopment project is a public/private effort to renovate Civic Stadium and create a marketable, self-sustaining facility compatible with its surrounding neighborhood. PGE Park opened April 30, 2001.

Memorial Coliseum

One of the public goals of the Memorial Coliseum program is to maintain the Coliseum as a fully functional, marketable and attractive facility. The Memorial Coliseum portable steel seating was recently replaced at a cost of \$715,000. Additional improvements are planned for FY 2002-03. Presently, there is a Memorial Coliseum Reuse Study in progress to investigate alternative public uses for the facility.

Change in Requirements

There are significant decreases in fund expenditures for FY 2002-03 due to the completion of the Civic Stadium (PGE Park) Redevelopment Project.

Change in Resources

There are no significant changes in resources in the FY 2002-03 budget.

Spectator Facilities Operating Fund – 160

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Revenue Bonds, 1996 Series A						
07/15/1996 - Due 6/1	11,565,000					
		2002/03	405,000	7.25%	570,468	975,468
		2003/04	435,000	7.30%	541,105	976,105
		2004/05	470,000	7.35%	509,350	979,350
		2005/06	505,000	7.40%	474,805	979,805
		2006/07	540,000	7.55%	437,435	977,435
		2007/08	580,000	7.55%	396,665	976,665
		2008/09	625,000	7.70%	352,875	977,875
		2009/10	675,000	7.70%	304,750	979,750
		2010/11	725,000	7.70%	252,775	977,775
		2011/12	780,000	7.80%	196,950	976,950
		2012/13	840,000	7.80%	136,110	976,110
		2013/14	905,000	7.80%	70,590	975,590
		TOTAL	7,485,000		4,243,878	11,728,878
Limited Tax Revenue Bonds, 1996 Series B						
07/15/1996 - Due 6/1	2,920,000					
		2002/03	115,000	4.85%	124,738	239,738
		2003/04	120,000	4.95%	119,160	239,160
		2004/05	125,000	5.05%	113,220	238,220
		2005/06	135,000	5.15%	106,908	241,908
		2006/07	140,000	5.20%	99,955	239,955
		2007/08	150,000	5.30%	92,675	242,675
		2008/09	155,000	5.40%	84,725	239,725
		2009/10	165,000	5.50%	76,355	241,355
		2010/11	175,000	5.50%	67,280	242,280
		2011/12	185,000	5.50%	57,655	242,655
		2012/13	195,000	5.60%	47,480	242,480
		2013/14	205,000	5.60%	36,560	241,560
		2014/15	215,000	5.70%	25,080	240,080
		2015/16	225,000	5.70%	12,825	237,825
		TOTAL	2,305,000		1,064,615	3,369,615
Arena Limited Tax Bonds, Series 1996						
08/01/1996 - Due 6/1	10,295,000					
		2002/03	370,000	6.90%	623,463	993,463
		2003/04	395,000	7.00%	597,933	992,933
		2004/05	420,000	7.05%	570,283	990,283
		2005/06	450,000	7.10%	540,673	990,673
		2006/07	480,000	7.15%	508,723	988,723
		2007/08	515,000	7.15%	474,403	989,403
		2008/09	555,000	7.20%	437,580	992,580
		2009/10	595,000	7.25%	397,620	992,620
		2010/11	635,000	7.30%	354,483	989,483
		2011/12	685,000	7.70%	308,128	993,128
		2012/13	735,000	7.70%	255,383	990,383
		2013/14	790,000	7.50%	198,788	988,788
		2014/15	855,000	7.50%	137,563	992,563
		2015/16	920,000	7.50%	71,300	991,300
		TOTAL	8,400,000		5,476,318	13,876,318
Arena Gas Tax Revenue Bonds, 1996 Series A						
09/01/1996 - Due 6/1	12,818,102					
		2002/03	310,000	4.95%	258,708	568,708
		2003/04	420,000	5.05%	243,363	663,363
		2004/05	545,000	5.15%	222,153	767,153
		2005/06	670,000	5.25%	194,085	864,085
		2006/07	815,000	5.35%	158,910	973,910

Spectator Facilities Operating Fund – 160

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2007/08	965,000	5.45%	115,308	1,080,308
		2008/09	1,130,000	5.50%	62,715	1,192,715
		2009/10	581,247	6.00%	723,753	1,305,000
		2010/11	594,011	6.50%	830,989	1,425,000
		2011/12	604,128	6.10%	945,872	1,550,000
		2012/13	611,638	6.15%	1,068,362	1,680,000
		2013/14	621,946	6.15%	1,193,054	1,815,000
		2014/15	399,525	6.20%	850,475	1,250,000
		2015/16	422,469	6.20%	982,531	1,405,000
		2016/17	1,097,835	6.25%	2,822,165	3,920,000
		2017/18	1,074,427	6.25%	3,005,573	4,080,000
		2018/19	1,038,418	6.30%	3,201,582	4,240,000
		2019/20	392,457	6.30%	1,312,543	1,705,000
		TOTAL	12,293,102		18,192,138	30,485,240
Limited Tax Revenue Bonds, 2001 Series D						
	35,000,000					
		2002/03	840,000	6.00%	2,297,905	3,137,905
		2003/04	890,000	6.00%	2,247,505	3,137,505
		2004/05	945,000	6.00%	2,194,105	3,139,105
		2005/06	1,000,000	6.00%	2,137,405	3,137,405
		2006/07	1,060,000	6.00%	2,077,405	3,137,405
		2007/08	1,125,000	6.50%	2,013,805	3,138,805
		2008/09	1,200,000	6.50%	1,940,680	3,140,680
		2009/10	1,275,000	6.50%	1,862,680	3,137,680
		2010/11	1,360,000	6.38%	1,779,805	3,139,805
		2011/12	1,445,000	6.50%	1,693,105	3,138,105
		2012/13	1,540,000	6.60%	1,599,180	3,139,180
		2013/14	1,640,000	6.70%	1,497,540	3,137,540
		2014/15	1,750,000	6.70%	1,387,660	3,137,660
		2015/16	1,870,000	6.80%	1,270,410	3,140,410
		2016/17	1,995,000	6.80%	1,143,250	3,138,250
		2017/18	2,130,000	6.80%	1,007,590	3,137,590
		2018/19	2,275,000	7.00%	862,750	3,137,750
		2019/20	2,435,000	7.00%	703,500	3,138,500
		2020/21	2,605,000	7.00%	533,050	3,138,050
		2021/22	2,790,000	7.00%	350,700	3,140,700
		2022/23	2,220,000	7.00%	155,400	2,375,400
		TOTAL	34,390,000		30,755,430	65,145,430
COMBINED DEBT SERVICE						
	72,598,102					
		2002/03	2,040,000		3,875,280	5,915,280
		2003/04	2,260,000		3,749,065	6,009,065
		2004/05	2,505,000		3,609,110	6,114,110
		2005/06	2,760,000		3,453,875	6,213,875
		2006/07	3,035,000		3,282,428	6,317,428
		2007/08	3,335,000		3,092,855	6,427,855
		2008/09	3,665,000		2,878,575	6,543,575
		2009/10	3,291,247		3,365,158	6,656,405
		2010/11	3,489,011		3,285,331	6,774,343
		2011/12	3,699,128		3,201,710	6,900,838
		2012/13	3,921,638		3,106,515	7,028,153
		2013/14	4,161,946		2,996,531	7,158,478
		2014/15	3,219,525		2,400,778	5,620,303
		2015/16	3,437,469		2,337,066	5,774,535
		2016/17	3,092,835		3,965,415	7,058,250
		2017/18	3,204,427		4,013,163	7,217,590
		2018/19	3,313,418		4,064,332	7,377,750
		2019/20	2,827,457		2,016,043	4,843,500
		2020/21	2,605,000		533,050	3,138,050

Spectator Facilities Operating Fund – 160

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2021/22	2,790,000		350,700	3,140,700
		2022/23	2,220,000		155,400	2,375,400
TOTAL FUND DEBT SERVICE			\$ 64,873,102		\$ 59,732,378	\$ 124,605,480



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Environmental Remediation Fund – 161

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Service Charges and Fees						
Public Works/Utility Charge	637,867	306,794	0	0	0	0
Rents and Reimbursements	386,601	522,328	559,600	553,031	559,161	559,161
	1,024,468	829,122	559,600	553,031	559,161	559,161
Miscellaneous Revenues						
Interest Earned	33,488	30,224	38,148	31,500	16,500	16,500
	33,488	30,224	38,148	31,500	16,500	16,500
Total External Revenues	1,057,956	859,346	597,748	584,531	575,661	575,661
Internal Revenues						
Other Cash Transfers						
Refuse Disposal Fund	143,000	0	0	0	0	0
	143,000	0	0	0	0	0
Total Internal Revenues	143,000	0	0	0	0	0
Beginning Fund Balance	1,249,974	1,037,040	600,571	616,682	536,218	541,372
TOTAL RESOURCES	\$ 2,450,930	\$ 1,896,386	\$ 1,198,319	\$ 1,201,213	\$ 1,111,879	\$ 1,117,033
REQUIREMENTS						
Bureau Expenses						
Personal Services						
	13,933	11,556	0	7,716	0	0
External Materials and Services						
	20,806	19,682	40,000	5,000	40,000	40,000
Internal Materials and Services						
Data Processing Services	0	1,476	1,352	1,352	1,315	1,315
Facilities Services	93,613	146,584	135,307	135,307	177,748	177,748
Environmental Services	11,102	2,116	26,525	14,135	0	0
Environmental Svcs - Int	0	0	12,390	12,390	12,123	12,123
Finance & Administration	1,566	1,544	0	0	0	0
Parks Bureau	0	0	10,500	10,500	0	0
Transportation	271	0	0	0	0	0
Same Fund Services	0	0	0	12,390	0	0
	106,552	151,720	186,074	186,074	191,186	191,186
Capital Outlay						
	0	0	325,000	0	325,000	325,000
Total Bureau Expenses	141,291	182,958	551,074	198,790	556,186	556,186
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	183,576	0	89,141	93,968
	0	0	183,576	0	89,141	93,968
General Fund Overhead						
	8,740	5,969	2,618	0	2,585	2,912
Fund Cash Transfers						
Pension Debt Redemption Fund	0	473	441	441	467	467
Sewage Operating Fund	2,526	1,385	460,610	460,610	463,500	463,500
	2,526	1,858	461,051	461,051	463,967	463,967
Debt Retirement						
	1,261,333	1,088,919	0	0	0	0
Unappropriated Ending Balance						
Unappropriated Ending Balance	1,037,040	616,682	0	541,372	0	0
	1,037,040	616,682	0	541,372	0	0
Total Fund Requirements	2,309,639	1,713,428	647,245	1,002,423	555,693	560,847
TOTAL REQUIREMENTS	\$ 2,450,930	\$ 1,896,386	\$ 1,198,319	\$ 1,201,213	\$ 1,111,879	\$ 1,117,033

FUND OVERVIEW

The Environmental Remediation Fund was established by Council action in FY 1993-94 to provide a funding vehicle for conducting remediation of former solid waste disposal sites for which the City is liable under law.

Managing Agency Bureau of Environmental Services.

CHANGES FROM PRIOR YEAR

Projects

Land Acquisition and Remediation of the Guilds Lake Property

The Guilds Lake property is a former landfill operated by the City from 1910 through the late 1940s. The acquisition and remediation of this site was financed by the Environmental Remediation 1993 Series A Revenue Bonds issued in November 1993. The Guilds Lake remediation was completed in FY 1994-95. The FY 2002-03 Adopted Budget funds property maintenance and management, and environmental monitoring of the site as required by Department of Environmental Quality (DEQ). Property management is provided by the Bureau of General Services under an interagency agreement.

Longview City Laundry & Cleaners Remediation

The remediation of the Longview City Laundry & Cleaners (LCL&C) site was authorized by City Council ordinance #168296, dated November 16, 1994. The project implements a settlement agreement between the City and LCL&C to conduct an environmental remediation of the LCL&C site located at 2737 NW Nela Street, adjacent to the Guilds Lake site.

The LCL&C site has environmental contamination resulting from the City's former incinerator and landfill operations in the Guilds Lake area. The City will reimburse the property owner for remedial investigation expenses already incurred and undertake cleanup/remediation in conformance with a Voluntary Cleanup Agreement with the Oregon DEQ. The remedial action consists of constructing an asphalt cap and installing utilities to manage surface water runoff. The FY 2002-03 Adopted Budget includes funding to complete the LCL&C project, including \$325,000 for capital construction and \$40,000 for project design and management. This project was scheduled for FY 2001-02, but is being carried over to FY 2002-03.

Portland Harbor Remediation

The FY 2002-03 Adopted Budget includes a \$463,500 cash transfer to the Sewage System Operating Fund to assist in the remediation of Portland Harbor, a designated Superfund site.

Unencumbered Beginning Fund Balance

The projected unencumbered beginning fund balance for FY 2002-03 totals approximately \$541,000 and is available for capital costs and operating expenses. The projection is based on the results of the FY 2001-02 five-year financial planning efforts for the Environmental Remediation Fund.

Funding Sources

Lease income from the current tenants on the City-owned Guilds Lake site supports the Environmental Remediation Fund for operating and capital expenditures. This revenue source, along with the fund's interest earnings and other fund revenues, is used for remediation projects qualified under State law and authorized by the City Council.

Rents and reimbursements revenue of over \$559,000 is based on lease income from the four tenants on the Guilds Lake site and includes common area maintenance payments made by the tenants for their prorated share of expenses such as property taxes, property maintenance, and landscaping costs. The budgeted lease income is net of the 4% of gross lease revenue paid to the Bureau of General Services for property management services.

Hydropower Bond Redemption Fund – 354

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	260,800	289,941	229,100	115,487	100,200	100,200
Sales Miscellaneous	3,316,168	3,337,661	3,372,880	3,386,848	3,549,540	3,549,540
	3,576,968	3,627,602	3,601,980	3,502,335	3,649,740	3,649,740
Total External Revenues	3,576,968	3,627,602	3,601,980	3,502,335	3,649,740	3,649,740
Internal Revenues						
Other Cash Transfers						
Hydropower Renewal & Replacement	229,924	194,376	175,000	149,103	0	0
	229,924	194,376	175,000	149,103	0	0
Total Internal Revenues	229,924	194,376	175,000	149,103	0	0
Beginning Fund Balance	4,191,780	4,263,011	4,357,950	4,361,389	4,318,200	4,318,200
TOTAL RESOURCES	\$ 7,998,672	\$ 8,084,989	\$ 8,134,930	\$ 8,012,827	\$ 7,967,940	\$ 7,967,940
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	3,735,661	3,723,600	3,694,627	3,694,627	3,697,384	3,697,384
Unappropriated Ending Balance						
Unappropriated Ending Balance	4,263,011	4,361,389	1,554,303	1,432,200	1,384,556	1,384,556
Unexpendable Reserve	0	0	2,886,000	2,886,000	2,886,000	2,886,000
	4,263,011	4,361,389	4,440,303	4,318,200	4,270,556	4,270,556
Total Fund Requirements	7,998,672	8,084,989	8,134,930	8,012,827	7,967,940	7,967,940
TOTAL REQUIREMENTS	\$ 7,998,672	\$ 8,084,989	\$ 8,134,930	\$ 8,012,827	\$ 7,967,940	\$ 7,967,940

FUND OVERVIEW

Purpose	The Hydropower Bond Redemption Fund pays principal and interest on revenue bonds issued to finance construction of the Portland Hydroelectric Project. This fund is required by the Portland Hydroelectric Project Power Sales Agreement between the City and Portland General Electric Company (PGE) and is administered by the independent trustee for the City's Hydroelectric Power Revenue Bonds.
Hydropower Revenue Bonds	The original Hydroelectric Power revenue bonds consisted of two bond series: one series was issued in 1979 and a second in 1980. In FY 1993-94, the 1980 Series revenue bond was refinanced with a new 1993 Series revenue bond to take advantage of lower interest rates and restructuring opportunities. Debt service payments from this fund are scheduled to continue through FY 2016-17.
Debt Service Reserve	In accordance with the Trust Indenture for the Hydroelectric Power revenue bonds, this fund currently maintains a debt service reserve of \$2,886,000. This reserve serves to guarantee payment of the next year's debt service payments to the bond holders irrespective of any other fund revenue.
Power Sales Revenue	As partial payment for the sale of electricity that is generated at the Portland Hydroelectric Project, this fund receives payments from PGE to pay for the annual net debt service that is due on the City's Hydroelectric Power revenue bonds.

Cash Transfers

This fund usually receives an annual cash transfer from the Hydropower Renewal & Replacement Fund. That transfer serves to offset the amount of annual power sale payments that are due from PGE. In FY 2001-02, the interest rates available for re-investment of Fund balances have been relatively low. Therefore, the FY 2002-03 Adopted Budget forecasts no excess value in the Hydro Renewal & Replacement Fund to transfer to the Hydropower Bond Redemption Fund.

Managing Agency

Bureau of Water Works.

Hydropower Bond Redemption Fund – 354

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Hydropower Revenue Bonds, Series 1979						
06/01/1979 - Due 10/1	38,000,000					
		2002/03	1,075,000	6.75%	1,758,781	2,833,781
		2003/04	1,150,000	6.80%	1,683,400	2,833,400
		2004/05	1,225,000	6.80%	1,602,650	2,827,650
		2005/06	1,325,000	7.00%	1,514,625	2,839,625
		2006/07	1,400,000	7.00%	1,419,250	2,819,250
		2007/08	1,500,000	7.00%	1,317,750	2,817,750
		2008/09	1,600,000	7.00%	1,209,250	2,809,250
		2009/10	1,700,000	7.00%	1,093,750	2,793,750
		2010/11	1,825,000	7.00%	970,375	2,795,375
		2011/12	1,950,000	7.00%	838,250	2,788,250
		2012/13	2,075,000	7.00%	697,375	2,772,375
		2013/14	2,225,000	7.00%	546,875	2,771,875
		2014/15	2,375,000	7.00%	385,875	2,760,875
		2015/16	2,525,000	7.00%	214,375	2,739,375
		2016/17	1,800,000	7.00%	63,000	1,863,000
		TOTAL	25,750,000		15,315,581	41,065,581
Hydropower Revenue Bonds, Series 1993						
08/01/1993 - Due 10/1	7,980,000					
		2002/03	675,000	6.20%	217,205	892,205
		2003/04	705,000	6.30%	174,073	879,073
		2004/05	745,000	6.40%	128,025	873,025
		2005/06	790,000	6.40%	78,905	868,905
		2006/07	825,000	6.50%	26,813	851,813
		TOTAL	3,740,000		625,020	4,365,020
COMBINED DEBT SERVICE						
	45,980,000					
		2002/03	1,750,000		1,975,986	3,725,986
		2003/04	1,855,000		1,857,473	3,712,473
		2004/05	1,970,000		1,730,675	3,700,675
		2005/06	2,115,000		1,593,530	3,708,530
		2006/07	2,225,000		1,446,063	3,671,063
		2007/08	1,500,000		1,317,750	2,817,750
		2008/09	1,600,000		1,209,250	2,809,250
		2009/10	1,700,000		1,093,750	2,793,750
		2010/11	1,825,000		970,375	2,795,375
		2011/12	1,950,000		838,250	2,788,250
		2012/13	2,075,000		697,375	2,772,375
		2013/14	2,225,000		546,875	2,771,875
		2014/15	2,375,000		385,875	2,760,875
		2015/16	2,525,000		214,375	2,739,375
		2016/17	1,800,000		63,000	1,863,000
TOTAL FUND DEBT SERVICE			\$ 29,490,000		\$ 15,940,601	\$ 45,430,601

Accrual Adjustment	Principal	Interest Adjustment	Interest	Total P+I Adjusted
2002-03 Interest Accrual Adjustment	1,750,000	(28,603)	1,975,987	3,697,384

Hydropower Operating Fund – 152

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	22,480	20,152	15,000	11,000	10,000	10,000
Other Miscellaneous	497	257	1,000	500	1,000	1,000
Sales Miscellaneous	618,898	577,055	500,652	500,953	643,270	643,270
	641,875	597,464	516,652	512,453	654,270	654,270
Total External Revenues	641,875	597,464	516,652	512,453	654,270	654,270
Internal Revenues						
Other Cash Transfers						
Fleet Services Fund	0	0	0	0	961	961
Hydropower Renewal & Replacement	19,741	258,066	240,000	50,000	50,000	50,000
	19,741	258,066	240,000	50,000	50,961	50,961
Interfund Service Reimbursements						
Water Bureau	49,105	39,315	46,500	27,900	29,000	29,000
	49,105	39,315	46,500	27,900	29,000	29,000
Total Internal Revenues	68,846	297,381	286,500	77,900	79,961	79,961
Beginning Fund Balance	375,863	349,755	297,554	317,150	257,600	257,600
TOTAL RESOURCES	\$ 1,086,584	\$ 1,244,600	\$ 1,100,706	\$ 907,503	\$ 991,831	\$ 991,831
REQUIREMENTS						
Bureau Expenses						
Personal Services						
	238,982	242,533	243,120	200,290	249,246	249,246
External Materials and Services						
	47,907	275,705	309,800	95,000	103,300	103,300
Internal Materials and Services						
Communications Services	5,390	5,220	6,956	5,800	6,721	6,721
Data Processing Services	430	2,933	2,772	2,772	2,695	2,695
Fleet Services	7,193	4,232	3,715	3,320	4,831	4,831
Insurance	38,252	31,845	32,373	32,373	60,429	60,429
Printing & Distribution	2,822	4,712	2,650	2,500	3,456	3,456
Finance & Administration	20,200	20,607	25,668	25,668	26,240	26,240
Parking Facilities	2,820	1,560	1,680	1,680	1,800	1,800
Special Appropriations	0	0	0	0	0	198
Water Bureau	61,792	75,392	84,590	75,000	82,634	82,634
	138,899	146,501	160,404	149,113	188,806	189,004
Total Bureau Expenses	425,788	664,739	713,324	444,403	541,352	541,550
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	165,802	257,600	181,526	179,734
Compensation Adjustment	0	0	9,200	0	8,100	8,100
	0	0	175,002	257,600	189,626	187,834
General Fund Overhead	60,560	54,644	52,139	47,819	51,204	52,798
Fund Cash Transfers						
General Fund	250,000	200,000	150,000	150,000	200,000	200,000
Health Insurance	481	0	0	0	0	0
Pension Debt Redemption Fund	0	8,067	10,241	7,681	9,649	9,649
	250,481	208,067	160,241	157,681	209,649	209,649
Unappropriated Ending Balance						
Unappropriated Ending Balance	349,755	317,150	0	0	0	0
	349,755	317,150	0	0	0	0
Total Fund Requirements	660,796	579,861	387,382	463,100	450,479	450,281
TOTAL REQUIREMENTS	\$ 1,086,584	\$ 1,244,600	\$ 1,100,706	\$ 907,503	\$ 991,831	\$ 991,831

FUND OVERVIEW

Purpose	The Hydropower Operating Fund supports the administration and monitoring of the Portland Hydroelectric Project (PHP) through the Bureau of Water Works' Hydroelectric Power Division.
Power Sales Revenue	<p>The primary resource of the Hydropower Operating Fund is revenue paid to the City by Portland General Electric (PGE) for electricity sales from the City's Portland Hydroelectric Project. The total power sales revenue received by the fund is based on two types of payments:</p> <p>Administration and Project Monitoring Payment</p> <p>PGE pays the City an annual lump sum amount to reimburse the City's expenses associated with administration and water quality monitoring related to the operation of the Portland Hydroelectric Project. In FY 2002-03, this amount is projected to be \$535,620.</p> <p>Profit Payment for Power Produced</p> <p>PGE pays the City a second amount which serves as a profit payment tied to the actual amount of power generated annually by the Portland Hydroelectric Project. The net amount of profit actually received by the fund includes an annual reduction of \$197,745. This reduction credits PGE for debt service on a sum of Hydroelectric Power Revenue Bond money previously used by the City for non-project related purposes. In FY 2002-03, this net amount of remaining profit is projected to be \$107,650.</p>
Cash Transfers	<p>Hydropower Renewal and Replacement Fund</p> <p>The FY 2002-03 Adopted Budget includes a cash transfer of up to \$50,000 from the Hydropower Renewal and Replacement Fund for various repairs and replacements of equipment and facilities at the Portland Hydroelectric Project. These transfers are made on a reimbursement basis to offset actual renewal and replacement expenditures.</p> <p>General Fund</p> <p>The FY 2002-03 Adopted Budget transfers \$200,000 from the Hydropower Operating Fund to the General Fund for other City needs.</p>
Managing Agency	Bureau of Water Works.

Hydropower Renewal and Replacement Fund – 635

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	450,566	520,790	407,000	199,670	187,500	187,500
	450,566	520,790	407,000	199,670	187,500	187,500
Total External Revenues	450,566	520,790	407,000	199,670	187,500	187,500
Internal Revenues						
Beginning Fund Balance	7,774,239	7,975,140	8,041,664	8,043,488	8,044,055	8,044,055
TOTAL RESOURCES	\$ 8,224,805	\$ 8,495,930	\$ 8,448,664	\$ 8,243,158	\$ 8,231,555	\$ 8,231,555
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	8,033,664	8,044,055	8,181,555	8,181,555
	0	0	8,033,664	8,044,055	8,181,555	8,181,555
Fund Cash Transfers						
Hydro Bond	229,924	194,376	175,000	149,103	0	0
Hydropower Operating Fund	19,741	258,066	240,000	50,000	50,000	50,000
	249,665	452,442	415,000	199,103	50,000	50,000
Unappropriated Ending Balance						
Unappropriated Ending Balance	7,975,140	8,043,488	0	0	0	0
	7,975,140	8,043,488	0	0	0	0
Total Fund Requirements	8,224,805	8,495,930	8,448,664	8,243,158	8,231,555	8,231,555
TOTAL REQUIREMENTS	\$ 8,224,805	\$ 8,495,930	\$ 8,448,664	\$ 8,243,158	\$ 8,231,555	\$ 8,231,555

FUND OVERVIEW

Purpose

The Hydropower Renewal and Replacement Fund is a sinking fund for the Portland Hydroelectric Project (PHP), providing resources for the repair and replacement of major equipment and facilities which become damaged or worn out. This fund is required by the Portland Hydroelectric Project Power Sales Agreement between the City and Portland General Electric Company (PGE) and is administered by the independent trustee for the City's Hydroelectric Power revenue bonds.

Resources

The resources in this fund are comprised of past payments of power sales revenue from PGE and a portion of the original proceeds from the 1979 and 1980 Hydroelectric Power revenue bond issues.

Power Sales Revenue

The total value of the assets in the fund currently meets the adjusted reserve requirement called for in PHP's Power Sales Agreement with PGE. Therefore no additional power sale payments are expected to be required from PGE during FY 2002-03.

Cash Transfers

Hydropower Operating Fund

The FY 2002-03 Adopted Budget for this fund includes a cash transfer of up to \$50,000 to the Hydropower Operating Fund which is intended to enable the City to reimburse PGE for miscellaneous repairs or replacement of equipment at the Portland Hydroelectric Project.

Hydropower Bond Redemption Fund

Current interest rates on investments have been running close to the same rate as the projected annual increase in this fund's maximum cap value. This will result in no excess fund value being available to be transferred from this fund to the Hydropower Bond Redemption Fund in FY 2002-03. This annual cash transfer usually serves to maintain an adjusted upper limit on the total value of assets held in this fund as directed by the Power Sales Agreement.

Managing Agency Bureau of Water Works.

CHANGES FROM PRIOR YEAR

The FY 2001-02 Budget included a one-year, \$190,000 increase in this fund's requirements which was needed to fund a necessary overhaul and comprehensive cleaning of the generator at the PHP Powerhouse No.1. The FY 2002-03 Adopted Budget has not identified any more repair projects that will require additional funding authorization at this time.

Sewage Disposal Debt Redemption Fund – 351

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	53,373	77,685	25,000	1,013	25,000	25,000
	53,373	77,685	25,000	1,013	25,000	25,000
Total External Revenues	53,373	77,685	25,000	1,013	25,000	25,000
Internal Revenues						
Other Cash Transfers						
Sewage System Operating Fund	53,027,837	55,871,335	61,434,191	61,404,594	61,438,962	61,438,962
	53,027,837	55,871,335	61,434,191	61,404,594	61,438,962	61,438,962
Total Internal Revenues	53,027,837	55,871,335	61,434,191	61,404,594	61,438,962	61,438,962
Beginning Fund Balance	2,820,056	2,829,633	2,217,911	2,836,593	2,883,198	2,808,414
TOTAL RESOURCES	\$ 55,901,266	\$ 58,778,653	\$ 63,677,102	\$ 64,242,200	\$ 64,347,160	\$ 64,272,376
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	0	0	2,907,902	0
	0	0	0	0	2,907,902	0
Debt Retirement	53,071,634	55,942,060	61,434,836	61,433,786	61,439,258	61,439,258
Unappropriated Ending Balance						
Unappropriated Ending Balance	2,829,632	2,836,593	2,242,266	2,808,414	0	2,833,118
	2,829,632	2,836,593	2,242,266	2,808,414	0	2,833,118
Total Fund Requirements	55,901,266	58,778,653	63,677,102	64,242,200	64,347,160	64,272,376
TOTAL REQUIREMENTS	\$ 55,901,266	\$ 58,778,653	\$ 63,677,102	\$ 64,242,200	\$ 64,347,160	\$ 64,272,376

FUND OVERVIEW

This fund pays the principal and interest on revenue bonds, notes and State loans issued to finance sewer system improvements.

Managing Agency Bureau of Environmental Services.

CHANGES FROM PRIOR YEAR

Revenue Source Debt service is paid from sewer and stormwater user charges and other revenues of the Sewage System Operating Fund, with cash transfers from the operating fund totaling \$61.4 million in FY 2002-03.

Debt Balance The total amount of sewer system debt outstanding at the beginning of FY 2002-03 is estimated to be \$724.4 million for senior lien (bonded) debt, and \$603,711 for junior lien debt.

Expenditures Debt service expenditures of \$61.4 million remain fairly constant in FY 2002-03 compared to the FY 2001-02 Revised Budget.

The fund is managed on a cash basis, with cash transfers from the Sewage System Operating Fund set to maintain a \$10,000 unrestricted ending cash balance plus any restricted cash balances as required by bond and loan covenants. Beginning and ending fund balances are higher due to changes in accounting practices several years ago.

Sewage Disposal Debt Redemption Fund – 351

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Sewer System Revenue Bonds, 1992 Series A						
10/15/1992 - Due 4/1	75,590,000					
		2002/03	2,255,000	5.50%	62,013	2,317,013
		TOTAL	2,255,000		62,013	2,317,013
Sewer System Revenue Refunding Bonds, 1992 Series B						
10/15/1992 - Due 4/1	21,860,000					
		2002/03	2,640,000	5.50%	324,225	2,964,225
		2003/04	2,780,000	5.50%	179,025	2,959,025
		2004/05	475,000	5.50%	26,125	501,125
		TOTAL	5,895,000		529,375	6,424,375
Sewer System Revenue Refunding Bonds, 1993 Series A						
01/15/1993 - Due 3/1	54,520,000					
		2002/03	2,485,000	4.70%	2,216,935	4,701,935
		2003/04	2,610,000	4.80%	2,100,140	4,710,140
		2004/05	5,190,000	4.90%	1,974,860	7,164,860
		2005/06	6,040,000	5.00%	1,720,550	7,760,550
		2006/07	6,345,000	5.10%	1,418,550	7,763,550
		2007/08	6,665,000	5.15%	1,094,955	7,759,955
		2008/09	7,010,000	5.20%	751,708	7,761,708
		2009/10	7,375,000	5.25%	387,188	7,762,188
		TOTAL	43,720,000		11,664,885	55,384,885
Sewer System Revenue Bonds, 1994 Series A						
01/15/1994 - Due 3/1	250,000,000					
		2002/03	9,580,000	5.45%	1,082,660	10,662,660
		2003/04	10,100,000	5.50%	560,550	10,660,550
		TOTAL	19,680,000		1,643,210	21,323,210
Sewer System Revenue Bonds, 1996 Series A						
11/01/1996 - Due 6/1	110,000,000					
		2002/03	1,425,000	5.13%	5,523,181	6,948,181
		2003/04	1,495,000	5.13%	5,450,150	6,945,150
		2004/05	1,575,000	5.13%	5,373,531	6,948,531
		2005/06	1,655,000	5.13%	5,292,813	6,947,813
		2006/07	1,740,000	5.13%	5,207,994	6,947,994
		2007/08	1,830,000	5.13%	5,118,819	6,948,819
		2008/09	1,920,000	5.13%	5,025,031	6,945,031
		2009/10	2,025,000	5.13%	4,926,631	6,951,631
		2010/11	2,125,000	5.20%	4,822,850	6,947,850
		2011/12	2,235,000	5.25%	4,712,350	6,947,350
		2012/13	2,355,000	5.25%	4,595,013	6,950,013
		2013/14	2,475,000	5.25%	4,471,375	6,946,375
		2014/15	2,605,000	5.25%	4,341,438	6,946,438
		2015/16	38,090,000	5.25%	4,204,675	42,294,675
		2016/17	40,090,000	5.50%	2,204,950	42,294,950
		TOTAL	103,640,000		71,270,800	174,910,800
Sewer System Revenue Refunding Bonds, 1997 Series A						
08/15/1997 - Due 6/1	262,500,000					
		2002/03	860,000	5.00%	13,160,400	14,020,400
		2003/04	3,220,000	5.00%	13,117,400	16,337,400
		2004/05	14,040,000	5.50%	12,956,400	26,996,400
		2005/06	14,720,000	6.00%	12,184,200	26,904,200
		2006/07	15,600,000	6.00%	11,301,000	26,901,000
		2007/08	17,215,000	5.00%	10,365,000	27,580,000
		2008/09	18,080,000	5.00%	9,504,250	27,584,250

Sewage Disposal Debt Redemption Fund – 351

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2009/10	18,980,000	5.00%	8,600,250	27,580,250
		2010/11	27,695,000	5.00%	7,651,250	35,346,250
		2011/12	29,080,000	5.00%	6,266,500	35,346,500
		2012/13	30,530,000	5.00%	4,812,500	35,342,500
		2013/14	32,055,000	5.00%	3,286,000	35,341,000
		2014/15	33,665,000	5.00%	1,683,250	35,348,250
		TOTAL	255,740,000		114,888,400	370,628,400
Sewer System Revenue Bonds, 1998 Series A						
09/15/1998 - Due 6/1	160,000,000					
		2002/03	4,560,000	5.00%	6,840,875	11,400,875
		2003/04	4,780,000	4.25%	6,612,875	11,392,875
		2004/05	4,990,000	4.25%	6,409,725	11,399,725
		2005/06	5,200,000	4.25%	6,197,650	11,397,650
		2006/07	5,420,000	4.00%	5,976,650	11,396,650
		2007/08	5,640,000	5.25%	5,759,850	11,399,850
		2008/09	5,940,000	5.13%	5,463,750	11,403,750
		2009/10	6,240,000	5.13%	5,159,325	11,399,325
		2010/11	6,560,000	5.13%	4,839,525	11,399,525
		2011/12	6,890,000	5.13%	4,503,325	11,393,325
		2012/13	7,250,000	5.13%	4,150,213	11,400,213
		2013/14	7,620,000	4.50%	3,778,650	11,398,650
		2014/15	7,960,000	4.50%	3,435,750	11,395,750
		2015/16	8,320,000	4.50%	3,077,550	11,397,550
		2016/17	8,690,000	4.50%	2,703,150	11,393,150
		2017/18	51,380,000	4.50%	2,312,100	53,692,100
		TOTAL	147,440,000		77,220,963	224,660,963
Sewer System Revenue Bonds, 2000 Series A						
09/01/2000 - Due 8/1	160,000,000					
		2002/03	-		8,370,145	8,370,145
		2003/04	-		8,370,145	8,370,145
		2004/05	-		8,370,145	8,370,145
		2005/06	-		8,370,145	8,370,145
		2006/07	-		8,370,145	8,370,145
		2007/08	-		8,370,145	8,370,145
		2008/09	-		8,370,145	8,370,145
		2009/10	-		8,370,145	8,370,145
		2010/11	-		8,370,145	8,370,145
		2011/12	-		8,370,145	8,370,145
		2012/13	-		8,370,145	8,370,145
		2013/14	-		8,370,145	8,370,145
		2014/15	-		8,370,145	8,370,145
		2015/16	-		8,370,145	8,370,145
		2016/17	-		8,370,145	8,370,145
		2017/18	-		8,370,145	8,370,145
		2018/19	45,900,000	5.74%	7,052,298	52,952,298
		2019/20	48,620,000	5.74%	4,339,775	52,959,775
		2020/21	51,480,000	5.72%	1,472,550	52,952,550
		TOTAL	146,000,000		146,786,943	292,786,943
Wastewater Financing - Economic Development Loan						
10/08/1997 - Due 12/1	700,000					
		2002/03	24,507	4.909%	29,318	53,825
		2003/04	24,700	4.909%	28,264	52,964
		2004/05	29,906	4.909%	27,178	57,084
		2005/06	30,124	4.909%	25,847	55,971
		2006/07	30,355	4.909%	24,492	54,847
		2007/08	30,598	4.909%	23,111	53,709
		2008/09	35,858	4.909%	21,688	57,546

Sewage Disposal Debt Redemption Fund – 351

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2009/10	36,136	4.909%	19,985	56,121
		2010/11	36,442	4.909%	18,179	54,621
		2011/12	41,764	4.909%	16,357	58,121
		2012/13	42,103	4.909%	14,269	56,372
		2013/14	42,457	4.909%	12,163	54,620
		2014/15	47,831	4.909%	10,041	57,872
		2015/16	48,223	4.909%	7,649	55,872
		2016/17	48,634	4.909%	5,237	53,871
		2017/18	54,073	4.909%	2,757	56,830
		TOTAL	603,711		286,535	890,246
COMBINED DEBT SERVICE	935,170,000					
		2002/03	23,829,507		37,609,752	61,439,259
		2003/04	25,009,700		36,418,549	61,428,249
		2004/05	26,299,906		35,137,964	61,437,870
		2005/06	27,645,124		33,791,205	61,436,329
		2006/07	29,135,355		32,298,831	61,434,186
		2007/08	31,380,598		30,731,880	62,112,478
		2008/09	32,985,858		29,136,572	62,122,430
		2009/10	34,656,136		27,463,524	62,119,660
		2010/11	36,416,442		25,701,949	62,118,391
		2011/12	38,246,764		23,868,677	62,115,441
		2012/13	40,177,103		21,942,139	62,119,242
		2013/14	42,192,457		19,918,333	62,110,790
		2014/15	44,277,831		17,840,624	62,118,455
		2015/16	46,458,223		15,660,019	62,118,242
		2016/17	48,828,634		13,283,482	62,112,116
		2017/18	51,434,073		10,685,002	62,119,075
		2018/19	45,900,000		7,052,298	52,952,298
		2019/20	48,620,000		4,339,775	52,959,775
		2020/21	51,480,000		1,472,550	52,952,550
TOTAL FUND DEBT SERVICE			\$ 724,973,711		\$ 424,353,123	\$1,149,326,834

Sewage System Operating Fund – 151

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Licenses and Permits						
Construction Permits	128,110	111,264	168,000	118,213	134,657	134,657
Other Permits	155,456	178,303	282,000	277,596	299,257	299,257
	283,566	289,567	450,000	395,809	433,914	433,914
Service Charges and Fees						
Miscellaneous	28,303	91,468	0	28,360	29,288	29,288
Public Works/Utility Charge	131,695,683	135,595,621	143,493,787	155,193,153	154,263,944	154,263,944
Rents and Reimbursements	59,293	71,872	74,498	114,668	103,291	103,291
	131,783,279	135,758,961	143,568,285	155,336,181	154,396,523	154,396,523
State Sources						
State Cost Sharing	5,351	108,170	96,801	110,378	32,598	32,598
	5,351	108,170	96,801	110,378	32,598	32,598
Local Sources						
Local Cost Sharing	368,255	1,035,481	892,273	1,304,772	567,497	567,497
	368,255	1,035,481	892,273	1,304,772	567,497	567,497
Miscellaneous Revenues						
Interest Earned	635,386	48,322	900,000	518,682	288,850	288,850
Other Miscellaneous	42,326	56,998	57,485	184,796	96,338	96,338
Private Grants/Donations	0	0	629,899	378,099	15,684	15,684
Refunds	95,239	46,770	1,241	38,580	39,364	39,364
Sale of Capital Assets	29,800	127,592	0	28,650	0	0
Sales Miscellaneous	145,790	163,186	94,454	136,551	130,934	130,934
	948,541	442,868	1,683,079	1,285,358	571,170	571,170
Total External Revenues	133,388,992	137,635,047	146,690,438	158,432,498	156,001,702	156,001,702
Internal Revenues						
Other Cash Transfers						
Communication Services Fund	450,380	0	0	144,147	0	0
General Fund	0	0	0	187,000	0	35,000
Refuse Disposal Fund	85,925	32,795	0	0	0	0
Sewer System Construction Fund	93,149,469	92,009,982	91,086,475	90,782,039	99,905,380	99,905,380
Sewer System Rate Stabilization	3,575,000	3,975,000	19,390,615	1,975,000	5,475,141	5,475,141
Environmental Remediation Fund	2,526	1,385	460,610	460,610	463,500	463,500
	97,263,300	96,019,162	110,937,700	93,548,796	105,844,021	105,879,021
Federal Grants Transfers	248,243	612,522	805,252	312,850	294,250	294,250
Interfund Service Reimbursements						
Buildings	42,785	0	0	0	0	0
Community Development	0	16,104	0	0	0	0
Environmental Remediation	11,102	2,116	38,915	16,353	12,123	12,123
Environmental Services	0	0	2,974,642	2,810,362	3,337,783	3,337,783
Environmental Svcs - Internal	0	0	118,481	0	0	0
Facilities Services Fund	0	0	0	16,515	0	0
Fire Bureau	0	15,638	0	0	0	136
Golf Operating Fund	4,775	308	0	12,361	2,447	2,447
Housing & Community Development	22,327	0	0	42,601	0	0
Maintenance Stock	408	242	0	0	0	0
Parks Bureau	92,499	78,000	86,279	87,975	85,000	85,000
Parks Capital Improvement Fund	11,375	0	0	0	0	0
Parks Construction Fund	5,131	11,239	10,000	52,489	0	0
Planning	22,463	0	0	0	0	0
Portland International Raceway	0	55,000	60,000	120,000	75,000	75,000
Refuse Disposal Fund	24,358	92,334	28,970	17,664	22,790	22,790
Special Appropriations	607,514	0	0	0	0	0
Transportation	580,371	338,098	569,590	525,505	604,320	604,320
Water Bureau	410,745	127,102	100,000	106,313	111,200	111,200
	1,835,853	736,181	3,986,877	3,808,138	4,250,663	4,250,799
Total Internal Revenues	99,347,396	97,367,865	115,729,829	97,669,784	110,388,934	110,424,070

Sewage System Operating Fund – 151

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Beginning Fund Balance	4,514,946	11,736,993	41,305,137	41,405,699	34,465,054	46,394,611
TOTAL RESOURCES	\$ 237,251,334	\$ 246,739,905	\$ 303,725,404	\$ 297,507,981	\$ 300,855,690	\$ 312,820,383
REQUIREMENTS						
Bureau Expenses						
Personal Services	32,517,857	33,488,581	34,734,564	34,321,215	36,496,419	37,068,939
External Materials and Services	31,430,974	36,932,304	34,880,557	40,397,572	29,910,215	29,910,351
Internal Materials and Services						
Communications Services	784,696	769,251	740,275	1,637,486	749,308	749,308
Data Processing Services	293,354	530,497	1,828,935	1,769,068	1,943,136	1,943,136
Facilities Services	2,462,568	1,279,533	1,200,042	1,340,439	1,225,377	1,225,377
Fleet Services	449,370	449,156	450,783	413,487	425,623	425,623
Insurance	688,931	724,601	727,489	727,489	781,365	781,365
Printing & Distribution	542,357	531,245	682,869	562,683	639,883	639,883
City Attorney	166,475	171,813	179,228	179,228	189,217	189,217
City Auditor	819	1,125	13,000	0	12,000	12,000
Buildings	61,068	33,409	38,821	29,116	43,407	43,407
Commissioner of Public Affairs	0	0	0	0	26,389	26,389
Computer Services	0	491,361	0	0	0	0
Energy Office	40,000	40,000	22,500	27,500	27,500	27,500
Environmental Services	0	0	118,481	0	0	0
Finance & Administration	754,580	190,988	704,462	800,209	718,510	718,510
Fire Bureau	0	0	0	11,818	0	0
Government Relations	13,990	14,700	14,700	14,700	14,700	14,700
Neighborhood Involvement	183,376	287,896	484,185	408,641	549,734	473,375
Parking Facilities	40,020	48,554	53,280	56,818	62,400	62,400
Parks Bureau	516,310	540,000	766,676	670,087	469,211	469,211
Parks Construction	33,325	10,000	7,000	7,000	0	0
Planning	466,521	436,931	428,779	334,284	440,770	440,770
Purchases & Stores	121,822	135,659	0	0	0	0
Special Appropriations	0	0	0	0	0	33,965
Transportation	12,373,053	12,531,068	13,811,951	14,564,520	13,949,175	13,949,175
Water Bureau	4,636,999	5,859,275	5,476,105	5,903,453	7,340,100	7,340,100
Same Fund Services	0	0	2,974,642	2,810,362	3,337,783	3,337,783
	24,629,634	25,077,062	30,724,203	32,268,388	32,945,588	32,903,194
Capital Outlay	53,650,870	35,032,100	60,147,893	45,812,571	69,010,603	68,506,193
Equipment Cash Transfers						
Printing & Distribution	15,186	0	25,000	20,035	25,000	25,000
	15,186	0	25,000	20,035	25,000	25,000
Minor Equipment Transfers						
Communications Services	11,535	0	0	0	0	0
Printing & Distribution	0	1,724	0	0	0	0
	11,535	1,724	0	0	0	0
Total Bureau Expenses	142,256,056	130,531,771	160,512,217	152,819,781	168,387,825	168,413,677
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	6,462,811	0	1,853,504	13,453,003
Compensation Adjustment	0	0	1,029,688	0	1,587,734	1,587,734
	0	0	7,492,499	0	3,441,238	15,040,737
General Fund Overhead	2,912,240	1,803,078	1,883,975	1,495,879	2,303,899	2,464,649
Fund Cash Transfers						
Facilities Services	523,956	0	0	0	0	0
General Fund	8,717,263	8,588,283	9,750,000	11,048,119	10,417,152	10,417,152
Health Insurance	55,991	0	0	0	0	0
LID Construction Fund	0	0	26,685	26,685	35,024	35,024
Pension Debt Redemption Fund	0	1,052,489	1,030,817	1,030,817	1,312,844	1,312,844
Portland Parks Memorial Trust	0	25,520	0	0	0	0
Sewage Disposal Debt	53,027,837	55,871,335	61,434,191	61,404,594	61,438,962	61,438,962
Sewer System Construction	18,056,848	4,000,000	47,130,585	23,191,821	53,565,984	53,565,984

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Sewer System Rate Stabilization	0	0	14,495,615	0	0	0
	80,381,895	69,537,627	133,867,893	96,702,036	126,769,966	126,769,966
Debt Retirement	(35,805)	3,461,730	(31,180)	95,674	(47,238)	131,354
Unappropriated Ending Balance						
Unappropriated Ending Balance	11,736,948	41,405,699	0	46,394,611	0	0
	11,736,948	41,405,699	0	46,394,611	0	0
Total Fund Requirements	94,995,278	116,208,134	143,213,187	144,688,200	132,467,865	144,406,706
TOTAL REQUIREMENTS	\$ 237,251,334	\$ 246,739,905	\$ 303,725,404	\$ 297,507,981	\$ 300,855,690	\$ 312,820,383

FUND OVERVIEW

The purpose of the Sewage System Operating Fund is to account for revenues and expenses associated with the development, maintenance and operation of the City's sanitary sewer and storm drainage system.

The bureau's activities are supported through sewer and drainage charges, wholesale contract revenues from other governmental jurisdictions, reimbursements for services provided to other bureaus, and reimbursements from the Sewer System Construction Fund for capital expenses incurred directly by the Sewage System Operating Fund.

Managing Agency Bureau of Environmental Services.

CHANGES FROM PRIOR YEAR

Resources The Beginning Fund Balance for the FY 2002-03 Adopted Budget is projected to be \$46.4 million, including nearly \$30 million of funds withheld from the Sewer Construction Fund to provide cash flow while problems with the CIS billing system are corrected.

Rates, Charges, and Interest

Sewer rate revenues of \$145.7 million are the largest source of revenue.

Public Works/Utility Charges, which include sewer rate revenues, connection charges, wholesale contract revenues, and other miscellaneous charges, are forecast to increase to about \$154.4 million for FY 2002-03. Sewer rate revenues, budgeted at approximately \$145.7 million, are based on the following assumptions: an average single family residential bill increase of 7.9%, an increase of 0.5% in the number of customer accounts, a 1.5-2.0% decrease in forecast usage per customer, and an allowance of 1.5% for bad debt. Connection charge receipts are projected to be more than \$5.1 million in FY 2002-03. Interest on investments is projected to be \$288,850 for the Adopted Budget.

Interfund Cash Transfers and Service Reimbursements

Interfund (interbureau) revenues are forecast to total more than \$110.4 million for FY 2002-03.

Internal Revenues: Major changes from the Revised Budget FY 2001-02 of \$115.7 million include:

- ◆ Transfers from the Sewer System Construction Fund are forecast to be \$99.9 million in contrast with the \$91.1 million revised appropriation for the current year. This reflects an increase in the bureau's capital improvement expenditures for Westside Combined Sewer Overflow (CSO) Tunnel construction in the FY 2002-03 Adopted Budget.
- ◆ Transfers from the Federal Grants Fund are forecast at nearly \$295,000 versus almost \$806,000 revised appropriation for the current year. These funds will provide resources for the few remaining projects needing to be completed on the Columbia Slough Revitalization Grant and for new remedial watershed projects for the Watershed Revegetation program in FY 2002-03.
- ◆ Transfers from the Sewer System Rate Stabilization Fund are forecast to be approximately \$5.5 million versus almost \$19.4 million revised appropriation for the current year. This transfer continues the planned use of Rate Stabilization Fund balances to reduce and smooth the level of rate increases. The transfers nearly deplete the fund, except for a remaining balance of approximately \$953,000, equal to 1% of operating expenses.

The Sewer System Rate Stabilization Fund will be nearly depleted, as planned, after FY 2002-03.

Requirements

Personal Services

Personal Services are budgeted to increase 6.7% over the current year's revised budget. Increases are due to cost-of-living-adjustments (COLA), a FY 2001-02 mid-year addition of three positions for the Portland Harbor Sediment Program and additional resources for overtime within the Capital Improvement Program (CIP). Adjusted for the three positions, the increase over FY 2001-02 Revised Budget is 6.0%.

Capital Outlay

Capital Outlay is budgeted at \$68.5 million in FY 2002-03 versus about \$60.1 million of FY 2001-02 revised appropriations. This change reflects the bureau's increased capital improvement expenditures as the Willamette River CSO projects move from the design phase into construction activity associated with the Westside CSO Tunnel.

Materials and Services

External Materials and Services are budgeted at \$29.9 million for FY 2002-03, compared to the FY 2001-02 revised appropriation of \$34.9 million. The reasons for this decrease include reductions in Capital Improvement Program (CIP) planning and design work while the operating budget reflects increased professional services for Willamette Watershed planning and planning for Portland Harbor Superfund remediation efforts.

Internal Materials and Services' expenditures are budgeted to increase nearly 7.1%, or 6.5% without the internal reimbursements of two internal service providers: Watershed Revegetation Services and the Water Pollution Control Lab and Monitoring Services. For FY 2002-03, cost increases for services from other bureaus are due to increased payments to the Water Bureau for the new Customer Information System, increases for construction activity support, and increased sanitary and stormwater maintenance activities.

External materials and services have decreased because of reductions in CIP planning and design work.

Cash Transfers

Cash transfers to other funds are budgeted to be \$126.8 million for FY 2002-03. Reasons for the change from FY 2001-02 revised appropriations of \$133.9 million include:

- ◆ Transfers to the Sewer System Construction Fund are budgeted at about \$53.6 million for the FY 2002-03 Adopted Budget, a \$6.5 million increase from the current year revised budget of \$47.1 million. This increase is due to continued slow recovery of the water/sewer billing system to collect on past due accounts and this requires a larger than normal transfer to the Construction Fund.
- ◆ Transfers to the Sewer System Debt Redemption Fund are budgeted in FY 2002-03 at \$61.4 million.
- ◆ Transfers to the General Fund for utility license fees are forecast to be \$10.4 million for FY 2002-03, versus \$9.7 million in revised appropriation for the current year. The fee is based on a charge of 7.5% of eligible sewer rate revenues.
- ◆ Transfers to the Pension Debt Redemption Fund are budgeted at \$1.3 million, representing the bureau's contribution to additional requirements for employee pension retirement obligations.
- ◆ Transfers to the Rate Stabilization Fund are not budgeted for FY 2002-03, compared to the FY 2001-02 revised appropriation of \$14.5 million. Anticipated stabilization of the water/sewer billing system reduces the possibility this transfer will be needed in FY 2002-03.

Contingency

General Operating Contingency is budgeted at \$13.4 million, while the compensation set-aside contingency of approximately \$1.6 million was calculated using the 2.8% increase as directed by the Bureau of Financial Planning. Additional reserves of 10.5% of budgeted health benefits and other specific amounts have been earmarked for compensation agreements.

Sewer Revolving Loan Fund – 636

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Public Works/Utility Charge	100,337	37,197	35,000	19,245	35,000	35,000
	100,337	37,197	35,000	19,245	35,000	35,000
Miscellaneous Revenues						
Interest Earned	34,812	58,987	50,000	45,295	50,000	50,000
Loan Repayments	42,300	32,883	35,000	26,006	35,000	35,000
	77,112	91,870	85,000	71,301	85,000	85,000
Total External Revenues	177,449	129,067	120,000	90,546	120,000	120,000
Internal Revenues						
Interfund Service Reimbursements						
Housing & Community Development	75,911	0	0	0	0	0
	75,911	0	0	0	0	0
Total Internal Revenues	75,911	0	0	0	0	0
Beginning Fund Balance	1,357,949	1,457,696	1,550,788	1,552,592	1,606,877	1,615,293
TOTAL RESOURCES	\$ 1,611,309	\$ 1,586,763	\$ 1,670,788	\$ 1,643,138	\$ 1,726,877	\$ 1,735,293
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	153,613	34,171	36,000	27,845	36,000	36,000
Total Bureau Expenses	153,613	34,171	36,000	27,845	36,000	36,000
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	1,634,788	0	1,690,877	1,699,293
	0	0	1,634,788	0	1,690,877	1,699,293
Unappropriated Ending Balance						
Unappropriated Ending Balance	1,457,696	1,552,592	0	1,615,293	0	0
	1,457,696	1,552,592	0	1,615,293	0	0
Total Fund Requirements	1,457,696	1,552,592	1,634,788	1,615,293	1,690,877	1,699,293
TOTAL REQUIREMENTS	\$ 1,611,309	\$ 1,586,763	\$ 1,670,788	\$ 1,643,138	\$ 1,726,877	\$ 1,735,293
LINE ITEM DETAIL – AU 221						
Materials and Services						
External Materials and Services						
529000 Miscellaneous Services	64,864	2,350	0	0	0	0
549000 Miscellaneous	88,749	31,821	36,000	27,845	36,000	36,000
Total External Materials and Services	153,613	34,171	36,000	27,845	36,000	36,000
Total Materials and Services	153,613	34,171	36,000	27,845	36,000	36,000
TOTAL Bureau Expenses	\$ 153,613	\$ 34,171	\$ 36,000	\$ 27,845	\$ 36,000	\$ 36,000

FUND OVERVIEW

This fund was established in FY 1992-93 for the purpose of administering the Private Plumbing Loan Program contained within the Mid-County Financial Assistance Program passed by the City Council in March 1992. The initial seed money for these loans came from line and branch charges from the Sewer System Construction Fund, to be used for loans to assist eligible property owners in financing the private plumbing costs associated with their required connection to the City sewer system. The interest rate charged on the loans will reflect the bureau's cost of obtaining funds, including an allowance for delinquencies and administrative costs, resulting in no ratepayer subsidy. Loans are five to ten years in term.

Managing Agency Bureau of Environmental Services.

CHANGES FROM PRIOR YEAR

Private plumbing loan activity is expected to decline from the peak levels of FY 1998-99 as the Mid-County construction schedule has been completed and most developed properties have been connected to sanitary sewers. As of late January 2002, just under 500 of the original 43,000 mid-county properties remain to be connected. Of this amount, about 393 have connection deferrals that will expire before 2005, with the remaining 101 delinquent and facing enforcement action.

Resources

Revenues for FY 2002-03 include \$35,000 in liens receivable for new private plumbing loans, \$35,000 for repayment of private plumbing loans made in prior years, and \$50,000 for interest on investments.

Requirements

Expenditures include \$36,000 for new private plumbing loans under the Mid-County Financial Assistance Program.

Sewer System Construction Fund – 552

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Public Works/Utility Charge	1,435,411	340,574	729,910	874,192	594,644	594,644
	1,435,411	340,574	729,910	874,192	594,644	594,644
Local Sources						
Local Cost Sharing	246,227	0	0	0	0	0
	246,227	0	0	0	0	0
Miscellaneous Revenues						
Bond and Note Sales	0	149,425,226	0	0	0	0
Interest Earned	3,930,188	7,804,039	5,475,000	3,288,250	1,234,745	1,234,745
Refunds	45,339	211,920	0	159,850	0	0
	3,975,527	157,441,185	5,475,000	3,448,100	1,234,745	1,234,745
Total External Revenues	5,657,165	157,781,759	6,204,910	4,322,292	1,829,389	1,829,389
Internal Revenues						
Other Cash Transfers						
LID Construction Fund	0	0	2,000,000	0	1,500,000	1,500,000
Sewage System Operating Fund	18,056,848	4,000,000	47,130,585	23,181,211	53,565,984	53,565,984
	18,056,848	4,000,000	49,130,585	23,181,211	55,065,984	55,065,984
Federal Grants Transfers						
	1,322,036	4,653,652	2,430,936	3,827,064	347,029	347,029
Total Internal Revenues	19,378,884	8,653,652	51,561,521	27,008,275	55,413,013	55,413,013
Beginning Fund Balance	107,659,223	39,498,891	106,109,447	113,031,613	62,858,924	53,560,193
TOTAL RESOURCES	\$ 132,695,272	\$ 205,934,302	\$ 163,875,878	\$ 144,362,180	\$ 120,101,326	\$ 110,802,595
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	279	783,249	0	0	0	0
Internal Materials and Services						
Printing & Distribution	0	5,944	0	0	0	0
Finance & Administration	0	73,062	0	0	0	0
	0	79,006	0	0	0	0
Total Bureau Expenses	279	862,255	0	0	0	0
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	72,769,455	0	20,184,337	10,885,606
	0	0	72,769,455	0	20,184,337	10,885,606
Fund Cash Transfers						
LID Construction Fund	46,633	30,452	19,948	19,948	11,609	11,609
Sewage Operating Fund	93,149,469	92,009,982	91,086,475	90,782,039	99,905,380	99,905,380
	93,196,102	92,040,434	91,106,423	90,801,987	99,916,989	99,916,989
Unappropriated Ending Balance						
Unappropriated Ending Balance	39,498,891	113,031,613	0	53,560,193	0	0
	39,498,891	113,031,613	0	53,560,193	0	0
Total Fund Requirements	132,694,993	205,072,047	163,875,878	144,362,180	120,101,326	110,802,595
TOTAL REQUIREMENTS	\$ 132,695,272	\$ 205,934,302	\$ 163,875,878	\$ 144,362,180	\$ 120,101,326	\$ 110,802,595

LINE ITEM DETAIL – AU 172

Materials and Services						
External Materials and Services						
521000 Professional Services	0	45,807	0	0	0	0
529000 Miscellaneous Services	0	387	0	0	0	0
543000 Out-of-Town Travel	0	890	0	0	0	0
549000 Miscellaneous	279	736,165	0	0	0	0
Total External Materials and Services	279	783,249	0	0	0	0
Internal Materials and Services						
552000 Printing & Distribution	0	5,944	0	0	0	0

559000 Other Fund Services	0	73,062	0	0	0	0
Total Internal Materials and Services	0	79,006	0	0	0	0
Total Materials and Services	279	862,255	0	0	0	0
TOTAL Bureau Expenses	\$ 279	\$ 862,255	\$ 0	\$ 0	\$ 0	\$ 0

FUND OVERVIEW

The Sewer System Construction Fund receives revenues that are dedicated to sewer system capital projects. Since FY 1990-91, direct expenditures for capital projects have been budgeted within the Sewage System Operating Fund and reimbursed by the Sewer System Construction Fund. The primary resources to the capital program are proceeds from the sale of sewer system revenue bonds, transfers from the Sewage System Operating Fund for cash financing of capital improvements, and line and branch charges from new sewer systems.

Managing Agency Bureau of Environmental Services.

CHANGES FROM PRIOR YEAR

Resources

The Sewer System Construction Fund relies on a variety of resources to fund capital requirements. The major resources include the following items:

- ◆ The Beginning Fund Balance for the FY 2002-03 Adopted Budget consists primarily of cash, non-bond revenues, and a small remainder of proceeds from the 2000 Series A revenue bonds.
- ◆ Transfers of nearly \$53.6 million represent cash funding of capital improvements from sewer and stormwater rates and other available revenues of the Sewage System Operating Fund. These were held in the operating fund in FY 2000-01 and FY 2001-02 to provide cash flow while problems with the Water Bureau's billing system were being corrected.
- ◆ Service Charges and Fees for FY 2002-03 include line and branch charges of about \$335,000 and an estimated \$260,000 for engineering permit fees.
- ◆ Interest on investments is budgeted at \$1.2 million, reflecting an estimated \$10.9 million ending fund balance (shown as contingency) to be carried over into the next fiscal year, at an estimated interest earnings rate of 2.25%.
- ◆ Transfers from the LID Construction Fund are proceeds from the sale of special assessment bonds for financed connection and line and branch charges.
- ◆ Transfers from the Federal Grants Fund are from the final year of an EPA grant for the Tanner Creek stream diversion project; the grant will total \$9 million over seven years.

Requirements

Transfers to the Sewage System Operating Fund to support CIP spending total \$99.9 million.

Cash Transfers

Fund Cash Transfers to the Sewage System Operating Fund are reimbursements for direct Capital Improvement Plan expenditures and indirect overhead expenses incurred for the capital improvement program. These transfers are anticipated to be \$99.9 million in FY 2002-03. Transfers to the LID Construction Fund of almost \$12,000 support financing services offered to property owners who are assessed costs for installation of sewer systems.

Contingency

The General Operating Contingency of \$10.9 million represents bond proceeds and other fund balances that are not required in FY 2002-03 but will be used in the following fiscal year to fund capital improvements.

Sewer System Rate Stabilization Fund – 632

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	799,121	498,702	695,615	321,726	101,205	101,205
	799,121	498,702	695,615	321,726	101,205	101,205
Total External Revenues	799,121	498,702	695,615	321,726	101,205	101,205
Internal Revenues						
Other Cash Transfers						
Sewage System Operating Fund	0	0	14,495,615	0	0	0
	0	0	14,495,615	0	0	0
Total Internal Revenues	0	0	14,495,615	0	0	0
Beginning Fund Balance	14,232,346	11,456,467	19,200,000	7,980,169	6,109,379	6,326,895
TOTAL RESOURCES	\$ 15,031,467	\$ 11,955,169	\$ 34,391,230	\$ 8,301,895	\$ 6,210,584	\$ 6,428,100
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	15,000,615	0	735,443	952,959
	0	0	15,000,615	0	735,443	952,959
Fund Cash Transfers						
Sewage Operating Fund	3,575,000	3,975,000	19,390,615	1,975,000	5,475,141	5,475,141
	3,575,000	3,975,000	19,390,615	1,975,000	5,475,141	5,475,141
Unappropriated Ending Balance						
Unappropriated Ending Balance	11,456,467	7,980,169	0	6,326,895	0	0
	11,456,467	7,980,169	0	6,326,895	0	0
Total Fund Requirements	15,031,467	11,955,169	34,391,230	8,301,895	6,210,584	6,428,100
TOTAL REQUIREMENTS	\$ 15,031,467	\$ 11,955,169	\$ 34,391,230	\$ 8,301,895	\$ 6,210,584	\$ 6,428,100

FUND OVERVIEW

The fund is planned to be virtually depleted in FY 2002-03, except for operating reserves.

The Sewer System Rate Stabilization Fund was created in 1987 to enable the bureau to smooth forecast rate increases by managing fluctuations in sewer system revenues over several years.

To calculate debt service coverage ratios, the bureau’s master bond ordinance allows transfers to this fund to be treated as operating expenses; similarly, transfers from the fund are treated as operating revenues. Fund balances have been drawn down since FY 1996-97 and the bureau’s financial plan shows that the balances will be functionally depleted in FY 2002-03. The remaining balance will be approximately 1% of operating expenditures.

Managing Agency Bureau of Environmental Services.

CHANGES FROM PRIOR YEAR

Resources The Beginning Fund Balance for the FY 2002-03 Adopted Budget is estimated to be \$6.3 million. Interest on investment of \$101,205 is predicted to increase in future years as the fund balance is replenished and interest rates rise from the 2.25% assumed for FY 2002-03.

Requirements

The planned cash transfers to the Sewage System Operating Fund for FY 2002-03 total \$5.5 million, with the estimated ending fund balance (shown as contingency) being reduced to \$952,959 from a high of \$29.3 million in FY 1995-96. The ending fund balance represents the minimum 1% of operating expenditures.

Sewer System Safety Net Fund – 633

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Collection of Assessment	437	109,825	0	0	0	0
Interest Earned	25,063	(1,949)	10,000	10,000	10,000	10,000
Loan Repayments	64,070	73,246	230,000	230,000	230,000	230,000
	89,570	181,122	240,000	240,000	240,000	240,000
Total External Revenues	89,570	181,122	240,000	240,000	240,000	240,000
Internal Revenues						
Beginning Fund Balance	1,980,404	1,255,196	1,978,337	996,383	996,383	996,383
TOTAL RESOURCES	\$ 2,069,974	\$ 1,436,318	\$ 2,218,337	\$ 1,236,383	\$ 1,236,383	\$ 1,236,383
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	814,778	439,935	230,000	240,000	230,000	230,000
Total Bureau Expenses	814,778	439,935	230,000	240,000	230,000	230,000
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	1,988,337	0	1,006,383	1,006,383
	0	0	1,988,337	0	1,006,383	1,006,383
Unappropriated Ending Balance						
Unappropriated Ending Balance	1,255,196	996,383	0	996,383	0	0
	1,255,196	996,383	0	996,383	0	0
Total Fund Requirements	1,255,196	996,383	1,988,337	996,383	1,006,383	1,006,383
TOTAL REQUIREMENTS	\$ 2,069,974	\$ 1,436,318	\$ 2,218,337	\$ 1,236,383	\$ 1,236,383	\$ 1,236,383
LINE ITEM DETAIL – AU 225						
Materials and Services						
External Materials and Services						
545000 Interest	64,029	121,084	30,000	0	30,000	30,000
549000 Miscellaneous	750,749	318,851	200,000	240,000	200,000	200,000
Total External Materials and Services	814,778	439,935	230,000	240,000	230,000	230,000
Total Materials and Services	814,778	439,935	230,000	240,000	230,000	230,000
TOTAL Bureau Expenses	\$ 814,778	\$ 439,935	\$ 230,000	\$ 240,000	\$ 230,000	\$ 230,000

FUND OVERVIEW

This fund was established in 1987 for the deposit of monies from the State Assessment Deferral Loan Fund, managed by the Department of Environmental Quality. Monies in the fund are used to make loans to low-income home owners within the boundaries of the Mid-County Sewer project who qualify for participation in the Safety Net program. Repayment of safety net assessment loans are deferred until the property ownership changes or the property owner no longer qualifies.

No loans from the State Assessment Deferral Loan Fund have been made since July 1996 because the volume of loan applications was not sufficient to justify the administrative costs associated with the DEQ loan agreements. The beginning fund balance represents outstanding loan receivables due to DEQ when collected. The budgeted requirements of the fund are payments to DEQ based upon estimated loan repayment collections.

Managing Agency Bureau of Environmental Services.

CHANGES FROM PRIOR YEAR

The FY 2002-03 Adopted Budget anticipates modest levels in loan repayments because of the termination of deferrals that were initiated over five years ago. The repayment activity will be increased to some extent by an increase in mortgage refinancing during the current period of low-interest mortgage rates.

Solid Waste Management Fund – 157

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Licenses and Permits						
Other Permits	4,020	3,660	0	0	0	0
Public Utility Licenses	1,020,290	1,334,378	1,558,564	1,564,400	1,623,747	1,623,747
	1,024,310	1,338,038	1,558,564	1,564,400	1,623,747	1,623,747
Service Charges and Fees						
Miscellaneous	4,395	5,375	0	0	0	0
Public Works/Utility Charge	901,209	850,515	1,087,409	897,200	1,222,453	1,222,453
Rents and Reimbursements	7,239	7,239	7,239	7,239	7,239	7,239
	912,843	863,129	1,094,648	904,439	1,229,692	1,229,692
Local Sources						
Local Cost Sharing	28,729	267,915	352,555	382,555	270,000	270,000
	28,729	267,915	352,555	382,555	270,000	270,000
Miscellaneous Revenues						
Interest Earned	271,181	280,793	163,201	119,239	53,308	53,308
Other Miscellaneous	249,659	1,672	4,500	4,500	4,500	4,500
Refunds	176	1,131	0	0	0	0
	521,016	283,596	167,701	123,739	57,808	57,808
Total External Revenues	2,486,898	2,752,678	3,173,468	2,975,133	3,181,247	3,181,247
Internal Revenues						
Federal Grants Transfers	0	20,535	81,535	81,535	0	0
Total Internal Revenues	0	20,535	81,535	81,535	0	0
Beginning Fund Balance	4,978,257	4,763,744	3,580,078	3,946,928	2,389,693	2,389,693
TOTAL RESOURCES	\$ 7,465,155	\$ 7,536,957	\$ 6,835,081	\$ 7,003,596	\$ 5,570,940	\$ 5,570,940
REQUIREMENTS						
Bureau Expenses						
Personal Services	668,331	685,859	684,629	695,197	727,949	727,949
External Materials and Services	1,254,265	1,275,116	1,917,393	1,319,522	1,515,071	1,515,071
Internal Materials and Services						
Communications Services	13,006	12,711	12,405	12,766	12,066	12,066
Data Processing Services	623	10,962	26,767	26,767	26,011	26,011
Facilities Services	26,489	1,826	56,342	56,342	0	0
Fleet Services	6,762	7,709	8,362	6,362	2,947	2,947
Insurance	0	17,614	17,645	17,645	15,918	15,918
Printing & Distribution	49,253	93,432	143,626	110,000	103,424	103,424
City Auditor	0	525	1,200	1,200	1,200	1,200
Buildings	0	0	0	0	50,000	50,000
Energy Office	28,500	86,733	114,423	119,423	154,117	154,117
Environmental Services	24,358	92,334	28,970	28,970	22,790	22,790
Finance & Administration	5,904	5,857	10,489	10,489	11,722	11,722
Neighborhood Involvement	0	4,185	252,480	267,102	266,330	265,780
Parking Facilities	2,400	3,120	480	480	0	0
Special Appropriations	0	0	0	0	0	395
Transportation	9,356	605,701	345,000	345,000	0	0
	166,651	942,709	1,018,189	1,002,546	666,525	666,370
Capital Outlay	13,406	0	0	0	0	0
Equipment Cash Transfers						
Fleet Operating	0	0	21,000	21,000	0	0
	0	0	21,000	21,000	0	0
Total Bureau Expenses	2,102,653	2,903,684	3,641,211	3,038,265	2,909,545	2,909,390
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	1,598,256	0	1,827,979	1,824,765
Compensation Adjustment	0	0	32,245	0	36,740	36,740
	0	0	1,630,501	0	1,864,719	1,861,505
General Fund Overhead	103,298	121,822	125,104	137,373	120,971	124,340

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Fund Cash Transfers						
Buildings Fund	229,912	236,529	133,785	133,785	143,562	143,562
Environmental Remediation	143,000	0	0	0	0	0
General Fund	35,000	274,731	1,283,424	1,283,424	505,862	505,862
Health Insurance	1,623	0	0	0	0	0
Pension Debt Redemption Fund	0	20,468	21,056	21,056	26,281	26,281
Sewage Operating Fund	85,925	32,795	0	0	0	0
	495,460	564,523	1,438,265	1,438,265	675,705	675,705
Unappropriated Ending Balance						
Unappropriated Ending Balance	4,763,744	3,946,928	0	2,389,693	0	0
	4,763,744	3,946,928	0	2,389,693	0	0
Total Fund Requirements	5,362,502	4,633,273	3,193,870	3,965,331	2,661,395	2,661,550
TOTAL REQUIREMENTS	\$ 7,465,155	\$ 7,536,957	\$ 6,835,081	\$ 7,003,596	\$ 5,570,940	\$ 5,570,940

FUND OVERVIEW

The Solid Waste Management Fund accounts for expenses and revenues associated with the City's oversight of solid waste collection activities in Portland and its efforts to reduce the amount of solid waste through recycling and waste reduction.

Managing Agency Office of Sustainable Development.

CHANGES FROM PRIOR YEAR

Resources

Beginning Fund Balance

The beginning fund balance for the FY 2002-03 Adopted Budget is approximately \$2.4 million. Two particular factors contribute to this fund balance: Metro grants and the Food Waste program.

Metro grants contribute to the fund balance

In the past ten fiscal years, the fund has received grants from Metro totaling about \$2.2 million. These have been applied primarily to recycling equipment purchases for multi-family and commercial customers. These Metro grants replaced budgeted resources, which were set aside in the fund balance for future use.

The fund budgeted \$750,000 in FY 2001-02 for the Food Waste program and estimates about \$150,000 in expenditures in that fiscal year. The unspent portion of about \$600,000 will go back to the fund reserve.

Revenues

Solid Waste Management Fund revenues are forecast to increase by \$124,579 from FY 2001-02 to FY 2002-03.

Residential franchise fees support three programs

Residential Franchise Fees

The residential franchise fee is a percentage of gross revenue assessed haulers of residential solid waste. The residential franchise fee is currently set at 5%. In FY 2002-03, the allocation of the 5% fee is:

- ◆ 3.47% for the Solid Waste and Recycling Residential program
- ◆ .60% for the Illegal Dumping/Nuisance Abatement program
- ◆ .93% for the Green Building program

Commercial Fees*Increased commercial tonnage fee*

The commercial tonnage fee will increase by \$1.00 to \$3.80 per ton in FY 2002-03 and will be used to fund the cost of garbage collection from about 600 public trash cans in the city. It will also be used to support efforts to improve commercial construction and demolition recycling and the use of recycled building materials through the Green Building program. Revenues from the commercial permit fee are expected to increase by \$320,000 in FY 2002-03.

Commercial fund reserves will provide \$550,000 to fund the Food Waste program in FY 2002-03.

Local Cost Sharing

Funding from Metro, including \$270,000 cost sharing for waste reduction activities, has been included in the FY 2002-03 budget.

Washington County Supply Bond Redemption Fund – 356

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Public Works/Utility Charge	1,433,250	1,560,000	1,866,330	1,866,330	1,867,078	1,867,078
	1,433,250	1,560,000	1,866,330	1,866,330	1,867,078	1,867,078
Local Sources						
Local Cost Sharing	360,937	423,187	0	0	0	0
	360,937	423,187	0	0	0	0
Miscellaneous Revenues						
Interest Eamed	4,248	3,880	0	5,000	0	0
	4,248	3,880	0	5,000	0	0
Total External Revenues	1,798,435	1,987,067	1,866,330	1,871,330	1,867,078	1,867,078
Internal Revenues						
Other Cash Transfers						
Water Fund	183,025	191,704	203,585	198,585	203,419	203,419
	183,025	191,704	203,585	198,585	203,419	203,419
Total Internal Revenues	183,025	191,704	203,585	198,585	203,419	203,419
Beginning Fund Balance	1,375,142	1,476,357	1,566,277	1,688,089	1,722,153	1,722,153
TOTAL RESOURCES	\$ 3,356,602	\$ 3,655,128	\$ 3,636,192	\$ 3,758,004	\$ 3,792,650	\$ 3,792,650
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	1,880,245	1,967,039	2,035,851	2,035,851	2,034,185	2,034,185
Unappropriated Ending Balance						
Unappropriated Ending Balance	1,476,357	1,688,089	1,600,341	1,722,153	1,758,465	1,758,465
	1,476,357	1,688,089	1,600,341	1,722,153	1,758,465	1,758,465
Total Fund Requirements	3,356,602	3,655,128	3,636,192	3,758,004	3,792,650	3,792,650
TOTAL REQUIREMENTS	\$ 3,356,602	\$ 3,655,128	\$ 3,636,192	\$ 3,758,004	\$ 3,792,650	\$ 3,792,650

FUND OVERVIEW

The Washington County Supply Bond Redemption Fund was established to pay the debt service for a special bond issue that financed the Washington County Gravity Supply Line. Under the terms of the contract, two wholesale water distributors are responsible for 90% of the debt service on that issue, while the City pays the remaining 10%.

Managing Agency Bureau of Water Works.

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
General Obligation Water Refund- ing Bonds, 1993 Series C						
11/15/1993 - Due 08/01	15,560,000					
		2002/03	1,820,000	4.35%	214,185	2,034,185
		2003/04	1,900,000	4.50%	131,850	2,031,850
		2004/05	1,980,000	4.50%	44,550	2,024,550
TOTAL FUND DEBT SERVICE			\$ 5,700,000		\$ 390,585	\$ 6,090,585

Water Bond Sinking Fund – 355

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	19,022	23,128	0	9,446	0	0
	19,022	23,128	0	9,446	0	0
Total External Revenues	19,022	23,128	0	9,446	0	0
Internal Revenues						
Other Cash Transfers						
Water Construction Fund	450,000	908,509	908,594	0	380,074	382,508
Water Fund	10,674,869	11,658,303	13,129,819	13,401,913	14,223,403	14,226,524
	11,124,869	12,566,812	14,038,413	13,401,913	14,603,477	14,609,032
Total Internal Revenues	11,124,869	12,566,812	14,038,413	13,401,913	14,603,477	14,609,032
Beginning Fund Balance	6,005	1,592	0	5,554	0	0
TOTAL RESOURCES	\$ 11,149,896	\$ 12,591,532	\$ 14,038,413	\$ 13,416,913	\$ 14,603,477	\$ 14,609,032
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	11,148,304	12,585,978	14,038,413	13,416,913	14,603,477	14,609,032
Unappropriated Ending Balance						
Unappropriated Ending Balance	1,592	5,554	0	0	0	0
	1,592	5,554	0	0	0	0
Total Fund Requirements	11,149,896	12,591,532	14,038,413	13,416,913	14,603,477	14,609,032
TOTAL REQUIREMENTS	\$ 11,149,896	\$ 12,591,532	\$ 14,038,413	\$ 13,416,913	\$ 14,603,477	\$ 14,609,032

FUND OVERVIEW

The Water Bond Sinking Fund provides for repayment of bonded debt and interest on debt. The primary resource to this fund is a transfer from the Water Operating Fund of \$14.2 million. The Water Construction Fund also provides for a \$0.4 million transfer of interest earnings on bond proceeds.

Managing Agency Bureau of Water Works.

Water Bond Sinking Fund – 355

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
General Obligation Water Bonds, Series 1993						
08/01/1993 - Due 10/1	20,070,000					
		2002/03	1,135,000	4.40%	571,790	1,706,790
		2003/04	1,185,000	4.50%	520,158	1,705,158
		2004/05	1,240,000	4.60%	464,975	1,704,975
		2005/06	1,295,000	4.70%	406,023	1,701,023
		2006/07	1,360,000	4.80%	342,950	1,702,950
		2007/08	1,430,000	4.90%	275,275	1,705,275
		2008/09	1,500,000	5.00%	202,740	1,702,740
		2009/10	1,580,000	5.10%	124,950	1,704,950
		2010/11	1,660,000	5.10%	42,330	1,702,330
		TOTAL	12,385,000		2,951,190	15,336,190
General Obligation Water Bonds, 1993 Series B						
11/15/1993 - Due 11/01	27,950,000					
		2002/03	2,625,000	4.35%	433,519	3,058,519
		2003/04	2,705,000	4.50%	315,563	3,020,563
		2004/05	2,785,000	4.50%	192,038	2,977,038
		2005/06	2,875,000	4.50%	64,688	2,939,688
		TOTAL	10,990,000		1,005,806	11,995,806
General Obligation Water Bonds, 1994 Series A						
01/15/1994 - Due 5/01	5,140,000					
		2002/03	500,000	4.00%	40,800	540,800
		2003/04	520,000	4.00%	20,800	540,800
		TOTAL	1,020,000		61,600	1,081,600
TOTAL - General Obligation Water Bonds						
	53,160,000					
		2002/03	4,260,000		1,046,109	5,306,109
		2003/04	4,410,000		856,520	5,266,520
		2004/05	4,025,000		657,013	4,682,013
		2005/06	4,170,000		470,710	4,640,710
		2006/07	1,360,000		342,950	1,702,950
		2007/08	1,430,000		275,275	1,705,275
		2008/09	1,500,000		202,740	1,702,740
		2009/10	1,580,000		124,950	1,704,950
		2010/11	1,660,000		42,330	1,702,330
		TOTAL	24,395,000		4,018,596	28,413,596
Water System Revenue Bonds, Series 1993						
08/01/1993 - Due 08/01	25,000,000					
		2002/03	1,140,000	4.60%	897,778	2,037,778
		2003/04	1,195,000	4.70%	843,475	2,038,475
		2004/05	1,250,000	4.75%	785,705	2,035,705
		2005/06	1,315,000	5.00%	723,143	2,038,143
		2006/07	1,380,000	5.00%	655,768	2,035,768
		2007/08	1,455,000	5.10%	584,165	2,039,165
		2008/09	1,530,000	5.13%	507,856	2,037,856
		2009/10	1,610,000	5.13%	427,394	2,037,394
		2010/11	1,695,000	5.25%	341,644	2,036,644
		2011/12	1,790,000	5.25%	250,163	2,040,163
		2012/13	1,885,000	5.25%	153,694	2,038,694
		2013/14	1,985,000	5.25%	52,106	2,037,106
		TOTAL	18,230,000		6,222,889	24,452,889
Water System Revenue Bonds, Series 1995						

Water Bond Sinking Fund – 355

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I		
11/15/1995 - Due 08/01	20,000,000	2002/03	650,000	4.50%	884,335	1,534,335		
		2003/04	680,000	4.60%	854,070	1,534,070		
		2004/05	715,000	4.70%	821,628	1,536,628		
		2005/06	750,000	4.80%	786,825	1,536,825		
		2006/07	785,000	4.90%	749,593	1,534,593		
		2007/08	825,000	5.00%	709,735	1,534,735		
		2008/09	870,000	5.10%	666,925	1,536,925		
		2009/10	915,000	5.20%	620,950	1,535,950		
		2010/11	965,000	5.30%	571,588	1,536,588		
		2011/12	1,015,000	5.35%	518,864	1,533,864		
		2012/13	1,070,000	5.40%	462,823	1,532,823		
		2013/14	1,135,000	5.45%	403,004	1,538,004		
		2014/15	3,290,000	5.50%	281,600	3,571,600		
		2015/16	3,475,000	5.50%	95,563	3,570,563		
		TOTAL			17,140,000		8,427,500	25,567,500
		Water System Revenue Bonds, 1997 Series A						
11/15/1997 - Due 08/01	30,000,000	2002/03	830,000	4.75%	1,321,913	2,151,913		
		2003/04	860,000	4.75%	1,281,775	2,141,775		
		2004/05	910,000	4.75%	1,239,738	2,149,738		
		2005/06	950,000	4.75%	1,195,563	2,145,563		
		2006/07	1,000,000	4.75%	1,149,250	2,149,250		
		2007/08	1,050,000	5.00%	1,099,250	2,149,250		
		2008/09	1,100,000	5.00%	1,045,500	2,145,500		
		2009/10	1,160,000	5.00%	989,000	2,149,000		
		2010/11	1,220,000	5.00%	929,500	2,149,500		
		2011/12	1,280,000	5.00%	867,000	2,147,000		
		2012/13	1,350,000	5.00%	801,250	2,151,250		
		2013/14	1,410,000	5.00%	732,250	2,142,250		
		2014/15	1,490,000	5.00%	659,750	2,149,750		
		2015/16	1,560,000	5.00%	583,500	2,143,500		
		2016/17	5,310,000	5.00%	411,750	5,721,750		
		2017/18	5,580,000	5.00%	139,500	5,719,500		
TOTAL			27,060,000		14,446,488	41,506,488		
Water System Revenue Bonds, 2000 Series A								
03/15/2000 - Due 08/01	35,000,000	2002/03	510,000	5.00%	1,828,368	2,338,368		
		2003/04	540,000	5.00%	1,802,118	2,342,118		
		2004/05	560,000	5.00%	1,774,618	2,334,618		
		2005/06	590,000	5.00%	1,745,868	2,335,868		
		2006/07	620,000	5.00%	1,715,618	2,335,618		
		2007/08	650,000	5.00%	1,683,868	2,333,868		
		2008/09	690,000	5.00%	1,650,368	2,340,368		
		2009/10	720,000	5.00%	1,615,118	2,335,118		
		2010/11	760,000	5.00%	1,578,118	2,338,118		
		2011/12	800,000	5.00%	1,539,118	2,339,118		
		2012/13	840,000	5.13%	1,497,593	2,337,593		
		2013/14	890,000	5.20%	1,452,928	2,342,928		
		2014/15	930,000	5.25%	1,405,375	2,335,375		
		2015/16	990,000	5.25%	1,354,975	2,344,975		
		2016/17	1,040,000	5.25%	1,301,688	2,341,688		
		2017/18	1,090,000	5.25%	1,245,775	2,335,775		
2018/19	7,030,000	5.38%	1,028,231	8,058,231				
2019/20	7,420,000	5.50%	635,250	8,055,250				
2020/21	7,840,000	5.50%	215,600	8,055,600				
TOTAL			34,510,000		27,070,589	61,580,589		

Water Bond Sinking Fund – 355

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Projected - Water System Revenue Bonds, 2002 Series A - First Year Debt Service Only						
	45,000,000	2002/03	-	NA	1,238,000	1,238,000
		TOTAL	-		1,238,000	1,238,000
TOTAL - Water System Revenue Bonds						
	155,000,000	2002/03	3,130,000		6,170,393	9,300,393
		2003/04	3,275,000		4,781,438	8,056,438
		2004/05	3,435,000		4,621,688	8,056,688
		2005/06	3,605,000		4,451,398	8,056,398
		2006/07	3,785,000		4,270,228	8,055,228
		2007/08	3,980,000		4,077,018	8,057,018
		2008/09	4,190,000		3,870,649	8,060,649
		2009/10	4,405,000		3,652,461	8,057,461
		2010/11	4,640,000		3,420,849	8,060,849
		2011/12	4,885,000		3,175,144	8,060,144
		2012/13	5,145,000		2,915,359	8,060,359
		2013/14	5,420,000		2,640,288	8,060,288
		2014/15	5,710,000		2,346,725	8,056,725
		2015/16	6,025,000		2,034,038	8,059,038
		2016/17	6,350,000		1,713,438	8,063,438
		2017/18	6,670,000		1,385,275	8,055,275
		2018/19	7,030,000		1,028,231	8,058,231
		2019/20	7,420,000		635,250	8,055,250
		2020/21	7,840,000		215,600	8,055,600
			96,940,000		57,405,465	154,345,465
Annexed Water Bonds						
		2002/03	2,174	Various	355	2,529
		2003/04	2,208	Various	256	2,464
		2004/05	2,244	Various	154	2,398
		2005/06	2,155	Various	51	2,206
		TOTAL	8,780		816	9,597
COMBINED DEBT SERVICE						
	128,659,654	2002/03	7,392,174		7,216,857	14,609,031
		2003/04	7,687,208		5,638,214	13,325,421
		2004/05	7,462,244		5,278,854	12,741,098
		2005/06	7,777,155		4,922,158	12,699,313
		2006/07	5,145,000		4,613,178	9,758,178
		2007/08	5,410,000		4,352,293	9,762,293
		2008/09	5,690,000		4,073,389	9,763,389
		2009/10	5,985,000		3,777,411	9,762,411
		2010/11	6,300,000		3,463,179	9,763,179
		2011/12	4,885,000		3,175,144	8,060,144
		2012/13	5,145,000		2,915,359	8,060,359
		2013/14	5,420,000		2,640,288	8,060,288
		2014/15	5,710,000		2,346,725	8,056,725
		2015/16	6,025,000		2,034,038	8,059,038
		2016/17	6,350,000		1,713,438	8,063,438
		2017/18	6,670,000		1,385,275	8,055,275
		2018/19	7,030,000		1,028,231	8,058,231
		2019/20	7,420,000		635,250	8,055,250
		2020/21	7,840,000		215,600	8,055,600
TOTAL FUND DEBT SERVICE			\$ 121,343,780		\$ 61,424,878	\$ 182,768,658

Water Construction Fund – 554

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Service Charges and Fees						
Miscellaneous	0	32,500	0	0	0	0
Public Works/Utility Charge	1,536,916	1,275,576	1,775,000	2,300,000	1,966,873	1,966,873
	1,536,916	1,308,076	1,775,000	2,300,000	1,966,873	1,966,873
Miscellaneous Revenues						
Bond and Note Sales	34,434,057	0	33,750,000	7,467,093	37,500,000	37,700,000
Interest Earned	896,955	1,360,946	1,128,594	312,000	487,574	490,008
	35,331,012	1,360,946	34,878,594	7,779,093	37,987,574	38,190,008
Total External Revenues	36,867,928	2,669,022	36,653,594	10,079,093	39,954,447	40,156,881
Internal Revenues						
Other Cash Transfers						
Water Fund	11,762,338	10,672,494	10,553,708	9,012,931	13,505,932	13,432,932
	11,762,338	10,672,494	10,553,708	9,012,931	13,505,932	13,432,932
Total Internal Revenues	11,762,338	10,672,494	10,553,708	9,012,931	13,505,932	13,432,932
Beginning Fund Balance	14,650,571	29,372,652	9,617,658	8,035,447	3,421,039	3,421,039
TOTAL RESOURCES	\$ 63,280,837	\$ 42,714,168	\$ 56,824,960	\$ 27,127,471	\$ 56,881,418	\$ 57,010,852
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	0	219,896	0	0	0	0
Total Bureau Expenses	0	219,896	0	0	0	0
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	4,769,684	3,421,039	6,333,326	6,333,781
	0	0	4,769,684	3,421,039	6,333,326	6,333,781
Fund Cash Transfers						
Water Bond Sinking	450,000	908,509	908,594	0	380,074	382,508
Water Fund	33,458,185	33,550,316	30,889,299	23,706,432	41,842,102	41,842,702
	33,908,185	34,458,825	31,797,893	23,706,432	42,222,176	42,225,210
Unappropriated Ending Balance						
Unappropriated Ending Balance	29,372,652	8,035,447	20,257,383	0	8,325,916	8,451,861
	29,372,652	8,035,447	20,257,383	0	8,325,916	8,451,861
Total Fund Requirements	63,280,837	42,494,272	56,824,960	27,127,471	56,881,418	57,010,852
TOTAL REQUIREMENTS	\$ 63,280,837	\$ 42,714,168	\$ 56,824,960	\$ 27,127,471	\$ 56,881,418	\$ 57,010,852

FUND OVERVIEW

The Water Construction Fund is the capital fund of the Water Bureau. This fund pays for capital expenditures for the water system including ongoing capital repair and replacement, enhancements and large and non-recurring additions to the system.

Resources

Resources, which total \$57.0 million, include the following:

- ◆ \$13.4 million in reimbursement of capital expenditures from the Water Operating Fund.
- ◆ \$2.0 million in system development charges.
- ◆ \$0.5 million in interest earnings.
- ◆ \$3.4 million of forecasted beginning fund balance.
- ◆ \$37.7 million from bond and note sales.

Requirements

Requirements, which total \$57.0 million, include the following:

- ◆ \$41.8 million transfer to the Water Operating Fund for capital costs.
- ◆ \$0.4 million transfer to the Water Bond Sinking Fund to cover interest earnings on unused bond proceeds.
- ◆ \$6.3 million in contingency.
- ◆ \$8.5 in ending fund balance.

Managing Agency

Bureau of Water Works.

Water Fund – 153

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Miscellaneous	45,164	686,750	75,000	75,000	75,000	75,000
Public Works/Utility Charge	63,743,126	57,566,363	66,486,528	65,507,822	70,208,656	70,255,740
Rents and Reimbursements	274,441	262,051	275,000	275,000	286,000	286,000
	64,062,731	58,515,164	66,836,528	65,857,822	70,569,656	70,616,740
Local Sources						
Local Cost Sharing	8,157	9,066	10,072	10,072	9,582	9,753
	8,157	9,066	10,072	10,072	9,582	9,753
Miscellaneous Revenues						
Interest Earned	1,358,780	849,277	636,848	636,848	213,397	213,397
Other Miscellaneous	317,594	493,121	0	0	0	0
Private Grants/Donations	228,004	(228,004)	0	0	0	0
Refunds	106,080	151,805	75,000	100,000	78,000	78,000
Sale of Capital Assets	182,525	140,750	0	0	0	0
Sales Miscellaneous	262,547	110,206	641,812	664,312	613,765	613,765
	2,455,530	1,517,155	1,353,660	1,401,160	905,162	905,162
Total External Revenues	66,526,418	60,041,385	68,200,260	67,269,054	71,484,400	71,531,655
Internal Revenues						
Other Cash Transfers						
Parks Memorial Trust Fund	0	0	0	0	0	46,705
Water Construction Fund	33,458,185	33,550,316	30,889,299	23,706,432	41,842,102	41,842,702
	33,458,185	33,550,316	30,889,299	23,706,432	41,842,102	41,889,407
Federal Grants Transfers						
	396,901	1,021,772	197,500	175,000	200,000	200,000
Interfund Service Reimbursements						
Environmental Services	4,636,999	5,859,275	5,476,105	5,476,105	7,340,100	7,340,100
Facilities Services Fund	42,190	35,346	0	0	0	0
Fleet Management	77,260	80,240	83,580	83,580	87,958	87,958
Hydropower Operating Fund	61,792	75,392	84,590	84,590	82,634	82,634
LID Construction Fund	0	72,069	0	0	0	0
Parks Bureau	16,232	11,422	5,000	5,000	0	0
Parks Capital Improvement Fund	24,168	0	0	0	0	0
Parks Construction Fund	0	12,486	0	0	0	0
Planning	0	40,000	0	0	0	0
Police Bureau	0	0	9,500	9,500	27,000	27,000
Transportation	1,063,850	468,106	211,100	211,100	190,900	190,900
	5,922,491	6,654,336	5,869,875	5,869,875	7,728,592	7,728,592
Total Internal Revenues	39,777,577	41,226,424	36,956,674	29,751,307	49,770,694	49,817,999
Beginning Fund Balance	25,246,513	24,311,674	16,125,783	18,879,771	17,483,271	17,483,271
TOTAL RESOURCES	\$ 131,550,508	\$ 125,579,483	\$ 121,282,717	\$ 115,900,132	\$ 138,738,365	\$ 138,832,925

REQUIREMENTS

Bureau Expenses

Personal Services	35,244,428	36,152,147	36,505,382	35,354,152	35,412,853	35,412,853
External Materials and Services	21,211,392	17,204,806	17,279,719	14,241,888	18,176,428	18,178,828
Internal Materials and Services						
Communications Services	1,534,992	1,272,617	1,328,869	1,328,869	1,364,819	1,364,819
Data Processing Services	992,647	610,593	2,058,227	2,058,227	2,102,575	2,102,575
Facilities Services	1,550,435	2,784,515	1,575,371	1,575,371	1,692,629	1,692,629
Fleet Services	1,886,335	1,719,330	1,732,561	1,732,561	1,823,334	1,823,334
Insurance	877,694	949,623	907,007	907,007	1,137,658	1,137,658
Printing & Distribution	1,008,493	644,199	987,979	987,979	856,718	856,718
City Attorney	192,546	241,211	199,360	199,360	209,910	209,910
Buildings	0	13,871	10,677	10,677	5,232	5,232
Community Development	0	310,314	420,589	420,589	443,000	443,000
Computer Services	0	491,361	0	0	0	0
Energy Office	51,680	42,813	62,133	62,133	40,000	40,000
Environmental Services	410,747	127,101	100,000	100,000	111,200	111,200

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Finance & Administration	614,100	124,794	739,308	739,308	654,094	654,094
Government Relations	13,990	14,700	14,700	14,700	14,700	14,700
Hydropower Operating Fund	49,105	39,315	46,500	46,500	29,000	29,000
Maintenance	0	0	0	0	0	0
Parking Facilities	59,280	60,480	65,520	65,520	66,600	66,600
Parks Bureau	70,870	81,823	74,658	74,658	60,882	60,882
Parks Construction	359,650	0	0	0	0	0
Planning	0	140,828	195,813	195,813	125,000	125,000
Purchases & Stores	4,000	0	0	0	0	0
Special Appropriations	0	0	0	0	0	13,428
Transportation	1,301,692	1,189,565	1,133,160	1,110,571	1,128,322	1,128,322
	10,978,256	10,859,053	11,652,432	11,629,843	11,865,673	11,879,101
Capital Outlay	11,587,761	13,074,643	13,319,700	7,121,529	23,648,100	23,648,100
Equipment Cash Transfers						
Printing & Distribution	6,750	0	13,000	13,000	0	0
	6,750	0	13,000	13,000	0	0
Minor Equipment Transfers						
Communications Services	30,234	23,024	24,400	24,400	0	0
Printing & Distribution	2,250	0	0	0	0	0
	32,484	23,024	24,400	24,400	0	0
Total Bureau Expenses	79,061,071	77,313,673	78,794,633	68,384,812	89,103,054	89,118,882
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	6,821,159	7,272,328	10,405,953	10,449,856
Rate Stabilization Contingency	0	0	4,000,000	4,000,000	4,000,000	4,000,000
	0	0	10,821,159	11,272,328	14,405,953	14,449,856
General Fund Overhead	1,919,949	2,166,406	1,910,288	1,910,288	1,464,313	1,563,515
Fund Cash Transfers						
General Fund	3,272,147	3,313,415	3,717,679	3,717,679	3,914,491	3,917,219
Health Insurance	78,308	0	0	0	0	0
Pension Debt Redemption Fund	0	1,093,124	1,444,766	1,083,573	1,390,444	1,390,444
Washington County Supply	183,025	191,704	203,585	198,585	203,419	203,419
Water Bond Sinking	10,674,869	11,658,303	13,129,819	13,401,913	14,223,403	14,226,524
Water Construction Fund	11,762,338	10,672,494	10,553,708	9,012,931	13,505,932	13,432,932
	25,970,687	26,929,040	29,049,557	27,414,681	33,237,689	33,170,538
Inventory Increases	0	0	40,000	40,000	40,000	40,000
Debt Retirement	287,127	290,593	667,080	667,080	487,356	490,134
Unappropriated Ending Balance						
Unappropriated Ending Balance	24,311,674	18,879,771	0	6,210,943	0	0
	24,311,674	18,879,771	0	6,210,943	0	0
Total Fund Requirements	52,489,437	48,265,810	42,488,084	47,515,320	49,635,311	49,714,043
TOTAL REQUIREMENTS	\$ 131,550,508	\$ 125,579,483	\$ 121,282,717	\$ 115,900,132	\$ 138,738,365	\$ 138,832,925

FUND OVERVIEW

Description

The Water Operating Fund is the operating fund of the water utility. With the exception of debt service, all expenditures are made from this fund for operation, maintenance, and capital assets. Receipts from the sale of water are the primary revenue source for the Water Operating Fund. The cash flow of this fund determines the need for rate increases.

Resources

Fund resources of \$138.8 million are from the following sources:

- ◆ \$70.3 million in water sales.
- ◆ \$17.5 million in beginning fund balance.
- ◆ \$41.8 million in cash transfers from the Water Construction Fund for capital costs.
- ◆ \$7.7 million from City service reimbursements primarily from the Bureau of Environmental Services for sewer billing and collection services.
- ◆ \$1.5 million in miscellaneous revenues.

Requirements

Fund requirements of \$138.8 million are for the following expenditures:

- ◆ \$89.1 million for bureau expenses:
 - ◆ \$47.6 million for the operating budget to maintain, operate, support and manage the water system.
 - ◆ \$41.5 million for the Capital Improvement Program budget for capital maintenance, improvements, security improvements, and expansions to the water system.
- ◆ \$34.8 million for fund level requirements:
 - ◆ \$3.9 million for Utility License Fee.
 - ◆ \$1.6 million for General Fund Overhead.
 - ◆ \$14.2 million for cash transfers to the Water Sinking Fund to pay debt service.
 - ◆ \$13.5 million for cash transfers to the Water Construction Fund for cash financed capital and capital project reimbursements.
 - ◆ \$1.4 million for PERS pension debt redemption.
 - ◆ \$0.2 million for miscellaneous expenses.
- ◆ \$0.5 million in accrued interest payable.
- ◆ \$14.4 million in Contingency for:
 - ◆ \$10.4 million in general operating contingency.
 - ◆ \$4.0 million for rate stabilization.

Managing Agency

Bureau of Water Works.

Water Growth Impact Charge Trust Fund – 631

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	77,956	89,042	68,157	62,887	34,769	34,769
	77,956	89,042	68,157	62,887	34,769	34,769
Total External Revenues	77,956	89,042	68,157	62,887	34,769	34,769
Internal Revenues						
Beginning Fund Balance	1,387,295	1,465,251	1,549,023	1,554,293	1,617,180	1,617,180
TOTAL RESOURCES	\$ 1,465,251	\$ 1,554,293	\$ 1,617,180	\$ 1,617,180	\$ 1,651,949	\$ 1,651,949
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Unappropriated Ending Balance	1,465,251	1,554,293	1,617,180	1,617,180	1,651,949	1,651,949
Unappropriated Ending Balance	1,465,251	1,554,293	1,617,180	1,617,180	1,651,949	1,651,949
Total Fund Requirements	1,465,251	1,554,293	1,617,180	1,617,180	1,651,949	1,651,949
TOTAL REQUIREMENTS	\$ 1,465,251	\$ 1,554,293	\$ 1,617,180	\$ 1,617,180	\$ 1,651,949	\$ 1,651,949

FUND OVERVIEW

The Water Growth Impact Trust Fund is a trust fund used to accumulate resources earmarked for future requirements resulting from growth in the demand for water by wholesale customers. The fund was established so those water districts that were experiencing growth would contribute a proportionate share of money toward the next major supply increment.

Managing Agency Bureau of Water Works.



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FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	6,540,670	6,584,944	6,974,500	6,974,500	6,534,100	6,534,100
Prior Year Property Taxes	127,794	148,987	158,600	158,600	234,862	234,862
	6,668,464	6,733,931	7,133,100	7,133,100	6,768,962	6,768,962
Miscellaneous Revenues						
Bond and Note Sales	51,812,956	0	0	0	0	0
Interest Earned	309,098	190,742	160,000	160,000	84,000	84,000
	52,122,054	190,742	160,000	160,000	84,000	84,000
Total External Revenues	58,790,518	6,924,673	7,293,100	7,293,100	6,852,962	6,852,962
Internal Revenues						
Other Cash Transfers						
Special Revenue and Finance	22,985,000	0	0	0	0	0
	22,985,000	0	0	0	0	0
Total Internal Revenues	22,985,000	0	0	0	0	0
Beginning Fund Balance	753,221	676,544	427,731	703,369	427,731	427,731
TOTAL RESOURCES	\$ 82,528,739	\$ 7,601,217	\$ 7,720,831	\$ 7,996,469	\$ 7,280,693	\$ 7,280,693
REQUIREMENTS						
Bureau Expenses						
External Materials and Services	11,478	0	0	0	0	0
Total Bureau Expenses	11,478	0	0	0	0	0
Fund Requirements						
Debt Retirement	81,840,717	6,897,848	7,293,100	7,568,738	6,880,338	6,880,338
Unappropriated Ending Balance						
Unappropriated Ending Balance	676,544	703,369	0	0	0	0
Unexpendable Reserve	0	0	427,731	427,731	400,355	400,355
	676,544	703,369	427,731	427,731	400,355	400,355
Total Fund Requirements	82,517,261	7,601,217	7,720,831	7,996,469	7,280,693	7,280,693
TOTAL REQUIREMENTS	\$ 82,528,739	\$ 7,601,217	\$ 7,720,831	\$ 7,996,469	\$ 7,280,693	\$ 7,280,693

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Airport Way Urban Renewal District. Specifically, this fund accounts for resources and the allocation thereof to pay principal and interest on tax increment bonded indebtedness associated with financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management.

Airport Way Debt Service Fund – 307

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Urban Renewal & Redevelopment Bonds, 1994 Series C						
05/01/1994 - Due 6/1	17,805,000					
		2002/03	955,000	5.60%	727,918	1,682,918
		2003/04	1,005,000	5.70%	674,438	1,679,438
		2004/05	1,065,000	5.80%	617,153	1,682,153
		2005/06	1,630,000	5.90%	555,383	2,185,383
		2006/07	1,725,000	6.00%	459,213	2,184,213
		2007/08	1,835,000	6.00%	355,713	2,190,713
		2008/09	1,945,000	6.13%	245,613	2,190,613
		2009/10	2,065,000	6.13%	126,481	2,191,481
		TOTAL	12,225,000		3,761,909	15,986,909
Urban Renewal & Redevelopment Bonds, 2000 Series A						
06/01/2000 - Due 6/15	51,000,000					
		2002/03	260,000	5.00%	2,909,543	3,169,543
		2003/04	1,255,000	5.00%	2,896,543	4,151,543
		2004/05	1,315,000	5.00%	2,833,793	4,148,793
		2005/06	880,000	5.00%	2,768,043	3,648,043
		2006/07	925,000	5.10%	2,724,043	3,649,043
		2007/08	965,000	5.50%	2,676,868	3,641,868
		2008/09	1,015,000	5.37%	2,623,793	3,638,793
		2009/10	1,070,000	5.30%	2,569,255	3,639,255
		2010/11	3,320,000	5.30%	2,512,545	5,832,545
		2011/12	3,495,000	5.93%	2,336,585	5,831,585
		2012/13	3,700,000	5.92%	2,129,225	5,829,225
		2013/14	3,920,000	5.96%	1,910,175	5,830,175
		2014/15	4,155,000	5.92%	1,676,375	5,831,375
		2015/16	4,400,000	6.00%	1,430,355	5,830,355
		2016/17	4,665,000	5.70%	1,166,355	5,831,355
		2017/18	4,930,000	5.75%	900,450	5,830,450
		2018/19	5,215,000	5.75%	616,975	5,831,975
		2019/20	5,515,000	5.75%	317,113	5,832,113
		TOTAL	51,000,000		36,998,030	87,998,030
Urban Renewal & Redevelopment Bonds, 2000 Series B						
06/01/2000 - Due 6/15	2,000,000					
		2002/03	910,000	5.60%	66,703	976,703
		TOTAL	910,000		66,703	976,703
Estimated - FY 2003, Du Jour and Line of Credit						
	1,050,174					
		2002/03	1,050,174	variable	1,000	1,051,174
		TOTAL	1,050,174		1,000	1,051,174
COMBINED DEBT SERVICE						
	71,855,174					
		2002/03	3,175,174		3,705,163	6,880,337
		2003/04	2,260,000		3,570,980	5,830,980
		2004/05	2,380,000		3,450,945	5,830,945
		2005/06	2,510,000		3,323,425	5,833,425
		2006/07	2,650,000		3,183,255	5,833,255
		2007/08	2,800,000		3,032,580	5,832,580
		2008/09	2,960,000		2,869,405	5,829,405
		2009/10	3,135,000		2,695,736	5,830,736
		2010/11	3,320,000		2,512,545	5,832,545
		2011/12	3,495,000		2,336,585	5,831,585
		2012/13	3,700,000		2,129,225	5,829,225

Airport Way Debt Service Fund – 307

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2013/14	3,920,000		1,910,175	5,830,175
		2014/15	4,155,000		1,676,375	5,831,375
		2015/16	4,400,000		1,430,355	5,830,355
		2016/17	4,665,000		1,166,355	5,831,355
		2017/18	4,930,000		900,450	5,830,450
		2018/19	5,215,000		616,975	5,831,975
		2019/20	5,515,000		317,113	5,832,113
TOTAL FUND DEBT SERVICE			\$ 65,185,174		\$ 40,827,642	\$ 106,012,816

Assessment Collection Fund – 114

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Collection of Assessment	802	0	1,000	0	1,000	1,000
Interest Earned	3,866	3,036	4,000	2,000	3,000	3,000
Other Miscellaneous	0	0	0	7	0	0
	4,668	3,036	5,000	2,007	4,000	4,000
Total External Revenues	4,668	3,036	5,000	2,007	4,000	4,000
Internal Revenues						
Beginning Fund Balance	45,449	50,119	54,862	52,898	54,905	54,905
TOTAL RESOURCES	\$ 50,117	\$ 53,155	\$ 59,862	\$ 54,905	\$ 58,905	\$ 58,905
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	59,732	54,905	58,796	58,752
	0	0	59,732	54,905	58,796	58,752
General Fund Overhead	(2)	257	130	0	109	153
Unappropriated Ending Balance						
Unappropriated Ending Balance	50,119	52,898	0	0	0	0
	50,119	52,898	0	0	0	0
Total Fund Requirements	50,117	53,155	59,862	54,905	58,905	58,905
TOTAL REQUIREMENTS	\$ 50,117	\$ 53,155	\$ 59,862	\$ 54,905	\$ 58,905	\$ 58,905

FUND OVERVIEW

The Assessment Collection Fund (ACF) is relatively inactive, with a minimal number of accounts and accounting transactions being posted to the fund. The City Charter allows for the replenishment of this fund by selling up to \$1.5 million in bonds. Those resources would then be used to pay off delinquent accounts in other funds. Collection activity on the delinquent liens, up to and including foreclosure, would then be handled by the ACF.

The status of this fund needs to be determined in the context of a comprehensive strategy for managing the City's inventory of delinquent liens receivables.

Managing Agency Office of the City Auditor.

Bancroft Bond Fund – 311

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Collection of Assessment	7,529,815	5,238,961	3,537,459	3,209,413	2,338,487	2,338,487
Interest Earned	2,753,702	2,387,487	3,109,298	2,149,250	1,981,438	1,981,438
	<u>10,283,517</u>	<u>7,626,448</u>	<u>6,646,757</u>	<u>5,358,663</u>	<u>4,319,925</u>	<u>4,319,925</u>
Total External Revenues	10,283,517	7,626,448	6,646,757	5,358,663	4,319,925	4,319,925
Internal Revenues						
Beginning Fund Balance	5,498,273	5,586,501	4,817,920	6,068,451	6,320,109	6,320,109
TOTAL RESOURCES	\$ 15,781,790	\$ 13,212,949	\$ 11,464,677	\$ 11,427,114	\$ 10,640,034	\$ 10,640,034
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	10,195,289	7,144,498	6,266,278	5,107,005	2,727,564	2,727,564
Unappropriated Ending Balance	5,586,501	6,068,451	5,198,399	6,320,109	7,912,470	7,912,470
Unappropriated Ending Balance	<u>5,586,501</u>	<u>6,068,451</u>	<u>5,198,399</u>	<u>6,320,109</u>	<u>7,912,470</u>	<u>7,912,470</u>
Total Fund Requirements	15,781,790	13,212,949	11,464,677	11,427,114	10,640,034	10,640,034
TOTAL REQUIREMENTS	\$ 15,781,790	\$ 13,212,949	\$ 11,464,677	\$ 11,427,114	\$ 10,640,034	\$ 10,640,034

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public infrastructure improvements requested by property owners. Specifically, this fund accounts for resources, and the allocation thereof, to pay principal and interest on outstanding indebtedness related to financing these improvements.

Managing Agency Office of Management and Finance, Financial Management.

Bancroft Bond Fund – 311

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Department of Environmental Quality Bonds, Series 1990						
09/01/1990 - Due 12/1	2,910,000					
		2002/03	0	0.00%	11,083	11,083
		2003/04	0	0.00%	11,083	11,083
		2004/05	0	0.00%	11,083	11,083
		2005/06	0	0.00%	11,083	11,083
		2006/07	0	0.00%	11,083	11,083
		2007/08	0	0.00%	11,083	11,083
		2008/09	0	0.00%	11,083	11,083
		2009/10	0	0.00%	11,083	11,083
		2010/11	155,000	7.15%	5,542	160,542
		TOTAL	155,000		94,206	249,206
Department of Environmental Quality Bonds, 1994 Series A						
04/14/1994 - Due 6/1	19,100,000					
		2002/03	0	0.00%	36,900	36,900
		2003/04	0	0.00%	36,900	36,900
		2004/05	0	0.00%	36,900	36,900
		2005/06	0	0.00%	36,900	36,900
		2006/07	0	0.00%	36,900	36,900
		2007/08	0	0.00%	36,900	36,900
		2008/09	0	0.00%	36,900	36,900
		2009/10	0	0.00%	36,900	36,900
		2010/11	0	0.00%	36,900	36,900
		2011/12	0	0.00%	36,900	36,900
		2012/13	0	0.00%	36,900	36,900
		2013/14	615,000	6.00%	36,900	651,900
		TOTAL	615,000		442,800	1,057,800
TOTAL - Department of Environmental Quality						
	90,385,000					
		2000/01	0		-	-
		2001/02	0		-	-
		2002/03	0		47,983	47,983
		2003/04	0		47,983	47,983
		2004/05	0		47,983	47,983
		2005/06	0		47,983	47,983
		2006/07	0		47,983	47,983
		2007/08	0		47,983	47,983
		2008/09	0		47,983	47,983
		2009/10	0		47,983	47,983
		2010/11	155,000		42,442	197,442
		2011/12	-		36,900	36,900
		2012/13	-		36,900	36,900
		2013/14	615,000		36,900	651,900
		TOTAL	770,000		537,006	1,307,006
Limited Tax Improvement Bonds, 1994 Series A						
05/01/1994 - Due 6/1	6,925,000					
		2002/03	0	0.00%	55,488	55,488
		2003/04	0	0.00%	55,488	55,488
		2004/05	0	0.00%	55,488	55,488
		2005/06	0	0.00%	55,488	55,488
		2006/07	0	0.00%	55,488	55,488
		2007/08	0	0.00%	55,488	55,488
		2008/09	0	0.00%	55,488	55,488
		2009/10	0	0.00%	55,488	55,488
		2010/11	0	0.00%	55,488	55,488
		2011/12	0	0.00%	55,488	55,488

Bancroft Bond Fund – 311

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2012/13	0	0.00%	55,488	55,488
		2013/14	965,000	5.75%	55,488	1,020,488
		TOTAL	965,000		665,856	1,630,856
Limited Tax Improvement Bonds, 1995 Series A						
05/01/1994 - Due 6/1	6,210,000					
		2002/03	0	0.00%	36,225	36,225
		2003/04	0	0.00%	36,225	36,225
		2004/05	0	0.00%	36,225	36,225
		2005/06	0	0.00%	36,225	36,225
		2006/07	0	0.00%	36,225	36,225
		2007/08	0	0.00%	36,225	36,225
		2008/09	0	0.00%	36,225	36,225
		2009/10	0	0.00%	36,225	36,225
		2010/11	0	0.00%	36,225	36,225
		2011/12	0	0.00%	36,225	36,225
		2012/13	0	0.00%	36,225	36,225
		2013/14	0	0.00%	36,225	36,225
		2014/15	690,000	5.25%	36,225	726,225
		TOTAL	690,000		470,925	1,160,925
Limited Tax Improvement Bonds, 1996 Series A						
06/01/1996 - Due 6/1	7,525,000					
		2002/03	0		120,158	120,158
		2003/04	0		120,158	120,158
		2004/05	0		120,158	120,158
		2005/06	0		120,158	120,158
		2006/07	0		120,158	120,158
		2007/08	0		120,158	120,158
		2008/09	0		120,158	120,158
		2009/10	0		120,158	120,158
		2010/11	0		120,158	120,158
		2011/12	0		120,158	120,158
		2012/13	0		120,158	120,158
		2013/14	0		120,158	120,158
		2014/15	0		120,158	120,158
		2015/16	2,165,000	5.55%	120,158	2,285,158
		TOTAL	2,165,000		1,682,212	3,847,212
Limited Tax Improvement Bonds, 1998 Series A						
03/01/1998 - Due 6/1	8,460,000					
		2002/03	455,000	4.10%	107,868	562,868
		2003/04	0	0.00%	89,213	89,213
		2004/05	0	0.00%	89,213	89,213
		2005/06	0	0.00%	89,213	89,213
		2006/07	0	0.00%	89,213	89,213
		2007/08	0	4.35%	89,213	89,213
		2008/09	0	0.00%	89,213	89,213
		2009/10	0	0.00%	89,213	89,213
		2010/11	0	0.00%	89,213	89,213
		2011/12	0	0.00%	89,213	89,213
		2012/13	0	0.00%	89,213	89,213
		2013/14	0	0.00%	89,213	89,213
		2014/15	0	0.00%	89,213	89,213
		2015/16	0	0.00%	89,213	89,213
		2016/17	0	0.00%	89,213	89,213
		2017/18	1,830,000	4.88%	89,213	1,919,213
		TOTAL	2,285,000		1,446,063	3,731,063

Bancroft Bond Fund – 311

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
Limited Tax Improvement Bonds, 1999 Series A						
04/01/1999 - Due 6/1	8,685,000					
		2002/03	520,000	4.10%	227,807	747,807
		2003/04	450,000	0.00%	201,807	651,807
		2004/05	0	0.00%	178,182	178,182
		2005/06	0	0.00%	178,182	178,182
		2006/07	0	0.00%	178,182	178,182
		2007/08	0	0.00%	178,182	178,182
		2008/09	0	0.00%	178,182	178,182
		2009/10	0	0.00%	178,182	178,182
		2010/11	0	0.00%	178,182	178,182
		2011/12	0	0.00%	178,182	178,182
		2012/13	0	0.00%	178,182	178,182
		2013/14	0	0.00%	178,182	178,182
		2014/15	0	0.00%	178,182	178,182
		2015/16	0	0.00%	178,182	178,182
		2016/17	0	0.00%	178,182	178,182
		2017/18	0	0.00%	178,182	178,182
		2018/19	3,655,000	4.88%	178,182	3,833,182
		TOTAL	4,625,000		3,102,344	7,727,344
TOTAL - Limited Tax Improvement Bonds						
	37,805,000					
		2002/03	975,000		547,546	1,522,546
		2003/04	450,000		502,891	952,891
		2004/05	0		479,266	479,266
		2005/06	0		479,266	479,266
		2006/07	0		479,266	479,266
		2007/08	0		479,266	479,266
		2008/09	-		479,266	479,266
		2009/10	0		479,266	479,266
		2010/11	0		479,266	479,266
		2011/12	0		479,266	479,266
		2012/13	0		479,266	479,266
		2013/14	965,000		479,266	1,444,266
		2014/15	690,000		423,778	1,113,778
		2015/16	2,165,000		387,553	2,552,553
		2016/17	0		267,395	267,395
		2017/18	1,830,000		267,395	2,097,395
		2018/19	3,655,000		178,182	3,833,182
		TOTAL	10,730,000		7,367,400	18,097,400
Proposed Calls						
		2002/03	1,135,000			3,610,000
		TOTAL	3,610,000			3,610,000
COMBINED DEBT SERVICE						
	128,190,000					
		2002/03	2,110,000		595,529	2,705,529
		2003/04	450,000		550,874	1,000,874
		2004/05	0		527,249	527,249
		2005/06	0		527,249	527,249
		2006/07	0		527,249	527,249
		2007/08	0		527,249	527,249
		2008/09	-		527,249	527,249
		2009/10	0		527,249	527,249
		2010/11	155,000		521,708	676,708
		2011/12	-		516,166	516,166
		2012/13	-		516,166	516,166

Bancroft Bond Fund – 311

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2013/14	1,580,000		516,166	2,096,166
		2014/15	690,000		423,778	1,113,778
		2015/16	2,165,000		387,553	2,552,553
		2016/17	0		267,395	267,395
		2017/18	1,830,000		267,395	2,097,395
		2018/19	3,655,000		178,182	3,833,182
TOTAL FUND DEBT SERVICE			\$ 12,635,000		\$ 7,904,406	\$ 20,539,406

Cable Fund – 120

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Licenses and Permits						
Public Utility Licenses	768,140	787,151	751,065	834,335	761,165	761,165
	768,140	787,151	751,065	834,335	761,165	761,165
Miscellaneous Revenues						
Interest Earned	110,584	154,769	32,000	91,000	54,000	54,000
Other Miscellaneous	1,566,699	1,576,065	1,460,542	1,755,562	1,651,440	1,651,440
	1,677,283	1,730,834	1,492,542	1,846,562	1,705,440	1,705,440
Total External Revenues	2,445,423	2,517,985	2,243,607	2,680,897	2,466,605	2,466,605
Internal Revenues						
Interfund Service Reimbursements						
Cable Commission	409,286	242,245	250,023	250,023	250,995	250,995
	409,286	242,245	250,023	250,023	250,995	250,995
Total Internal Revenues	409,286	242,245	250,023	250,023	250,995	250,995
Beginning Fund Balance	1,475,798	2,273,713	905,684	2,384,689	2,274,222	2,673,673
TOTAL RESOURCES	\$ 4,330,507	\$ 5,033,943	\$ 3,399,314	\$ 5,315,609	\$ 4,991,822	\$ 5,391,273
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	1,709,380	2,262,034	2,054,154	1,956,324	2,593,798	2,593,798
Internal Materials and Services						
Communications Services	6,146	10,200	5,380	5,380	5,743	5,743
Data Processing Services	5,254	22,694	13,522	13,522	13,676	13,676
Facilities Services	20,218	17,901	18,278	18,278	23,683	23,683
Fleet Services	27	0	309	309	309	309
Insurance	5,026	10,924	10,906	10,906	14,322	14,322
Printing & Distribution	9,675	8,630	13,818	13,818	11,668	11,668
City Attorney	1,450	18,890	1,950	0	2,009	2,009
Cable Communication	277,746	282,239	300,871	302,821	299,386	299,386
Finance & Administration	828	768	0	0	0	0
	326,370	372,246	365,034	365,034	370,796	370,796
Total Bureau Expenses	2,035,750	2,634,280	2,419,188	2,321,358	2,964,594	2,964,594
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	21,970	0	1,200,698	1,200,029
	0	0	21,970	0	1,200,698	1,200,029
General Fund Overhead	17,737	14,974	13,078	13,078	10,093	10,762
Fund Cash Transfers						
Communication Services	0	0	280,980	280,980	0	0
General Fund	3,307	0	26,520	26,520	0	0
	3,307	0	307,500	307,500	0	0
Unappropriated Ending Balance						
Unappropriated Ending Balance	2,273,713	2,384,689	637,578	2,673,673	816,437	1,215,888
	2,273,713	2,384,689	637,578	2,673,673	816,437	1,215,888
Total Fund Requirements	2,294,757	2,399,663	980,126	2,994,251	2,027,228	2,426,679
TOTAL REQUIREMENTS	\$ 4,330,507	\$ 5,033,943	\$ 3,399,314	\$ 5,315,609	\$ 4,991,822	\$ 5,391,273

LINE ITEM DETAIL – AU 304

Materials and Services

External Materials and Services

521000 Professional Services	832,340	1,545,902	1,384,292	1,286,462	1,808,265	1,808,265
524000 Repair & Maintenance Services	103	205	1,500	1,500	2,000	2,000
529000 Miscellaneous Services	859,056	694,929	648,947	648,947	763,872	763,872
531000 Office Supplies	523	555	2,000	2,000	2,000	2,000
532000 Operating Supplies	3,932	1,770	5,500	5,500	5,265	5,265
541000 Education	2,321	1,749	2,400	2,400	2,400	2,400
542000 Local Travel	81	0	600	600	1,080	1,080

543000	Out-of-Town Travel	6,076	5,442	4,000	4,000	4,000	4,000
549000	Miscellaneous	4,948	11,482	4,915	4,915	4,916	4,916
Total External Materials and Services		1,709,380	2,262,034	2,054,154	1,956,324	2,593,798	2,593,798
Internal Materials and Services							
551000	Fleet Services	27	0	309	309	309	309
552000	Printing & Distribution	9,675	8,630	13,818	13,818	11,668	11,668
553000	Facilities Services	20,218	17,901	18,278	18,278	23,683	23,683
554000	Communications Services	6,146	10,200	5,380	5,380	5,743	5,743
555000	Data Processing Services	5,254	22,694	13,522	13,522	13,676	13,676
556000	Insurance	5,026	10,924	10,906	10,906	14,322	14,322
559000	Other Fund Services	280,024	301,897	302,821	302,821	301,395	301,395
Total Internal Materials and Services		326,370	372,246	365,034	365,034	370,796	370,796
Total Materials and Services		2,035,750	2,634,280	2,419,188	2,321,358	2,964,594	2,964,594
TOTAL Bureau Expenses		\$ 2,035,750	\$ 2,634,280	\$ 2,419,188	\$ 2,321,358	\$ 2,964,594	\$ 2,964,594

FUND OVERVIEW

The Cable Fund supports the Mt. Hood Cable Regulatory Commission (MHCRC). The MHCRC administers cable franchises and public, educational, and governmental (PEG) programs on behalf of Portland, Fairview, Gresham, Multnomah County, Troutdale, and Wood Village. These jurisdictions provide funding for the Commission's administrative budget.

Resources

The beginning balance includes \$1.2 million in outstanding grants from prior years.

Primary sources of revenue are beginning balance of \$2,673,673, an interagency agreement with the Cable Office for \$250,995 representing the City of Portland's 67% share of the MHCRC operating budget, and cable franchise fees of \$761,165. In addition \$1,620,990 in PEG revenues will support the PEG capital grant program.

Expenditures

The PEG capital grants are budgeted at \$1.7 million in the FY 2002-03 Adopted Budget and represent the majority of Cable Fund expenditures. These grants consist of \$720,000 in Community Access Capital grants and \$994,495 in Access Corporation Capital grants to PCA and MCTV. In addition, the Cable Fund will disburse \$90,000 in compliance revenue from AT&T to MHCRC jurisdictions.

The increase in the MHCRC administrative budget is less than 1%

The MHCRC operating budget is \$378,773. Staff for the MHCRC are budgeted within the Office of Cable Communications and Franchise Management. Funds to support them are transferred from the Cable Fund to the Cable Office (a General Fund bureau) on a quarterly basis.

Managing Agency

Office of Cable Communications and Franchise Management.

CHANGES FROM PRIOR YEAR

Cable franchise fees and PEG revenues for the FY 2002-03 Adopted Budget are estimated at 1.5% higher than FY 2001-02.

The PEG budget for Community Access Capital grants in FY 2002-03 is \$720,000, compared to \$726,000 in FY 2001-02. The Cable Fund budget includes an additional one-time payment to PCA and MCTV for Access Corporation Capital in the amount of \$184,000. This additional funding is provided from the accumulated balance from prior years.

Central Eastside Industrial District Debt Fund – 310

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	3,546,101	3,251,012	3,712,086	3,824,043	3,181,333	3,181,333
Prior Year Property Taxes	103,986	84,455	104,664	104,664	85,000	85,000
	<u>3,650,087</u>	<u>3,335,467</u>	<u>3,816,750</u>	<u>3,928,707</u>	<u>3,266,333</u>	<u>3,266,333</u>
Miscellaneous Revenues						
Interest Eamed	127,392	83,880	85,876	85,876	50,000	50,000
Other Miscellaneous	0	0	456,500	0	0	0
	<u>127,392</u>	<u>83,880</u>	<u>542,376</u>	<u>85,876</u>	<u>50,000</u>	<u>50,000</u>
Total External Revenues	<u>3,777,479</u>	<u>3,419,347</u>	<u>4,359,126</u>	<u>4,014,583</u>	<u>3,316,333</u>	<u>3,316,333</u>
Internal Revenues						
Beginning Fund Balance	889,056	227,942	0	158,295	0	0
TOTAL RESOURCES	\$ 4,666,535	\$ 3,647,289	\$ 4,359,126	\$ 4,172,878	\$ 3,316,333	\$ 3,316,333
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	4,438,593	3,488,994	4,359,126	4,172,878	3,316,333	3,316,333
Unappropriated Ending Balance						
Unappropriated Ending Balance	227,942	158,295	0	0	0	0
	<u>227,942</u>	<u>158,295</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	<u>4,666,535</u>	<u>3,647,289</u>	<u>4,359,126</u>	<u>4,172,878</u>	<u>3,316,333</u>	<u>3,316,333</u>
TOTAL REQUIREMENTS	\$ 4,666,535	\$ 3,647,289	\$ 4,359,126	\$ 4,172,878	\$ 3,316,333	\$ 3,316,333

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Central Eastside Development Area. Specifically, this fund accounts for resources and the allocation thereof to pay principal and interest on tax increment bonded indebtedness associated with financing improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management.

Central Eastside Industrial District Debt Fund – 310

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Special Public Works Fund Loan (OMSI)						
9/19/1991 - Due 12/1	621,033					
		2002/03	41,388	6.50%	31,561	72,949
		2003/04	44,078	6.50%	28,871	72,949
		2004/05	46,943	6.50%	26,006	72,949
		2005/06	49,995	6.50%	22,955	72,949
		2006/07	53,244	6.50%	19,705	72,949
		2007/08	56,705	6.50%	16,244	72,949
		2008/09	60,391	6.50%	12,558	72,949
		2009/10	64,316	6.50%	8,633	72,949
		2010/11	68,497	6.50%	4,452	72,949
		TOTAL	485,557		170,985	656,542
Estimated - FY 2003, Du Jour and Line of Credit						
	2,593,383					
		2002/03	2,593,383	variable	650,000	3,243,383
			2,593,383		650,000	3,243,383
COMBINED DEBT SERVICE						
	3,214,416					
		2002/03	2,634,771		681,561	3,316,332
		2003/04	44,078		28,871	72,949
		2004/05	46,943		26,006	72,949
		2005/06	49,995		22,955	72,949
		2006/07	53,244		19,705	72,949
		2007/08	56,705		16,244	72,949
		2008/09	60,391		12,558	72,949
		2009/10	64,316		8,633	72,949
		2010/11	68,497		4,452	72,949
TOTAL FUND DEBT SERVICE			\$ 3,078,940		\$ 820,985	\$ 3,899,925

Convention and Tourism Fund – 201

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Lodging Taxes	2,143,109	2,230,355	2,303,643	2,303,643	2,027,808	2,027,808
Miscellaneous Revenues						
Interest Earned	15,544	17,709	15,900	15,900	15,900	15,900
	15,544	17,709	15,900	15,900	15,900	15,900
Total External Revenues	2,158,653	2,248,064	2,319,543	2,319,543	2,043,708	2,043,708
Internal Revenues						
Beginning Fund Balance	134,864	116,705	20,449	134,592	114,550	114,550
TOTAL RESOURCES	\$ 2,293,517	\$ 2,364,769	\$ 2,339,992	\$ 2,454,135	\$ 2,158,258	\$ 2,158,258
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	2,112,624	2,164,192	2,241,534	2,247,071	1,963,222	1,962,693
Internal Materials and Services						
Business Licenses	52,967	54,662	92,243	92,243	58,499	58,499
	52,967	54,662	92,243	92,243	58,499	58,499
Total Bureau Expenses	2,165,591	2,218,854	2,333,777	2,339,314	2,021,721	2,021,192
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	407	0	130,450	130,450
	0	0	407	0	130,450	130,450
General Fund Overhead	11,221	11,323	5,808	271	6,087	6,616
Unappropriated Ending Balance						
Unappropriated Ending Balance	116,705	134,592	0	114,550	0	0
	116,705	134,592	0	114,550	0	0
Total Fund Requirements	127,926	145,915	6,215	114,821	136,537	137,066
TOTAL REQUIREMENTS	\$ 2,293,517	\$ 2,364,769	\$ 2,339,992	\$ 2,454,135	\$ 2,158,258	\$ 2,158,258
LINE ITEM DETAIL – AU 255						
Materials and Services						
External Materials and Services						
549000 Miscellaneous	2,112,624	2,164,192	2,241,534	2,247,071	1,963,222	1,962,693
Total External Materials and Services	2,112,624	2,164,192	2,241,534	2,247,071	1,963,222	1,962,693
Internal Materials and Services						
559000 Other Fund Services	52,967	54,662	92,243	92,243	58,499	58,499
Total Internal Materials and Services	52,967	54,662	92,243	92,243	58,499	58,499
Total Materials and Services	2,165,591	2,218,854	2,333,777	2,339,314	2,021,721	2,021,192
TOTAL Bureau Expenses	\$ 2,165,591	\$ 2,218,854	\$ 2,333,777	\$ 2,339,314	\$ 2,021,721	\$ 2,021,192

FUND OVERVIEW

The Convention and Tourism Fund collects the transient lodgings tax. It disburses funds to the City of Portland and Multnomah County with a portion going toward the promotion and procurement of convention business and tourism as established by City Charter. The City currently contracts with the Portland Oregon Visitors Association (POVA) for this service.

The Bureau of Licenses manages the Convention and Tourism Fund and administers the collection of the taxes.

Disbursement of Tax

The tax is disbursed as follows:

- ◆ Owners are allowed to keep .15% of the 11.5% of the hotel/motel tax for collection and remittance costs.
- ◆ 2.85% - trust fund for Multnomah County.

- ◆ As of April 2000, 2.5% of a temporary tax increase will fund the expansion of the Convention Center and the Stadium (PGE Park) renovation.
- ◆ 5% - the City's General Fund.
- ◆ 1% - the Convention and Tourism Fund.

Managing Agency Bureau of Licenses.

CHANGES FROM PRIOR YEAR

Growth is expected to remain constrained through FY 2002-03 due to the delays in the expansion of the Oregon Convention Center. Revenues are projected to increase at a higher rate once the expansion of the Oregon Convention Center is completed in 2003.

Convention Center Area Debt Service Fund – 312

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	5,642,718	5,855,669	6,175,200	6,175,200	5,052,100	5,052,100
Prior Year Property Taxes	147,338	143,367	138,100	138,100	143,366	143,366
	5,790,056	5,999,036	6,313,300	6,313,300	5,195,466	5,195,466
Miscellaneous Revenues						
Bond and Note Sales	0	8,000,000	0	0	0	0
Interest Earned	162,153	208,627	142,000	142,000	55,000	55,000
Other Miscellaneous	2	0	0	0	0	0
	162,155	8,208,627	142,000	142,000	55,000	55,000
Total External Revenues	5,952,211	14,207,663	6,455,300	6,455,300	5,250,466	5,250,466
Internal Revenues						
Beginning Fund Balance	1,302,618	893,129	0	2,225,976	3,409,548	3,409,548
TOTAL RESOURCES	\$ 7,254,829	\$ 15,100,792	\$ 6,455,300	\$ 8,681,276	\$ 8,660,014	\$ 8,660,014
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	6,361,700	12,874,816	6,455,300	5,271,728	8,660,014	8,660,014
Unappropriated Ending Balance						
Unappropriated Ending Balance	893,129	2,225,976	0	3,409,548	0	0
	893,129	2,225,976	0	3,409,548	0	0
Total Fund Requirements	7,254,829	15,100,792	6,455,300	8,681,276	8,660,014	8,660,014
TOTAL REQUIREMENTS	\$ 7,254,829	\$ 15,100,792	\$ 6,455,300	\$ 8,681,276	\$ 8,660,014	\$ 8,660,014

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Convention Center Development Area. Specifically, this fund accounts for resources and the allocation thereof to pay principal and interest on tax increment bonded indebtedness associated with financing improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management.

Convention Center Area Debt Service Fund – 312

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Urban Renewal & Redevelopment Bonds, 2000 Series A						
08/01/2000 - Due 6/15	32,900,000					
		2002/03	-	0.00%	1,852,083	1,852,083
		2003/04	-	0.00%	1,852,083	1,852,083
		2004/05	-	0.00%	1,852,083	1,852,083
		2005/06	-	0.00%	1,852,083	1,852,083
		2006/07	-	0.00%	1,852,083	1,852,083
		2007/08	-	0.00%	1,852,083	1,852,083
		2008/09	-	0.00%	1,852,083	1,852,083
		2009/10	-	0.00%	1,852,083	1,852,083
		2010/11	-	0.00%	1,852,083	1,852,083
		2011/12	-	0.00%	1,852,083	1,852,083
		2012/13	-	0.00%	1,852,083	1,852,083
		2013/14	3,630,000	5.65%	1,852,083	5,482,083
		2014/15	4,230,000	5.70%	1,647,008	5,877,008
		2015/16	4,470,000	5.73%	1,405,718	5,875,718
		2016/17	4,725,000	5.70%	1,149,705	5,874,705
		2017/18	4,995,000	5.71%	880,555	5,875,555
		2018/19	5,280,000	5.47%	595,250	5,875,250
		2019/20	5,570,000	5.50%	306,350	5,876,350
		TOTAL	32,900,000		28,209,575	61,109,575
Urban Renewal & Redevelopment Bonds, 2000 Series B						
08/01/2000 - Due 6/15	16,480,000					
		2002/03	-		1,251,318	1,251,318
		2003/04	-		1,251,318	1,251,318
		2004/05	-		1,251,318	1,251,318
		2005/06	-		1,251,318	1,251,318
		2006/07	-		1,251,318	1,251,318
		2007/08	-		1,251,318	1,251,318
		2008/09	2,775,000	7.45%	1,251,318	4,026,318
		2009/10	2,980,000	7.50%	1,044,580	4,024,580
		2010/11	3,205,000	7.60%	821,080	4,026,080
		2011/12	3,445,000	7.65%	577,500	4,022,500
		2012/13	3,710,000	7.70%	313,958	4,023,958
		2013/14	365,000	7.75%	28,288	393,288
		TOTAL	16,480,000		11,544,628	28,024,628
Estimated - FY 2003, Du Jour and Line of Credit						
	3,349,100					
		2002/03	5,369,613	variable	187,000	5,556,613
TOTAL FUND DEBT SERVICE			\$ 5,369,613		\$ 187,000	\$ 5,556,613
COMBINED DEBT SERVICE						
	52,729,100					
		2002/03	5,369,613		3,290,400	8,660,013
		2003/04	-		3,103,400	3,103,400
		2004/05	-		3,103,400	3,103,400
		2005/06	-		3,103,400	3,103,400
		2006/07	-		3,103,400	3,103,400
		2007/08	2,775,000		3,103,400	5,878,400
		2008/09	2,980,000		2,896,663	5,876,663
		2009/10	3,205,000		2,673,163	5,878,163
		2010/11	3,445,000		2,429,583	5,874,583
		2011/12	3,710,000		2,166,040	5,876,040
		2012/13	3,995,000		1,880,370	5,875,370
		2013/14	4,230,000		1,647,008	5,877,008
		2014/15	4,470,000		1,405,718	5,875,718
		2015/16	4,725,000		1,149,705	5,874,705

Convention Center Area Debt Service Fund – 312

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
		2016/17	4,995,000		880,555	5,875,555
		2017/18	5,280,000		595,250	5,875,250
		2018/19	5,570,000		306,350	5,876,350
		2019/20	-		-	-
TOTAL FUND DEBT SERVICE			\$ 54,749,613		\$ 36,837,803	\$ 91,587,416

Gateway URA Debt Redemption Fund – 315

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	0	0	0	0	284,454	284,454
	0	0	0	0	284,454	284,454
Miscellaneous Revenues						
Interest Earned	0	0	0	0	4,000	4,000
	0	0	0	0	4,000	4,000
Total External Revenues	0	0	0	0	288,454	288,454
Internal Revenues						
TOTAL RESOURCES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 288,454	\$ 288,454
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	0	0	0	0	288,454	288,454
Total Fund Requirements	0	0	0	0	288,454	288,454
TOTAL REQUIREMENTS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 288,454	\$ 288,454

FUND OVERVIEW

This newly created fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Gateway Urban Renewal Area. Specifically, this fund accounts for resources and the allocation thereof to pay principal and interest on tax increment bonded indebtedness associated with financing improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management.

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Estimated - FY 2003, Du Jour and Line of Credit	Variable	2002/03	2,066,946	variable	401,000	2,467,946
TOTAL FUND DEBT SERVICE			\$ 2,066,946		\$ 401,000	\$ 2,467,946

Home Grant Fund – 255

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Federal Sources						
Federal Grants	3,688,806	2,963,137	11,588,068	5,894,915	4,758,000	4,758,000
	3,688,806	2,963,137	11,588,068	5,894,915	4,758,000	4,758,000
Miscellaneous Revenues						
Loan Repayments	280,884	346,338	225,000	225,000	190,000	190,000
	280,884	346,338	225,000	225,000	190,000	190,000
Total External Revenues	3,969,690	3,309,475	11,813,068	6,119,915	4,948,000	4,948,000
Internal Revenues						
TOTAL RESOURCES	\$ 3,969,690	\$ 3,309,475	\$ 11,813,068	\$ 6,119,915	\$ 4,948,000	\$ 4,948,000
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	3,762,693	3,031,780	11,386,453	5,693,300	4,577,293	4,577,293
Internal Materials and Services						
Community Development	206,997	277,695	359,153	359,153	370,707	370,707
	206,997	277,695	359,153	359,153	370,707	370,707
Total Bureau Expenses	3,969,690	3,309,475	11,745,606	6,052,453	4,948,000	4,948,000
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	67,462	67,462	0	0
	0	0	67,462	67,462	0	0
Total Fund Requirements	0	0	67,462	67,462	0	0
TOTAL REQUIREMENTS	\$ 3,969,690	\$ 3,309,475	\$ 11,813,068	\$ 6,119,915	\$ 4,948,000	\$ 4,948,000
LINE ITEM DETAIL – AU 537						
Materials and Services						
External Materials and Services						
529000 Miscellaneous Services	3,762,693	3,031,780	11,386,453	5,693,300	4,577,293	4,577,293
Total External Materials and Services	3,762,693	3,031,780	11,386,453	5,693,300	4,577,293	4,577,293
Internal Materials and Services						
559000 Other Fund Services	206,997	277,695	359,153	359,153	370,707	370,707
Total Internal Materials and Services	206,997	277,695	359,153	359,153	370,707	370,707
Total Materials and Services	3,969,690	3,309,475	11,745,606	6,052,453	4,948,000	4,948,000
TOTAL Bureau Expenses	\$ 3,969,690	\$ 3,309,475	\$ 11,745,606	\$ 6,052,453	\$ 4,948,000	\$ 4,948,000

FUND OVERVIEW

The HOME Program is a federal entitlement program of the United States Department of Housing and Urban Development. The purpose of the grant is to assist local governments with the development of affordable housing.

Portland HOME Consortium

The Portland HOME Consortium, consisting of the City of Portland, the City of Gresham and Multnomah County will receive \$4.758 million in FY 2002-03. Portland is the lead partner of the Consortium and is responsible for receiving and administering the HOME grant.

Revenues and Expenditures HOME funds are used for acquisition, rehabilitation and/or new construction of housing for low-income and special needs persons, for rent assistance and for the development of the Housing Connection program. The City contracts with implementing agencies and project sponsors to carry out eligible activities in accordance with the principles and priorities of the adopted Consolidated Plan. The HOME Fund includes the entitlement for the Consortium and program income earned by the use of HOME dollars.

Structure The HOME Fund is an entitlement grant fund which is reimbursed by the federal government for actual expenditures less program income. Since requests for reimbursement cannot exceed expenditures less program income, the fund will not have an ending balance.

Managing Agency Bureau of Housing and Community Development.

CHANGES FROM PRIOR YEAR

Entitlement The HOME entitlement for the Consortium for FY 2002-03 is \$4,758,000, the same entitlement as the previous year.

Program Income It is estimated that HOME program income will be \$190,000, a decrease of \$35,000.

Housing and Community Development Fund – 254

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Miscellaneous	132,297	48,274	93,000	93,000	18,000	18,000
	132,297	48,274	93,000	93,000	18,000	18,000
Federal Sources						
Federal Grants	13,003,112	12,787,319	18,344,036	12,268,764	13,000,584	13,000,584
	13,003,112	12,787,319	18,344,036	12,268,764	13,000,584	13,000,584
Miscellaneous Revenues						
Collection of Assessment	123,021	70,515	110,000	110,000	85,000	85,000
Interest Earned	23,841	55,678	80,000	0	5,400	5,400
Loan Repayments	4,762,432	7,318,784	4,640,612	4,720,612	2,800,000	2,800,000
	4,909,294	7,444,977	4,830,612	4,830,612	2,890,400	2,890,400
Total External Revenues	18,044,703	20,280,570	23,267,648	17,192,376	15,908,984	15,908,984
Internal Revenues						
TOTAL RESOURCES	\$ 18,044,703	\$ 20,280,570	\$ 23,267,648	\$ 17,192,376	\$ 15,908,984	\$ 15,908,984
REQUIREMENTS						
Bureau Expenses						
External Materials and Services	15,530,618	17,384,007	19,698,700	13,789,300	13,017,777	13,017,777
Internal Materials and Services						
Buildings	344,627	258,055	297,413	297,413	179,775	179,775
Community Development	1,362,400	1,327,591	1,285,739	1,285,739	1,396,408	1,396,408
Environmental Services	22,327	0	0	0	0	0
Facilities Services	0	20,000	0	0	0	0
Finance & Administration	46,864	46,866	48,598	48,598	49,716	49,716
LID Construction Fund	0	86,812	754,809	588,937	500,000	500,000
Neighborhood Involvement	32,316	94,381	76,269	76,269	127,575	127,575
Parks Bureau	0	0	8,000	8,000	0	0
Parks Construction	0	13,000	0	0	0	0
Planning	208,228	125,969	131,719	131,719	97,619	97,619
Police Bureau	85,000	65,460	80,190	80,190	71,610	71,610
Sewer Revolving Loan	75,911	0	0	0	0	0
Transportation	82,891	676,390	634,535	634,535	217,584	217,584
	2,260,564	2,714,524	3,317,272	3,151,400	2,640,287	2,640,287
Total Bureau Expenses	17,791,182	20,098,531	23,015,972	16,940,700	15,658,064	15,658,064
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	30,755	30,755	40,152	40,152
	0	0	30,755	30,755	40,152	40,152
Fund Cash Transfers						
Buildings Fund	102,423	61,262	88,391	88,391	36,728	36,728
General Fund	131,196	97,624	96,515	96,515	133,690	133,690
Transportation Operating	19,902	23,153	36,015	36,015	40,350	40,350
	253,521	182,039	220,921	220,921	210,768	210,768
Total Fund Requirements	253,521	182,039	251,676	251,676	250,920	250,920
TOTAL REQUIREMENTS	\$ 18,044,703	\$ 20,280,570	\$ 23,267,648	\$ 17,192,376	\$ 15,908,984	\$ 15,908,984
LINE ITEM DETAIL – AU 532						
Materials and Services						
External Materials and Services						
529000 Miscellaneous Services	15,530,618	17,384,007	19,698,700	13,789,300	13,017,777	13,017,777
Total External Materials and Services	15,530,618	17,384,007	19,698,700	13,789,300	13,017,777	13,017,777

Internal Materials and Services						
559000 Other Fund Services	2,260,564	2,714,524	3,317,272	3,151,400	2,640,287	2,640,287
Total Internal Materials and Services	2,260,564	2,714,524	3,317,272	3,151,400	2,640,287	2,640,287
Total Materials and Services	17,791,182	20,098,531	23,015,972	16,940,700	15,658,064	15,658,064
TOTAL Bureau Expenses	\$ 17,791,182	\$ 20,098,531	\$ 23,015,972	\$ 16,940,700	\$ 15,658,064	\$ 15,658,064

FUND OVERVIEW

- Revenues** The Community Development Block Grant Fund (CDBG) is comprised of the City’s Community Development Block Grant entitlement from the United States Department of Housing and Urban Development, program income from loan repayments, lien payments, revenue generated from CDBG-funded activities, carryover funds from prior year, private leveraged resources and interest and repayments on float activities.

- Structure** This fund is an annual entitlement grant fund which is reimbursed by the federal government for actual expenditures less any program income received and reported with the expenditures. Because requests for reimbursement cannot exceed expenditures less program income, the fund will not have an ending balance.

- Carryover** Entitlement appropriations remaining at the end of the fiscal year are carried over in the Fall supplemental budget process. The supplemental budget includes obligated carryover, appropriation for projects which have been authorized and budgeted in the prior year and carryover appropriation for expanded projects or new requests.

- Managing Agency** Bureau of Housing and Community Development.

CHANGES FROM PRIOR YEAR

- Entitlement** **Decrease in Entitlement**
 The Community Development Block Grant entitlement for FY 2002-03 is \$11,903,000, a decrease of \$329,000 (2.7%).

- Program Income** **Decrease in Program Income**
 Program income from the Portland Development Commission, received primarily from loan repayments, is estimated in the FY 2002-03 budget at \$2.6 million, a decrease of \$200,000.
 Program income received from other sources is projected to decrease due to estimated decreases in interest payments from float activities and in lien repayments.
 Income from the Private Lender Participation Agreement (PLPA) is not included in this budget.

- Carryover** **Changes in Carryover**
 Obligated carryover for specific street improvement projects and for the Child Care Network is budgeted at \$697,584, an increase of \$397,584 in obligated carryover.
 Unobligated carryover in the amount of \$400,000 is included in this budget. Unobligated carryover was not budgeted in FY 2001-02.

Housing Investment Fund – 209

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Miscellaneous	0	0	0	412,924	0	0
Rents and Reimbursements	0	135,262	150,000	150,000	100,000	450,000
	0	135,262	150,000	562,924	100,000	450,000
Miscellaneous Revenues						
Bond and Note Sales	0	5,739,438	10,716,000	4,536,000	3,300,000	16,100,000
Interest Earned	199,817	340,116	276,865	200,000	160,000	160,000
Sale of Capital Assets	0	0	7,350,000	2,816,000	7,500,000	7,500,000
	199,817	6,079,554	18,342,865	7,552,000	10,960,000	23,760,000
Total External Revenues	199,817	6,214,816	18,492,865	8,114,924	11,060,000	24,210,000
Internal Revenues						
Other Cash Transfers						
General Fund	8,034,262	5,680,000	485,068	485,068	55,652	55,652
	8,034,262	5,680,000	485,068	485,068	55,652	55,652
Total Internal Revenues	8,034,262	5,680,000	485,068	485,068	55,652	55,652
Beginning Fund Balance	5,662,771	4,472,408	4,993,655	5,719,956	3,364,395	5,046,207
TOTAL RESOURCES	\$ 13,896,850	\$ 16,367,224	\$ 23,971,588	\$ 14,319,948	\$ 14,480,047	\$ 29,311,859
REQUIREMENTS						
Bureau Expenses						
Personal Services						
	0	563	0	6,000	0	0
External Materials and Services						
Capital Outlay	9,424,442	10,514,403	12,979,553	6,301,741	5,658,577	14,701,838
	0	0	3,000,000	0	0	6,500,000
Total Bureau Expenses	9,424,442	10,514,966	15,979,553	6,307,741	5,658,577	21,201,838
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	492,035	0	1,221,449	160,000
	0	0	492,035	0	1,221,449	160,000
Fund Cash Transfers						
Intermediate Debt Fund	0	132,302	6,500,000	2,966,000	6,600,000	6,950,000
Pension Debt Redemption Fund	0	0	0	0	21	21
	0	132,302	6,500,000	2,966,000	6,600,021	6,950,021
Debt Retirement						
	0	0	1,000,000	0	1,000,000	1,000,000
Unappropriated Ending Balance						
Unappropriated Ending Balance	4,472,408	5,719,956	0	5,046,207	0	0
	4,472,408	5,719,956	0	5,046,207	0	0
Total Fund Requirements	4,472,408	5,852,258	7,992,035	8,012,207	8,821,470	8,110,021
TOTAL REQUIREMENTS	\$ 13,896,850	\$ 16,367,224	\$ 23,971,588	\$ 14,319,948	\$ 14,480,047	\$ 29,311,859
LINE ITEM DETAIL – AU 292						
Personnel Services						
511000 Full-Time Employees	0	407	0	4,000	0	0
517000 Benefits	0	156	0	2,000	0	0
Total Personnel Services	0	563	0	6,000	0	0
Materials and Services						
External Materials and Services						
521000 Professional Services	0	15,190	0	0	0	0
529000 Miscellaneous Services	9,415,100	10,490,960	12,979,553	6,301,741	5,658,577	14,601,838
549000 Miscellaneous	9,342	8,253	0	0	0	100,000
Total External Materials and Services	9,424,442	10,514,403	12,979,553	6,301,741	5,658,577	14,701,838
Total Materials and Services	9,424,442	10,514,403	12,979,553	6,301,741	5,658,577	14,701,838
Capital Outlay						
561000 Land	0	0	3,000,000	0	0	0

562000 Buildings	0	0	0	0	0	6,500,000
Total Capital Outlay	0	0	3,000,000	0	0	6,500,000
TOTAL Bureau Expenses	\$ 9,424,442	\$ 10,514,966	\$ 15,979,553	\$ 6,307,741	\$ 5,658,577	\$ 21,201,838

FUND OVERVIEW

The Housing Investment Fund supports programs for affordable housing and homelessness.

The Housing Investment Fund (HIF) supports four housing programs, all of which serve to develop or preserve affordable housing in Portland or help low- and moderate-income individuals to access affordable housing. These programs are the ongoing General Fund discretionary resources; the Smart Growth program, the Preservation Line of Credit program and - new this year - the City Lights Housing program.

One component is the annual ongoing commitment of City General Fund resources which is allocated by the Bureau of Housing and Community Development to support homeless programs.

The Smart Growth program, supported by loans from the Enterprise Foundation, is the second component of the HIF. The goal of the program is to lower the cost of developing new affordable housing by reducing the land acquisition costs.

The third program of the City's Housing Investment Fund is the Preservation line of credit. This is a \$10.5 million one-time line of credit that serves as a temporary funding tool to allow the City to easily acquire affordable housing properties as they become available. When re-sold to nonprofit agencies or developers who ensure their long-term affordability, the properties' sale proceeds are used to pay off the draws against the line of credit. When the line of credit was established, the City committed \$1.81 million in General Fund resources as a reserve in the event that property sales were insufficient to pay off the line of credit or for temporary shortfalls in debt service payments.

New program: City Lights Housing

The City Lights Housing is a new program designed to stimulate production of new housing units that are not currently being built due to market financial constraints. The goal of the program is to demonstrate the viability of new forms of housing development in areas of the city which have been under-served by current development, and/or to produce housing which contributes to public purposes such as commercial revitalization and transit-oriented development. Projects may include middle and moderate income housing which is a gap in current housing development in the city, mixed-use development that is difficult to finance because few comparable projects exist, and housing development in parts of the city where it has been slow to occur.

The City Lights Housing program is a source of low interest rate borrowing to finance the production or acquisition of multi-family housing to be owned by the City of Portland acting by and through the Portland Development Commission. The program allows issuance of tax-exempt debt secured by the City's General Fund, with the proceeds of such borrowings used to invest in housing developments that achieve a public purpose. One goal of the City Lights program is to generate a funding stream for affordable housing development from the net revenues from City Lights housing units.

History of the HIF

In FY 1994-95, Council allocated \$4 million over a two-year period to establish the Housing Investment Fund. The HIF provided gap financing for housing projects that met the goals of the Livable City Housing Initiatives and strategies developed by the Livable City Housing Council. In FY 1995-96, \$2.4 million was added to the HIF from the General Fund resources for a total commitment of \$6.4 million.

Council directed that a development fee waiver program be implemented using HIF resources. The waivers of certain development fees were provided to non-profit developers of affordable housing. Affordable housing is defined as ownership units affordable to a family with income at 80% of the regional median income and rental units affordable at 60% of the regional median income.

In FY 1996-97, Council transferred administrative responsibility for the Housing Investment Fund from the Livable Cities Housing Council to the Portland Development Commission. It also increased the total to \$31 million by committing \$24.6 million in General Fund resources.

An additional \$3.4 million in General Fund resources was added during FY 1997-98 and in FY 1998-99 Council added another \$1.0 million. This was intended to support housing preservation and land acquisition equally. These additions brought the total City commitment to \$35.4 million. Additionally, the Community Development Block Grant (CDBG) contributed \$233,000 in FY 1997-98 and again in FY 1998-99.

In FY 2000-01, City Council assigned the Bureau of Housing and Community Development the responsibility for allocation authority of any new General Fund resources allocated to the Housing Investment Fund. In FY 2000-01, Council appropriated \$4,350,000 of one-time General Fund resources to the HIF.

In FY 2001-02, Council authorized an ongoing appropriation of \$500,000 of General Fund resources. This amount was later reduced as part of overall budget reductions for a Revised Budget amount of \$485,068 in FY 2001-02.

CHANGES FROM PRIOR YEAR

- General Fund support** The FY 2002-03 target budget for General Fund resources to the Housing Investment Fund of \$503,846 was reduced by \$35,269 (7%), per Council direction to General Fund-supported programs. The result is an Adopted Budget of \$468,577. BHCD has allocated these funds to support homeless programs.
- Smart Growth** The Smart Growth program projects \$2 million in land acquisition costs and \$1 million in land sales.
- Preservation Line of Credit - revolving** In FY 2002-03, it is anticipated that the Preservation line of credit program will be converted from a one-time line of credit to a revolving one. This means that as previously acquired Preservation properties are re-sold and sale proceeds used to repay the draws, the balance on the line of credit increases correspondingly. Thus resources become available for other property acquisitions. It is projected that \$7.5 million of acquisition and \$6.5 million of property re-sale will occur in FY 2002-03. The \$1.81 million of General Fund reserve is not expected to be tapped in FY 2002-03.
- One-time resources** During FY 2001-02 there was a one-time revenue to the HIF of \$412,925. The source was a Pre-development Loan Loss Reserve Fund that had been maintained in a private financial institution since 1996 as a requirement of the Enterprise Foundation, a funding partner. Enterprise recently agreed the reserve was not needed and the funds were released. The revenues were deposited into the City's HIF during FY 2001-02, but not appropriated.

As part of the Adopted Budget for FY 2002-03; these reserve fund resources (now a part of HIF fund balance) will be used as a one-time offset of the General Fund transfer into HIF. This transaction does not change the Council's commitment of ongoing General Fund resources to the Housing Investment Fund in future years.

In the Adopted Budget FY 2002-03, \$1,061,449 of fund balance will be moved from Contingency to External Materials and Services in order to be allocated and expended on housing and homeless-related programs and services. The primary source of the fund balance was interest earnings to date. The Adopted Budget also reflects a projected carryover of unspent FY 2001-02 resources in the amount of \$1,681,812. BHCD allocates these funds to direct service contracts to support programs serving extremely low-income people, for anti-displacement efforts, and homeownership programs.

City Lights

The City Lights Housing program is a new component of the Housing Investment Fund. In FY 2002-03, \$6.6 million in revenue bond sales or interim lines of credit are projected to support housing development projects to be owned by the City of Portland.

Managing Agency

Office of Management and Finance, Financial Planning.

Interstate Corridor Debt Service Fund – 304

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	0	0	1,106,091	0	1,376,505	1,376,505
Prior Year Property Taxes	0	0	0	0	10,000	10,000
	0	0	1,106,091	0	1,386,505	1,386,505
Miscellaneous Revenues						
Interest Earned	0	0	24,000	0	18,700	18,700
	0	0	24,000	0	18,700	18,700
Total External Revenues	0	0	1,130,091	0	1,405,205	1,405,205
Internal Revenues						
TOTAL RESOURCES	\$ 0	\$ 0	\$ 1,130,091	\$ 0	\$ 1,405,205	\$ 1,405,205
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	0	0	1,130,091	0	1,405,205	1,405,205
Total Fund Requirements	0	0	1,130,091	0	1,405,205	1,405,205
TOTAL REQUIREMENTS	\$ 0	\$ 0	\$ 1,130,091	\$ 0	\$ 1,405,205	\$ 1,405,205

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Interstate Corridor Urban Renewal District. Specifically, this fund accounts for the allocation of resources to pay principal and interest on tax increment bonded indebtedness related to financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management.

Lents Town Center Urban Renewal Area Debt Redemption Fund – 309

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	1,178,059	2,068,821	3,063,964	3,063,964	2,365,946	2,365,946
Prior Year Property Taxes	0	14,313	45,210	45,210	65,000	65,000
	<u>1,178,059</u>	<u>2,083,134</u>	<u>3,109,174</u>	<u>3,109,174</u>	<u>2,430,946</u>	<u>2,430,946</u>
Miscellaneous Revenues						
Interest Earned	30,549	72,034	69,000	69,000	37,000	37,000
	<u>30,549</u>	<u>72,034</u>	<u>69,000</u>	<u>69,000</u>	<u>37,000</u>	<u>37,000</u>
Total External Revenues	<u>1,208,608</u>	<u>2,155,168</u>	<u>3,178,174</u>	<u>3,178,174</u>	<u>2,467,946</u>	<u>2,467,946</u>
Internal Revenues						
Beginning Fund Balance	0	140,519	0	114,554	0	0
TOTAL RESOURCES	\$ 1,208,608	\$ 2,295,687	\$ 3,178,174	\$ 3,292,728	\$ 2,467,946	\$ 2,467,946
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	1,068,089	2,181,133	3,178,174	3,292,728	2,467,946	2,467,946
Unappropriated Ending Balance						
Unappropriated Ending Balance	140,519	114,554	0	0	0	0
	<u>140,519</u>	<u>114,554</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	<u>1,208,608</u>	<u>2,295,687</u>	<u>3,178,174</u>	<u>3,292,728</u>	<u>2,467,946</u>	<u>2,467,946</u>
TOTAL REQUIREMENTS	\$ 1,208,608	\$ 2,295,687	\$ 3,178,174	\$ 3,292,728	\$ 2,467,946	\$ 2,467,946

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Lents Town Center Urban Renewal Area. Specifically, this fund will account for the allocation of resources to pay principal and interest on tax increment bonded indebtedness related to financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management.

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Estimated - FY 2003, Du Jour and Line of Credit	Variable	2002/03	2,066,946	variable	401,000	2,467,946
TOTAL FUND DEBT SERVICE			\$ 2,066,946		\$ 401,000	\$ 2,467,946

L I D Construction Fund – 502

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Miscellaneous	1,918,353	735,349	712,000	1,390,000	897,000	751,000
	1,918,353	735,349	712,000	1,390,000	897,000	751,000
Miscellaneous Revenues						
Bond and Note Sales	1,725,794	11,515,135	23,517,820	24,235,000	8,081,438	8,081,438
Collection of Assessment	3,727,815	358,175	1,300,000	3,000,000	300,000	300,000
Interest Earned	200,376	197,474	635,000	330,000	200,000	200,000
Other Miscellaneous	858	(794)	0	0	0	0
Refunds	500	400	600	10,362	0	0
	5,655,343	12,070,390	25,453,420	27,575,362	8,581,438	8,581,438
Total External Revenues	7,573,696	12,805,739	26,165,420	28,965,362	9,478,438	9,332,438
Internal Revenues						
Other Cash Transfers						
Sewage System Operating Fund	0	0	26,685	26,685	35,024	35,024
Sewer System Construction Fund	46,633	30,452	19,948	19,948	11,609	11,609
Transportation Operating Fund	14,065	9,719	6,366	6,366	3,695	3,695
	60,698	40,171	52,999	52,999	50,328	50,328
Interfund Service Reimbursements						
Housing & Community Development	0	86,812	754,809	45,500	500,000	500,000
	0	86,812	754,809	45,500	500,000	500,000
Total Internal Revenues	60,698	126,983	807,808	98,499	550,328	550,328
Beginning Fund Balance	(535,496)	(380,466)	798,525	1,198,250	1,214,454	1,214,454
TOTAL RESOURCES	\$ 7,098,898	\$ 12,552,256	\$ 27,771,753	\$ 30,262,111	\$ 11,243,220	\$ 11,097,220
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	39,658	35,183	75,000	60,000	75,000	75,000
Internal Materials and Services						
City Auditor	1,086,552	1,068,182	1,221,083	1,100,000	1,404,870	1,258,870
Finance & Administration	73,371	70,979	60,313	60,313	57,594	57,594
Transportation	746,295	8,980,234	4,472,629	2,065,000	2,007,277	2,007,277
Water Bureau	0	72,069	0	0	0	0
	1,906,218	10,191,464	5,754,025	3,225,313	3,469,741	3,323,741
Capital Outlay	1,174,952	661,683	3,100,000	800,000	2,249,161	2,249,161
Total Bureau Expenses	3,120,828	10,888,330	8,929,025	4,085,313	5,793,902	5,647,902
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	269,436	1,214,454	681,503	674,514
	0	0	269,436	1,214,454	681,503	674,514
General Fund Overhead	22,099	123,115	150,883	135,037	111,322	118,311
Fund Cash Transfers						
Pension Debt Redemption Fund	0	27,426	32,409	24,307	26,493	26,493
Sewer System Construction	0	0	2,000,000	1,560,000	1,500,000	1,500,000
	0	27,426	2,032,409	1,584,307	1,526,493	1,526,493
Debt Retirement	4,336,437	315,135	16,390,000	23,243,000	3,130,000	3,130,000
Unappropriated Ending Balance						
Unappropriated Ending Balance	(380,466)	1,198,250	0	0	0	0
	(380,466)	1,198,250	0	0	0	0
Total Fund Requirements	3,978,070	1,663,926	18,842,728	26,176,798	5,449,318	5,449,318
TOTAL REQUIREMENTS	\$ 7,098,898	\$ 12,552,256	\$ 27,771,753	\$ 30,262,111	\$ 11,243,220	\$ 11,097,220

LINE ITEM DETAIL – AU 742

Materials and Services

External Materials and Services

549000	Miscellaneous	39,658	35,183	75,000	60,000	75,000	75,000
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Total External Materials and Services		39,658	35,183	75,000	60,000	75,000	75,000
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Internal Materials and Services

559000	Other Fund Services	1,906,218	10,191,464	5,754,025	3,225,313	3,469,741	3,323,741
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Total Internal Materials and Services		1,906,218	10,191,464	5,754,025	3,225,313	3,469,741	3,323,741
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Total Materials and Services

		1,945,876	10,226,647	5,829,025	3,285,313	3,544,741	3,398,741
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Capital Outlay

563000	Improvements	1,174,952	661,683	3,100,000	800,000	2,249,161	2,249,161
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Total Capital Outlay		1,174,952	661,683	3,100,000	800,000	2,249,161	2,249,161
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TOTAL Bureau Expenses		\$ 3,120,828	\$ 10,888,330	\$ 8,929,025	\$ 4,085,313	\$ 5,793,902	\$ 5,647,902
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FUND OVERVIEW

The Local Improvement District (LID) Construction Fund accounts for the activities of the Assessments and Liens Division of the City Auditor’s Office. The fund finances local infrastructure improvements. The Assessment and Liens Division collects assessments for local improvements financed by the fund, and also for sidewalk repairs, code enforcement violations, and system development charges for the Bureaus of Parks, Environmental Services, and the Office of Transportation. The division provides property owners a variety of financing mechanisms to pay off their assessments.

The size of the LID Construction Fund budget is primarily driven by the number of construction projects in process and under consideration at any one time. FY 2002-03 will see continuing growth in the fund’s activities with the completion and assessment of Phases I and II of the Portland Streetcar LID projects. In addition, significant budget changes can occur with the sale of special assessment bonds for the financing of large LID projects, and the increased use of the system development charge to pay for City infrastructure. It is anticipated that collection activity will increase next year with the assessment of the Lents District PDC LID street improvement projects.

Managing Agency Office of the City Auditor.

North Macadam Urban Renewal Area Debt Redemption Fund – 313

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	0	104,678	578,211	578,211	783,361	783,361
Prior Year Property Taxes	0	0	1,766	1,766	500	500
	0	104,678	579,977	579,977	783,861	783,861
Miscellaneous Revenues						
Interest Earned	0	3,375	13,000	13,000	11,000	11,000
	0	3,375	13,000	13,000	11,000	11,000
Total External Revenues	0	108,053	592,977	592,977	794,861	794,861
Internal Revenues						
Beginning Fund Balance	0	0	0	18,039	0	0
TOTAL RESOURCES	\$ 0	\$ 108,053	\$ 592,977	\$ 611,016	\$ 794,861	\$ 794,861
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	0	90,014	592,977	611,016	794,861	794,861
Unappropriated Ending Balance	0	18,039	0	0	0	0
Unappropriated Ending Balance	0	18,039	0	0	0	0
Total Fund Requirements	0	108,053	592,977	611,016	794,861	794,861
TOTAL REQUIREMENTS	\$ 0	\$ 108,053	\$ 592,977	\$ 611,016	\$ 794,861	\$ 794,861

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the North Macadam Urban Renewal Area. Specifically, this fund will account for the allocation of resources to pay principal and interest on tax increment bonded indebtedness related to financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management.

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Estimated - FY 2003, Du Jour and Line of Credit	Variable	2002/03	718,861	variable	76,000	794,861
TOTAL FUND DEBT SERVICE			\$ 233,746		\$ 1,000	\$ 234,746

Planning and Development Fund – 116

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Licenses and Permits						
Construction Permits	13,922,133	16,246,739	18,376,000	16,815,000	18,430,000	18,430,000
Other Permits	259,561	288,392	259,000	238,000	302,000	302,000
	14,181,694	16,535,131	18,635,000	17,053,000	18,732,000	18,732,000
Service Charges and Fees						
Inspection Fees	644,279	910,272	1,066,000	920,000	1,064,000	1,064,000
Miscellaneous	2,765,337	3,712,308	3,730,000	3,293,500	3,919,000	3,919,000
	3,409,616	4,622,580	4,796,000	4,213,500	4,983,000	4,983,000
Miscellaneous Revenues						
Collection of Assessment	1,875,264	1,645,491	1,909,000	1,904,000	2,715,000	2,715,000
Interest Earned	515,176	474,986	457,000	433,000	445,000	445,000
Refunds	761	337	0	0	0	0
Sales Miscellaneous	6,127	1,575	0	0	0	0
	2,397,328	2,122,389	2,366,000	2,337,000	3,160,000	3,160,000
Total External Revenues	19,988,638	23,280,100	25,797,000	23,603,500	26,875,000	26,875,000
Internal Revenues						
Other Cash Transfers						
Fleet Services Fund	0	0	0	0	82,200	82,200
General Fund	3,028,905	3,500,174	3,329,443	3,329,443	2,129,886	2,129,886
General Reserve Fund	179,997	0	0	0	0	454,000
Housing & Community Development	102,423	61,262	88,391	79,552	36,728	36,728
Refuse Disposal Fund	229,912	236,529	133,785	133,785	143,562	143,562
	3,541,237	3,797,965	3,551,619	3,542,780	2,392,376	2,846,376
Federal Grants Transfers						
	0	332	0	0	0	0
Interfund Service Reimbursements						
Energy Office	0	13,323	75,000	27,000	0	0
Environmental Services	61,068	33,409	38,821	38,821	43,407	43,407
Fire Bureau	0	20,807	21,354	21,354	20,926	20,926
Housing & Community Development	344,627	258,055	297,413	267,672	179,775	179,775
Parks Bureau	1,000	6,202	6,338	6,338	6,232	6,232
Planning	2,992	198,439	20,000	5,000	0	0
Refuse Disposal Fund	0	0	0	0	50,000	50,000
Transportation	0	41,614	50,207	42,707	49,352	49,352
Water Bureau	0	13,871	10,677	10,677	5,232	5,232
	409,687	585,720	519,810	419,569	354,924	354,924
Total Internal Revenues	3,950,924	4,384,017	4,071,429	3,962,349	2,747,300	3,201,300
Beginning Fund Balance	7,156,703	3,667,368	3,313,978	3,824,967	2,048,052	2,048,052
TOTAL RESOURCES	\$ 31,096,265	\$ 31,331,485	\$ 33,182,407	\$ 31,390,816	\$ 31,670,352	\$ 32,124,352

REQUIREMENTS

Bureau Expenses

Personal Services	19,081,587	19,668,893	21,263,694	20,373,989	21,503,401	21,503,401
External Materials and Services	2,271,973	1,672,452	2,428,841	2,033,959	2,232,521	2,232,521
Internal Materials and Services						
Communications Services	363,178	380,892	430,202	410,630	436,830	436,830
Data Processing Services	450,970	214,734	613,798	605,611	808,025	808,025
Facilities Services	2,341,606	2,263,337	2,264,707	2,208,283	2,245,223	2,245,223
Fleet Services	357,853	360,786	318,215	283,383	289,186	289,186
Insurance	608,089	664,696	668,418	668,418	524,200	524,200
Printing & Distribution	433,228	454,065	538,971	489,660	498,172	498,172
City Auditor	111,203	112,877	117,809	111,919	117,091	117,091
Computer Services	0	176,890	179,017	179,017	0	0
Environmental Services	42,785	0	0	0	0	0
Finance & Administration	195,488	21,734	272,264	272,264	302,801	302,801
Parking Facilities	26,880	0	0	0	0	0
Planning	0	18,000	143,317	143,317	25,000	25,000
Special Appropriations	0	0	0	0	0	17,575

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Transportation	260,258	260,519	284,600	284,600	288,189	288,189
	5,191,538	4,928,530	5,831,318	5,657,102	5,534,717	5,552,292
Capital Outlay	0	0	296,560	240,000	11,861	11,861
Total Bureau Expenses	26,545,098	26,269,875	29,820,413	28,305,050	29,282,500	29,300,075
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	470,044	0	712,883	1,119,628
Compensation Adjustment	0	0	819,004	0	494,200	494,200
	0	0	1,289,048	0	1,207,083	1,613,828
General Fund Overhead	835,871	852,129	648,044	630,048	656,365	686,045
Fund Cash Transfers						
Health Insurance	47,928	0	0	0	0	0
Pension Debt Redemption Fund	0	384,514	543,555	407,666	524,404	524,404
	47,928	384,514	543,555	407,666	524,404	524,404
Unappropriated Ending Balance						
Unappropriated Ending Balance	3,667,368	3,824,967	881,347	2,048,052	0	0
	3,667,368	3,824,967	881,347	2,048,052	0	0
Total Fund Requirements	4,551,167	5,061,610	3,361,994	3,085,766	2,387,852	2,824,277
TOTAL REQUIREMENTS	\$ 31,096,265	\$ 31,331,485	\$ 33,182,407	\$ 31,390,816	\$ 31,670,352	\$ 32,124,352

FUND OVERVIEW

Operating Fund

In FY 1988-89, the City Council directed the former Bureau of Buildings to structure its fee schedule so that construction permits and inspection programs do not depend on general tax revenues. These programs became self-sufficient in the FY 1990-91 budget.

In 1999, the Bureau of Buildings and the Land Use Review Division of the Bureau of Planning merged to create the Office of Planning and Development Review.

Revenues

Revenues include construction and land use permit fees, inspection fees, penalties and liens. These categories account for almost \$27 million (nearly 91%) of OPDR's resources. The General Fund will provide \$2.1 million (7%) of OPDR funding, which is targeted for the Land Use Review, Neighborhood Inspection and Noise programs. The balance of the revenues (2%) are from interagency service agreements, the Solid Waste Management Fund and the Housing and Community Development Fund.

Expenditures

The OPDR Budget for FY 2002-03 is 2% less than its FY 2001-02 Revised Budget. This budget continues OPDR's emphasis on controlling expenditures. OPDR will carefully monitor workload to ensure sufficient staff to provide services. Eleven full-time positions are being eliminated from the FY 2002-03 budget: 1 in Administration, 2 in Commercial Inspections, 1 in Combination Inspections, 1 in Land Use Review, 3 in Neighborhood Inspections, 1 in Development Services, and 2 in Plan Review.

There is an 8% decrease in External Materials and Services in the FY 2002-03 Budget, largely from reduced professional services expenditures. The decrease in Internal Materials and Services is primarily due to elimination of the ESA interagency agreement. OPDR is self-funding \$280,000 for continuation of a study and restructuring of ESA related enforcement processes.

Construction Programs

OPDR's 2002 Five-Year Financial Plan forecasts sufficient revenues and reserves in the Building/Mechanical program, but shortfalls in the Plumbing and Electrical programs. Anticipated revenues for FY 2002-03 were reviewed for all programs. On an annual basis, OPDR conducts a detailed analysis of fees and costs in order to fully recover costs and maintain prudent reserves.

Even with fee increases, the Electrical and Plumbing programs are projected to have net deficits in FY 2002-03. Therefore, fee increases will be needed for several years in order to continue the current level of inspection, plan review, and permit issuance. Selective increases for certain types of permits will probably be made rather than across-the-board increases on all electrical and plumbing work.

Land Use Review Program

The City's General Fund helps support the Land Use Review program. Since many of the land use reviews only partially benefit the applicant and provide general benefits to the community, these fees are intended to provide only partial support for these functions with the City's General Fund supporting the rest. The cost recovery rate of each fee varies. Land Use Review fees will increase in FY 2002-03 by 5.1% which represents cumulative CPI increases for the past two years.

Reserves

OPDR's Financial Plan shows that reserves will be \$1,720,000 by the end of FY 2002-03, which is substantially below the bureau's reserve goal. When preparing the financial plan, realistic assumptions are made for estimating actual expenditures. OPDR projects that spending is approximately 95% of budget. The fund summary included in the budget shows an unappropriated ending fund balance of zero. Intuitively one would think that the reserve amount in the Financial Plan and the unappropriated ending fund balance would be the same; they are not. Much of the reserve amount is included in the contingency for the compensation adjustment, health care, and general contingency. The bureau does not expect to spend these contingency amounts, but conservatively budgets them here so that they are accessible.

Managing Agency

Office of Planning and Development Review.

Property Management License Fund – 117

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Licenses and Permits						
Business Licenses	2,939,432	3,049,656	3,030,917	3,012,675	3,300,000	3,300,000
	2,939,432	3,049,656	3,030,917	3,012,675	3,300,000	3,300,000
Service Charges and Fees						
Miscellaneous	0	0	700	0	0	0
	0	0	700	0	0	0
Miscellaneous Revenues						
Interest Earned	14,871	18,146	13,200	16,507	16,516	16,516
	14,871	18,146	13,200	16,507	16,516	16,516
Total External Revenues	2,954,303	3,067,802	3,044,817	3,029,182	3,316,516	3,316,516
Internal Revenues						
Beginning Fund Balance	15,113	11,489	0	74,527	0	0
TOTAL RESOURCES	\$ 2,969,416	\$ 3,079,291	\$ 3,044,817	\$ 3,103,709	\$ 3,316,516	\$ 3,316,516
REQUIREMENTS						
Bureau Expenses						
External Materials and Services	2,957,927	3,004,764	3,044,817	3,103,709	3,316,516	3,316,516
Total Bureau Expenses	2,957,927	3,004,764	3,044,817	3,103,709	3,316,516	3,316,516
Fund Requirements						
Unappropriated Ending Balance	11,489	74,527	0	0	0	0
Unappropriated Ending Balance	11,489	74,527	0	0	0	0
Total Fund Requirements	11,489	74,527	0	0	0	0
TOTAL REQUIREMENTS	\$ 2,969,416	\$ 3,079,291	\$ 3,044,817	\$ 3,103,709	\$ 3,316,516	\$ 3,316,516
LINE ITEM DETAIL – AU 249						
Materials and Services						
External Materials and Services						
521000 Professional Services	2,957,927	3,004,764	3,044,817	3,103,709	3,316,516	3,316,516
Total External Materials and Services	2,957,927	3,004,764	3,044,817	3,103,709	3,316,516	3,316,516
Total Materials and Services	2,957,927	3,004,764	3,044,817	3,103,709	3,316,516	3,316,516
TOTAL Bureau Expenses	\$ 2,957,927	\$ 3,004,764	\$ 3,044,817	\$ 3,103,709	\$ 3,316,516	\$ 3,316,516

FUND OVERVIEW

The Business Property Management Fund administers the collection of the business property management license fee payable by managers of participating properties within the Downtown business improvement district. This fee supports the Downtown Clean and Safe program (Downtown BID), and the Lloyd BID. The fund transfers payments to the Bureau of Licenses for reimbursement of program costs.

The purpose of the programs is to keep the business improvement districts vital and attractive to businesses, shoppers, visitors and citizens.

History

Portland's Downtown Clean and Safe services district was established in 1988. The program is administered by the Portland Downtown Services, Inc. and the Association for Portland Progress. The district was renewed for ten years and the program was expanded to add some residential property managers to be included in funding the program in 2001.

The Lloyd business improvement district was established in 1999 and renewed in 2001 to provide a similar set of services within the Lloyd business district.

Fee Structure	<p>The business property management license fees are based upon factors that have been developed as measures of the need-for-services load created by the use of property. The factors include:</p> <ul style="list-style-type: none">◆ Value of improvement◆ Square feet of the sum of improvements and land square footage◆ Elevator capacity
Services	<p>Portland Downtown Services, Inc., through its Downtown Clean and Safe Program and through a management agreement with the City of Portland, provides the following services:</p> <ul style="list-style-type: none">◆ Enhanced security◆ Sidewalk and graffiti cleaning◆ Business recruitment, retention and marketing services in the central business district <p>Lloyd business improvement district provides fewer, but similar services for the Lloyd District.</p>
Managing Agency	Bureau of Licenses.

River District Urban Renewal Area Debt Redemption Fund – 301

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	589,723	3,363,337	4,578,354	5,550,614	5,143,428	5,143,428
Prior Year Property Taxes	0	7,165	61,421	61,421	15,000	15,000
	589,723	3,370,502	4,639,775	5,612,035	5,158,428	5,158,428
Miscellaneous Revenues						
Interest Earned	15,277	116,557	103,012	43,012	70,000	70,000
	15,277	116,557	103,012	43,012	70,000	70,000
Total External Revenues	605,000	3,487,059	4,742,787	5,655,047	5,228,428	5,228,428
Internal Revenues						
Beginning Fund Balance	0	187,048	0	159,913	0	0
TOTAL RESOURCES	\$ 605,000	\$ 3,674,107	\$ 4,742,787	\$ 5,814,960	\$ 5,228,428	\$ 5,228,428
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	417,952	3,514,194	4,742,787	5,814,960	5,228,428	5,228,428
Unappropriated Ending Balance	187,048	159,913	0	0	0	0
Unappropriated Ending Balance	187,048	159,913	0	0	0	0
Total Fund Requirements	605,000	3,674,107	4,742,787	5,814,960	5,228,428	5,228,428
TOTAL REQUIREMENTS	\$ 605,000	\$ 3,674,107	\$ 4,742,787	\$ 5,814,960	\$ 5,228,428	\$ 5,228,428

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the River District Urban Renewal Area. Specifically, this fund will account for the allocation of resources to pay principal and interest on tax increment bonded indebtedness related to financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management.

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Estimated - Series 2002/03, Du Jour and Line of Credit	Variable	2002/03	4,177,428	variable	1,051,000	5,228,428
TOTAL FUND DEBT SERVICE			\$ 4,177,428		\$ 1,051,000	\$ 5,228,428

South Park Renewal Debt Service Fund – 306

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	5,153,499	5,876,220	6,379,800	6,379,800	5,188,900	5,188,900
Prior Year Property Taxes	124,561	120,221	198,400	198,400	120,221	120,221
	5,278,060	5,996,441	6,578,200	6,578,200	5,309,121	5,309,121
Miscellaneous Revenues						
Bond and Note Sales	0	8,865,448	0	0	0	0
Interest Earned	205,754	224,513	148,000	148,000	73,500	73,500
	205,754	9,089,961	148,000	148,000	73,500	73,500
Total External Revenues	5,483,814	15,086,402	6,726,200	6,726,200	5,382,621	5,382,621
Internal Revenues						
Beginning Fund Balance	1,426,090	1,667,595	589,375	1,444,798	589,375	589,375
TOTAL RESOURCES	\$ 6,909,904	\$ 16,753,997	\$ 7,315,575	\$ 8,170,998	\$ 5,971,996	\$ 5,971,996
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	5,242,309	15,309,199	6,726,200	7,581,623	5,382,621	5,382,621
Unappropriated Ending Balance						
Unappropriated Ending Balance	1,667,595	1,444,798	0	0	0	0
Unexpendable Reserve	0	0	589,375	589,375	589,375	589,375
	1,667,595	1,444,798	589,375	589,375	589,375	589,375
Total Fund Requirements	6,909,904	16,753,997	7,315,575	8,170,998	5,971,996	5,971,996
TOTAL REQUIREMENTS	\$ 6,909,904	\$ 16,753,997	\$ 7,315,575	\$ 8,170,998	\$ 5,971,996	\$ 5,971,996

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the South Park Blocks Urban Renewal District. Specifically, this fund accounts for resources and the allocation thereof to pay principal and interest on tax increment bonded indebtedness associated with financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management.

South Park Renewal Debt Service Fund – 306

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Urban Renewal & Redevelopment Bonds, 1993 Series C						
08/01/1993 - Due 12/1	4,625,000					
		2002/03	495,000	4.70%	92,048	587,048
		2003/04	520,000	4.80%	67,935	587,935
		2004/05	545,000	4.90%	42,103	587,103
		2005/06	575,000	5.00%	14,375	589,375
		TOTAL	2,135,000		216,460	2,351,460
Urban Renewal & Redevelopment Bonds, 2000 Series A (Tax-Exempt)						
10/15/2000 - Due 06/15	23,325,000					
		2002/03	-		1,329,973	1,329,973
		2003/04	-		1,329,973	1,329,973
		2004/05	-		1,329,973	1,329,973
		2005/06	-		1,329,973	1,329,973
		2006/07	-		1,329,973	1,329,973
		2007/08	-		1,329,973	1,329,973
		2008/09	-		1,329,973	1,329,973
		2009/10	-		1,329,973	1,329,973
		2010/11	-		1,329,973	1,329,973
		2011/12	-		1,329,973	1,329,973
		2012/13	2,095,000	5.52%	1,329,973	3,424,973
		2013/14	2,550,000	5.69%	1,214,310	3,764,310
		2014/15	2,695,000	5.75%	1,069,310	3,764,310
		2015/16	2,850,000	5.73%	914,348	3,764,348
		2016/17	3,015,000	5.71%	751,073	3,766,073
		2017/18	3,190,000	5.75%	578,835	3,768,835
		2018/19	3,370,000	5.67%	395,410	3,765,410
		2019/20	3,560,000	5.74%	204,400	3,764,400
		TOTAL	23,325,000		19,757,383	43,082,383
Urban Renewal & Redevelopment Bonds, 2000 Series B (Taxable)						
10/15/2000 - Due 06/15	16,560,000					
		2002/03	775,000	6.69%	1,055,939	1,830,939
		2003/04	830,000	6.74%	1,004,092	1,834,092
		2004/05	885,000	6.79%	948,150	1,833,150
		2005/06	945,000	6.84%	888,058	1,833,058
		2006/07	1,595,000	6.94%	823,420	2,418,420
		2007/08	1,710,000	6.99%	728,677	2,438,677
		2008/09	1,825,000	7.09%	609,148	2,434,148
		2009/10	1,955,000	7.19%	479,756	2,434,756
		2010/11	2,095,000	7.24%	339,191	2,434,191
		2011/12	2,250,000	7.29%	187,513	2,437,513
		2012/13	320,000	7.34%	23,488	343,488
		TOTAL	15,185,000		7,087,431	22,272,431
Estimated - FY 2003, Du Jour and Line of Credit						
	1,633,661					
		2002/03	1,633,661	variable	1,000	1,634,661
			1,633,661		1,000	1,634,661
COMBINED DEBT SERVICE						
	46,143,661					
		2002/03	2,903,661		2,478,959	5,382,620
		2003/04	1,350,000		2,401,999	3,751,999
		2004/05	1,430,000		2,320,225	3,750,225
		2005/06	1,520,000		2,232,406	3,752,406
		2006/07	1,595,000		2,153,393	3,748,393
		2007/08	1,710,000		2,058,650	3,768,650

South Park Renewal Debt Service Fund – 306

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2008/09	1,825,000		1,939,121	3,764,121
		2009/10	1,955,000		1,809,728	3,764,728
		2010/11	2,095,000		1,669,164	3,764,164
		2011/12	2,250,000		1,517,486	3,767,486
		2012/13	2,415,000		1,353,461	3,768,461
		2013/14	2,550,000		1,214,310	3,764,310
		2014/15	2,695,000		1,069,310	3,764,310
		2015/16	2,850,000		914,348	3,764,348
		2016/17	3,015,000		751,073	3,766,073
		2017/18	3,190,000		578,835	3,768,835
		2018/19	3,370,000		395,410	3,765,410
		2019/20	3,560,000		204,400	3,764,400
TOTAL FUND DEBT SERVICE			\$ 42,278,661		\$ 27,062,273	\$ 69,340,934

Waterfront Renewal Bond Sinking Fund – 303

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	11,872,800	12,610,341	13,122,300	13,122,300	11,872,150	11,872,150
Prior Year Property Taxes	258,974	222,585	258,650	258,650	225,000	225,000
	12,131,774	12,832,926	13,380,950	13,380,950	12,097,150	12,097,150
Miscellaneous Revenues						
Bond and Note Sales	0	26,609,368	0	0	0	0
Interest Earned	573,139	634,415	354,000	354,000	202,000	202,000
	573,139	27,243,783	354,000	354,000	202,000	202,000
Total External Revenues	12,704,913	40,076,709	13,734,950	13,734,950	12,299,150	12,299,150
Internal Revenues						
Other Cash Transfers						
Parking Facilities Fund	690,000	690,000	690,000	690,000	690,000	690,000
	690,000	690,000	690,000	690,000	690,000	690,000
Total Internal Revenues	690,000	690,000	690,000	690,000	690,000	690,000
Beginning Fund Balance	5,447,516	6,040,824	3,735,000	4,281,606	3,735,000	3,735,000
TOTAL RESOURCES	\$ 18,842,429	\$ 46,807,533	\$ 18,159,950	\$ 18,706,556	\$ 16,724,150	\$ 16,724,150
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	13,256	13,221	15,000	15,000	15,000	15,000
Total Bureau Expenses	13,256	13,221	15,000	15,000	15,000	15,000
Fund Requirements						
Debt Retirement	12,788,349	42,512,706	14,409,950	14,956,556	12,974,150	12,974,150
Unappropriated Ending Balance						
Unappropriated Ending Balance	6,040,824	4,281,606	1,245,000	1,245,000	1,245,000	1,245,000
Unexpendable Reserve	0	0	2,490,000	2,490,000	2,490,000	2,490,000
	6,040,824	4,281,606	3,735,000	3,735,000	3,735,000	3,735,000
Total Fund Requirements	18,829,173	46,794,312	18,144,950	18,691,556	16,709,150	16,709,150
TOTAL REQUIREMENTS	\$ 18,842,429	\$ 46,807,533	\$ 18,159,950	\$ 18,706,556	\$ 16,724,150	\$ 16,724,150
LINE ITEM DETAIL – AU 281						
Materials and Services						
External Materials and Services						
549000 Miscellaneous	13,256	13,221	15,000	15,000	15,000	15,000
Total External Materials and Services	13,256	13,221	15,000	15,000	15,000	15,000
Total Materials and Services	13,256	13,221	15,000	15,000	15,000	15,000
TOTAL Bureau Expenses	\$ 13,256	\$ 13,221	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Downtown Waterfront Urban Renewal District. Specifically, this fund accounts for the allocation of resources to pay principal and interest on tax increment bonded indebtedness related to financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas is tax increment proceeds and program income derived from the investment of tax increment.

Managing Agency Office of Management and Finance, Financial Management

Waterfront Renewal Bond Sinking Fund – 303

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Urban Renewal & Redevelopment Bonds, 1988 Series J						
11/01/1988 - Due 11/1	13,196,453					
		2002/03	470,137	CABs	774,863	1,245,000
		2003/04	435,302	CABs	809,698	1,245,000
		2004/05	402,658	CABs	842,342	1,245,000
		2005/06	372,093	CABs	872,907	1,245,000
		2006/07	346,521	CABs	898,479	1,245,000
		2007/08	322,704	CABs	922,296	1,245,000
		2008/09	300,518	CABs	944,482	1,245,000
		TOTAL	2,649,933		6,065,067	8,715,000
Urban Renewal & Redevelopment Refunding Bonds, 1992 Series L						
03/01/1992 - Due 6/1	45,010,000					
		2002/03	1,645,000	6.10%	729,655	2,374,655
		2003/04	1,750,000	6.10%	629,310	2,379,310
		2004/05	1,855,000	6.40%	522,560	2,377,560
		2005/06	1,975,000	6.40%	403,840	2,378,840
		2006/07	2,100,000	6.40%	277,440	2,377,440
		2007/08	2,235,000	6.40%	143,040	2,378,040
		TOTAL	11,560,000		2,705,845	14,265,845
Urban Renewal & Redevelopment Bonds, 2000 Series A						
10/15/2000 - Due 6/15	33,060,000					
		2002/03	-		1,866,274	1,866,274
		2003/04	-		1,866,274	1,866,274
		2004/05	-		1,866,274	1,866,274
		2005/06	-		1,866,274	1,866,274
		2006/07	-		1,866,274	1,866,274
		2007/08	-		1,866,274	1,866,274
		2008/09	-		1,866,274	1,866,274
		2009/10	-		1,866,274	1,866,274
		2010/11	-		1,866,274	1,866,274
		2011/12	-		1,866,274	1,866,274
		2012/13	170,000	5.10%	1,866,274	2,036,274
		2013/14	3,960,000	5.59%	1,857,604	5,817,604
		2014/15	4,185,000	5.55%	1,636,298	5,821,298
		2015/16	4,415,000	5.70%	1,404,228	5,819,228
		2016/17	4,665,000	5.75%	1,152,515	5,817,515
		2017/18	4,935,000	5.70%	884,465	5,819,465
		2018/19	5,215,000	5.75%	603,188	5,818,188
		2019/20	5,515,000	5.50%	303,325	5,818,325
		TOTAL	33,060,000		28,370,633	61,430,633
Urban Renewal & Redevelopment Bonds, 2000 Series B						
10/15/2000 - Due 6/15	24,970,000					
		2002/03	1,375,000	6.65%	1,735,206	3,110,206
		2003/04	1,460,000	6.69%	1,643,769	3,103,769
		2004/05	1,560,000	6.74%	1,546,095	3,106,095
		2005/06	1,665,000	6.79%	1,440,951	3,105,951
		2006/07	1,775,000	6.89%	1,327,897	3,102,897
		2007/08	1,900,000	6.99%	1,205,600	3,105,600
		2008/09	1,635,000	7.09%	1,072,790	2,707,790
		2009/10	2,995,000	7.26%	956,868	3,951,868
		2010/11	3,215,000	7.26%	739,431	3,954,431
		2011/12	3,445,000	7.26%	506,022	3,951,022
		2012/13	3,525,000	7.26%	255,915	3,780,915
		TOTAL	24,550,000		12,430,542	36,980,542

Waterfront Renewal Bond Sinking Fund – 303

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Estimated - FY 2003, Du Jour and Line of Credit	7,004,838					
		2002/03	4,377,014		1,000	4,378,014
		TOTAL	7,004,838		899,500	7,904,338
COMBINED DEBT SERVICE	123,241,291					
		2002/03	7,867,151		5,106,998	12,974,149
		2003/04	3,645,302		4,949,050	8,594,352
		2004/05	3,817,658		4,777,270	8,594,928
		2005/06	4,012,093		4,583,971	8,596,064
		2006/07	4,221,521		4,370,090	8,591,611
		2007/08	4,457,704		4,137,209	8,594,913
		2008/09	1,935,518		3,883,545	5,819,063
		2009/10	2,995,000		2,823,142	5,818,142
		2010/11	3,215,000		2,605,705	5,820,705
		2011/12	3,445,000		2,372,296	5,817,296
		2012/13	3,695,000		2,122,189	5,817,189
		2013/14	3,960,000		1,857,604	5,817,604
		2014/15	4,185,000		1,636,298	5,821,298
		2015/16	4,415,000		1,404,228	5,819,228
		2016/17	4,665,000		1,152,515	5,817,515
		2017/18	4,935,000		884,465	5,819,465
		2018/19	5,215,000		603,188	5,818,188
		2019/20	5,515,000		303,325	5,818,325
TOTAL FUND DEBT SERVICE			\$ 76,196,947		\$ 49,573,086	\$ 125,770,033

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Gas Tax Bond Redemption Fund – 308

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	(1)	77	0	0	0	0
	(1)	77	0	0	0	0
Total External Revenues	(1)	77	0	0	0	0
Internal Revenues						
Other Cash Transfers						
Arena/Coliseum Operating Fund	264,556	264,334	266,180	0	265,158	265,158
Transportation Operating Fund	522,329	527,108	525,782	0	530,278	530,278
	786,885	791,442	791,962	0	795,436	795,436
Total Internal Revenues	786,885	791,442	791,962	0	795,436	795,436
Beginning Fund Balance	1,496	1,496	0	0	0	0
TOTAL RESOURCES	\$ 788,380	\$ 793,015	\$ 791,962	\$ 0	\$ 795,436	\$ 795,436
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	786,884	792,521	791,962	0	795,436	795,436
Unappropriated Ending Balance						
Unappropriated Ending Balance	1,496	494	0	0	0	0
	1,496	494	0	0	0	0
Total Fund Requirements	788,380	793,015	791,962	0	795,436	795,436
TOTAL REQUIREMENTS	\$ 788,380	\$ 793,015	\$ 791,962	\$ 0	\$ 795,436	\$ 795,436
LINE ITEM DETAIL – AU 712						
Materials and Services						
Total Materials and Services	0	0	0	0	0	0
TOTAL Bureau Expenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to the debt financing of City of Portland Office of Transportation projects. Debt service is paid from gas tax revenues with a contribution by the Arena Operating Fund. Gas tax revenues consist of the City's share of the State and Multnomah County collections which are distributed to the City under contract.

Managing Agency Office of Transportation.

Gas Tax Bond Redemption Fund – 308

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Gas Tax Revenue Bonds, 1996 Series A						
09/01/1996 - Due 6/1	6,580,000					
		2002/03	260,000	4.95%	291,710	551,710
		2003/04	275,000	5.05%	278,840	553,840
		2004/05	290,000	5.15%	264,953	554,953
		2005/06	305,000	5.25%	250,018	555,018
		2006/07	320,000	5.35%	234,005	554,005
		2007/08	335,000	5.45%	216,885	551,885
		2008/09	355,000	5.50%	198,628	553,628
		2009/10	375,000	5.65%	178,925	553,925
		2010/11	395,000	5.70%	157,738	552,738
		2011/12	415,000	5.75%	135,223	550,223
		2012/13	440,000	5.80%	111,360	551,360
		2013/14	465,000	5.80%	85,840	550,840
		2014/15	495,000	5.80%	58,870	553,870
		2015/16	520,000	5.80%	30,160	550,160
		TOTAL	5,245,000		2,493,153	7,738,153
Gas Tax Revenue Bonds, 1998 Series A						
06/01/1998 - Due 6/1	3,070,000					
		2002/03	120,000	4.10%	123,725	243,725
		2003/04	120,000	4.20%	118,805	238,805
		2004/05	130,000	4.30%	113,765	243,765
		2005/06	130,000	4.30%	108,175	238,175
		2006/07	140,000	4.40%	102,585	242,585
		2007/08	140,000	4.40%	96,425	236,425
		2008/09	150,000	4.50%	90,265	240,265
		2009/10	160,000	4.60%	83,515	243,515
		2010/11	160,000	4.70%	76,155	236,155
		2011/12	170,000	4.75%	68,635	238,635
		2012/13	180,000	4.80%	60,560	240,560
		2013/14	190,000	4.80%	51,920	241,920
		2014/15	200,000	4.90%	42,800	242,800
		2015/16	200,000	5.00%	33,000	233,000
		2016/17	220,000	5.00%	23,000	243,000
		2017/18	240,000	5.00%	12,000	252,000
		TOTAL	2,650,000		1,205,330	9,942,580
COMBINED DEBT SERVICE						
	9,650,000					
		2002/03	380,000		415,435	795,435
		2003/04	395,000		397,645	792,645
		2004/05	420,000		378,718	798,718
		2005/06	435,000		358,193	793,193
		2006/07	460,000		336,590	796,590
		2007/08	475,000		313,310	788,310
		2008/09	505,000		288,893	793,893
		2009/10	535,000		262,440	797,440
		2010/11	555,000		233,893	788,893
		2011/12	585,000		203,858	788,858
		2012/13	620,000		171,920	791,920
		2013/14	655,000		137,760	792,760
		2014/15	695,000		101,670	796,670
		2015/16	720,000		63,160	783,160
		2016/17	220,000		23,000	243,000
		2017/18	240,000		12,000	252,000
TOTAL FUND DEBT SERVICE			\$ 7,895,000		\$ 3,698,483	\$ 11,593,483

Parking Facilities Debt Redemption Fund – 360

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Bond and Note Sales	0	0	0	3,900,000	0	0
Interest Earned	1,717	29	0	1,675	0	0
	1,717	29	0	3,901,675	0	0
Total External Revenues	1,717	29	0	3,901,675	0	0
Internal Revenues						
Other Cash Transfers						
Parking Facilities Fund	2,160,333	1,943,295	2,413,354	2,436,038	3,638,026	3,638,026
	2,160,333	1,943,295	2,413,354	2,436,038	3,638,026	3,638,026
Total Internal Revenues	2,160,333	1,943,295	2,413,354	2,436,038	3,638,026	3,638,026
Beginning Fund Balance	623	2,340	2,369	2,369	0	0
TOTAL RESOURCES	\$ 2,162,673	\$ 1,945,664	\$ 2,415,723	\$ 6,340,082	\$ 3,638,026	\$ 3,638,026
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	2,160,333	1,943,295	2,415,723	6,340,082	3,638,026	3,638,026
Unappropriated Ending Balance						
Unappropriated Ending Balance	2,340	2,369	0	0	0	0
	2,340	2,369	0	0	0	0
Total Fund Requirements	2,162,673	1,945,664	2,415,723	6,340,082	3,638,026	3,638,026
TOTAL REQUIREMENTS	\$ 2,162,673	\$ 1,945,664	\$ 2,415,723	\$ 6,340,082	\$ 3,638,026	\$ 3,638,026

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing infrastructure improvements associated with the City's parking system and for the Portland Streetcar project. Specifically, this fund will account for resources derived from parking facilities, and the allocation thereof, to pay principal and interest on bonded indebtedness associated with financing these improvements.

Managing Agency Office of Management and Finance, Financial Management and Business Operations.

CHANGES FROM PRIOR YEAR

The fund accounts for the resources and requirements related to the refinanced debt that has been previously accounted for in the Morrison Park East, the Morrison Park West, and the Old Town Bond Redemption Funds.

Parking Facilities Debt Redemption Fund – 360

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Revenue Bonds, 1999						
Series A (Central City Streetcar)						
04/15/1999 - Due 04/01	29,160,000					
		2002/03	610,000	4.00%	1,287,613	1,897,613
		2003/04	740,000	4.00%	1,263,213	2,003,213
		2004/05	860,000	4.00%	1,233,613	2,093,613
		2005/06	890,000	4.00%	1,199,213	2,089,213
		2006/07	930,000	4.00%	1,163,613	2,093,613
		2007/08	970,000	4.13%	1,126,413	2,096,413
		2008/09	1,000,000	4.25%	1,086,400	2,086,400
		2009/10	1,050,000	4.38%	1,043,900	2,093,900
		2010/11	1,090,000	4.38%	997,963	2,087,963
		2011/12	1,140,000	4.50%	950,275	2,090,275
		2012/13	1,190,000	4.63%	898,975	2,088,975
		2013/14	1,250,000	4.63%	843,938	2,093,938
		2014/15	1,310,000	4.75%	786,125	2,096,125
		2015/16	1,370,000	4.75%	723,900	2,093,900
		2016/17	1,430,000	4.75%	658,825	2,088,825
		2017/18	1,500,000	4.75%	590,900	2,090,900
		2018/19	1,570,000	4.75%	519,650	2,089,650
		2019/20	1,650,000	4.75%	445,075	2,095,075
		2020/21	1,720,000	4.75%	366,700	2,086,700
		2021/22	1,810,000	5.00%	285,000	2,095,000
		2022/23	1,900,000	5.00%	194,500	2,094,500
		2023/24	1,990,000	5.00%	99,500	2,089,500
		TOTAL	27,970,000		17,765,300	45,735,300
Parking System Revenue Refunding Bonds, 2001 Series A						
08/15/2001 - Due 04/01	10,200,000					
		2002/03	1,380,000	3.00%	360,413	1,740,413
		2003/04	1,415,000	3.00%	319,013	1,734,013
		2004/05	1,120,000	3.75%	276,563	1,396,563
		2005/06	750,000	3.75%	234,563	984,563
		2006/07	775,000	3.75%	206,438	981,438
		2007/08	810,000	4.00%	177,375	987,375
		2008/09	840,000	4.00%	144,975	984,975
		2009/10	870,000	4.00%	111,375	981,375
		2010/11	905,000	4.00%	76,575	981,575
		2011/12	465,000	4.25%	40,375	505,375
		2012/13	485,000	4.25%	20,613	505,613
		TOTAL	9,815,000		1,968,275	11,783,275
COMBINED DEBT SERVICE						
	39,360,000					
		2002/03	1,990,000		1,648,025	3,638,025
		2003/04	2,155,000		1,582,225	3,737,225
		2004/05	1,980,000		1,510,175	3,490,175
		2005/06	1,640,000		1,433,775	3,073,775
		2006/07	1,705,000		1,370,050	3,075,050
		2007/08	1,780,000		1,303,788	3,083,788
		2008/09	1,840,000		1,231,375	3,071,375
		2009/10	1,920,000		1,155,275	3,075,275
		2010/11	1,995,000		1,074,538	3,069,538
		2011/12	1,605,000		990,650	2,595,650
		2012/13	1,675,000		919,588	2,594,588
		2013/14	1,250,000		843,938	2,093,938
		2014/15	1,310,000		786,125	2,096,125
		2015/16	1,370,000		723,900	2,093,900
		2016/17	1,430,000		658,825	2,088,825
		2017/18	1,500,000		590,900	2,090,900
		2018/19	1,570,000		519,650	2,089,650

Parking Facilities Debt Redemption Fund – 360

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2019/20	1,650,000		445,075	2,095,075
		2020/21	1,720,000		366,700	2,086,700
		2021/22	1,810,000		285,000	2,095,000
		2022/23	1,900,000		194,500	2,094,500
		2023/24	1,990,000		99,500	2,089,500
TOTAL FUND DEBT SERVICE			\$ 37,785,000		\$ 19,733,575	\$ 57,518,575

Parking Facilities Fund – 159

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Parking Fees	8,346,121	8,839,619	9,290,880	8,600,000	9,147,115	9,147,115
Rents and Reimbursements	945,864	1,005,256	963,250	980,000	1,073,935	1,073,935
	<u>9,291,985</u>	<u>9,844,875</u>	<u>10,254,130</u>	<u>9,580,000</u>	<u>10,221,050</u>	<u>10,221,050</u>
Miscellaneous Revenues						
Bond and Note Sales	0	0	147,028	147,028	0	0
Interest Earned	1,510,496	742,053	192,000	275,000	129,067	129,067
Other Miscellaneous	1,108	872	0	1,100	0	0
	<u>1,511,604</u>	<u>742,925</u>	<u>339,028</u>	<u>423,128</u>	<u>129,067</u>	<u>129,067</u>
Total External Revenues	<u>10,803,589</u>	<u>10,587,800</u>	<u>10,593,158</u>	<u>10,003,128</u>	<u>10,350,117</u>	<u>10,350,117</u>
Internal Revenues						
Other Cash Transfers						
General Fund	13,056	13,124	13,283	13,283	0	0
	<u>13,056</u>	<u>13,124</u>	<u>13,283</u>	<u>13,283</u>	<u>0</u>	<u>0</u>
Interfund Service Reimbursements						
Buildings	26,880	0	0	0	0	0
Commissioner of Public Utilities	1,560	1,680	1,680	0	0	0
Communications Services	7,020	8,700	10,080	10,080	5,400	5,400
Emergency Communications	1,320	0	0	0	0	0
Environmental Services	40,020	48,554	53,280	53,280	62,400	62,400
Facilities Services Fund	145,985	156,716	160,756	160,756	165,597	165,597
Finance & Administration	2,880	0	0	1,680	1,800	1,800
Fire Bureau	1,440	0	0	0	0	0
General Services	1,560	0	0	0	0	0
Golf Operating Fund	3,120	3,120	3,360	3,360	1,800	1,800
Hydropower Operating Fund	2,820	1,560	1,680	1,680	1,800	1,800
Insurance & Claims Fund	0	2,340	2,520	2,520	4,500	4,500
Parks Bureau	21,600	21,840	23,520	23,520	27,000	27,000
Parks Capital Improvement Fund	7,800	0	0	0	0	0
Parks Construction Fund	0	3,480	3,360	3,360	3,600	3,600
Police Bureau	282,540	288,600	310,800	306,160	340,200	340,200
Printing & Distribution	9,000	6,240	6,720	6,720	7,200	7,200
Refuse Disposal Fund	2,400	3,120	480	0	0	0
Transportation	85,013	98,538	99,885	99,885	102,915	102,915
Water Bureau	59,280	60,480	65,520	58,340	66,600	66,600
Workers Compensation Fund	0	2,340	2,520	2,520	4,500	4,500
	<u>702,238</u>	<u>707,308</u>	<u>746,161</u>	<u>733,861</u>	<u>795,312</u>	<u>795,312</u>
Total Internal Revenues	<u>715,294</u>	<u>720,432</u>	<u>759,444</u>	<u>747,144</u>	<u>795,312</u>	<u>795,312</u>
Beginning Fund Balance	<u>30,950,769</u>	<u>20,565,575</u>	<u>5,991,320</u>	<u>5,971,857</u>	<u>3,346,390</u>	<u>3,346,390</u>
TOTAL RESOURCES	\$ 42,469,652	\$ 31,873,807	\$ 17,343,922	\$ 16,722,129	\$ 14,491,819	\$ 14,491,819
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	3,463,032	3,466,712	3,681,945	3,754,945	3,650,565	3,650,565
Internal Materials and Services						
Communications Services	10,245	16,526	15,283	15,283	16,515	16,515
Data Processing Services	3,488	5,701	5,221	5,221	5,075	5,075
Facilities Services	2,280,690	1,691,620	3,857,822	3,311,011	2,448,061	2,448,061
Insurance	46,081	44,077	45,196	45,196	81,731	81,731
Printing & Distribution	4,303	0	756	3,412	974	974
Energy Office	1,739	1,740	1,782	1,782	2,323	2,323
Finance & Administration	35,764	32,915	329,506	329,506	339,178	339,178
General Services	208,068	211,263	0	0	0	0
Parks Bureau	222	0	0	0	0	0
	<u>2,590,600</u>	<u>2,003,842</u>	<u>4,255,566</u>	<u>3,711,411</u>	<u>2,893,857</u>	<u>2,893,857</u>
Total Bureau Expenses	<u>6,053,632</u>	<u>5,470,554</u>	<u>7,937,511</u>	<u>7,466,356</u>	<u>6,544,422</u>	<u>6,544,422</u>

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	3,271,717	0	1,926,474	1,920,251
	0	0	3,271,717	0	1,926,474	1,920,251
General Fund Overhead	43,928	163,922	84,175	65,929	101,883	108,106
Fund Cash Transfers						
Downtown Parking Bond	2,160,333	1,943,295	2,413,354	2,436,038	3,638,026	3,638,026
General Fund	178,235	190,418	196,130	196,130	202,014	202,014
Morrison Park East Bond	319,013	396,835	406,088	369,817	0	0
Morrison Park West Bond	302,750	317,032	340,965	317,933	0	0
Old Town Parking Bond	657,502	665,321	662,298	491,852	0	0
Transportation Operating	11,486,255	16,062,926	1,341,684	1,341,684	1,389,000	1,389,000
Waterfront Renewal Bond	690,000	690,000	690,000	690,000	690,000	690,000
	15,794,088	20,265,827	6,050,519	5,843,454	5,919,040	5,919,040
Debt Retirement	12,429	(17,818)	0	0	0	0
Unappropriated Ending Balance						
Unappropriated Ending Balance	20,565,575	5,991,322	0	3,346,390	0	0
	20,565,575	5,991,322	0	3,346,390	0	0
Total Fund Requirements	36,416,020	26,403,253	9,406,411	9,255,773	7,947,397	7,947,397
TOTAL REQUIREMENTS	\$ 42,469,652	\$ 31,873,807	\$ 17,343,922	\$ 16,722,129	\$ 14,491,819	\$ 14,491,819
LINE ITEM DETAIL – AU 712						
Materials and Services						
External Materials and Services						
521000 Professional Services	3,056,221	1,267,250	1,363,601	1,363,601	843,981	843,981
522000 Utilities	368	706	0	0	600	600
524000 Repair & Maintenance Services	0	726,953	776,007	776,007	797,735	797,735
529000 Miscellaneous Services	13,240	1,281,679	1,184,425	1,237,425	1,672,667	1,672,667
532000 Operating Supplies	0	0	0	0	96,041	96,041
534000 Minor Equipment & Tools	0	1,210	0	0	0	0
549000 Miscellaneous	393,203	188,914	357,912	377,912	239,541	239,541
Total External Materials and Services	3,463,032	3,466,712	3,681,945	3,754,945	3,650,565	3,650,565
Internal Materials and Services						
552000 Printing & Distribution	4,303	0	756	3,412	974	974
553000 Facilities Services	2,280,690	1,691,620	3,857,822	3,311,011	2,448,061	2,448,061
554000 Communications Services	10,245	16,526	15,283	15,283	16,515	16,515
555000 Data Processing Services	3,488	5,701	5,221	5,221	5,075	5,075
556000 Insurance	46,081	44,077	45,196	45,196	81,731	81,731
559000 Other Fund Services	245,793	245,918	331,288	331,288	341,501	341,501
Total Internal Materials and Services	2,590,600	2,003,842	4,255,566	3,711,411	2,893,857	2,893,857
Total Materials and Services	6,053,632	5,470,554	7,937,511	7,466,356	6,544,422	6,544,422
TOTAL Bureau Expenses	\$ 6,053,632	\$ 5,470,554	\$ 7,937,511	\$ 7,466,356	\$ 6,544,422	\$ 6,544,422

FUND OVERVIEW

Smart Park Garage System

The Parking Facilities Fund supports the operation and maintenance of six of the seven City-owned parking garages in the Smart Park Garage System. The Smart Park Garage System's primary purpose is to provide convenient and economical short-term parking in the downtown area, as a way of enhancing economic vitality and encouraging businesses to locate and remain in the heart of the city.

These downtown garage facilities house 3,860 parking spaces and 68,555 square feet of commercial space. The facilities include the following garages: Third & Alder, Fourth & Yamhill, Naito & Davis, and Tenth & Yamhill, O'Bryant Square, and First & Jefferson. The seventh City-owned garage is the Portland Building garage, which is budgeted as a separate program within the Facilities Services Fund.

Transportation Program Support

A portion of the fund's revenues support programs in the City of Portland's Department of Transportation. Beginning in FY 1998-99, the fund also assumed the bond debt for the construction of the Portland Streetcar, a transportation initiative aimed at relieving traffic congestion and enhancing the livability of the downtown area.

Management

The Office of Management and Finance manages the Parking Facilities Fund, providing oversight of contractors hired to manage the day-to-day operations and promote the garage system. The Office of Management and Finance, in cooperation with the Portland Department of Transportation and the Portland Development Commission, provides policy direction for the parking system and makes decisions regarding the garage system's business and public policy goals.

Managing Agency

Office of Management and Finance, General Services.

Transportation Operating Fund – 112

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Property Taxes						
Prior Year Property Taxes	1,165	205	0	121	0	0
	1,165	205	0	121	0	0
Licenses and Permits						
Construction Permits	1,051,887	1,458,323	1,060,000	1,060,000	1,032,002	1,032,002
Other Permits	43,514	41,076	107,500	107,500	81,000	81,000
	1,095,401	1,499,399	1,167,500	1,167,500	1,113,002	1,113,002
Service Charges and Fees						
Inspection Fees	180,716	187,069	185,000	185,000	150,000	150,000
Miscellaneous	136,895	510,591	508,346	508,346	537,670	537,670
Parking Fees	11,420,949	11,995,298	12,836,000	12,486,000	12,547,600	12,547,600
Public Works/Utility Charge	3,384,749	3,853,616	8,529,223	6,858,484	3,428,922	3,428,922
Rents and Reimbursements	0	1,548	0	0	0	0
	15,123,309	16,548,122	22,058,569	20,037,830	16,664,192	16,664,192
State Sources						
State Cost Sharing	213,264	269,922	210,000	871,579	944,993	944,993
State Grants	14,715	(2,676)	0	0	0	0
State Shared Revenue	22,754,451	22,163,901	22,581,326	22,430,771	22,643,506	22,643,506
	22,982,430	22,431,147	22,791,326	23,302,350	23,588,499	23,588,499
Local Sources						
Local Cost Sharing	11,029,106	5,784,408	11,179,160	11,654,322	20,652,228	20,652,228
Multnomah County Cost Sharing	19,455,399	19,328,659	20,591,397	19,615,000	19,632,279	19,632,279
	30,484,505	25,113,067	31,770,557	31,269,322	40,284,507	40,284,507
Miscellaneous Revenues						
Bond and Note Sales	0	0	0	0	3,364,000	3,364,000
Collection of Assessment	1,594,577	2,189,786	600,000	1,848,071	2,100,000	2,100,000
Interest Earned	777,892	601,467	600,000	300,000	600,000	600,000
Other Miscellaneous	1,296,594	232,260	1,000,100	860,000	1,000,100	1,000,100
Private Grants/Donations	2,735	187,072	531,345	1,085,002	631,545	631,545
Refunds	16,084	109,518	5,000	0	5,000	5,000
Sales Miscellaneous	150,141	227,049	165,000	120,000	55,000	55,000
	3,838,023	3,547,152	2,901,445	4,213,073	7,755,645	7,755,645
Total External Revenues	73,524,833	69,139,092	80,689,397	79,990,196	89,405,845	89,405,845
Internal Revenues						
Other Cash Transfers						
Communication Services Fund	140,000	0	0	0	0	0
Fleet Services Fund	0	0	0	0	883,789	883,789
General Fund	6,721,027	6,456,853	6,426,974	6,526,974	6,424,151	6,424,151
Housing & Community Development	19,902	23,153	36,015	36,015	40,350	40,350
Parking Facilities Fund	11,486,255	16,062,926	1,341,684	1,341,684	1,389,000	1,389,000
Arena/Coliseum Operating Fund	200,000	43,173	0	0	0	0
	18,567,184	22,586,105	7,804,673	7,904,673	8,737,290	8,737,290
Federal Grants Transfers	1,991,481	4,260,392	4,796,815	3,628,078	3,528,720	3,528,720
Interfund Service Reimbursements						
Arena Operating	85,000	0	0	0	0	0
Buildings	260,258	260,519	284,600	284,600	288,189	288,189
Communications Services	9,000	2,299	0	0	0	0
Computer Services Fund	0	123,040	144,775	144,775	139,000	139,000
Environmental Remediation	270	0	0	0	0	0
Environmental Services	12,373,056	12,531,067	13,807,641	12,979,183	13,944,865	13,944,865
Environmental Svcs - Internal	0	0	4,310	4,310	4,310	4,310
Facilities Services Fund	48,012	36,301	0	12,226	0	0
Finance & Administration	106,544	0	0	0	0	0
Fire Bureau	15,668	4,652	0	0	0	0
Fleet Management	2,801	5,618	5,000	5,000	5,000	5,000
Golf Operating Fund	8,967	1,496	0	0	0	0
Housing & Community Development	82,891	676,390	634,535	571,082	217,584	217,584

Transportation Operating Fund – 112

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
LID Construction Fund	746,295	8,980,234	4,472,629	4,025,366	2,007,277	2,007,277
Neighborhood Involvement	763	0	0	0	0	0
Parks Bureau	57,337	70,336	40,000	40,000	20,000	20,000
Parks Capital Improvement Fund	12,092	0	0	0	0	0
Parks Construction Fund	0	74,452	30,400	0	0	0
Planning	36,058	165,000	0	1,989	0	0
Police Bureau	8,175	9,610	0	0	0	0
Portland International Raceway	8,572	0	0	0	0	0
Portland Parks Trust	0	0	0	25,000	0	0
Purchase & Stores	54,076	98,275	0	0	0	0
Refuse Disposal Fund	9,356	605,702	345,000	345,000	0	0
Water Bureau	1,301,691	1,189,560	1,133,160	1,053,839	1,128,322	1,128,322
	15,226,882	24,834,551	20,902,050	19,492,370	17,754,547	17,754,547
Total Internal Revenues	35,785,547	51,681,048	33,503,538	31,025,121	30,020,557	30,020,557
Beginning Fund Balance	23,309,522	11,654,765	13,850,656	13,169,296	16,870,606	16,870,606
TOTAL RESOURCES	\$ 132,619,902	\$ 132,474,905	\$ 128,043,591	\$ 124,184,613	\$ 136,297,008	\$ 136,297,008
REQUIREMENTS						
Bureau Expenses						
Personal Services	45,904,878	47,481,518	48,922,578	48,433,352	50,660,867	50,828,084
External Materials and Services	24,925,253	22,710,166	28,629,394	22,456,660	28,859,878	28,694,534
Internal Materials and Services						
Communications Services	839,102	1,011,080	890,150	890,150	956,839	956,839
Data Processing Services	296,209	523,132	2,331,866	2,331,866	2,429,872	2,429,872
Facilities Services	2,049,291	1,675,786	1,745,033	1,745,033	1,742,775	1,742,775
Fleet Services	6,199,333	6,535,597	6,818,263	6,818,263	6,597,574	6,597,574
Insurance	1,567,259	1,709,565	1,740,018	1,740,018	1,584,413	1,584,413
Printing & Distribution	374,026	377,709	471,602	471,602	482,260	482,260
City Attorney	79,000	81,686	91,167	91,167	102,820	102,820
Buildings	0	41,614	50,207	50,207	49,352	49,352
Community Development	0	25,000	0	0	0	0
Computer Services	0	491,583	0	0	0	0
Energy Office	26,133	25,215	16,245	21,245	1,065	16,065
Environmental Services	580,784	338,341	533,400	483,400	581,950	581,950
Environmental Svcs - Int	0	0	36,190	36,190	22,370	22,370
Finance & Administration	515,990	29,398	732,643	732,643	755,962	786,048
Government Relations	13,990	13,990	13,990	13,990	13,990	13,990
Parking Facilities	85,014	98,538	99,885	99,885	102,915	102,915
Parks Bureau	1,031,273	750,897	752,746	818,746	119,705	119,705
Parks Construction	33,325	0	0	0	0	0
Planning	0	150,828	210,813	210,813	224,086	194,000
Police Bureau	11,173	14,917	12,500	442,500	392,500	392,500
Portland Parks Trust	0	99,124	0	0	0	0
Purchases & Stores	2,000	10,830	0	0	0	0
Special Appropriations	0	0	0	0	0	22,117
Water Bureau	1,063,850	468,106	211,100	138,012	190,900	190,900
	14,767,752	14,472,936	16,757,818	17,135,730	16,351,348	16,388,465
Capital Outlay	31,341,045	29,423,961	16,051,038	15,138,836	21,878,776	21,876,903
Equipment Cash Transfers						
Communications Services	0	18,777	0	0	0	0
Fleet Operating	99,895	21,282	205,751	221,101	0	0
Printing & Distribution	10,000	0	0	0	0	0
	109,895	40,059	205,751	221,101	0	0
Minor Equipment Transfers						
Communications Services	21,966	37,011	15,350	14,820	0	0
Fleet Operating	4,659	0	0	0	0	0
Printing & Distribution	4,000	3,600	0	0	0	0
	30,625	40,611	15,350	14,820	0	0
Total Bureau Expenses	117,079,448	114,169,251	110,581,929	103,400,499	117,750,869	117,787,986

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	9,348,334	0	10,663,378	10,472,473
Prior Years Encumbered	0	0	2,000,000	0	2,000,000	2,000,000
Compensation Adjustment	0	0	1,100,000	0	1,100,000	1,100,000
	0	0	12,448,334	0	13,763,378	13,572,473
General Fund Overhead	3,245,146	3,118,582	2,502,755	1,944,153	2,338,701	2,492,489
Fund Cash Transfers						
Health Insurance	104,149	0	0	0	0	0
Improvement Bond Int & Sinking	522,329	527,108	525,782	525,782	530,278	530,278
LID Construction Fund	14,065	9,719	6,366	6,366	3,695	3,695
Pension Debt Redemption Fund	0	1,480,949	1,878,425	1,408,819	1,810,087	1,810,087
	640,543	2,017,776	2,410,573	1,940,967	2,344,060	2,344,060
Inventory Increases	0	0	100,000	0	100,000	100,000
Unappropriated Ending Balance						
Unappropriated Ending Balance	11,654,765	13,169,296	0	16,898,994	0	0
	11,654,765	13,169,296	0	16,898,994	0	0
Total Fund Requirements	15,540,454	18,305,654	17,461,662	20,784,114	18,546,139	18,509,022
TOTAL REQUIREMENTS	\$ 132,619,902	\$ 132,474,905	\$ 128,043,591	\$ 124,184,613	\$ 136,297,008	\$ 136,297,008

FUND OVERVIEW

The Transportation Operating Fund accounts for all revenues and expenditures related to transportation operations, maintenance and capital improvements for the City of Portland Office of Transportation.

Resources

External revenues include gas taxes, parking fees and fines, intergovernmental revenues received via agreements with state and local governments and cost recovery revenues (service charges, licenses and permits). Internal revenues are from interfund cash transfers and interfund service reimbursements.

Requirements

Requirements include bureau expenses and fund requirements.

Managing Agency

Office of Transportation.

Transportation Reserve Fund – 208

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Eamed	32,044	36,601	25,000	30,242	30,000	30,000
	32,044	36,601	25,000	30,242	30,000	30,000
Total External Revenues	32,044	36,601	25,000	30,242	30,000	30,000
Internal Revenues						
Beginning Fund Balance	570,245	602,289	631,289	638,890	669,132	669,132
TOTAL RESOURCES	\$ 602,289	\$ 638,890	\$ 656,289	\$ 669,132	\$ 699,132	\$ 699,132
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	656,289	0	699,132	699,132
	0	0	656,289	0	699,132	699,132
Unappropriated Ending Balance						
Unappropriated Ending Balance	602,289	638,890	0	669,132	0	0
	602,289	638,890	0	669,132	0	0
Total Fund Requirements	602,289	638,890	656,289	669,132	699,132	699,132
TOTAL REQUIREMENTS	\$ 602,289	\$ 638,890	\$ 656,289	\$ 669,132	\$ 699,132	\$ 699,132

FUND OVERVIEW

History

The Transportation Reserve Fund was created in FY 1992-93 in accordance with the Transportation Reserve Policy. The policy designates two types of reserves:

- ◆ Counter-cyclical reserves to maintain current service level programs or buffer the impact of major revenue interruptions, such as those caused by an economic recession. The reserve policy sets this as equal to 5% of Transportation’s discretionary Adopted Budget revenues.
- ◆ Emergency reserves to fund major one-time unexpected requirements, such as those related to a structural failure or road emergency associated with a natural disaster or event. The reserve policy sets this equal to 5% of Transportation’s discretionary Adopted Budget appropriations excluding contingency.

In FY 2002-03 reserves will be funded at a lower level.

Due to revenue shortfalls, however, the Reserve Fund will be budgeted at roughly 1% of FY 2002-03 discretionary budget appropriations.

Managing Agency

Office of Transportation.

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Capital Improvement Fund – 503

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Bond and Note Sales	769,817	0	0	0	0	0
Interest Earned	8,967	7,072	4,690	10,000	2,475	2,475
	<u>778,784</u>	<u>7,072</u>	<u>4,690</u>	<u>10,000</u>	<u>2,475</u>	<u>2,475</u>
Total External Revenues	778,784	7,072	4,690	10,000	2,475	2,475
Internal Revenues						
Beginning Fund Balance	178,328	134,820	93,904	91,172	66,000	66,000
TOTAL RESOURCES	\$ 957,112	\$ 141,892	\$ 98,594	\$ 101,172	\$ 68,475	\$ 68,475
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	4,817	0	0	0	0	0
Total Bureau Expenses	4,817	0	0	0	0	0
Fund Requirements						
Fund Cash Transfers						
General Fund	765,000	0	0	0	0	0
Intermediate Debt Fund	52,475	50,720	48,920	35,172	68,475	68,475
	<u>817,475</u>	<u>50,720</u>	<u>48,920</u>	<u>35,172</u>	<u>68,475</u>	<u>68,475</u>
Unappropriated Ending Balance						
Unappropriated Ending Balance	134,820	91,172	49,674	66,000	0	0
	<u>134,820</u>	<u>91,172</u>	<u>49,674</u>	<u>66,000</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	952,295	141,892	98,594	101,172	68,475	68,475
TOTAL REQUIREMENTS	\$ 957,112	\$ 141,892	\$ 98,594	\$ 101,172	\$ 68,475	\$ 68,475
LINE ITEM DETAIL – AU 760						
Materials and Services						
External Materials and Services						
549000 Miscellaneous	4,817	0	0	0	0	0
Total External Materials and Services	4,817	0	0	0	0	0
Total Materials and Services	4,817	0	0	0	0	0
TOTAL Bureau Expenses	\$ 4,817	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

FUND OVERVIEW

The Capital Improvement Fund serves as a staging area for proceeds from bond and note sales recorded in the General Long-term Debt Account Group. The proceeds, used for the acquisition of equipment and facilities necessary to provide essential City services, are recorded in this fund and then are distributed to the appropriate agency.

It is anticipated that this fund will be phased out in FY 2002-03 upon maturity of investments purchased to pay down a portion of the Full Faith and Credit, 1993 Series B.

Managing Agency

Office of Management and Finance, Financial Management.

Communications Services Operating Fund – 707

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Miscellaneous	1,300,726	1,849,346	1,696,493	1,566,062	1,916,341	1,916,341
Rents and Reimbursements	71,803	79,185	73,000	73,379	77,525	77,525
	<u>1,372,529</u>	<u>1,928,531</u>	<u>1,769,493</u>	<u>1,639,441</u>	<u>1,993,866</u>	<u>1,993,866</u>
Miscellaneous Revenues						
Bond and Note Sales	0	0	7,790,000	7,790,000	0	0
Interest Earned	369,953	462,193	455,000	419,455	300,000	300,000
Other Miscellaneous	69,531	9,149	2,000	4,000	2,000	2,000
Sales Miscellaneous	214,405	180,635	2,000	100,000	2,000	2,000
	<u>653,889</u>	<u>651,977</u>	<u>8,249,000</u>	<u>8,313,455</u>	<u>304,000</u>	<u>304,000</u>
Total External Revenues	<u>2,026,418</u>	<u>2,580,508</u>	<u>10,018,493</u>	<u>9,952,896</u>	<u>2,297,866</u>	<u>2,297,866</u>
Internal Revenues						
Other Cash Transfers						
Cable Fund	0	0	280,980	280,980	0	0
Fleet Services Fund	0	0	0	0	12,434	12,434
General Fund	0	0	0	0	257,950	257,950
	<u>0</u>	<u>0</u>	<u>280,980</u>	<u>280,980</u>	<u>270,384</u>	<u>270,384</u>
Interfund Service Reimbursements						
Arena Operating	325	374	476	372	0	0
City Attorney	54,373	47,726	48,627	49,355	48,873	48,873
City Auditor	54,994	53,331	57,244	66,673	64,844	64,844
BFRES Facilities GO Bond Const	0	78,070	0	43,156	0	0
Buildings	363,176	380,890	430,202	418,157	436,830	436,830
Cable Commission	2,304	3,460	3,559	3,549	3,726	3,726
Cable Commission/Access	6,146	10,200	5,380	4,075	5,743	5,743
Commissioner of Public Affairs	10,047	8,887	9,664	9,348	9,548	9,548
Commissioner of Public Safety	7,436	7,932	7,408	8,810	7,437	7,437
Commissioner of Public Utilities	9,954	9,726	10,249	9,810	9,969	9,969
Commissioner of Public Works	10,141	9,006	9,515	8,943	9,535	9,535
Community Development	14,420	25,226	17,340	18,227	21,009	21,009
Computer Services Fund	0	167,054	86,617	128,894	104,531	104,531
Emergency Communications	462,268	353,119	428,229	394,593	441,434	441,434
Energy Office	10,302	12,879	11,866	15,953	13,296	13,296
Environmental Services	784,691	769,249	700,918	1,646,786	707,585	707,585
Environmental Svcs - Internal	0	0	39,357	43,107	41,723	41,723
Facilities Services Fund	605,454	298,691	441,253	251,591	461,448	461,448
Finance & Administration	340,380	116,223	176,054	171,945	183,235	183,235
Fire Bureau	877,843	844,486	890,484	904,877	903,396	903,396
Fleet Management	46,453	45,252	40,681	36,105	42,848	42,848
FPD&R	9,580	14,707	13,131	13,585	14,822	14,822
General Services	15,054	14,408	0	0	0	0
Golf Operating Fund	11,547	11,694	12,487	16,831	15,401	15,401
Government Relations	12,091	11,656	11,107	10,485	10,923	10,923
Health Insurance	0	8,336	6,868	8,705	8,610	8,610
Hydropower Operating Fund	5,390	5,220	6,956	5,779	6,721	6,721
Insurance & Claims Fund	0	17,702	11,871	11,060	11,872	11,872
Licenses	46,895	45,654	51,365	51,251	51,518	51,518
Mayor	27,994	25,459	26,371	24,327	22,117	22,117
Neighborhood Involvement	53,593	61,004	48,411	67,415	58,257	58,257
Parking Facilities Fund	10,246	16,526	15,283	16,383	16,515	16,515
Parks Bureau	428,577	490,572	457,663	502,247	505,415	504,525
Parks Capital Improvement Fund	39,040	1,229	0	0	0	0
Parks Construction Fund	1,969	20,330	9,806	12,645	11,686	11,686
Planning	54,922	56,300	70,867	62,532	72,190	72,190
Police Bureau	2,694,150	3,051,047	3,054,049	3,046,960	3,240,551	3,240,551
Portland International Raceway	10,230	9,735	11,176	9,879	15,604	15,604
Portland Parks Trust	325	374	372	372	385	385
Printing & Distribution	33,481	28,716	31,655	30,246	33,272	33,272
Purchase & Stores	26,535	29,041	0	0	0	0

Communications Services Operating Fund – 707

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
Purchases & Stores Stock	1,548	0	0	0	0	0
Refuse Disposal Fund	13,006	12,712	12,405	33,037	12,066	12,066
Transportation	839,098	1,011,081	890,150	912,849	956,839	956,839
Water Bureau	1,534,990	1,272,617	1,328,869	1,205,496	1,364,819	1,364,819
Workers Compensation Fund	0	15,230	12,705	11,411	12,881	12,881
	9,530,968	9,473,131	9,498,690	10,287,821	9,959,474	9,958,584
Equipment Cash Transfers						
Emergency Communications	44,924	0	0	0	0	0
Police Bureau	0	11,200	0	0	0	0
Transportation	0	18,777	0	0	0	0
	44,924	29,977	0	0	0	0
Minor Equipment and Tools						
Transportation	21,966	37,011	15,350	15,350	0	0
Environmental Services	11,535	0	0	0	0	0
Facilities Services Fund	0	0	40,000	40,000	0	0
Fire Bureau	109,931	2,407	19,820	19,820	0	0
Parks Bureau	0	5,633	0	0	0	0
Police Bureau	590,729	1,440,566	198,682	205,377	0	0
Water Bureau	30,235	23,024	24,400	24,400	0	0
	764,396	1,508,641	298,252	304,947	0	0
Total Internal Revenues	10,340,288	11,011,749	10,077,922	10,873,748	10,229,858	10,228,968
Beginning Fund Balance	6,746,344	7,086,152	8,618,743	8,625,488	10,291,239	10,291,239
TOTAL RESOURCES	\$ 19,113,050	\$ 20,678,409	\$ 28,715,158	\$ 29,452,132	\$ 22,818,963	\$ 22,818,073
REQUIREMENTS						
Bureau Expenses						
Personal Services	2,312,888	2,559,575	3,026,666	2,859,109	3,304,018	3,304,018
External Materials and Services	6,592,043	5,602,289	10,278,435	11,483,169	5,213,016	5,213,016
Internal Materials and Services						
Data Processing Services	46,261	86,837	104,922	105,000	107,208	107,208
Facilities Services	432,660	418,894	386,751	391,426	423,665	423,665
Fleet Services	50,274	113,225	51,996	52,000	56,663	56,663
Insurance	48,264	61,224	60,438	60,438	81,650	81,650
Printing & Distribution	19,053	14,828	25,734	12,000	15,108	15,108
Finance & Administration	3,500	4,400	403,303	403,303	399,909	399,909
General Services	353,166	362,791	0	0	0	0
Parking Facilities	7,020	8,700	10,080	10,080	5,400	5,400
Parks Bureau	0	192	0	0	0	0
Special Appropriations	0	0	0	0	0	987
Transportation	9,000	2,299	0	0	0	0
	969,198	1,073,390	1,043,224	1,034,247	1,089,603	1,090,590
Capital Outlay	829,561	2,050,900	3,872,694	2,956,723	1,152,950	1,152,950
Equipment Cash Transfers						
Fleet Operating	16,070	0	35,292	0	0	0
	16,070	0	35,292	0	0	0
Minor Equipment Transfers						
Fleet Operating	0	0	0	35,292	0	0
Printing & Distribution	0	2,200	0	1,000	0	0
	0	2,200	0	36,292	0	0
Total Bureau Expenses	10,719,760	11,288,354	18,256,311	18,369,540	10,759,587	10,760,574
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	8,803,209	0	10,866,235	10,847,122
Compensation Adjustment	0	0	82,931	0	125,387	125,387
	0	0	8,886,140	0	10,991,622	10,972,509
General Fund Overhead	283,988	275,205	237,278	258,237	259,496	276,732
Fund Cash Transfers						
Health Insurance	6,012	0	0	0	0	0

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Pension Debt Redemption Fund	0	64,857	104,219	104,219	94,886	94,886
Sewage Operating Fund	450,380	0	0	0	0	0
Transportation Operating	140,000	0	0	0	0	0
	596,392	64,857	104,219	104,219	94,886	94,886
Debt Retirement	426,758	424,504	1,231,210	428,897	713,372	713,372
Unappropriated Ending Balance						
Unappropriated Ending Balance	7,086,152	8,625,489	0	10,291,239	0	0
	7,086,152	8,625,489	0	10,291,239	0	0
Total Fund Requirements	8,393,290	9,390,055	10,458,847	11,082,592	12,059,376	12,057,499
TOTAL REQUIREMENTS	\$ 19,113,050	\$ 20,678,409	\$ 28,715,158	\$ 29,452,132	\$ 22,818,963	\$ 22,818,073

FUND OVERVIEW

The Communications Services Operating Fund operates and maintains the City's telecommunications, radios, 800 MHz radio system, and other electronic systems such as 911 dispatch, sirens, radar guns, and video systems. These systems provide service to all City bureaus and agencies as well as to a growing number of other jurisdictions in the metropolitan area. Fund activities are carried out by the Bureau of Communications and Networking Services within the Office of Management and Finance.

Revenues

The fund's major source of revenue is service reimbursement transfers from City bureaus and outside agencies. Purchase of new equipment for use by other bureaus is supported through cash transfers. Non-City customers, primarily users of the 800 MHz radio system, provide funding for use of the radio system and maintenance of radio equipment.

Managing Agency

Office of Management and Finance, Communications and Networking Services.

Communications Services Operating Fund – 707

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Full Faith and Credit, 1993 Series B (Communication Portion Only)						
08/15/1993 - Due 4/1	4,120,000					
		2002/03	210,000	4.15%	129,525	339,525
		2003/04	215,000	4.25%	120,810	335,810
		2004/05	225,000	4.35%	111,673	336,673
		2005/06	235,000	4.45%	101,885	336,885
		2006/07	245,000	4.55%	91,428	336,428
		2007/08	260,000	4.55%	80,280	340,280
		2008/09	270,000	4.63%	68,450	338,450
		2009/10	280,000	4.63%	55,963	335,963
		2010/11	295,000	4.63%	43,013	338,013
		2011/12	310,000	4.63%	29,369	339,369
		2012/13	325,000	4.63%	15,031	340,031
		TOTAL	2,870,000		847,425	3,717,425
Limited Tax Revenue Bonds, 1996 Series A (Communication Portion Only)						
06/01/1996 - Due 6/1	1,001,462					
		2002/03	52,591	4.80%	38,746	91,337
		2003/04	55,133	4.90%	36,222	91,354
		2004/05	57,518	5.00%	33,520	91,039
		2005/06	60,476	5.10%	30,644	91,120
		2006/07	63,645	5.20%	27,560	91,205
		2007/08	66,845	5.25%	24,251	91,096
		2008/09	70,439	5.25%	20,741	91,180
		2009/10	74,059	5.25%	17,043	91,102
		2010/11	77,888	5.25%	13,155	91,043
		2011/12	82,110	5.38%	9,066	91,176
		2012/13	86,560	5.38%	4,725	91,284
		TOTAL	747,263		255,674	1,002,937
Limited Tax Revenue Bonds, 2002 Series A (Communication's Portion Only)						
04/01/2002 - Due 2/1	7,795,000					
		2002/03	-		282,510	282,510
		2003/04	-		339,013	339,013
		2004/05	760,000	4.00%	339,013	1,099,013
		2005/06	815,000	4.00%	308,613	1,123,613
		2006/07	875,000	4.25%	276,013	1,151,013
		2007/08	935,000	4.25%	238,825	1,173,825
		2008/09	870,000	4.50%	199,088	1,069,088
		2009/10	940,000	4.50%	159,938	1,099,938
		2010/11	1,010,000	4.50%	117,638	1,127,638
		2011/12	1,080,000	4.50%	72,188	1,152,188
		2012/13	510,000	4.63%	23,588	533,588
		TOTAL	7,795,000		2,356,423	10,151,423
COMBINED DEBT SERVICE						
	5,121,462					
		2002/03	262,591		450,782	713,372
		2003/04	270,133		496,044	766,177
		2004/05	1,042,518		484,205	1,526,724
		2005/06	1,110,476		441,142	1,551,618
		2006/07	1,183,645		395,000	1,578,645
		2007/08	1,261,845		343,356	1,605,201
		2008/09	1,210,439		288,279	1,498,717
		2009/10	1,294,059		232,943	1,527,002
		2010/11	1,382,888		173,805	1,556,693
		2011/12	1,472,110		110,622	1,582,732
		2012/13	921,560		43,343	964,903
TOTAL FUND DEBT SERVICE			\$ 11,412,263		\$ 3,459,522	\$ 14,871,785

Facilities Services Fund – 704

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Concessions	11,536	67,368	0	0	0	0
Miscellaneous	124,269	920,425	15,078	15,078	0	0
Parking Fees	260,550	247,527	238,106	238,106	254,115	254,115
Rents and Reimbursements	1,705,163	1,656,485	1,447,117	1,446,172	1,725,648	1,725,648
	2,101,518	2,891,805	1,700,301	1,699,356	1,979,763	1,979,763
State Sources						
State Cost Sharing	129,591	156,017	156,012	156,012	156,012	156,012
	129,591	156,017	156,012	156,012	156,012	156,012
Local Sources						
Local Cost Sharing	583,740	661,366	2,175,457	2,349,425	799,031	799,031
Multnomah County Cost Sharing	648,949	489,198	749,219	749,219	748,242	748,242
	1,232,689	1,150,564	2,924,676	3,098,644	1,547,273	1,547,273
Miscellaneous Revenues						
Bond and Note Sales	2,970,025	0	0	0	0	0
Interest Earned	626,271	532,499	146,363	146,363	353,565	353,565
Other Miscellaneous	168,272	279,091	0	0	0	0
	3,764,568	811,590	146,363	146,363	353,565	353,565
Total External Revenues	7,228,366	5,009,976	4,927,352	5,100,375	4,036,613	4,036,613
Internal Revenues						
Other Cash Transfers						
BFRES Facilities Bond Const Fund	0	316,000	0	0	0	0
Fleet Services Fund	0	0	0	0	10,586	10,586
General Fund	3,262,685	3,457,890	3,409,050	3,409,050	2,796,150	2,796,150
Sewage System Operating Fund	523,956	0	0	0	0	0
	3,786,641	3,773,890	3,409,050	3,409,050	2,806,736	2,806,736
Interfund Service Reimbursements						
Arena Operating	45	0	2,950	2,950	0	0
City Attorney	182,886	184,711	193,103	193,103	199,488	199,488
City Auditor	303,562	348,103	354,993	354,993	359,774	359,774
BFRES Facilities GO Bond Const	678,964	1,187,262	3,690,000	3,690,000	1,981,000	1,981,000
Buildings	2,341,605	2,263,335	2,264,707	1,723,642	2,245,223	2,245,223
Cable Commission	8,694	11,759	12,029	12,029	15,523	15,523
Cable Commission/Access	20,218	17,901	18,278	18,278	23,683	23,683
Commissioner of Public Affairs	50,391	51,297	53,505	53,505	55,343	55,343
Commissioner of Public Safety	47,067	47,479	49,659	49,659	51,302	51,302
Commissioner of Public Utilities	50,524	52,301	53,205	53,205	54,965	54,965
Commissioner of Public Works	46,720	47,425	49,149	49,149	50,777	50,777
Communications Services	432,661	418,890	386,751	386,751	423,665	423,665
Community Development	82,186	22,320	2,150	2,150	2,153	2,153
Computer Services Fund	0	531,989	505,346	505,346	600,310	600,310
Emergency Communications	252,383	253,156	294,590	294,590	313,319	307,512
Energy Office	34,405	53,686	56,343	56,343	2,000	2,000
Environmental Remediation	93,613	146,584	135,307	135,307	177,748	177,748
Environmental Services	2,462,569	1,279,531	1,152,164	1,152,164	1,218,831	1,218,831
Environmental Svcs - Internal	0	0	47,878	47,878	6,546	6,546
Facilities Services Fund	0	2,456	0	0	0	0
Finance & Administration	2,001,693	614,771	780,021	780,021	847,710	847,710
Fire Bureau	39,253	46,489	38,739	38,739	49,669	49,669
Fleet Management	165,832	250,099	1,445,296	1,445,296	534,252	534,252
FPD&R	15	114	0	0	0	0
General Services	88,148	105,129	0	0	0	0
Golf Operating Fund	24	0	0	0	0	0
Government Relations	26,019	26,253	27,569	27,569	28,367	28,367
Health Insurance	0	29,040	14,236	14,236	27,082	27,082
Housing & Community Development	0	20,000	0	0	0	0
Insurance & Claims Fund	0	82,571	51,849	51,849	45,583	45,583
Licenses	324,862	324,917	292,471	292,471	286,219	286,219

Facilities Services Fund – 704

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
Mayor	111,430	112,260	113,273	113,273	117,004	117,004
Neighborhood Involvement	108,222	109,028	111,127	111,127	87,037	88,875
Parking Facilities Fund	2,280,688	1,691,621	3,857,822	3,857,822	2,448,061	2,448,061
Parks Bureau	367,508	376,780	398,092	398,092	406,923	406,923
Parks Capital Improvement Fund	15	0	0	0	0	0
Parks Construction Fund	93	119	0	0	0	0
Planning	558,686	551,788	546,896	546,896	542,525	542,525
Police Bureau	5,325,838	5,372,611	5,071,420	5,071,420	5,148,728	5,148,728
Printing & Distribution	186,111	174,121	187,364	187,364	183,558	183,558
Purchase & Stores	94,968	104,190	0	0	0	0
Refuse Disposal Fund	26,490	1,826	56,342	56,342	0	0
Special Appropriations	1,778	1,644	5,880	5,880	0	0
Transportation	2,049,290	1,675,783	1,745,033	1,745,033	1,742,775	1,742,775
Water Bureau	1,550,438	2,784,514	1,575,371	1,575,371	1,692,629	1,692,629
Workers Compensation Fund	0	82,447	51,869	51,869	45,584	45,584
	22,395,894	21,458,300	25,692,777	25,151,712	22,015,356	22,011,387
Equipment Cash Transfers						
Emergency Communications	110,675	0	500,000	500,000	0	0
Fire Facilities Bond Constrctn	137,714	210,798	2,167,000	2,167,000	0	0
Police Bureau	25,000	0	35,000	35,000	0	0
Public Safety Capital Fund	0	0	700,000	700,000	0	0
	273,389	210,798	3,402,000	3,402,000	0	0
Total Internal Revenues	26,455,924	25,442,988	32,503,827	31,962,762	24,822,092	24,818,123
Beginning Fund Balance	10,847,886	7,377,676	7,857,237	7,857,000	8,526,499	8,526,499
TOTAL RESOURCES	\$ 44,532,176	\$ 37,830,640	\$ 45,288,416	\$ 44,920,137	\$ 37,385,204	\$ 37,381,235

REQUIREMENTS

Bureau Expenses						
Personal Services	2,447,858	2,674,630	2,644,889	2,731,395	2,776,896	2,776,761
External Materials and Services	18,429,716	13,626,270	18,007,809	17,827,645	14,005,072	14,005,065
Internal Materials and Services						
Communications Services	605,453	298,694	441,253	442,320	461,448	461,448
Data Processing Services	70,816	56,028	54,659	54,659	53,743	53,743
Facilities Services	0	2,459	0	0	0	0
Fleet Services	54,352	64,494	58,162	58,162	59,950	59,950
Insurance	92,639	116,141	117,146	117,146	199,360	199,360
Printing & Distribution	53,893	38,911	51,734	51,734	54,716	54,716
Energy Office	8,936	11,386	6,545	6,545	8,737	8,737
Finance & Administration	68,952	83,796	606,870	606,870	643,331	643,331
General Services	371,559	441,940	0	0	0	0
Parking Facilities	145,985	156,716	160,756	160,756	165,597	165,597
Parks Bureau	86,672	90,204	94,981	94,981	92,373	92,373
Special Appropriations	0	0	0	0	0	198
Transportation	48,013	36,301	0	0	0	0
Water Bureau	42,190	35,347	0	0	0	0
	1,649,460	1,432,417	1,592,106	1,593,173	1,739,255	1,739,453
Capital Outlay	3,442,806	998,015	2,996,528	3,211,425	0	0
Equipment Cash Transfers						
Communications Services	0	0	40,000	0	0	0
	0	0	40,000	0	0	0
Total Bureau Expenses	25,969,840	18,731,332	25,281,332	25,363,638	18,521,223	18,521,279
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	8,922,220	8,526,499	7,738,290	7,651,225
Compensation Adjustment	0	0	55,630	0	87,261	87,261
	0	0	8,977,850	8,526,499	7,825,551	7,738,486
General Fund Overhead	870,609	779,751	831,782	832,000	842,114	925,154
Fund Cash Transfers						
Health Insurance	5,373	0	0	0	0	0

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Pension Debt Redemption Fund	0	65,521	115,719	116,000	102,603	102,603
Transportation Construction	471,296	256,000	0	0	0	0
	476,669	321,521	115,719	116,000	102,603	102,603
Debt Retirement	9,837,382	10,072,026	10,081,733	10,082,000	10,093,713	10,093,713
Unappropriated Ending Balance						
Unappropriated Ending Balance	7,377,676	7,926,010	0	0	0	0
	7,377,676	7,926,010	0	0	0	0
Total Fund Requirements	18,562,336	19,099,308	20,007,084	19,556,499	18,863,981	18,859,956
TOTAL REQUIREMENTS	\$ 44,532,176	\$ 37,830,640	\$ 45,288,416	\$ 44,920,137	\$ 37,385,204	\$ 37,381,235

FUND OVERVIEW

The Facilities Services Fund accounts for all of the facilities-related programs and capital projects managed by the Bureau of General Services. The fund is self-sufficient, requiring no direct General Fund discretionary support.

Revenues

The fund's primary source of revenue is service reimbursements and cash transfers for space rental and other services. Services include building operations and maintenance, interior space remodels and reconfigurations, and janitorial, property, and capital project management. Debt issuance has in the past been a resource for capital projects, with the resulting principal and interest obligations being incorporated into the rental rates.

Managing Agency

Office of Management and Finance, General Services.

Facilities Services Fund – 704

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Full Faith and Credit, 1993 Series A						
08/15/1993 - Due 4/1	33,445,000					
		2002/03	3,315,000	4.55%	826,855	4,141,855
		2003/04	3,465,000	4.65%	676,023	4,141,023
		2004/05	3,630,000	4.75%	514,900	4,144,900
		2005/06	2,295,000	4.75%	342,475	2,637,475
		2006/07	2,400,000	4.75%	233,463	2,633,463
		2007/08	2,515,000	4.75%	119,463	2,634,463
		TOTAL	17,620,000		2,713,178	20,333,178
Full Faith and Credit, 1993 Series B (Facilities Portion Only)						
08/15/1993 - Due 4/1	6,879,038					
		2002/03	410,000	4.15%	168,921	578,921
		2003/04	430,000	4.25%	151,906	581,906
		2004/05	450,000	4.35%	133,631	583,631
		2005/06	470,000	4.45%	114,056	584,056
		2006/07	485,000	4.55%	93,141	578,141
		2007/08	510,000	4.55%	71,074	581,074
		2008/09	535,000	4.63%	47,869	582,869
		2009/10	115,000	4.63%	23,125	138,125
		2010/11	120,000	4.63%	17,806	137,806
		2011/12	130,000	4.63%	12,256	142,256
		2012/13	135,000	4.63%	6,244	141,244
		TOTAL	3,790,000		840,030	4,630,030
TOTAL - Full Faith and Credit						
	68,729,038					
		2002/03	3,725,000		995,776	4,720,776
		2003/04	3,895,000		827,929	4,722,929
		2004/05	4,080,000		648,531	4,728,531
		2005/06	2,765,000		456,531	3,221,531
		2006/07	2,885,000		326,604	3,211,604
		2007/08	3,025,000		190,536	3,215,536
		2008/09	535,000		47,869	582,869
		2009/10	115,000		23,125	138,125
		2010/11	120,000		17,806	137,806
		2011/12	130,000		12,256	142,256
		2012/13	135,000		6,244	141,244
TOTAL FULL FAITH AND CREDIT			21,410,000		3,553,208	24,963,208
Limited Tax Revenue Bonds, 1996 Series A						
06/01/1996 - Due 6/1	29,128,538					
		2002/03	1,187,409	4.80%	1,239,463	2,426,872
		2003/04	1,244,867	4.90%	1,182,467	2,427,334
		2004/05	1,297,482	5.00%	1,121,468	2,418,950
		2005/06	1,364,524	5.10%	1,056,594	2,421,118
		2006/07	1,436,355	5.20%	987,004	2,423,359
		2007/08	1,508,155	5.25%	912,313	2,420,468
		2008/09	1,589,561	5.25%	833,135	2,422,696
		2009/10	1,670,941	5.25%	749,683	2,420,624
		2010/11	1,757,112	5.25%	661,959	2,419,070
		2011/12	1,852,890	5.38%	569,710	2,422,600
		2012/13	1,953,440	5.38%	470,045	2,423,486
		2013/14	2,055,000	5.60%	365,120	2,420,120
		2014/15	2,170,000	5.60%	250,040	2,420,040
		2015/16	2,295,000	5.60%	128,520	2,423,520
		TOTAL	23,382,737		10,527,521	33,910,258
Limited Tax Revenue Bonds, 1998 Series A (Facilities Portion Only)						
04/15/1998 - Due 6/1	28,900,000					
		2002/03	1,130,000	4.25%	1,228,725	2,358,725
		2003/04	1,170,000	4.30%	1,180,700	2,350,700

Facilities Services Fund – 704

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2004/05	1,230,000	4.40%	1,130,390	2,360,390
		2005/06	1,280,000	4.45%	1,076,270	2,356,270
		2006/07	1,340,000	4.50%	1,019,310	2,359,310
		2007/08	1,400,000	4.55%	959,010	2,359,010
		2008/09	1,460,000	4.60%	895,310	2,355,310
		2009/10	1,530,000	4.70%	828,150	2,358,150
		2010/11	1,600,000	4.80%	756,240	2,356,240
		2011/12	1,680,000	4.90%	679,440	2,359,440
		2012/13	1,760,000	4.95%	597,120	2,357,120
		2013/14	1,850,000	5.00%	510,000	2,360,000
		2014/15	1,940,000	5.00%	417,500	2,357,500
		2015/16	2,030,000	5.00%	320,500	2,350,500
		2016/17	2,140,000	5.00%	219,000	2,359,000
		2017/18	2,240,000	5.00%	112,000	2,352,000
		TOTAL	25,780,000		11,929,665	37,709,665
Limited Tax Revenue Bonds, 1998 Series B (Facilities Portion Only)						
06/15/1998 - Due 6/1	250,510					
		2002/03	54,314	4.05%	2,200	56,514
		TOTAL	54,314		2,200	56,514
Limited Tax Revenue Bonds, 1999 Series B (Facilities Portion Only)						
04/15/1998 - Due 6/1	2,935,000					
		2002/03	390,000	4.25%	118,450	508,450
		2003/04	410,000	4.30%	97,975	507,975
		2004/05	435,000	4.40%	75,425	510,425
		2005/06	460,000	4.45%	51,500	511,500
		2006/07	485,000	4.50%	28,500	513,500
		2007/08	85,000	4.55%	4,250	89,250
		TOTAL	2,265,000		376,100	2,641,100
Limited Tax Revenue Bonds, 2002 Series A (Facilities Portion Only)						
04/1/2002 - Due 2/1	220,000					
		2002/03	20,000	3.00%	7,583	27,583
		2003/04	20,000	3.50%	8,500	28,500
		2004/05	20,000	4.00%	7,800	27,800
		2005/06	20,000	4.00%	7,000	27,000
		2006/07	20,000	4.25%	6,200	26,200
		2007/08	20,000	4.25%	5,350	25,350
		2008/09	25,000	4.50%	4,500	29,500
		2009/10	25,000	4.50%	3,375	28,375
		2010/11	25,000	4.50%	2,250	27,250
		2011/12	25,000	4.50%	1,125	26,125
		TOTAL	220,000		53,683	273,683
TOTAL - Limited Tax Revenue Bonds						
	61,917,499					
		1999/00	-		-	-
		2002/03	2,781,723		2,596,421	5,378,144
		2003/04	2,844,867		2,469,642	5,314,509
		2004/05	3,036,796		2,337,283	5,374,079
		2005/06	3,124,524		2,191,364	5,315,888
		2006/07	3,281,355		2,041,014	5,322,369
		2007/08	3,013,155		1,880,923	4,894,078
		2008/09	3,074,561		1,732,945	4,807,506
		2009/10	5,490,941		1,957,308	7,448,249
		2010/11	3,382,112		1,420,449	4,802,560
		2011/12	3,947,890		1,368,725	5,316,615
		2012/13	3,713,440		1,067,165	4,780,606
		2013/14	3,905,000		875,120	4,780,120
		2014/15	4,110,000		667,540	4,777,540
		2015/16	4,325,000		449,020	4,774,020
		2016/17	2,140,000		219,000	2,359,000

Facilities Services Fund – 704

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2017/18	2,240,000		112,000	2,352,000
TOTAL LIMITED TAX REVENUE			54,411,365		23,385,919	77,797,284
COMBINED DEBT SERVICE	130,646,537					
		2002/03	6,506,723		3,592,197	10,098,920
		2003/04	6,739,867		3,297,571	10,037,438
		2004/05	7,116,796		2,985,814	10,102,610
		2005/06	5,889,524		2,647,896	8,537,420
		2006/07	6,166,355		2,367,617	8,533,973
		2007/08	6,038,155		2,071,459	8,109,614
		2008/09	3,609,561		1,780,814	5,390,375
		2009/10	5,605,941		1,980,433	7,586,374
		2010/11	3,502,112		1,438,255	4,940,367
		2011/12	4,077,890		1,380,982	5,458,871
		2012/13	3,848,440		1,073,409	4,921,850
		2013/14	3,905,000		875,120	4,780,120
		2014/15	4,110,000		667,540	4,777,540
		2015/16	4,325,000		449,020	4,774,020
		2016/17	2,140,000		219,000	2,359,000
		2017/18	2,240,000		112,000	2,352,000
TOTAL FUND DEBT SERVICE			\$ 75,821,365		\$ 26,939,127	\$ 102,760,492

Federal Grants Fund – 252

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Federal Sources						
Federal Grants	16,033,098	23,444,479	22,630,398	0	13,200,426	13,200,426
Unaccrued Prior Years Grants	769,960	1,187,131	0	0	0	0
	16,803,058	24,631,610	22,630,398	0	13,200,426	13,200,426
State Sources						
State Grants	553,023	143,310	279,479	0	22,600	22,600
	553,023	143,310	279,479	0	22,600	22,600
Local Sources						
Local Cost Sharing	10,000	0	0	0	0	0
	10,000	0	0	0	0	0
Miscellaneous Revenues						
Interest Earned	133,308	129,908	0	0	0	0
Private Grants/Donations	118,240	155,284	347,735	0	205,237	205,237
	251,548	285,192	347,735	0	205,237	205,237
Total External Revenues	17,617,629	25,060,112	23,257,612	0	13,428,263	13,428,263
Internal Revenues						
Beginning Fund Balance	173,002	0	0	0	0	0
TOTAL RESOURCES	\$ 17,790,631	\$ 25,060,112	\$ 23,257,612	\$ 0	\$ 13,428,263	\$ 13,428,263
REQUIREMENTS						
Bureau Expenses						
External Materials and Services	382,718	27,888	560,000	0	0	0
Total Bureau Expenses	382,718	27,888	560,000	0	0	0
Fund Requirements						
Federal Grants Transfers						
Bureau of Buildings	0	332	0	0	0	0
Bureau of Planning	105,441	83,392	10,495	0	0	0
Community Development	3,297,783	4,188,829	6,364,992	0	3,699,709	3,699,709
Energy Office	307,574	344,201	337,939	0	217,237	217,237
Environmental Services	248,243	612,522	513,924	0	184,250	184,250
Environmental Svcs - Internal	0	0	291,328	0	110,000	110,000
Finance & Administration	53,985	0	0	0	0	0
Fire Bureau	245,400	203,775	599,006	0	0	0
General Fund Revenue/Balance	0	8,123	0	0	0	0
Licenses	0	32,059	12,941	0	0	0
Mayor	1,013	50,043	16,445	0	0	0
Neighborhood Involvement	9,920	23,335	98,791	0	46,100	46,100
Parks Bureau	301,401	162,921	250,433	0	30,000	30,000
Parks Construction	28,726	90,934	12,865	0	500,000	500,000
Police Bureau	8,873,211	8,825,974	6,515,883	0	4,565,218	4,565,218
Purchases	23,910	0	0	0	0	0
Refuse Disposal	0	20,535	81,535	0	0	0
Sewage Construction Operating	1,322,036	4,653,652	2,430,936	0	347,029	347,029
Special Appropriations	176,003	57,880	134,713	0	0	0
Transportation	1,991,478	4,260,392	4,796,815	0	3,528,720	3,528,720
Water Bureau	396,901	1,021,772	197,500	0	200,000	200,000
	17,383,025	24,640,671	22,666,541	0	13,428,263	13,428,263
Fund Cash Transfers						
General Fund	24,888	23,578	31,071	0	0	0
	24,888	23,578	31,071	0	0	0
Unappropriated Ending Balance						
Unappropriated Ending Balance	0	367,975	0	0	0	0
	0	367,975	0	0	0	0
Total Fund Requirements	17,407,913	25,032,224	22,697,612	0	13,428,263	13,428,263
TOTAL REQUIREMENTS	\$ 17,790,631	\$ 25,060,112	\$ 23,257,612	\$ 0	\$ 13,428,263	\$ 13,428,263

LINE ITEM DETAIL – AU 245**Materials and Services****External Materials and Services**

529000 Miscellaneous Services

382,718 27,888 560,000 0 0 0

Total External Materials and Services

382,718 27,888 560,000 0 0 0

Total Materials and Services

382,718 27,888 560,000 0 0 0

TOTAL Bureau Expenses**\$ 382,718 \$ 27,888 \$ 560,000 \$ 0 \$ 0 \$ 0****FUND OVERVIEW**

The Federal and State Grants Fund serves as the centralized grants clearing fund for all federal, state, and foundation grants received by the City of Portland with the exception of two entitlement grants (HOME and Community Development Block Grant), which are each budgeted in a separate fund. Revenues are received in the fund and transferred to operating bureaus or paid directly to the Portland Development Commission as expenses are incurred.

Managing Agency

Office of Management and Finance, Financial Management.

Fleet Services Operating Fund – 705

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Service Charges and Fees						
Miscellaneous	82,648	96,461	0	65,000	0	0
Public Works/Utility Charge	48,691	93,093	5,000	45,000	30,000	30,000
	131,339	189,554	5,000	110,000	30,000	30,000
Miscellaneous Revenues						
Interest Earned	879,731	1,038,582	600,000	650,000	700,000	700,000
Other Miscellaneous	4,977	185,750	1,000	5,000	1,000	1,000
Refunds	45	15,833	0	6,000	0	0
Sale of Capital Assets	671,190	690,359	300,000	750,000	400,000	400,000
Sales Miscellaneous	5,939	5,267	1,000	3,000	1,000	1,000
	1,561,882	1,935,791	902,000	1,414,000	1,102,000	1,102,000
Total External Revenues	1,693,221	2,125,345	907,000	1,524,000	1,132,000	1,132,000
Internal Revenues						
Interfund Service Reimbursements						
City Attorney	2,258	3,650	3,090	3,100	4,120	4,120
City Auditor	1,886	1,761	1,854	1,500	2,369	2,369
Buildings	357,847	360,787	318,215	315,000	289,186	289,186
Cable Commission	93	0	412	400	412	412
Cable Commission/Access	27	0	309	300	309	309
Commissioner of Public Affairs	275	332	309	300	309	309
Commissioner of Public Safety	1,997	954	2,678	2,600	578	578
Commissioner of Public Works	108	573	309	300	515	515
Communications Services	50,276	113,225	51,996	51,000	56,663	56,663
Community Development	3,419	3,460	5,665	5,600	5,665	5,665
Computer Services Fund	0	794	1,442	1,400	1,442	1,442
Emergency Communications	5,636	5,966	7,298	7,200	7,118	7,118
Energy Office	365	834	515	500	800	800
Environmental Services	449,367	449,156	403,424	400,000	386,469	386,469
Environmental Svcs - Internal	0	0	47,359	47,000	39,154	39,154
Facilities Services Fund	54,352	64,496	58,162	58,000	59,950	59,950
Finance & Administration	6,516	5,670	15,952	15,900	16,371	16,371
Fire Bureau	592,119	627,905	617,503	538,450	613,576	613,576
General Services	3,708	2,606	0	0	0	0
Golf Operating Fund	105,171	106,663	240,645	240,000	255,566	255,566
Government Relations	6,239	21,932	0	0	14,700	14,700
Health Insurance	0	31	206	200	206	206
Hydropower Operating Fund	7,193	4,232	3,715	3,700	4,831	4,831
Insurance & Claims Fund	0	1,619	2,785	2,700	2,575	2,575
Mayor	5,310	5,557	3,075	3,000	909	909
Neighborhood Involvement	990	2,328	1,030	1,000	3,090	3,090
Parks Bureau	1,300,227	1,352,141	1,188,606	1,150,000	1,272,427	1,267,589
Parks Capital Improvement Fund	7,157	0	0	0	0	0
Parks Construction Fund	0	5,623	4,710	4,700	5,170	5,170
Planning	5,388	8,907	8,240	8,200	9,476	9,476
Police Bureau	6,167,242	6,068,018	6,092,822	5,200,000	5,636,548	5,636,548
Portland International Raceway	5,061	4,947	5,035	5,000	5,921	5,921
Printing & Distribution	29,579	29,291	34,406	35,000	33,202	33,202
Purchase & Stores	5,296	5,170	0	0	0	0
Refuse Disposal Fund	6,761	7,708	8,362	8,300	2,947	2,947
Special Appropriations	0	0	200	200	206	206
Transportation	6,199,327	6,535,588	6,818,263	6,200,000	6,597,574	6,597,574
Water Bureau	1,886,311	1,719,310	1,732,561	1,680,000	1,823,334	1,823,334
Workers Compensation Fund	0	1,148	2,785	2,700	2,575	2,575
	17,267,501	17,522,382	17,683,938	15,993,250	17,156,263	17,151,425
Equipment Cash Transfers						
Communications Services	16,070	0	35,292	35,292	0	0
Fire Bureau	0	11,622	0	0	0	0
Parks Bureau	205,000	258,500	250,000	250,000	0	0
Police Bureau	224,207	221,298	345,000	345,000	0	0

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Refuse Disposal	0	0	21,000	21,000	0	0
Transportation	99,895	21,282	205,751	205,751	0	0
	545,172	512,702	857,043	857,043	0	0
Minor Equipment and Tools						
Transportation	4,659	0	0	0	0	0
	4,659	0	0	0	0	0
Total Internal Revenues	17,817,332	18,035,084	18,540,981	16,850,293	17,156,263	17,151,425
Beginning Fund Balance	14,932,236	15,709,045	18,439,652	18,439,652	13,636,859	13,636,859
TOTAL RESOURCES	\$ 34,442,789	\$ 35,869,474	\$ 37,887,633	\$ 36,813,945	\$ 31,925,122	\$ 31,920,284
REQUIREMENTS						
Bureau Expenses						
Personal Services	4,748,219	4,922,185	5,412,996	5,369,123	5,693,629	5,693,629
External Materials and Services	6,707,805	6,767,566	8,169,125	7,629,255	7,007,856	7,007,856
Internal Materials and Services						
Communications Services	46,453	45,251	40,681	40,681	42,848	42,848
Data Processing Services	78,999	42,922	38,733	38,734	37,645	37,645
Facilities Services	165,832	250,101	1,445,296	1,445,296	534,252	534,252
Insurance	152,010	250,043	238,463	238,463	220,808	220,808
Printing & Distribution	24,221	22,041	25,155	25,155	23,830	23,830
Energy Office	7,520	6,192	6,811	6,811	10,366	10,366
Finance & Administration	10,606	10,518	358,807	363,876	349,696	349,696
General Services	307,116	296,805	0	0	0	0
Transportation	2,801	5,618	5,000	1,000	5,000	5,000
Water Bureau	77,260	80,240	83,580	82,294	87,958	87,958
	872,818	1,009,731	2,242,526	2,242,310	1,312,403	1,312,403
Capital Outlay	6,004,267	3,971,123	9,062,334	7,062,334	6,078,488	6,078,488
Total Bureau Expenses	18,333,109	16,670,605	24,886,981	22,303,022	20,092,376	20,092,376
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	2,418,014	0	2,378,329	2,337,364
Compensation Adjustment	0	0	150,493	0	104,272	104,272
	0	0	2,568,507	0	2,482,601	2,441,636
General Fund Overhead	300,731	532,492	555,907	591,376	530,551	566,678
Fund Cash Transfers						
Buildings Fund	0	0	0	0	82,200	82,200
Communication Services	0	0	0	0	12,434	12,434
Emergency Communications	0	0	0	0	1,633	1,633
Facilities Services	0	0	0	0	10,586	10,586
General Fund	0	0	0	0	1,360,853	1,360,853
Golf Fund	0	0	0	0	28,874	28,874
Health Insurance	14,371	0	0	0	0	0
Hydropower Operating Fund	0	0	0	0	961	961
Pension Debt Redemption Fund	0	153,969	203,734	203,734	185,278	185,278
Portland International Raceway	0	0	0	0	1,921	1,921
Printing & Distribution	0	0	0	0	4,510	4,510
Transportation Operating	0	0	0	0	883,789	883,789
	14,371	153,969	203,734	203,734	2,573,039	2,573,039
Debt Retirement	85,533	72,759	78,954	78,954	0	0
Unappropriated Ending Balance						
Unappropriated Ending Balance	15,709,045	18,439,649	9,593,550	13,636,859	6,246,555	6,246,555
	15,709,045	18,439,649	9,593,550	13,636,859	6,246,555	6,246,555
Total Fund Requirements	16,109,680	19,198,869	13,000,652	14,510,923	11,832,746	11,827,908
TOTAL REQUIREMENTS	\$ 34,442,789	\$ 35,869,474	\$ 37,887,633	\$ 36,813,945	\$ 31,925,122	\$ 31,920,284

FUND OVERVIEW

The Vehicle Services Operating Fund accounts for the revenues and expenses associated with Vehicle Services' operations. Vehicle Services acquires, modifies, services, repairs, and disposes of vehicles and equipment owned, leased, and rented by the City.

Revenue

The fund's major source of revenue is service reimbursement transfers from City bureaus. Outside agencies also pay the City for vehicle maintenance services provided. As the number of City vehicles has continued to increase, the total revenue from charges to City bureaus has risen as well. Revenues from the sale of old vehicles has also grown. Funding for additional, new vehicles is accomplished through cash transfers. An increase in the number of rented and leased vehicles has also contributed to a growth in the size of the fund.

Managing Agency

Office of Management and Finance, General Services.

Governmental Bond Redemption Fund – 702

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	692	284	0	0	0	0
Other Miscellaneous	10,843	12,062	0	0	0	0
	11,535	12,346	0	0	0	0
Total External Revenues	11,535	12,346	0	0	0	0
Internal Revenues						
Other Cash Transfers						
General Fund	2,756,638	3,796,877	3,809,720	3,809,720	2,747,549	2,977,549
Parks Construction Fund	0	51,270	265,000	265,000	421,521	421,521
Special Revenue and Finance	398,670	9,293	0	0	0	0
Capital Improvement Fund	52,475	50,720	48,920	48,920	68,475	68,475
Housing Investment Fund	0	132,302	6,500,000	6,500,000	6,600,000	6,950,000
	3,207,783	4,040,462	10,623,640	10,623,640	9,837,545	10,417,545
Interfund Service Reimbursements						
Licenses	0	49,137	0	0	0	0
Parks Bureau	15,673	29,063	29,142	29,142	29,180	29,180
	15,673	78,200	29,142	29,142	29,180	29,180
Total Internal Revenues	3,223,456	4,118,662	10,652,782	10,652,782	9,866,725	10,446,725
Beginning Fund Balance	46,771	47,463	0	52,474	0	0
TOTAL RESOURCES	\$ 3,281,762	\$ 4,178,471	\$ 10,652,782	\$ 10,705,256	\$ 9,866,725	\$ 10,446,725
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	(226)	3,119	3,168	3,168	0	0
Total Bureau Expenses	(226)	3,119	3,168	3,168	0	0
Fund Requirements						
Debt Retirement						
	3,234,525	4,122,878	10,649,614	10,702,088	9,866,725	10,446,725
Unappropriated Ending Balance						
Unappropriated Ending Balance	47,463	52,474	0	0	0	0
	47,463	52,474	0	0	0	0
Total Fund Requirements	3,281,988	4,175,352	10,649,614	10,702,088	9,866,725	10,446,725
TOTAL REQUIREMENTS	\$ 3,281,762	\$ 4,178,471	\$ 10,652,782	\$ 10,705,256	\$ 9,866,725	\$ 10,446,725
LINE ITEM DETAIL – AU 782						
Materials and Services						
External Materials and Services						
545000 Interest	(226)	(133)	0	0	0	0
549000 Miscellaneous	0	3,252	3,168	3,168	0	0
Total External Materials and Services	(226)	3,119	3,168	3,168	0	0
Total Materials and Services	(226)	3,119	3,168	3,168	0	0
TOTAL Bureau Expenses	\$ (226)	\$ 3,119	\$ 3,168	\$ 3,168	\$ 0	\$ 0

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing the acquisition of equipment and facilities necessary for providing essential City services. Specifically, this fund accounts for resources, and allocation thereof, to pay principal and interest on outstanding indebtedness in the General Long-term Debt Account Group, primarily on capital lease and note obligations including the Parks System Development Charge line of credit and Housing Preservation line of credit.

Managing Agency Office of Management and Finance, Financial Management.

CHANGES FROM PRIOR YEAR

The increase in the Adopted Budget is for higher debt service on the Housing Preservation line of credit anticipated because of a higher projected level of acquisition activity. In addition, the transfer from the General Fund has been increased to pay for debt service on the Children's Receiving Center.

Governmental Bond Redemption Fund – 702

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Full Faith and Credit, 1993 Series B (General Fund Portion Only)						
10/15/1993 - Due 4/1	875,962					
		2002/03	50,000	4.15%	2,075	52,075
TOTAL FULL FAITH & CREDIT		TOTAL	50,000		2,075	52,075
State of Oregon Energy Loan - Multnomah Arts Center						
	100,902					
		2002/03	8,816	7.50%	3,284	12,100
		2003/04	9,489	7.50%	3,315	12,804
		2004/05	10,231	7.50%	2,573	12,804
		2005/06	11,025	7.50%	1,779	12,804
		2006/07	11,882	7.50%	922	12,804
		2007/08	6,789	7.50%	120	6,909
		TOTAL	58,232		11,993	70,225
State of Oregon Energy Loan - Buckman Field House						
	8,047					
		2002/03	1,004	8.00%	176	1,180
		2003/04	1,084	8.00%	96	1,180
		2004/05	117	8.00%	9	127
		TOTAL	2,205		282	2,487
TOTAL - State of Oregon Energy Loans						
	108,950					
		2002/03	9,819		4,165	13,984
		2003/04	10,573		3,411	13,984
		2004/05	10,348		2,583	12,931
		2005/06	11,025		1,779	12,804
		2006/07	11,882		922	12,804
		2007/08	6,789		120	6,909
TOTAL ENERGY LOAN			60,437		12,979	73,416
Limited Tax Revenue Bonds, 1998 Series B (General Fund Portion Only)						
06/15/1998 - Due 6/1	8,499,490					
		2002/03	705,686	4.05%	134,823	840,509
		2003/04	110,000	4.10%	106,243	216,243
		2004/05	115,000	4.20%	101,733	216,733
		2005/06	120,000	4.25%	96,903	216,903
		2006/07	125,000	4.30%	91,803	216,803
		2007/08	130,000	4.35%	86,428	216,428
		2008/09	140,000	4.40%	80,773	220,773
		2009/10	145,000	4.45%	74,613	219,613
		2010/11	150,000	4.55%	68,160	218,160
		2011/12	155,000	4.65%	61,335	216,335
		2012/13	165,000	4.75%	54,128	219,128
		2013/14	170,000	4.80%	46,290	216,290
		2014/15	180,000	4.85%	38,130	218,130
		2015/16	190,000	4.90%	29,400	219,400
		2016/17	200,000	4.90%	20,090	220,090
		2017/18	210,000	4.90%	10,290	220,290
		TOTAL	3,010,686		1,101,138	4,111,824

Governmental Bond Redemption Fund – 702

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Revenue Bonds, 1999 Series B (General Fund Portion Only)						
11/01/1999 - Due 4/1	10,135,000					
		2002/03	1,190,000	5.25%	445,815	1,635,815
		2003/04	1,200,000	5.50%	383,340	1,583,340
		2004/05	1,090,000	5.50%	317,340	1,407,340
		2005/06	210,000	5.00%	257,390	467,390
		2006/07	220,000	5.00%	246,890	466,890
		2007/08	235,000	5.00%	235,890	470,890
		2008/09	245,000	5.10%	224,140	469,140
		2009/10	260,000	5.25%	211,645	471,645
		2010/11	270,000	5.30%	197,995	467,995
		2011/12	285,000	5.40%	183,685	468,685
		2012/13	300,000	5.50%	168,295	468,295
		2013/14	315,000	5.63%	151,795	466,795
		2014/15	335,000	5.70%	134,076	469,076
		2015/16	355,000	5.75%	114,981	469,981
		2016/17	375,000	5.75%	94,569	469,569
		2017/18	395,000	5.75%	73,006	468,006
		2018/19	420,000	5.75%	50,294	470,294
		2019/20	445,000	5.88%	26,144	471,144
		TOTAL	8,145,000		3,517,290	11,662,290
Limited Tax Revenue Bonds, 2002 Series A (Parks SDC & Streetcar Portion Only)						
4/01/2002 - Due 2/1	3,305,000					
		2002/03	485,000	3.00%	108,646	593,646
		2003/04	480,000	3.50%	115,825	595,825
		2004/05	490,000	4.00%	99,025	589,025
		2005/06	515,000	4.00%	79,425	594,425
		2006/07	245,000	4.25%	58,825	303,825
		2007/08	255,000	4.25%	48,413	303,413
		2008/09	265,000	4.50%	37,575	302,575
		2009/10	280,000	4.50%	25,650	305,650
		2010/11	290,000	4.50%	13,050	303,050
		TOTAL	3,305,000		586,433	3,891,433
TOTAL - Limited Tax Revenue Bonds						
	21,634,070					
		2002/03	2,380,686		689,284	3,069,970
		2003/04	1,790,000		605,408	2,395,408
		2004/05	1,695,000		518,098	2,213,098
		2005/06	845,000		433,718	1,278,718
		2006/07	590,000		397,518	987,518
		2007/08	620,000		370,730	990,730
		2008/09	650,000		342,488	992,488
		2009/10	685,000		311,908	996,908
		2010/11	710,000		279,205	989,205
		2011/12	440,000		245,020	685,020
		2012/13	465,000		222,423	687,423
		2013/14	485,000		198,085	683,085
		2014/15	515,000		172,206	687,206
		2015/16	545,000		144,381	689,381
		2016/17	575,000		114,659	689,659
		2017/18	605,000		83,296	688,296
		2018/19	420,000		50,294	470,294
		2019/20	445,000		26,144	471,144
TOTAL LIMITED TAX REVENUE			14,460,686		5,204,861	19,665,547

Governmental Bond Redemption Fund – 702

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Housing Preservation						
Projected Short-term Line of Credit Repayment						
		2002-03	6,500,000	Variable	100,000	6,600,000
		TOTAL	6,500,000		100,000	6,600,000
Parks SDC						
Projected Short-term Line of Credit Repayment						
		2002-03	0		131,400	131,400
		TOTAL	0		131,400	131,400
COMBINED DEBT SERVICE						
	22,618,982					
		2002/03	8,940,505		926,923	9,867,429
		2003/04	1,800,573		608,818	2,409,392
		2004/05	1,705,348		520,680	2,226,028
		2005/06	856,025		435,497	1,291,522
		2006/07	601,882		398,439	1,000,321
		2007/08	626,789		370,850	997,639
		2008/09	650,000		342,488	992,488
		2009/10	685,000		311,908	996,908
		2010/11	710,000		279,205	989,205
		2011/12	440,000		245,020	685,020
		2012/13	465,000		222,423	687,423
		2013/14	485,000		198,085	683,085
		2014/15	515,000		172,206	687,206
		2015/16	545,000		144,381	689,381
		2016/17	575,000		114,659	689,659
		2017/18	605,000		83,296	688,296
		2018/19	420,000		50,294	470,294
		2019/20	445,000		26,144	471,144
TOTAL FUND DEBT SERVICE			\$ 21,071,123		\$ 5,451,315	\$ 26,522,438

Health Insurance Fund – 701

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Service Charges and Fees						
Health Care Charges	22,437,584	27,467,075	30,631,803	30,631,803	26,416,550	26,416,550
	22,437,584	27,467,075	30,631,803	30,631,803	26,416,550	26,416,550
Miscellaneous Revenues						
Interest Earned	1,923,124	1,903,252	1,184,287	1,031,788	419,769	419,769
Other Miscellaneous	3,422,447	3,086,274	2,709,620	2,910,176	404,077	404,077
	5,345,571	4,989,526	3,893,907	3,941,964	823,846	823,846
Total External Revenues	27,783,155	32,456,601	34,525,710	34,573,767	27,240,396	27,240,396
Internal Revenues						
Other Cash Transfers						
Buildings Fund	47,928	0	0	0	0	0
Communication Services Fund	6,012	0	0	0	0	0
Emergency Communications Fund	29,230	0	0	0	0	0
Facilities Services Fund	5,373	0	0	0	0	0
Fleet Services Fund	14,371	0	0	0	0	0
Golf Fund	6,765	0	0	0	0	0
Hydropower Operating Fund	481	0	0	0	0	0
Portland International Raceway	962	0	0	0	0	0
Printing & Distribution	4,783	0	0	0	0	0
Refuse Disposal Fund	1,623	0	0	0	0	0
Sewage System Operating Fund	55,991	0	0	0	0	0
Supp Retire Program Trust Fund	0	269,615	0	0	0	0
Parks Bond Construction Fund	1,688	0	0	0	0	0
Transportation Operating Fund	104,149	0	0	0	0	0
Water Fund	78,308	0	0	0	0	0
	357,664	269,615	0	0	0	0
Total Internal Revenues	357,664	269,615	0	0	0	0
Beginning Fund Balance	33,522,831	31,856,257	28,062,822	28,062,822	21,106,210	21,106,210
TOTAL RESOURCES	\$ 61,663,650	\$ 64,582,473	\$ 62,588,532	\$ 62,636,589	\$ 48,346,606	\$ 48,346,606
REQUIREMENTS						
Bureau Expenses						
Personal Services						
	0	380,133	387,264	397,649	422,088	422,088
External Materials and Services						
	28,711,644	35,665,079	39,110,942	40,539,423	30,601,170	30,601,170
Internal Materials and Services						
Communications Services	0	8,336	6,868	8,161	8,610	8,610
Data Processing Services	0	140,650	121,473	136,297	122,141	122,141
Facilities Services	0	29,040	14,236	14,236	27,082	27,082
Fleet Services	0	31	206	42	206	206
Insurance	0	6,294	6,202	6,202	5,988	5,988
Printing & Distribution	0	34,631	27,272	27,272	36,836	36,836
City Attorney	0	0	142,671	142,671	100,697	100,697
Finance & Administration	905,997	32,972	72,373	72,373	149,812	149,812
	905,997	251,954	391,301	407,254	451,372	451,372
Total Bureau Expenses	29,617,641	36,297,166	39,889,507	41,344,326	31,474,630	31,474,630
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	22,481,261	21,106,210	16,619,211	16,607,218
Compensation Adjustment	0	0	20,652	0	9,854	9,854
	0	0	22,501,913	21,106,210	16,629,065	16,617,072
General Fund Overhead						
	189,752	209,959	181,357	174,237	228,117	240,110
Fund Cash Transfers						
Pension Debt Redemption Fund	0	12,166	15,755	11,816	14,794	14,794
	0	12,166	15,755	11,816	14,794	14,794

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Unappropriated Ending Balance						
Unappropriated Ending Balance	31,856,257	28,063,182	0	0	0	0
	31,856,257	28,063,182	0	0	0	0
Total Fund Requirements	32,046,009	28,285,307	22,699,025	21,292,263	16,871,976	16,871,976
TOTAL REQUIREMENTS	\$ 61,663,650	\$ 64,582,473	\$ 62,588,532	\$ 62,636,589	\$ 48,346,606	\$ 48,346,606
LINE ITEM DETAIL – AU 465						
Personnel Services						
511000 Full-Time Employees	0	233,835	279,596	286,345	309,331	309,331
512000 Part-Time Employees	0	2,953	0	0	0	0
514000 Overtime	0	4,609	2,165	9,179	1,200	1,200
517000 Benefits	0	102,129	105,503	102,125	111,557	111,557
518000 Paid Absence	0	36,607	0	0	0	0
Total Personnel Services	0	380,133	387,264	397,649	422,088	422,088
Materials and Services						
External Materials and Services						
521000 Professional Services	1,002,187	1,379,737	1,363,039	1,651,893	1,674,852	1,674,852
524000 Repair & Maintenance Services	0	0	987	838	987	987
529000 Miscellaneous Services	24,569,573	27,207,899	37,635,768	38,874,697	28,890,025	28,890,025
531000 Office Supplies	0	2,822	4,342	4,342	4,342	4,342
534000 Minor Equipment & Tools	0	1,089	0	0	0	0
541000 Education	0	5,462	6,109	2,053	6,109	6,109
543000 Out-of-Town Travel	0	523	3,839	0	3,000	3,000
549000 Miscellaneous	3,139,884	7,067,547	96,858	5,600	21,855	21,855
Total External Materials and Services	28,711,644	35,665,079	39,110,942	40,539,423	30,601,170	30,601,170
Internal Materials and Services						
551000 Fleet Services	0	31	206	42	206	206
552000 Printing & Distribution	0	34,631	27,272	27,272	36,836	36,836
553000 Facilities Services	0	29,040	14,236	14,236	27,082	27,082
554000 Communications Services	0	8,336	6,868	8,161	8,610	8,610
555000 Data Processing Services	0	140,650	121,473	136,297	122,141	122,141
556000 Insurance	0	6,294	6,202	6,202	5,988	5,988
559000 Other Fund Services	905,997	32,972	215,044	215,044	250,509	250,509
Total Internal Materials and Services	905,997	251,954	391,301	407,254	451,372	451,372
Total Materials and Services	29,617,641	35,917,033	39,502,243	40,946,677	31,052,542	31,052,542
TOTAL Bureau Expenses	\$ 29,617,641	\$ 36,297,166	\$ 39,889,507	\$ 41,344,326	\$ 31,474,630	\$ 31,474,630

FUND OVERVIEW

Fund Purpose

The Health Insurance Fund is administered by the Office of Management and Finance's Bureau of Human Resources. The fund pays medical claims for City employees, dependents, retirees, and other participants in the City's self-insured medical plans.

Expenditures

Health Fund expenses include claims, claims administration, premium administration, preferred provider contract fees, utilization management fees, large case management fees, benefits administration costs, and General Fund overhead charges. Benefits administration staff and related materials and services are also budgeted within the Health Fund.

Reserves

The fund reserve must be sufficient to cover all expenses and is made up of reserves for large claims (those exceeding \$100,000 in a plan year) and Incurred But Not Reported (IBNR) claims. The IBNR reserve is 18% of total expected claims in a plan year, roughly two months of claim expenses. In FY 2002-03, the IBNR and large claims reserves are \$3.66 million and \$1.59 million, respectively. All interest accrued to the Health Fund is dedicated to meeting fund obligations.

Managing Agency

Office of Management and Finance, Human Resources.

CHANGES FROM PRIOR YEAR**FY 2002-03 Assumptions**

The combined and annualized medical claim and prescription trend inflation rate is 17.7%. This rate of medical inflation is commensurate with regional experience, but it is significantly higher than in prior years.

The City is in the process of redesigning the City's Health Benefit Plan in order to save City resources and to maintain prudent IBNR and Large Claim reserve levels through FY 2005. In support of this effort, the City has:

- ◆ Increased the growth rate of the employer contribution to health benefits costs from CPI-W (2.9% in FY 2002) to a maximum of 10.5%.
- ◆ Negotiated plan design with some City bargaining units to achieve a 25% savings in the self insured plan and a 9.1% savings in the insured plans.
- ◆ Designed an employee co-payment plan scheduled to begin in FY 2004.

Ongoing benefits plan redesign will be critical to ensure that prudent reserve levels are maintained

Beginning on July 1, 2002, employees of the DCTU, Recreation Employees, Bureau of Emergency Communications (BOEC) and City of Portland Professional Employees Association (COPPEEA) bargaining units, as well as Non-represented employees, will be participating in the redesigned benefits plans noted above. Proposals for the participation of the City's four remaining bargaining units in the redesigned plan are currently under negotiation or will be open for negotiation in FY 2004.

Claims expenditures based upon the new plan design are projected to rise from \$27,739,382 in FY 2002 to \$28,868,711 in FY 2003. The difference between health care charges and medical claims is currently being subsidized through a draw down in Health Fund Reserves by prior recommendation of the Labor Management Benefits Committee. Contingency is expected to decline to \$16,617,072 in FY 2002-03.

Information Technology Fund – 711

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Local Sources						
Local Cost Sharing	62,658	109,324	104,304	151,304	101,375	101,375
	62,658	109,324	104,304	151,304	101,375	101,375
Miscellaneous Revenues						
Bond and Note Sales	5,659,999	0	0	0	0	0
Interest Earned	286,002	447,264	120,000	116,283	120,000	120,000
Other Miscellaneous	119,838	47,327	92,633	9,117	20,799	20,799
	6,065,839	494,591	212,633	125,400	140,799	140,799
Total External Revenues	6,128,497	603,915	316,937	276,704	242,174	242,174
Internal Revenues						
Other Cash Transfers						
General Fund	1,266,185	690,030	388,252	388,252	399,900	474,900
	1,266,185	690,030	388,252	388,252	399,900	474,900
Interfund Service Reimbursements						
City Attorney	15,727	42,078	43,751	39,065	42,635	42,635
City Auditor	236,078	279,451	465,462	422,721	468,636	468,636
Buildings	450,970	391,624	792,815	804,815	808,025	808,025
Cable Commission	3,688	7,954	8,547	7,884	9,118	9,118
Cable Commission/Access	5,255	22,694	13,522	11,399	13,676	13,676
Commissioner of Public Affairs	6,730	19,067	20,505	20,505	14,833	14,833
Commissioner of Public Safety	6,806	23,509	25,605	25,605	19,789	19,789
Commissioner of Public Utilities	7,263	19,836	21,171	21,171	15,481	15,481
Commissioner of Public Works	7,390	21,728	23,011	23,011	17,270	17,270
Communications Services	46,260	86,837	104,922	100,853	107,208	107,208
Community Development	22,806	64,575	269,829	269,829	49,468	49,468
Emergency Communications	113,822	145,574	1,568,796	1,462,275	1,577,629	1,577,629
Energy Office	11,523	19,056	20,303	36,702	20,518	20,518
Environmental Remediation	0	1,476	1,352	1,324	1,315	1,315
Environmental Services	293,354	1,021,858	1,828,935	1,749,773	1,943,136	1,943,136
Facilities Services Fund	70,816	56,028	54,659	51,849	53,743	53,743
Finance & Administration	3,218,802	838,371	823,166	823,166	1,020,717	1,020,717
Fire Bureau	127,982	366,517	786,541	747,214	1,095,572	1,095,572
Fleet Management	78,998	42,922	38,733	38,733	37,645	37,645
FPD&R	8,052	14,823	14,641	12,364	14,442	14,442
General Services	24,712	7,950	0	0	0	0
Golf Operating Fund	7,425	16,645	15,039	15,039	14,617	14,617
Government Relations	8,313	47,412	54,309	39,211	30,323	30,323
Health Insurance	0	140,650	121,473	121,473	122,141	122,141
Hydropower Operating Fund	430	2,933	2,772	2,772	2,695	2,695
Insurance & Claims Fund	0	46,271	33,299	32,613	32,889	32,889
Licenses	61,661	49,445	247,726	227,623	240,506	240,506
Mayor	28,469	66,356	71,213	71,213	69,332	69,332
Neighborhood Involvement	17,836	65,536	76,910	76,910	76,882	76,882
Parking Facilities Fund	3,488	5,701	5,221	5,221	5,075	5,075
Parks Bureau	135,622	292,635	919,748	803,138	861,628	824,077
Parks Construction Fund	0	12,689	11,539	11,539	21,215	21,215
Planning	145,681	217,226	225,721	225,721	222,098	222,098
Police Bureau	659,324	863,400	1,908,944	1,851,676	1,901,043	1,901,043
Portland International Raceway	964	2,562	2,315	2,315	2,251	2,251
Printing & Distribution	162,528	219,178	200,742	200,742	137,427	137,427
Public Safety Capital	0	1,979	1,813	1,813	1,763	1,763
Purchase & Stores	68,832	58,998	0	0	0	0
Refuse Disposal Fund	623	10,961	26,767	26,767	26,011	26,011
Special Appropriations	25	0	0	0	0	0
Transportation	296,209	1,014,715	2,331,866	2,251,826	2,429,872	2,429,872
Water Bureau	992,646	1,101,954	2,058,227	2,022,192	2,102,575	2,102,575
Workers Compensation Fund	0	46,866	33,299	26,806	32,889	32,889
	7,347,110	7,778,040	15,275,209	14,686,868	15,664,088	15,626,537

Information Technology Fund – 711

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
Intra-Fund Service Reimbursement	0	129,400	162,323	162,323	167,078	167,078
Total Internal Revenues	8,613,295	8,597,470	15,825,784	15,237,443	16,231,066	16,268,515
Beginning Fund Balance	1,516,399	8,523,092	8,593,279	8,593,279	3,880,337	3,880,337
TOTAL RESOURCES	\$ 16,258,191	\$ 17,724,477	\$ 24,736,000	\$ 24,107,426	\$ 20,353,577	\$ 20,391,026

REQUIREMENTS

Bureau Expenses						
Personal Services	205,719	4,104,223	11,368,095	10,731,433	11,445,015	11,551,653
External Materials and Services	689,604	2,911,845	6,997,118	6,500,613	3,379,483	3,235,294
Internal Materials and Services						
Communications Services	0	167,055	86,617	86,607	104,531	104,531
Data Processing Services	0	26,778	162,323	162,323	167,078	167,078
Facilities Services	0	531,991	505,346	505,346	600,310	600,310
Fleet Services	0	794	1,442	1,442	1,442	1,442
Insurance	0	47,847	47,150	47,150	45,524	45,524
Printing & Distribution	0	10,204	23,050	23,050	12,080	12,080
Community Development	0	35,000	0	0	0	0
Finance & Administration	5,618,379	74,246	100,013	100,013	474,113	474,113
Special Appropriations	0	0	0	0	0	20,339
Transportation	0	123,040	144,775	144,775	139,000	139,000
Same Fund Services	0	102,622	0	0	0	0
	5,618,379	1,119,577	1,070,716	1,070,706	1,544,078	1,564,417
Capital Outlay	857,989	103,331	121,773	540,236	0	0
Minor Equipment Transfers						
Printing & Distribution	0	0	3,000	0	0	0
	0	0	3,000	0	0	0
Total Bureau Expenses	7,371,691	8,238,976	19,560,702	18,842,988	16,368,576	16,351,364

Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	3,732,780	3,880,337	2,436,707	2,481,574
Compensation Adjustment	0	0	118,777	0	120,000	120,000
	0	0	3,851,557	3,880,337	2,556,707	2,601,574
General Fund Overhead	189,622	129,871	154,756	215,116	251,461	261,255
Fund Cash Transfers						
Pension Debt Redemption Fund	0	118,138	120,685	120,685	161,058	161,058
	0	118,138	120,685	120,685	161,058	161,058
Debt Retirement	173,786	1,488,281	1,048,300	1,048,300	1,015,775	1,015,775
Unappropriated Ending Balance						
Unappropriated Ending Balance	8,523,092	7,749,211	0	0	0	0
	8,523,092	7,749,211	0	0	0	0
Total Fund Requirements	8,886,500	9,485,501	5,175,298	5,264,438	3,985,001	4,039,662
TOTAL REQUIREMENTS	\$ 16,258,191	\$ 17,724,477	\$ 24,736,000	\$ 24,107,426	\$ 20,353,577	\$ 20,391,026

LINE ITEM DETAIL – AU 550						
Personnel Services						
511000 Full-Time Employees	128,966	2,572,585	8,089,797	6,816,855	8,347,656	8,427,251
512000 Part-Time Employees	0	56,264	361,346	113,534	117,598	117,598
514000 Overtime	0	30,692	97,257	61,844	157,178	157,178
515000 Premium Pay	0	8,981	20,309	8,375	23,704	23,704
517000 Benefits	47,801	1,006,696	2,799,386	3,730,825	2,798,879	2,825,922
518000 Paid Absence	28,952	429,005	0	0	0	0
Total Personnel Services	205,719	4,104,223	11,368,095	10,731,433	11,445,015	11,551,653
Materials and Services						
External Materials and Services						
521000 Professional Services	351,574	1,206,160	3,687,728	3,412,328	133,129	133,129
523000 Equipment Rental	0	146,208	0	0	0	0
524000 Repair & Maintenance Services	9,711	160,946	206,402	166,302	232,219	232,219
529000 Miscellaneous Services	176,986	148,139	44,633	202,124	45,882	45,882

531000	Office Supplies	274	4,909	9,074	2,708	9,020	9,020
532000	Operating Supplies	35,834	892,872	1,296,862	2,234,220	1,134,657	1,088,657
534000	Minor Equipment & Tools	106,083	166,809	410,106	385,983	761,985	724,434
541000	Education	0	27,906	227,649	17,232	248,586	248,586
542000	Local Travel	0	0	1,082	0	84	84
543000	Out-of-Town Travel	0	4,269	29,927	10,917	18,015	18,015
549000	Miscellaneous	9,142	153,627	1,083,655	68,799	795,906	735,268
Total External Materials and Services		689,604	2,911,845	6,997,118	6,500,613	3,379,483	3,235,294
Internal Materials and Services							
551000	Fleet Services	0	794	1,442	1,442	1,442	1,442
552000	Printing & Distribution	0	10,204	23,050	23,050	12,080	12,080
553000	Facilities Services	0	531,991	505,346	505,346	600,310	600,310
554000	Communications Services	0	167,055	86,617	86,607	104,531	104,531
555000	Data Processing Services	0	26,778	162,323	162,323	167,078	167,078
556000	Insurance	0	47,847	47,150	47,150	45,524	45,524
558000	Same Fund Services	0	102,622	0	0	0	0
559000	Other Fund Services	5,618,379	232,286	244,788	244,788	613,113	633,452
Total Internal Materials and Services		5,618,379	1,119,577	1,070,716	1,070,706	1,544,078	1,564,417
Total Materials and Services		6,307,983	4,031,422	8,067,834	7,571,319	4,923,561	4,799,711
Capital Outlay							
564000	Capital Equipment	857,989	103,331	121,773	540,236	0	0
Total Capital Outlay		857,989	103,331	121,773	540,236	0	0
576000	Minor Equipment Transfers	0	0	3,000	0	0	0
TOTAL Bureau Expenses		\$ 7,371,691	\$ 8,238,976	\$ 19,560,702	\$ 18,842,988	\$ 16,368,576	\$ 16,351,364

FUND OVERVIEW

The Information Technology Services Fund receives revenues and records expenditures related to the management, operation, and delivery of a variety of information technology services to City bureaus. Fund resources can be used to support major, multi-year information technology initiatives. The fund is supported primarily by charges to City bureaus for corporate and bureau-specific services.

The fund is self-supporting through interagency revenue. The fund also receives resources from the General Fund for the Corporate GIS program.

Managing Agency Office of Management and Finance, Information Technology.

CHANGES FROM PRIOR YEAR

The fund's budget totals approximately \$20 million, a \$4 million decrease from FY 2001-02. The reduction is attributed to savings from the Administrative Services Review, a 7% rate reduction, and a reduced beginning fund balance resulting from meeting the bonded debt expenditure covenant associated with the Corporate GIS Hub project in the current year.

In FY 2003, the fund will begin receiving financial services from OMF Business Operations. These services include financial analysis, financial forecasting, rate setting, budgeting, and accounting.

Information Technology Fund – 711

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Revenue Bonds, 1999						
Series B (Information Systems						
Portion Only)						
04/15/1998 - Due 6/1	5,560,000					
		2002/03	820,000	5.25%	195,775	1,015,775
		2003/04	995,000	5.50%	152,725	1,147,725
		2004/05	1,450,000	5.50%	98,000	1,548,000
		2005/06	365,000	5.00%	18,250	383,250
TOTAL FUND DEBT SERVICE			\$ 3,630,000		\$ 464,750	\$ 4,094,750

Insurance and Claims Operating Fund – 708

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	404,477	516,700	479,035	449,494	283,319	283,319
Other Miscellaneous	51,045	78,749	54,590	46,260	47,555	47,555
	<u>455,522</u>	<u>595,449</u>	<u>533,625</u>	<u>495,754</u>	<u>330,874</u>	<u>330,874</u>
Total External Revenues	455,522	595,449	533,625	495,754	330,874	330,874
Internal Revenues						
Interfund Service Reimbursements						
City Attorney	31,215	41,465	42,516	42,516	35,137	35,137
City Auditor	31,838	39,947	40,960	40,960	33,980	33,980
Buildings	493,826	536,361	549,960	549,960	328,545	328,545
Cable Commission	1,744	5,363	5,499	5,499	6,708	6,708
Cable Commission/Access	2,616	8,044	8,248	8,248	10,063	10,063
Commissioner of Public Affairs	6,017	7,598	7,791	7,791	5,561	5,561
Commissioner of Public Safety	6,478	7,372	7,559	7,559	6,505	6,505
Commissioner of Public Utilities	5,948	6,798	6,970	6,970	6,078	6,078
Commissioner of Public Works	3,525	7,934	8,135	8,135	6,463	6,463
Communications Services	32,649	38,363	39,336	39,336	42,771	42,771
Community Development	11,884	16,514	16,933	16,933	16,646	16,646
Computer Services Fund	0	29,174	29,914	29,914	26,567	26,567
Emergency Communications	184,664	210,580	215,919	215,919	92,646	92,646
Energy Office	5,621	8,118	8,324	8,324	9,517	9,517
Environmental Services	524,615	571,320	581,947	581,947	476,206	476,206
Facilities Services Fund	76,168	97,200	99,664	99,664	161,894	161,894
Finance & Administration	77,389	61,154	93,508	93,508	81,539	81,539
Fire Bureau	465,196	431,094	468,165	468,165	312,767	312,767
Fleet Management	48,172	60,434	61,966	61,966	58,064	58,064
General Services	1,779	2,492	0	0	0	0
Golf Operating Fund	38,595	39,836	40,846	40,846	31,732	31,732
Government Relations	4,488	6,056	6,210	6,210	5,273	5,273
Health Insurance	0	3,838	3,935	3,935	3,495	3,495
Hydropower Operating Fund	35,862	29,112	29,850	29,850	57,277	57,277
Licenses	21,417	32,247	33,065	33,065	27,845	27,845
Mayor	18,046	17,426	17,868	17,868	12,505	12,505
Neighborhood Involvement	20,366	29,905	30,663	30,663	28,587	28,587
Parking Facilities Fund	46,081	44,078	45,196	45,196	81,731	81,731
Parks Bureau	335,398	369,760	374,895	374,895	307,290	307,290
Planning	26,600	129,994	133,290	133,290	234,015	234,015
Police Bureau	2,106,821	2,691,608	2,755,230	2,755,230	3,031,870	3,031,870
Portland International Raceway	16,429	20,682	21,206	21,206	29,739	29,739
Printing & Distribution	22,761	26,297	26,964	26,964	25,089	25,089
Purchase & Stores	13,988	22,098	0	0	0	0
Refuse Disposal Fund	0	13,575	13,919	13,919	9,718	9,718
Transportation	924,999	1,098,340	1,151,142	1,151,142	759,473	759,473
Water Bureau	442,846	530,925	524,766	524,766	689,484	689,484
Workers Compensation Fund	0	8,685	5,592	5,592	4,966	4,966
	<u>6,086,041</u>	<u>7,301,787</u>	<u>7,507,951</u>	<u>7,507,951</u>	<u>7,057,746</u>	<u>7,057,746</u>
Intra-Fund Service Reimbursement	0	7,675	5,592	5,592	4,966	4,966
Total Internal Revenues	6,086,041	7,309,462	7,513,543	7,513,543	7,062,712	7,062,712
Beginning Fund Balance	7,182,444	8,166,560	9,580,702	11,134,063	12,537,946	12,537,946
TOTAL RESOURCES	\$ 13,724,007	\$ 16,071,471	\$ 17,627,870	\$ 19,143,360	\$ 19,931,532	\$ 19,931,532
REQUIREMENTS						
Bureau Expenses						
Personal Services	0	815,851	707,699	728,222	665,036	665,036
External Materials and Services	3,115,576	2,813,103	4,302,258	4,170,480	4,484,224	4,524,224
Internal Materials and Services						
Communications Services	0	17,702	11,871	11,871	11,872	11,872
Data Processing Services	0	46,271	33,299	33,299	32,889	32,889
Facilities Services	0	82,570	51,849	51,849	45,583	45,583

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Fleet Services	0	1,619	2,785	2,785	2,575	2,575
Insurance	0	12,587	8,814	8,814	8,510	8,510
Printing & Distribution	325	12,242	25,736	25,736	17,287	17,287
City Attorney	893,488	922,134	1,032,036	1,032,036	1,135,069	1,135,069
Finance & Administration	1,388,394	23,072	386,580	386,580	384,425	384,425
General Services	0	12,586	0	0	0	0
Parking Facilities	0	2,340	2,520	2,520	4,500	4,500
	2,282,207	1,133,123	1,555,490	1,555,490	1,642,710	1,642,710
Total Bureau Expenses	5,397,783	4,762,077	6,565,447	6,454,192	6,791,970	6,831,970
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	10,847,234	12,537,946	12,937,589	12,894,170
Compensation Adjustment	0	0	32,182	0	27,365	27,365
	0	0	10,879,416	12,537,946	12,964,954	12,921,535
General Fund Overhead	159,664	146,239	147,119	124,306	141,686	145,105
Fund Cash Transfers						
Pension Debt Redemption Fund	0	28,751	35,888	26,916	32,922	32,922
	0	28,751	35,888	26,916	32,922	32,922
Unappropriated Ending Balance						
Unappropriated Ending Balance	8,166,560	11,134,404	0	0	0	0
	8,166,560	11,134,404	0	0	0	0
Total Fund Requirements	8,326,224	11,309,394	11,062,423	12,689,168	13,139,562	13,099,562
TOTAL REQUIREMENTS	\$ 13,724,007	\$ 16,071,471	\$ 17,627,870	\$ 19,143,360	\$ 19,931,532	\$ 19,931,532
LINE ITEM DETAIL – AU 572						
Personnel Services						
511000 Full-Time Employees	0	507,243	518,474	538,997	498,594	498,594
512000 Part-Time Employees	0	13,093	8,580	8,580	0	0
517000 Benefits	0	201,023	180,645	180,645	166,442	166,442
518000 Paid Absence	0	94,492	0	0	0	0
Total Personnel Services	0	815,851	707,699	728,222	665,036	665,036
Materials and Services						
External Materials and Services						
521000 Professional Services	719,584	226,058	122,498	122,498	123,072	163,072
524000 Repair & Maintenance Services	0	2,792	2,739	2,739	2,816	2,816
529000 Miscellaneous Services	2,395,992	2,544,976	4,142,023	4,010,245	4,323,358	4,323,358
531000 Office Supplies	0	4,720	6,702	6,702	6,890	6,890
534000 Minor Equipment & Tools	0	7,633	7,358	7,358	7,564	7,564
541000 Education	0	4,738	4,577	4,577	4,705	4,705
542000 Local Travel	0	1,696	4,848	4,848	4,984	4,984
543000 Out-of-Town Travel	0	2,407	4,660	4,660	3,790	3,790
549000 Miscellaneous	0	18,083	6,853	6,853	7,045	7,045
Total External Materials and Services	3,115,576	2,813,103	4,302,258	4,170,480	4,484,224	4,524,224
Internal Materials and Services						
551000 Fleet Services	0	1,619	2,785	2,785	2,575	2,575
552000 Printing & Distribution	325	12,242	25,736	25,736	17,287	17,287
553000 Facilities Services	0	82,570	51,849	51,849	45,583	45,583
554000 Communications Services	0	17,702	11,871	11,871	11,872	11,872
555000 Data Processing Services	0	46,271	33,299	33,299	32,889	32,889
556000 Insurance	0	12,587	8,814	8,814	8,510	8,510
559000 Other Fund Services	2,281,882	960,132	1,421,136	1,421,136	1,523,994	1,523,994
Total Internal Materials and Services	2,282,207	1,133,123	1,555,490	1,555,490	1,642,710	1,642,710
Total Materials and Services	5,397,783	3,946,226	5,857,748	5,725,970	6,126,934	6,166,934
TOTAL Bureau Expenses	\$ 5,397,783	\$ 4,762,077	\$ 6,565,447	\$ 6,454,192	\$ 6,791,970	\$ 6,831,970

FUND OVERVIEW

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

Fund expenditures are driven primarily by actuarial claims projections.

Fund expenditures are primarily for claims payments, which are budgeted at \$4,585,137 for FY 2002-03. Projected claims are based upon an independent actuarial study for the period ending June 30, 2001. Overall, interagency charges are decreasing by 4.9% from FY 2001-02.

The reserve requirement assumed in the FY 2002-03 budget is also based on the actuarial study, which recommends a range for the reserve levels needed to cover outstanding incurred liabilities. The range is produced by calculating reserves at various confidence levels (i.e., the probability that actual losses will not exceed the reserve level). In addition, reserves are stated at a discounted level, which takes into account the fact that the fund earns interest on fund balances. The liability reserve requirement is forecast to be \$10,597,713, pursuant to the budget year-end (June 30, 2003) actuarial estimate at the discounted expected confidence level.

Managing Agency

Office of Management and Finance, General Services.

Pension Debt Redemption Fund – 305

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Bond and Note Sales	40,153,497	0	0	0	0	0
Interest Earned	1,351,045	1,639,011	703,042	703,042	204,993	204,993
Other Miscellaneous	0	221,115	281,951	281,951	340,752	340,752
	<u>41,504,542</u>	<u>1,860,126</u>	<u>984,993</u>	<u>984,993</u>	<u>545,745</u>	<u>545,745</u>
Total External Revenues	41,504,542	1,860,126	984,993	984,993	545,745	545,745
Internal Revenues						
Other Cash Transfers						
Buildings Fund	0	384,514	543,555	543,555	524,404	524,404
Communication Services Fund	0	64,857	104,219	78,164	94,886	94,886
Computer Services Fund	0	118,138	120,685	120,685	161,058	161,058
Emergency Communications Fund	0	76,616	109,155	81,866	99,502	99,502
Facilities Services Fund	0	65,521	115,719	86,790	102,603	102,603
Fleet Services Fund	0	153,969	203,734	152,801	185,278	185,278
General Fund	0	3,023,112	2,928,143	2,928,143	3,843,602	3,843,602
Golf Fund	0	65,913	93,251	93,251	85,565	85,565
Health Insurance Fund	0	12,166	15,755	11,816	14,794	14,794
Hydropower Operating Fund	0	8,067	10,241	10,241	9,649	9,649
Insurance & Claims Fund	0	28,751	35,888	26,916	32,922	32,922
LID Construction Fund	0	27,426	32,409	24,307	26,493	26,493
Parks Construction Fund	0	610	37,409	37,409	27,161	27,161
Portland International Raceway	0	12,689	16,846	16,846	13,888	13,888
Printing & Distribution	0	52,177	79,895	79,895	66,273	66,273
Public Safety Capital Fund	0	0	0	0	307	307
Refuse Disposal Fund	0	20,468	21,056	21,056	26,281	26,281
Sewage System Operating Fund	0	1,052,489	1,030,817	1,030,817	1,312,844	1,312,844
Arena/Coliseum Operating Fund	0	6,026	13,107	13,107	0	0
Environmental Remediation Fund	0	473	441	441	467	467
FPD&R Fund	0	16,415	25,804	19,353	28,343	28,343
Housing Investment Fund	0	0	0	0	21	21
Parks Bond Construction Fund	0	36,515	0	0	0	0
Transportation Operating Fund	0	1,480,949	1,878,425	1,408,819	1,810,087	1,810,087
Water Fund	0	1,093,124	1,444,766	1,444,766	1,390,444	1,390,444
Workers Compensation Fund	0	26,893	35,888	26,916	32,922	32,922
	<u>0</u>	<u>7,827,878</u>	<u>8,897,208</u>	<u>8,257,960</u>	<u>9,889,794</u>	<u>9,889,794</u>
Total Internal Revenues	0	7,827,878	8,897,208	8,257,960	9,889,794	9,889,794
Beginning Fund Balance	0	30,734,089	20,819,403	22,759,376	17,302,441	17,302,441
TOTAL RESOURCES	\$ 41,504,542	\$ 40,422,093	\$ 30,701,604	\$ 32,002,329	\$ 27,737,980	\$ 27,737,980
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	160,936	378,645	212,083	447,083	402,083	402,083
Internal Materials and Services						
Finance & Administration	0	0	0	0	75,000	75,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>75,000</u>	<u>75,000</u>
Total Bureau Expenses	160,936	378,645	212,083	447,083	477,083	477,083
Fund Requirements						
Debt Retirement						
	10,609,517	17,284,072	17,944,621	14,252,805	15,708,419	15,708,419
Unappropriated Ending Balance						
Unappropriated Ending Balance	30,734,089	22,759,376	0	0	0	0
Unexpendable Reserve	0	0	12,544,900	17,302,441	11,552,478	11,552,478
	<u>30,734,089</u>	<u>22,759,376</u>	<u>12,544,900</u>	<u>17,302,441</u>	<u>11,552,478</u>	<u>11,552,478</u>
Total Fund Requirements	41,343,606	40,043,448	30,489,521	31,555,246	27,260,897	27,260,897
TOTAL REQUIREMENTS	\$ 41,504,542	\$ 40,422,093	\$ 30,701,604	\$ 32,002,329	\$ 27,737,980	\$ 27,737,980

LINE ITEM DETAIL – AU 283

Materials and Services						
External Materials and Services						
549000	Miscellaneous	160,936	378,645	212,083	447,083	402,083
Total External Materials and Services		160,936	378,645	212,083	447,083	402,083
Internal Materials and Services						
559000	Other Fund Services	0	0	0	0	75,000
Total Internal Materials and Services		0	0	0	0	75,000
Total Materials and Services		160,936	378,645	212,083	447,083	477,083
TOTAL Bureau Expenses		\$ 160,936	\$ 378,645	\$ 212,083	\$ 447,083	\$ 477,083

FUND OVERVIEW

This fund is used to achieve proper matching of revenues and expenditures related to the financing of the City's unfunded actuarial accrued pension liability as of December 31, 1997. Specifically, this fund accounts for the allocation of resources to pay principal and interest on the Limited Tax Pension Obligation revenue bonds, 1999 Series C, D, and E.

Managing Agency Office of Management and Finance, Financial Management.

Pension Debt Redemption Fund – 305

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Pension Obligation						
Revenue Bonds, 1999 Series C						
11/10/1999 - Due 6/1	150,848,346					
		2002/03	0		8,503,282	8,503,282
		2003/04	0		8,503,282	8,503,282
		2004/05	0		8,503,282	8,503,282
		2005/06	0		8,503,282	8,503,282
		2006/07	2,570,000	7.27%	8,503,282	11,073,282
		2007/08	4,755,000	7.32%	8,316,443	13,071,443
		2008/09	5,990,000	7.37%	7,968,377	13,958,377
		2009/10	3,030,000	7.42%	7,526,914	10,556,914
		2010/11	0		7,302,088	7,302,088
		2011/12	0		7,302,088	7,302,088
		2012/13	0		7,302,088	7,302,088
		2013/14	0		7,302,088	7,302,088
		2014/15	0		7,302,088	7,302,088
		2015/16	0		7,302,088	7,302,088
		2016/17	0		7,302,088	7,302,088
		2017/18	0		7,302,088	7,302,088
		2018/19	0		7,302,088	7,302,088
		2019/20	27,935,000	7.70%	7,302,088	35,237,088
		2020/21	31,495,000	7.70%	5,150,814	36,645,814
		2021/22	35,390,000	7.70%	2,725,384	38,115,384
		2022/23	6,345,175	7.70%	33,294,825	39,640,000
		2023/24	6,105,423	7.93%	35,119,578	41,225,000
		2024/25	5,874,733	7.93%	37,000,268	42,875,000
		2025/26	5,652,228	7.93%	38,937,772	44,590,000
		2026/27	5,438,274	7.93%	40,931,726	46,370,000
		2027/28	5,232,955	7.93%	42,997,045	48,230,000
		2028/29	5,034,559	7.93%	45,120,441	50,155,000
		TOTAL	150,848,346		420,626,880	571,475,225
Limited Tax Pension Obligation						
Revenue Bonds, 1999 Series D & E						
Periodic Auction Reset Securities (PARS)						
11/10/1999 - Due 6/1	150,000,000					
		2002/03	0	variable	7,205,137	7,205,137
		2003/04	0	variable	10,875,000	10,875,000
		2004/05	0	variable	10,875,000	10,875,000
		2005/06	0	variable	10,875,000	10,875,000
		2006/07	0	variable	10,875,000	10,875,000
		2007/08	0	variable	10,875,000	10,875,000
		2008/09	0	variable	10,875,000	10,875,000
		2009/10	4,325,000	variable	10,875,000	15,200,000
		2010/11	8,775,000	variable	10,561,438	19,336,438
		2011/12	10,300,000	variable	9,925,250	20,225,250
		2012/13	11,950,000	variable	9,178,500	21,128,500
		2013/14	13,725,000	variable	8,312,125	22,037,125
		2014/15	15,650,000	variable	7,317,063	22,967,063
		2015/16	17,750,000	variable	6,182,438	23,932,438
		2016/17	20,000,000	variable	4,895,563	24,895,563
		2017/18	22,450,000	variable	3,445,563	25,895,563
		2018/19	25,075,000	variable	1,817,938	26,892,938
		TOTAL	150,000,000		144,966,012	294,966,012
COMBINED DEBT SERVICE						
	300,848,346					
		2002/03	0		15,708,419	15,708,419
		2003/04	0		19,378,282	19,378,282
		2004/05	0		19,378,282	19,378,282

Pension Debt Redemption Fund – 305

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2005/06	0		19,378,282	19,378,282
		2006/07	2,570,000		19,378,282	21,948,282
		2007/08	4,755,000		19,191,443	23,946,443
		2008/09	5,990,000		18,843,377	24,833,377
		2009/10	7,355,000		18,401,914	25,756,914
		2010/11	8,775,000		17,863,526	26,638,526
		2011/12	10,300,000		17,227,338	27,527,338
		2012/13	11,950,000		16,480,588	28,430,588
		2013/14	13,725,000		15,614,213	29,339,213
		2014/15	15,650,000		14,619,151	30,269,151
		2015/16	17,750,000		13,484,526	31,234,526
		2016/17	20,000,000		12,197,651	32,197,651
		2017/18	22,450,000		10,747,651	33,197,651
		2018/19	25,075,000		9,120,026	34,195,026
		2019/20	27,935,000		7,302,088	35,237,088
		2020/21	31,495,000		5,150,814	36,645,814
		2021/22	35,390,000		2,725,384	38,115,384
		2022/23	6,345,175		33,294,825	39,640,000
		2023/24	6,105,423		35,119,578	41,225,000
		2024/25	5,874,733		37,000,268	42,875,000
		2025/26	5,652,228		38,937,772	44,590,000
		2026/27	5,438,274		40,931,726	46,370,000
		2027/28	5,232,955		42,997,045	48,230,000
		2028/29	5,034,559		45,120,441	50,155,000
TOTAL FUND DEBT SERVICE			\$ 300,848,346		\$ 565,592,892	\$ 866,441,237

Print/Dist Services Operating Fund – 706

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Service Charges and Fees						
Miscellaneous	267,621	331,039	270,917	264,000	256,842	256,842
	267,621	331,039	270,917	264,000	256,842	256,842
State Sources						
State Cost Sharing	211,463	247,819	256,846	281,000	280,366	280,366
	211,463	247,819	256,846	281,000	280,366	280,366
Local Sources						
Local Cost Sharing	286,225	304,397	233,773	240,000	234,362	234,362
Multnomah County Cost Sharing	792,458	685,741	942,349	610,000	630,233	630,233
	1,078,683	990,138	1,176,122	850,000	864,595	864,595
Miscellaneous Revenues						
Interest Earned	45,533	44,560	40,000	36,000	30,000	30,000
Other Miscellaneous	23,397	11,844	0	0	10,000	10,000
	68,930	56,404	40,000	36,000	40,000	40,000
Total External Revenues	1,626,697	1,625,400	1,743,885	1,431,000	1,441,803	1,441,803
Internal Revenues						
Other Cash Transfers						
Fleet Services Fund	0	0	0	0	4,510	4,510
General Fund	0	201,875	40,000	40,000	0	0
	0	201,875	40,000	40,000	4,510	4,510
Interfund Service Reimbursements						
Arena Operating	222	3,544	976	830	1,000	1,000
City Attorney	50,875	52,638	55,282	46,990	54,105	54,105
City Auditor	123,540	99,844	110,598	29,033	118,706	118,706
Buildings	433,231	454,061	538,971	458,125	498,172	498,172
Cable Commission	3,047	2,326	2,127	1,808	2,978	2,978
Cable Commission/Access	9,675	8,630	13,818	11,745	11,668	11,668
Commissioner of Public Affairs	6,826	4,530	5,800	4,930	6,321	6,321
Commissioner of Public Safety	5,811	4,008	6,646	5,649	5,719	5,719
Commissioner of Public Utilities	13,500	10,910	9,746	8,284	11,561	11,561
Commissioner of Public Works	6,749	3,477	7,064	3,022	5,964	5,964
Communications Services	19,052	14,828	25,734	11,207	15,108	15,108
Community Development	35,603	27,288	32,526	27,647	31,354	31,354
Computer Services Fund	0	10,204	23,050	19,592	12,080	12,080
Emergency Communications	32,251	29,795	36,449	28,013	35,511	35,511
Energy Office	25,056	30,189	29,365	24,960	32,099	32,099
Environmental Services	542,353	531,246	677,927	502,599	637,420	637,420
Environmental Svcs - Internal	0	0	4,942	4,201	2,463	2,463
Facilities Services Fund	53,895	38,910	51,734	443,974	54,716	54,716
Finance & Administration	345,634	214,810	330,965	238,872	328,918	328,918
Fire Bureau	177,280	148,931	167,991	123,643	165,597	165,597
Fleet Management	24,220	22,040	25,155	21,382	23,830	23,830
FPD&R	35,243	38,095	34,156	0	35,115	35,115
General Services	14,349	9,004	0	0	0	0
Golf Operating Fund	2,390	3,307	737	646	2,807	2,807
Government Relations	3,411	2,996	3,643	3,097	3,750	3,750
Health Insurance	0	34,631	27,272	7,872	36,836	36,836
Hydropower Operating Fund	2,822	4,712	2,650	2,650	3,456	3,456
Insurance & Claims Fund	325	12,242	25,736	13,604	17,287	17,287
Licenses	83,675	75,955	91,155	48,102	85,129	85,129
Mayor	24,869	20,455	26,659	11,636	23,158	23,158
Neighborhood Involvement	85,668	84,429	81,497	69,272	87,920	87,920
Parking Facilities Fund	4,303	0	756	2,571	974	974
Parks Bureau	817,075	652,331	719,092	509,662	750,715	677,825
Parks Capital Improvement Fund	11,867	453	0	0	0	0
Parks Construction Fund	6,174	17,588	14,500	12,325	23,862	23,862
Planning	126,660	139,255	146,209	348,084	149,819	149,819
Police Bureau	457,369	472,273	516,274	438,833	494,258	494,258

Print/Dist Services Operating Fund – 706

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
Portland International Raceway	841	626	829	705	729	729
Portland Parks Trust	1,170	335	0	0	500	500
Purchase & Stores	63,030	56,467	0	0	0	0
Refuse Disposal Fund	49,253	93,431	143,626	147,967	103,424	103,424
Sewage Construction Fund	0	5,944	0	0	0	0
Special Appropriations	12,798	15,682	19,708	11,002	17,704	17,704
Special Finance and Resource	2,862	0	0	0	0	0
Special Finance and Resources	5,425	0	0	0	0	0
Transportation	374,026	377,705	471,602	358,938	482,260	482,260
Water Bureau	1,008,487	644,193	987,979	641,949	856,718	856,718
Workers Compensation Fund	0	13,626	25,736	7,700	18,813	18,813
	5,102,912	4,487,944	5,496,682	4,653,121	5,250,524	5,177,634
Equipment Cash Transfers						
City Auditor	0	0	0	3,800	0	0
Communications Services	0	0	0	1,000	0	0
Community Development	4,000	0	0	0	0	0
Emergency Communications	4,000	0	0	0	0	0
Energy Office	0	0	0	6,500	0	0
Environmental Services	15,186	0	25,000	25,000	25,000	25,000
Finance & Administration	0	4,750	0	0	0	0
Fire Bureau	0	12,900	0	0	0	0
Police Bureau	16,066	6,500	8,500	62,500	0	0
Transportation	10,000	0	0	0	0	0
Water Bureau	6,750	0	13,000	12,500	0	0
	56,002	24,150	46,500	111,300	25,000	25,000
Minor Equipment and Tools						
Transportation	4,000	3,600	0	0	0	0
City Auditor	0	0	3,800	0	0	0
Communications Services	0	2,200	0	0	0	0
Environmental Services	0	1,724	0	0	0	0
Fire Bureau	0	0	3,600	6,600	0	0
Neighborhood Involvement	0	3,000	0	0	0	0
Parks Bureau	7,000	0	0	500	0	0
Police Bureau	3,705	5,750	0	0	0	0
Water Bureau	2,250	0	0	0	0	0
	16,955	16,274	7,400	7,100	0	0
Total Internal Revenues	5,175,869	4,730,243	5,590,582	4,811,521	5,280,034	5,207,144
Beginning Fund Balance	1,106,093	937,232	959,229	959,229	960,697	960,697
TOTAL RESOURCES	\$ 7,908,659	\$ 7,292,875	\$ 8,293,696	\$ 7,201,750	\$ 7,682,534	\$ 7,609,644
REQUIREMENTS						
Bureau Expenses						
Personal Services	1,769,365	1,724,416	1,829,368	1,813,000	1,715,477	1,715,477
External Materials and Services	3,810,619	3,373,644	3,848,379	3,259,000	3,690,882	3,617,992
Internal Materials and Services						
Communications Services	33,481	28,715	31,655	31,655	33,272	33,272
Data Processing Services	162,529	219,178	200,742	200,742	137,427	137,427
Facilities Services	186,110	174,121	187,364	187,364	183,558	183,558
Fleet Services	29,578	29,291	34,406	34,406	33,202	33,202
Insurance	38,757	42,612	42,022	42,022	47,011	47,011
Finance & Administration	641	650	199,838	199,838	188,965	188,965
General Services	173,496	180,520	0	0	0	0
Parking Facilities	9,000	6,240	6,720	6,720	7,200	7,200
	633,592	681,327	702,747	702,747	630,635	630,635
Capital Outlay	499,885	286,113	585,500	200,000	374,306	374,306
Total Bureau Expenses	6,713,461	6,065,500	6,965,994	5,974,747	6,411,300	6,338,410
Fund Requirements						
General Operating Contingency	0	0	951,995	0	966,177	950,217

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Compensation Adjustment	0	0	70,089	0	55,508	55,508
	0	0	1,022,084	0	1,021,685	1,005,725
General Fund Overhead	253,183	215,968	228,723	209,384	183,276	199,236
Fund Cash Transfers						
Health Insurance	4,783	0	0	0	0	0
Pension Debt Redemption Fund	0	52,177	79,895	59,922	66,273	66,273
	4,783	52,177	79,895	59,922	66,273	66,273
Unappropriated Ending Balance						
Unappropriated Ending Balance	937,232	959,230	0	960,697	0	0
	937,232	959,230	0	960,697	0	0
Total Fund Requirements	1,195,198	1,227,375	1,330,702	1,230,003	1,271,234	1,271,234
TOTAL REQUIREMENTS	\$ 7,908,659	\$ 7,292,875	\$ 8,296,696	\$ 7,204,750	\$ 7,682,534	\$ 7,609,644

FUND OVERVIEW

The Printing and Distribution (P&D) Fund was established to account for all revenues and expenditures of Printing and Distribution Services. P&D provides support services to all City bureaus, Multnomah County, Portland-area State of Oregon departments, and other local governmental agencies. These services include traditional printing and binding, electronic printing and pre-press services, microfilming, reprographics, copy machines and xerography, mail processing, inserting, addressing, and delivery of interoffice mail and supplies.

Revenues

The main source of revenue is service reimbursement transfers from other City bureaus and funds. These revenues are estimated to be \$5.17 million in FY 2002-03. Revenues from non-City governmental agencies are projected at \$1.4 million. Revenues for replacement equipment are collected from City bureaus and deposited into the fund, where purchase of replacement equipment is recorded.

Managing Agency

Office of Management and Finance, General Services.

Special Finance and Resource Fund – 207

FUND SUMMARY

	Actual FY 1999–00	Actual FY 2000–01	Revised FY 2001–02	Yr End Est. FY 2001–02	Proposed FY 2002–03	Adopted FY 2002–03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Bond and Note Sales	358,753,050	284,845,562	46,086,397	46,416,397	42,000,000	43,030,000
Interest Earned	13,735	24,454	0	20,000	0	0
	<u>358,766,785</u>	<u>284,870,016</u>	<u>46,086,397</u>	<u>46,436,397</u>	<u>42,000,000</u>	<u>43,030,000</u>
Total External Revenues	358,766,785	284,870,016	46,086,397	46,436,397	42,000,000	43,030,000
Internal Revenues						
Beginning Fund Balance	0	154,714	0	1,156,679	0	140,000
TOTAL RESOURCES	\$ 358,766,785	\$ 285,024,730	\$ 46,086,397	\$ 47,593,076	\$ 42,000,000	\$ 43,170,000
REQUIREMENTS						
Bureau Expenses						
External Materials and Services						
	335,080,112	283,858,758	46,086,397	47,398,076	42,000,000	42,030,000
Internal Materials and Services						
Printing & Distribution	8,289	0	0	0	0	0
Finance & Administration	140,000	0	0	0	0	140,000
General Bonded Debt Interest	0	0	0	40,000	0	0
Special Appropriations	0	0	0	0	0	1,000,000
Special Projects Debt Service	0	0	0	15,000	0	0
	<u>148,289</u>	<u>0</u>	<u>0</u>	<u>55,000</u>	<u>0</u>	<u>1,140,000</u>
Total Bureau Expenses	335,228,401	283,858,758	46,086,397	47,453,076	42,000,000	43,170,000
Fund Requirements						
Fund Cash Transfers						
Airport Way Debt Service	22,985,000	0	0	0	0	0
Intermediate Debt Fund	398,670	9,293	0	0	0	0
	<u>23,383,670</u>	<u>9,293</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unappropriated Ending Balance						
Unappropriated Ending Balance	154,714	1,156,679	0	140,000	0	0
	<u>154,714</u>	<u>1,156,679</u>	<u>0</u>	<u>140,000</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	23,538,384	1,165,972	0	140,000	0	0
TOTAL REQUIREMENTS	\$ 358,766,785	\$ 285,024,730	\$ 46,086,397	\$ 47,593,076	\$ 42,000,000	\$ 43,170,000
LINE ITEM DETAIL – AU 238						
Materials and Services						
External Materials and Services						
529000 Miscellaneous Services	331,507,304	280,319,309	45,614,273	46,630,152	41,967,600	41,967,600
549000 Miscellaneous	3,572,808	3,539,449	472,124	767,924	32,400	62,400
Total External Materials and Services	335,080,112	283,858,758	46,086,397	47,398,076	42,000,000	42,030,000
Internal Materials and Services						
552000 Printing & Distribution	8,289	0	0	0	0	0
559000 Other Fund Services	140,000	0	0	55,000	0	1,140,000
Total Internal Materials and Services	148,289	0	0	55,000	0	1,140,000
Total Materials and Services	335,228,401	283,858,758	46,086,397	47,453,076	42,000,000	43,170,000
TOTAL Bureau Expenses	\$ 335,228,401	\$ 283,858,758	\$ 46,086,397	\$ 47,453,076	\$ 42,000,000	\$ 43,170,000

FUND OVERVIEW

This fund was created in FY 1999-00 as a result of a Government Finance Officers Association's (GFOA) recommendation for the City to record both the revenue and the liability associated with the financing of urban renewal projects. In the past, the City would record the liability, and the Portland Development Commission (PDC) would record the revenue. Because PDC is a separate governmental unit, this method was found to be inconsistent with common practice. As a result, the City created this fund to serve as a staging area for urban renewal bond proceeds, where both the liability and revenue are recorded with a transfer of funds to PDC.

Additionally, this fund serves as a staging area for bond proceeds associated with other special projects. In FY 2001-02, the bonds issued for improvements to the Portland Center for Performing Arts flowed through this fund. In FY 2002-03, the only activity anticipated for this fund will be urban renewal.

Managing Agency Office of Management and Finance, Financial Management.

CHANGES FROM PRIOR YEAR

\$1,030,000 was added to the budget to finance the Children's Receiving Center.

Special Projects Debt Redemption Fund – 314

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Bond and Note Sales	0	5,494,280	0	0	0	0
Interest Earned	0	173,646	224,840	224,840	81,228	81,228
Other Miscellaneous	0	1,397,938	4,193,813	4,367,054	4,364,443	4,364,443
	0	7,065,864	4,418,653	4,591,894	4,445,671	4,445,671
Total External Revenues	0	7,065,864	4,418,653	4,591,894	4,445,671	4,445,671
Internal Revenues						
Interfund Service Reimbursements						
Special Finance and Resource	0	0	0	15,000	0	0
	0	0	0	15,000	0	0
Total Internal Revenues	0	0	0	15,000	0	0
Beginning Fund Balance	0	0	4,876,136	5,074,383	3,605,875	3,605,875
TOTAL RESOURCES	\$ 0	\$ 7,065,864	\$ 9,294,789	\$ 9,681,277	\$ 8,051,546	\$ 8,051,546
REQUIREMENTS						
Bureau Expenses						
Fund Requirements						
Debt Retirement	0	1,991,481	5,711,063	6,075,402	5,881,693	5,881,693
Unappropriated Ending Balance						
Unappropriated Ending Balance	0	5,074,383	3,583,726	3,605,875	2,169,853	2,169,853
	0	5,074,383	3,583,726	3,605,875	2,169,853	2,169,853
Total Fund Requirements	0	7,065,864	9,294,789	9,681,277	8,051,546	8,051,546
TOTAL REQUIREMENTS	\$ 0	\$ 7,065,864	\$ 9,294,789	\$ 9,681,277	\$ 8,051,546	\$ 8,051,546

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing special projects. Specifically, this fund accounts for the allocation of resources to pay principal and interest on bonded indebtedness related to financing of the Convention Center Expansion project and Portland Center for Performing Arts (PCPA) improvements, as well as the interim financing of the City's share of the Interstate Max project.

The resources to pay the debt service on the Convention Center Expansion and PCPA improvements are expected to be received from Multnomah County via the Visitor Facilities Intergovernmental Agreement. The resources to pay debt service on the bonds issued to finance the City's share of the Interstate Max project come from bond proceeds designated for that purpose. It is expected that the Interstate MAX interim financing will eventually be replaced with long-term debt issued for the Interstate Corridor urban renewal area.

Managing Agency Office of Management and Finance, Financial Management.

Special Projects Debt Redemption Fund – 314

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Revenue Bonds, 2000						
Series A						
12/15/2000 - Due 12/15/04	35,700,000					
		2002/03	0		1,517,250	1,517,250
		2003/04	0		1,517,250	1,517,250
		2004/05	35,700,000	4.25%	758,625	36,458,625
		TOTAL	35,700,000		3,793,125	39,493,125
Limited Tax Revenue Bonds, 2001						
Series A						
02/01/2001 - Due 6/1	81,940,000					
		2002/03	0	0.00%	4,193,813	4,193,813
		2003/04	310,000	5.50%	4,193,813	4,503,813
		2004/05	800,000	5.50%	4,176,763	4,976,763
		2005/06	1,010,000	5.50%	4,132,763	5,142,763
		2006/07	1,270,000	5.50%	4,077,213	5,347,213
		2007/08	1,560,000	5.50%	4,007,363	5,567,363
		2008/09	1,870,000	5.50%	3,921,563	5,791,563
		2009/10	220,000	5.00%	3,818,713	4,038,713
		2010/11	260,000	5.00%	3,807,713	4,067,713
		2011/12	270,000	5.00%	3,794,713	4,064,713
		2012/13	310,000	5.00%	3,781,213	4,091,213
		2013/14	280,000	5.00%	3,765,713	4,045,713
		2014/15	340,000	5.00%	3,751,713	4,091,713
		2015/16	260,000	5.00%	3,734,713	3,994,713
		2016/17	470,000	5.00%	3,721,713	4,191,713
		2017/18	550,000	5.00%	3,698,213	4,248,213
		2018/19	900,000	5.00%	3,670,713	4,570,713
		2019/20	1,290,000	5.00%	3,625,713	4,915,713
		2020/21	2,710,000	5.00%	3,561,213	6,271,213
		2021/22	3,480,000	5.00%	3,425,713	6,905,713
		2022/23	6,640,000	5.00%	3,251,713	9,891,713
		2023/24	6,970,000	5.00%	2,919,713	9,889,713
		2024/25	7,320,000	5.13%	2,571,213	9,891,213
		2025/26	7,700,000	5.13%	2,196,063	9,896,063
		2026/27	8,090,000	5.13%	1,801,438	9,891,438
		2027/28	8,510,000	5.13%	1,386,825	9,896,825
		2028/29	9,040,000	5.13%	950,688	9,990,688
		2029/30	9,510,000	5.13%	487,388	9,997,388
		TOTAL	81,940,000		92,426,088	174,366,088
Limited Tax Revenue Bonds, 2001						
Series B						
02/13/2001 - Due 6/1	18,058,888					
		2002/03	0	0.00%	0	0
		2003/04	0	0.00%	0	0
		2004/05	0	0.00%	0	0
		2005/06	0	0.00%	0	0
		2006/07	0	0.00%	0	0
		2007/08	0	0.00%	0	0
		2008/09	0	0.00%	0	0
		2009/10	1,319,780	4.52%	680,220	2,000,000
		2010/11	1,249,440	4.62%	750,560	2,000,000
		2011/12	1,295,734	4.74%	904,266	2,200,000
		2012/13	1,388,250	4.84%	1,111,750	2,500,000
		2013/14	1,463,112	4.94%	1,336,888	2,800,000
		2014/15	1,480,530	5.00%	1,519,470	3,000,000
		2015/16	1,626,940	5.07%	1,873,060	3,500,000
		2016/17	1,749,000	5.14%	2,251,000	4,000,000
		2017/18	1,645,720	5.20%	2,354,280	4,000,000
		2018/19	1,549,480	5.25%	2,450,520	4,000,000
		2019/20	1,457,480	5.30%	2,542,520	4,000,000
		2020/21	1,031,250	5.33%	1,968,750	3,000,000

Special Projects Debt Redemption Fund – 314

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2021/22	802,172	5.36%	1,672,828	2,475,000
		TOTAL	18,058,888		21,416,112	39,475,000
Limited Tax Revenue Bonds, 2001 Series C						
05/01/2001 - Due 6/1	2,100,000					
		2002/03	70,000	6.50%	100,630	170,630
		2003/04	70,000	6.50%	96,080	166,080
		2004/05	80,000	4.00%	91,530	171,530
		2005/06	80,000	4.10%	88,330	168,330
		2006/07	80,000	4.20%	85,050	165,050
		2007/08	90,000	4.30%	81,690	171,690
		2008/09	90,000	4.40%	77,820	167,820
		2009/10	90,000	4.50%	73,860	163,860
		2010/11	100,000	4.60%	69,810	169,810
		2011/12	100,000	4.70%	65,210	165,210
		2012/13	110,000	4.80%	60,510	170,510
		2013/14	110,000	4.90%	55,230	165,230
		2014/15	120,000	5.00%	49,840	169,840
		2015/16	120,000	5.00%	43,840	163,840
		2016/17	130,000	5.10%	37,840	167,840
		2017/18	140,000	5.15%	31,210	171,210
		2018/19	150,000	5.20%	24,000	174,000
		2019/20	150,000	5.20%	16,200	166,200
		2020/21	160,000	5.25%	8,400	168,400
		TOTAL	2,040,000		1,157,080	3,197,080
COMBINED DEBT SERVICE	135,698,888					
		2002/03	70,000		5,811,693	5,881,693
		2003/04	380,000		5,807,143	6,187,143
		2004/05	36,580,000		5,026,918	41,606,918
		2005/06	1,090,000		4,221,093	5,311,093
		2006/07	1,350,000		4,162,263	5,512,263
		2007/08	1,650,000		4,089,053	5,739,053
		2008/09	1,960,000		3,999,383	5,959,383
		2009/10	1,629,780		4,572,793	6,202,573
		2010/11	1,609,440		4,628,083	6,237,523
		2011/12	1,665,734		4,764,189	6,429,923
		2012/13	1,808,250		4,953,473	6,761,723
		2013/14	1,853,112		5,157,831	7,010,943
		2014/15	1,940,530		5,321,023	7,261,553
		2015/16	2,006,940		5,651,613	7,658,553
		2016/17	2,349,000		6,010,553	8,359,553
		2017/18	2,335,720		6,083,703	8,419,423
		2018/19	2,599,480		6,145,233	8,744,713
		2019/20	2,897,480		6,184,433	9,081,913
		2020/21	3,901,250		5,538,363	9,439,613
		2021/22	4,282,172		5,098,540	9,380,713
		2022/23	6,640,000		3,251,713	9,891,713
		2023/24	6,970,000		2,919,713	9,889,713
		2024/25	7,320,000		2,571,213	9,891,213
		2025/26	7,700,000		2,196,063	9,896,063
		2026/27	8,090,000		1,801,438	9,891,438
		2027/28	8,510,000		1,386,825	9,896,825
		2028/29	9,040,000		950,688	9,990,688
		2029/30	9,510,000		487,388	9,997,388
TOTAL FUND DEBT SERVICE			\$ 137,738,888		\$ 118,792,404	\$ 256,531,293

Workers' Compensation Operating Fund – 709

FUND SUMMARY

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
RESOURCES						
External Revenues						
Miscellaneous Revenues						
Interest Earned	711,740	771,035	611,010	477,698	263,694	263,694
Other Miscellaneous	183,118	192,297	164,443	132,951	144,117	144,117
	894,858	963,332	775,453	610,649	407,811	407,811
Total External Revenues	894,858	963,332	775,453	610,649	407,811	407,811
Internal Revenues						
Interfund Service Reimbursements						
City Attorney	26,956	28,000	25,845	25,845	32,183	32,183
City Auditor	24,180	26,768	24,708	24,708	33,333	33,333
Buildings	114,263	128,335	118,458	118,458	195,655	195,655
Cable Commission	1,607	1,920	1,772	1,772	2,839	2,839
Cable Commission/Access	2,410	2,880	2,658	2,658	4,259	4,259
Commissioner of Public Affairs	5,453	5,774	5,330	5,330	6,146	6,146
Commissioner of Public Safety	5,685	5,459	5,039	5,039	7,032	7,032
Commissioner of Public Utilities	5,367	5,193	4,793	4,793	6,739	6,739
Commissioner of Public Works	3,232	6,081	5,613	5,613	7,115	7,115
Communications Services	15,614	22,862	21,102	21,102	38,879	38,879
Community Development	10,132	11,806	10,897	10,897	16,951	16,951
Computer Services Fund	0	18,673	17,236	17,236	18,957	18,957
Emergency Communications	89,169	95,888	88,508	88,508	134,900	134,900
Energy Office	5,119	6,177	5,702	5,702	10,334	10,334
Environmental Services	164,316	153,281	145,542	145,542	305,159	305,159
Facilities Services Fund	16,470	18,940	17,482	17,482	37,466	37,466
Finance & Administration	65,316	39,140	64,857	64,857	76,336	76,336
Fire Bureau	418,298	288,873	269,331	269,331	351,920	351,920
Fleet Management	103,838	189,609	176,497	176,497	162,744	162,744
General Services	10,157	11,327	0	0	0	0
Golf Operating Fund	27,867	33,526	30,946	30,946	46,138	46,138
Government Relations	4,144	4,648	4,290	4,290	5,536	5,536
Health Insurance	0	2,456	2,267	2,267	2,493	2,493
Hydropower Operating Fund	2,390	2,733	2,523	2,523	3,152	3,152
Insurance & Claims Fund	0	4,912	3,222	3,222	3,544	3,544
Licenses	19,086	20,007	18,467	18,467	33,265	33,265
Mayor	12,188	11,112	10,257	10,257	12,731	12,731
Neighborhood Involvement	20,164	23,528	21,717	21,717	30,641	30,641
Parks Bureau	320,878	348,675	333,012	333,012	520,288	520,288
Planning	16,920	25,080	23,150	23,150	34,134	34,134
Police Bureau	147,742	253,745	321,329	321,329	319,872	319,872
Portland International Raceway	3,728	4,659	4,300	4,300	5,657	5,657
Printing & Distribution	15,996	16,314	15,058	15,058	21,922	21,922
Purchase & Stores	13,458	16,308	0	0	0	0
Refuse Disposal Fund	0	4,037	3,726	3,726	6,200	6,200
Transportation	642,263	611,225	588,876	588,876	824,940	824,940
Water Bureau	434,848	418,698	382,241	382,241	448,174	448,174
	2,769,254	2,868,649	2,776,751	2,776,751	3,767,634	3,767,634
Intra-Fund Service Reimbursement	0	5,559	3,222	3,222	3,544	3,544
Total Internal Revenues	2,769,254	2,874,208	2,779,973	2,779,973	3,771,178	3,771,178
Beginning Fund Balance	13,119,719	13,084,992	12,220,198	13,048,056	12,086,139	12,086,139
TOTAL RESOURCES	\$ 16,783,831	\$ 16,922,532	\$ 15,775,624	\$ 16,438,678	\$ 16,265,128	\$ 16,265,128

REQUIREMENTS

Bureau Expenses

Personal Services	0	871,076	711,390	732,020	680,941	680,941
External Materials and Services	1,721,790	1,992,217	3,082,336	2,740,437	3,038,864	3,038,864
Internal Materials and Services						
Communications Services	0	15,229	12,705	12,705	12,881	12,881
Data Processing Services	0	46,866	33,299	33,299	32,889	32,889
Facilities Services	0	82,445	51,869	51,869	45,584	45,584
Fleet Services	0	1,148	2,785	2,785	2,575	2,575

	Actual FY 1999-00	Actual FY 2000-01	Revised FY 2001-02	Yr End Est. FY 2001-02	Proposed FY 2002-03	Adopted FY 2002-03
Insurance	0	14,244	8,814	8,814	8,510	8,510
Printing & Distribution	0	13,625	25,736	25,736	18,813	18,813
City Attorney	331,342	342,073	214,432	214,432	221,348	221,348
Finance & Administration	1,522,705	318,320	386,580	386,580	384,425	384,425
Fire Bureau	0	10,253	0	0	0	0
General Services	0	12,586	0	0	0	0
Parking Facilities	0	2,340	2,520	2,520	4,500	4,500
	1,854,047	859,129	738,740	738,740	731,525	731,525
Total Bureau Expenses	3,575,837	3,722,422	4,532,466	4,211,197	4,451,330	4,451,330
Fund Requirements						
General Operating Contingency						
General Operating Contingency	0	0	11,062,008	12,086,139	11,625,358	11,623,765
Compensation Adjustment	0	0	29,728	0	27,977	27,977
	0	0	11,091,736	12,086,139	11,653,335	11,651,742
General Fund Overhead	123,002	124,818	115,534	114,426	127,541	129,134
Fund Cash Transfers						
Pension Debt Redemption Fund	0	26,893	35,888	26,916	32,922	32,922
	0	26,893	35,888	26,916	32,922	32,922
Unappropriated Ending Balance						
Unappropriated Ending Balance	13,084,992	13,048,399	0	0	0	0
	13,084,992	13,048,399	0	0	0	0
Total Fund Requirements	13,207,994	13,200,110	11,243,158	12,227,481	11,813,798	11,813,798
TOTAL REQUIREMENTS	\$ 16,783,831	\$ 16,922,532	\$ 15,775,624	\$ 16,438,678	\$ 16,265,128	\$ 16,265,128
LINE ITEM DETAIL – AU 577						
Personnel Services						
511000 Full-Time Employees	0	542,696	523,686	544,316	515,688	515,688
512000 Part-Time Employees	0	3,459	8,580	8,580	0	0
515000 Premium Pay	0	100	0	0	0	0
517000 Benefits	0	218,585	179,124	179,124	165,253	165,253
518000 Paid Absence	0	106,236	0	0	0	0
Total Personnel Services	0	871,076	711,390	732,020	680,941	680,941
Materials and Services						
External Materials and Services						
521000 Professional Services	151,003	215,533	213,387	213,387	207,941	207,941
524000 Repair & Maintenance Services	0	2,716	2,739	2,739	2,816	2,816
529000 Miscellaneous Services	1,570,787	1,736,016	2,793,154	2,451,255	2,759,005	2,759,005
531000 Office Supplies	0	4,234	6,702	6,702	6,890	6,890
534000 Minor Equipment & Tools	0	7,471	7,358	7,358	7,564	7,564
541000 Education	0	6,187	4,577	4,577	4,705	4,705
542000 Local Travel	0	1,279	4,848	4,848	4,984	4,984
543000 Out-of-Town Travel	0	3,544	4,660	4,660	3,790	3,790
549000 Miscellaneous	0	15,237	44,911	44,911	41,169	41,169
Total External Materials and Services	1,721,790	1,992,217	3,082,336	2,740,437	3,038,864	3,038,864
Internal Materials and Services						
551000 Fleet Services	0	1,148	2,785	2,785	2,575	2,575
552000 Printing & Distribution	0	13,625	25,736	25,736	18,813	18,813
553000 Facilities Services	0	82,445	51,869	51,869	45,584	45,584
554000 Communications Services	0	15,229	12,705	12,705	12,881	12,881
555000 Data Processing Services	0	46,866	33,299	33,299	32,889	32,889
556000 Insurance	0	14,244	8,814	8,814	8,510	8,510
559000 Other Fund Services	1,854,047	685,572	603,532	603,532	610,273	610,273
Total Internal Materials and Services	1,854,047	859,129	738,740	738,740	731,525	731,525
Total Materials and Services	3,575,837	2,851,346	3,821,076	3,479,177	3,770,389	3,770,389
TOTAL Bureau Expenses	\$ 3,575,837	\$ 3,722,422	\$ 4,532,466	\$ 4,211,197	\$ 4,451,330	\$ 4,451,330

FUND OVERVIEW

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

Budgeted fund expenditures are primarily driven by actuarial claims projections.

Fund expenditures are primarily for claims payments, which are budgeted at \$2,546,072 for FY 2002-03. Projected claims are based upon an independent actuarial study for the period ending June 30, 2001. Overall, interagency charges are increasing by 39.1% over FY 2001-02.

The reserve requirement assumed in the FY 2002-03 budget is also based on the actuarial study, which recommends a range of reserve levels needed to cover outstanding incurred liabilities. The range of estimates is produced by calculating reserves at various confidence levels (i.e., the probability that actual losses will not exceed the reserve level). In addition, reserves are stated at a discounted level, which takes into account the fact that the fund earns interest on fund balances. The Workers' Compensation reserve requirement is forecast to be \$12,752,825, pursuant to the budget year-end (June 30, 2003) actuarial estimate at the discounted 75% confidence level.

Managing Agency

Office of Management and Finance, General Services.

BUREAU OF ENVIRONMENTAL SERVICES

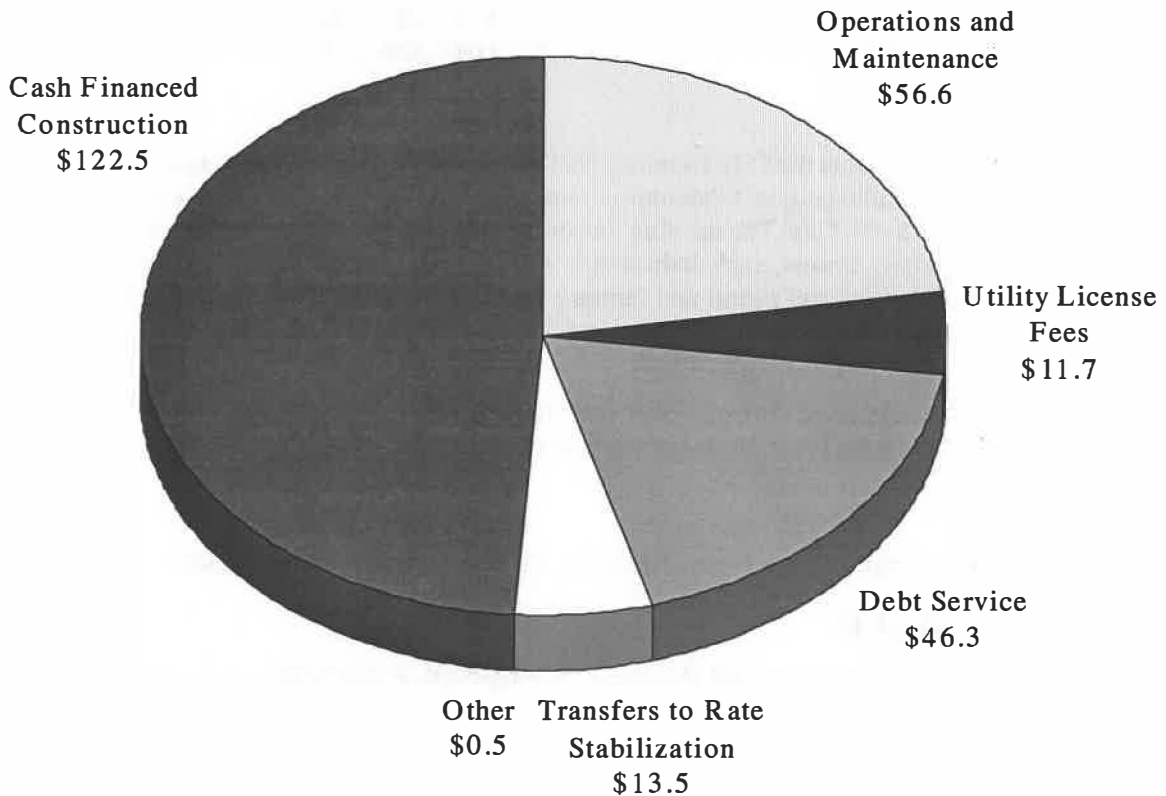
Five – Year Financial Plan: FY 2003-2007

INTRODUCTION

The Bureau has completed its preliminary five-year financial forecast for the Fiscal Years 2002-03 through 2006-07. As in last year's plan, revenue requirements over the forecast interval are dominated by the need to fund the Bureau's ongoing capital program for controlling combined sewer overflows, to meet applicable regulatory requirements, and to operate and maintain the existing sanitary sewer and stormwater drainage system.

The five-year total increase in system costs (net of bond-reimbursed CIP expenditures) over the forecast interval is \$251.1 million. As shown in the following figure, the primary driver for these cost increases is capital construction. Debt service on outstanding and planned revenue bonds together with cash financing of capital construction account for approximately two thirds of the growth in system costs over the forecast interval.

Additional Sewer System Costs, by Type
Total of Forecast Costs less FY 2001-02 Costs
For FY 2002-03 through FY 2006-07
In Millions of Dollars
Five-year Total of Additional Costs: \$251.1 million



Annual revenue requirements from rates increase by \$59.0 million over the five-year forecast interval, a combination of higher construction financing costs and moderately increasing operating costs.

The monthly sewer and stormwater bill for an average single family residential customer is forecast to increase by about 39% over the current \$36.96 per month, to \$51.35 per month. Rate increases reflect growth in system costs. The effect of cost increases is partially offset by growth in the number of accounts, but forecast conservation efforts by customers work against account growth. Forecast rate increases for the current plan are compared to those in last year's plan (as updated for the Sewer User Rate Study in April, 2001) in the following table:

Comparison of Forecast Rate Increases

FY 2002-06 vs. FY2003-07 Financial Plans

	2002-03	2003-04	2004-05	2005-06	2006-07
Percentage Rate Increase					
FY 2002-06 Plan	8.0%	6.5%	6.5%	6.5%	
FY 2003-07 Plan	8.0%	6.5%	6.5%	6.5%	6.5%
Forecast Monthly Bill (Single Family Residential)	\$39.92	\$42.51	\$45.28	\$48.22	\$51.35

Forecast rate increases are equivalent to those in the most recent financial plan.

This forecast should be regarded as preliminary for several reasons.

- ◆ The Bureau's budget submission is not yet complete.
- ◆ Uncertainties surrounding the implementation of the Customer Information System may require revision of the financial forecast. For example, if the Bureau ultimately writes off a larger than forecast portion of sewer charges for services used but not billed, then next year's proposed rates may need to be higher, or expenses reduced.

THE SEWER SYSTEM

The Bureau operates and maintains the City's sanitary and stormwater collection and transport systems, providing service to approximately 523,000 people, numerous commercial and industrial facilities, and six wholesale contract customers located adjacent to the City. The existing Sewer System consists of a network of approximately 1,435 miles of separated storm and sanitary sewers, each dedicated to carrying separate waste streams, and 868 miles of combined sewer lines that carry both stormwater runoff and sanitary waste. Ninety-three pumping stations and two wastewater treatment plants, which have a combined secondary treatment capacity of 108 million gallons per day, serve the Sewer System.

The Bureau's activities are supported through sewer and drainage charges, wholesale contract revenues from other jurisdictions, and reimbursements for services provided to other bureaus.

Fund Structure

The Bureau's financial reporting system is organized into the seven funds described below:

Sewer System Operating Fund

Accounts for revenues and expenses associated with the development, maintenance, and operation of the City's sanitary sewer and storm drainage system.

Sewer System Construction Fund

Receives revenues that are dedicated to sewer system capital projects. Since FY 1990-91, direct expenditures for capital projects have occurred within the Sewer System Operating Fund and have been reimbursed from the Sewer System Construction Fund.

Sewer System Debt Redemption Fund

Pays the principal and interest on revenue bonds, notes, and State loans issued to finance sewer system improvements.

Sewer System Rate Stabilization Fund

Created in 1987 to enable the Bureau to smooth forecast rate increases by offsetting fluctuations in sewer system revenues over several years.

Sewer System Revolving Loan Fund

Established in FY 1992-93 for the purpose of administering the private plumbing loan program contained in the Mid County Financial Assistance Program passed by the City Council in March 1992.

Sewer System Safety Net Fund

Established in 1987 for the deposit of monies from the State Assessment Deferral Loan Fund, managed by the Department of Environmental Quality. Monies in this fund were used to make loans to low-income homeowners within the boundaries of the Mid County Sewer Project who qualified for participation in the Safety Net Program. This fund is no longer used to make loans and anticipating formal closure to the Mid County project, this fund will eventually be phased out, when all outstanding loans have been repaid.

The Bureau also manages the following fund relating to solid waste activities:

Environmental Remediation Fund

Established by Council action in FY 1993-94 to provide a funding vehicle for conducting remediation of former solid waste disposal sites for which the City is liable under law.

Financial Policies and Practices

The Bureau funds its operations, maintenance, and capital expenditures from rates system development charges, debt, and fund balances. Key financial policies for each source of funding are described below.

Rates

The Bureau attempts to smooth rate changes over the five-year forecast interval. Requirements include transfers to and from the Rate Stabilization Fund for the purpose of equalizing percentage rate changes for each year. This smoothing is one of the Bureau's key financial planning objectives and is aimed at maintaining financial stability and predictability in context of changing regulatory requirements and operating needs. As Rate Stabilization Fund balances decline, the Bureau's ability to smooth rate increases over several years is constrained.

Revenue Bonds

The bulk of the Bureau's CIP is financed by revenue bonds, so principal and interest payments on outstanding debt are a substantial part of the Bureau's current and forecast revenue requirements. Covenants on outstanding revenue bonds affect revenue requirements through coverage standards:

- ◆ Net income without transfers from the Rate Stabilization Fund must be equal to or greater than 1.0 times current year debt service.
- ◆ Net income including transfers from the Rate Stabilization Fund must be equal to or greater than 1.2 times current year debt service.

Though not required by existing covenants, the Bureau's planning standard is to set rates adequate to provide net income including transfers from the Rate Stabilization Fund equal to or greater than 1.45 times the annual debt service requirement. This exceeds the 1.2 standard required by existing bond covenants, and serves three purposes:

- ◆ The absolute dollar difference between the planning standard and the Bureau's actual debt service coverage requirement provides a margin of safety for meeting coverage requirements.
- ◆ The 1.45 standard plays a significant role in demonstrating the Bureau's commitment to sound fiscal management of the sewer system, and supports our efforts to maintain the highest possible bond rating, keeping our borrowing costs low.
- ◆ The 1.45 standard ensures ongoing equity contributions to the capital program, further strengthening our financial operations.

Ending Fund Balances

The Bureau maintains a reserve equal to the greater of ten percent of each year's operating expenses (as defined by bond covenants) or \$4,500,000. Nine percent is maintained as ending fund balance within the Operating Fund, with the remaining one percent maintained as ending fund balance within the Rate Stabilization Fund. This is consistent with industry standards, is a reasonable reserve for cash flow requirements and funding of minor budget adjustments, and reflects the City's commitment to strong fiscal management of its sewer utility.

LEGALLY REQUIRED SPENDING

Combined Sewer Overflow

The City is subject to two administrative orders issued by the Environmental Quality Commission relating to overflows from the combined sewer portion of the collection system. The City has agreed to eliminate discharges that violate applicable water quality standards by December 1, 2011. The estimated capital costs over the life of the project are approximately \$925 million (current dollars).

National Pollutant Discharge Elimination System (NPDES) Stormwater Permit

The City's five-year National Pollutant Discharge Elimination System (NPDES) stormwater permit requires that the City and its co-permittees Multnomah County and the Port of Portland implement stormwater management programs to reduce pollutant discharges from their respective municipal stormwater systems. The City submitted a (NPDES) permit renewal for municipal stormwater discharges to the state Department of Environmental Quality (DEQ) in February 2000. The application is still under review by DEQ, to be followed by a 30-day public comment period. While the review continues, the City and its co-permittees are working under an administrative extension of the existing permit and implementing revised BMPs.

The stormwater management program will impact operating programs as well as the capital program. Currently identified capital costs deemed necessary to comply with the NPDES stormwater permit are included within the Surface Water Management Capital Improvement Program. The operating costs of permit-related programs, distributed across Bureau and other City programs (for example, street sweeping) exceeds \$500,000 per year and is expected to increase in future years. Capital cost impacts are approximately \$5 million over the five-year forecast interval.

Endangered Species Act Requirements

On March 13, 1998, the National Marine Fisheries Service (“NMFS”) listed the Lower Columbia Steelhead as a threatened species under the Endangered Species Act (“ESA”). NMFS listed Lower Columbia Chinook salmon as threatened under the ESA in March of 1999. The listed stocks migrate through, spawn, and spend their first 2-3 years in streams found within the City’s corporate boundaries. The basic requirement of the ESA is to avoid harming or harassing the listed species (steelhead and chinook in this case) or significantly modifying their habitat (including physical, chemical, and biological modifications). One other species is proposed for listing in this area (cutthroat trout).

The City has established a comprehensive framework for developing a Portland-specific recovery plan for these species. BES is developing comprehensive watershed plans for the Willamette River watershed as well as the Fanno/ Tryon Creek, Johnson Creek, and Columbia Slough subwatersheds. These comprehensive plans will provide the background information and recommendations for improved watershed health that will guide the City’s fish recovery efforts. The City Council has passed a resolution stating its intention to have that recovery plan reviewed and approved by the National Marine Fisheries Service and the U.S. Fish and Wildlife Service. NMFS and USFWS have provided written support for the City’s ongoing ESA-related activities.

The City also has completed a screening level assessment of all its activities that might affect steelhead or steelhead habitat and developed work plans to improve or discontinue those activities. Informal negotiations with NMFS are underway on a number of City activities, including stormwater management, culvert replacement, streambank treatment, riparian protection zones, habitat assessment, erosion control, and monitoring and evaluation. The City’s integrated pest management program was recognized as consistent with the ESA in NMFS’ draft 4(d) rules.

Because this is the first time anadromous fish have been listed in an urban area, it is unclear what the exact requirements and associated financial obligations will be from the listings. There are some clear areas that will be affected within the scope of the Bureau. At a minimum there will be costs associated with more complicated permitting issues. At a maximum there will be additional costs from new facilities and revised operating procedures that will help address those water quality and habitat issues in the Bureau’s charge. Funds for the ESA response (approximately \$450,000 for planning) are included in the FY 2002 operating budget. Funding for any capital projects or additional operating requirements will be budgeted as needs are identified.

Portland Harbor Sediments

In December, 2000, the Region 10 office of the Environmental Protection Agency (“EPA”) listed the Willamette River Portland Harbor as a Superfund site under the federal National Priorities Listing (“NPL”) process. EPA will take the lead in overseeing a series of assessments of the type and extent of contamination and the design and implementation of cleanup activities. The State Department of Environmental Quality’s (“DEQ”) will work with EPA on cleanup activities, with EPA focusing on in-river cleanup and DEQ emphasizing upland and adjacent land cleanup. In addition, federal, state and Tribal Natural Resource Trustees will evaluate the need for restoration activities associated with natural resource damages in the site.

Unless additional assessments indicate the need for change, the currently identified extent of the Portland Harbor site is approximately six river miles in length, extending from the Multnomah Channel to the Swan Island industrial area, all within the corporate boundaries of the City of Portland. The City is one of the potentially responsible parties actively engaged in assessment and planning work for cleanup and restoration in the Lower Willamette. The anticipated cost for staffing and the City’s share of this Remedial Investigation and Feasibility study is approximately \$11 million over the five-year forecast interval. The City’s potential contribution of contaminants is associated with stormwater discharges to the river through combined sewer outfalls and with two specific sites: the Water Pollution Control Laboratory site and the Linnton oil fire training ground site.

The total costs associated with the cleanup and restoration activities are unknown and the City cannot at this time predict the financial impact on the sewer system. The City is cooperating in the cleanup assessment work with EPA and is developing an outfall evaluation plan in cooperation with DEQ. Cleanup and restoration will also make use of the Bureau's comprehensive watershed planning efforts now underway. The City is also preparing to assess potential restoration activities with the Natural Resource Trustees.

Bond Covenants

The City has covenanted with bondholders to operate the system in a safe, sound, efficient, and economic manner, and to "cause the System to be maintained, preserved, reconstructed, expanded and kept, with all appurtenances and every part thereof, in good repair, working order and condition."

OPERATING, CAPITAL, AND REVENUE ISSUES FOR THE FINANCIAL PLAN

Operating and Capital Issues

CIP-related Operations and Maintenance

The Bureau has made special efforts to identify and document operation and maintenance costs associated with capital improvements included within the five-year CIP forecast. These forecast O&M costs are included with operating costs in the five-year financial forecast. O&M costs in years beyond the current five-year forecast horizon are expected to increase with the completion and operation of additional treatment and storage facilities associated with the CSO program.

Maintenance and Reliability

The Bureau continues to examine operating requirements for maintenance and reliability. A variety of factors are driving the need to define and carry out a comprehensive maintenance strategy. New facilities continue to be added, such as sumps, separated sewers, pollution reduction facilities, and odor control facilities for tunnels and pump stations. The sewer system continues to age. Forthcoming sanitary sewer overflow regulations will require development of a formal Capacity, Management, Operation and Maintenance program for preventing and mitigating sewer overflows.

Columbia Boulevard Wastewater Treatment Plant Biosolids Removal

The solids storage facility (lagoon) at the Columbia Boulevard Wastewater Treatment Plant does not have an impervious lining. At certain times of year the base of the lagoon may be as much as four feet below the groundwater level, posing a potential risk to groundwater quality in the area. The Oregon Department of Environmental Quality (DEQ) requires new lagoon facilities to be lined, to prevent groundwater degradation. The plant's National Pollutant Discharge Elimination System permit requires groundwater monitoring in the vicinity of the lagoon. The Bureau intends to line the lagoon to prevent potential water quality problems. A consulting engineering firm was retained to assist the City in the redesign and reconstruction of the lagoon. Lagoon reconstruction predesign and Phase I (construction of a new dike which divides the lagoon into two similar sized areas) final design work has been completed. The new dike addressed in the Phase I design is nearly (90%) completed. Further, Phase II design for the construction of a synthetic membrane liner over the southern one-half of the lagoon and a solids monofill are nearing completion and final design features for Phase III and Phase IV completion are contemplated during spring 2002. This project is in the current capital improvement program. Phase II is scheduled to go out to bid in February 2002, but may be deferred until later.

Lining the lagoon will require removal of approximately 48,500 dry tons of solids projected to be in the facility by the end of the current fiscal year. Several options for biosolids removal were considered during the lagoon renovation predesign process, including land application, landfilling, and surface disposal monofill (essentially dewatering, entombing, and burying). Monofill construction was selected for the ultimate disposal of any solids not land applied at the time that the lagoon lining occurs. A solid waste permit application to accommodate monofill construction has been filed with DEQ and EPA has been consulted in permitting actions for this project. The Bureau currently meets applicable standards by diluting solids from the storage lagoon with contemporary process biosolids from the treatment plant.

Projected cost for Phase I was \$1,040,000 (the low bid came in at \$780,000). Projected cost for Phase II construction of the southern one-half lagoon improvements and the monofill is \$5,600,000. Phase III and subsequent phases will not be bid until 2005.

Total construction cost (excluding BES overhead and construction management) was originally projected at \$12,400,000. Final costs will be dependent on the quantity of solids and method of disposal. Expanding the monofill to accommodate solids disposal has a potential to save in excess of \$2,000,000 in construction costs and keep overall reconstruction costs within the original \$12,400,000.

Water Quality Compliance

The state is required by the Federal Clean Water Act (Section 303(d)) to periodically publish a list of water quality limited streams and rivers. The current 303(d) list includes Johnson Creek, Tryon Creek, Fanno Creek, the Columbia Slough, and the Willamette River. Being included on the 303(d) list is the first step in setting Total Maximum Daily Loads (TMDLs) that limit the amount of pollutants that can be discharged to the waterway.

In 1986, the Northwest Environmental Defense Center brought suit against the EPA for not enforcing requirements of the Clean Water Act on the Tualatin River and several other surface waters within the State of Oregon. The lawsuit resulted in a consent decree under which all jurisdictions within the Tualatin Basin and the DEQ must develop and implement plans to control nutrient sources and comply with the Tualatin Basin phosphorus Total Maximum Daily Pollutant Load (“TMDL”). The City has approximately 8,000 acres of land within the Tualatin River drainage basin. As a jurisdiction within the basin, the City is required to comply with the TMDLs for phosphorus, bacteria, dissolved oxygen, and temperature, which were developed by DEQ and approved by EPA in 2001. The City is in the process of planning, predesign, design, and implementation of various measures, including water quality facilities, to meet the TMDL requirements applicable within the City.

The consent decree also required the DEQ to develop TMDLs for 10 other water quality limited stream segments, including the Columbia Slough, a tributary of the Willamette River located within the City. The water quality of the Columbia Slough is impacted by municipal stormwater discharges, industrial discharges, CSOs, and hydraulic modifications. On December 13, 1990, DEQ issued draft TMDLs for phosphorus and bacteria in the Columbia Slough for public comment. The draft TMDLs were not implemented. On April 2, 1992, the City entered into an agreement with DEQ committing the City to a detailed study effort of the Columbia Slough. The agreement further required that the City comply with established load allocations and waste load allocations within ten years.

In response to these agreements, the City has conducted regular monitoring of in-stream water quality and flow for several years. The data from this monitoring were used to prepare the Waterbody Assessment report in 1995. Based on this report, DEQ has prepared draft TMDLs for bacteria, dissolved oxygen, toxic pollutants, and eutrophication in the Columbia Slough. A management strategy for temperature criteria violations is included but not yet as a TMDL. The EPA approved the final TMDL in November 1998. Specific implementation requirements of the TMDLs for the Columbia Slough are being negotiated between DEQ and the City as part of a watershed approach that also includes the sediment program. A memorandum of agreement on actions is expected to be completed this fiscal year. Early estimates on the cost of implementation range from \$2.5 to \$10 million over a five-year period.

Johnson Creek

The current 5 year financial plan includes funding for continued work on flooding, TMDLs, and other watershed problems within the Johnson Creek watershed, and some flood mitigation and restoration projects. A water quality plan to address TMDLs (temperature, bacteria, and toxins) for Johnson Creek will be required within two years.

Solutions to Johnson Creek flooding and related watershed problems are recommended in the recently adopted Johnson Creek Restoration Plan. For example, BES plans to acquire property in flood zones through the Willing Seller Program, construct wetlands, and undertake stream restoration projects. Cooperation and financial investment of jurisdictions outside Portland's boundaries, including Clackamas and Multnomah Counties, and the Cities of Gresham, Milwaukie, and Happy Valley will be required to address watershed issues. Resolution of the policy and related financial issues involved in solving Johnson Creek flooding problems could impact the current five-year financial forecast.

Rate, Revenue, and Financial Issues

Rate Stabilization Fund Balance

The Rate Stabilization Fund balance will be drawn down to its long run level of one percent of annual operating expenditures in FY 2002-03. The balance will increase again in FY 2003-04 and FY 2005-06, allowing the Bureau to smooth rate increases as capital expenditures increase beyond the five-year forecast interval.

Stormwater Charges

The Bureau has proposed a revision to the stormwater rate structure to better reflect the role of on-site facilities in managing stormwater. Among the features of the proposed revisions is a discount program offering residential and commercial customers discounts of up to 35% of stormwater-related revenue requirements.

The Bureau is forecasting widespread participation in the discount program, with more than 97,000 customers potentially receiving discounts. The rate impacts are significant; it is possible that monthly stormwater bills for residential customers receiving the full discount to drop by 35%, while bills for those residential customers not receiving any discount to increase by approximately 35%. The actual changes in rates will depend on participation rates, average discounts given, and whether Council decides to make the discounts retroactive to a date prior to that when discounts are reflected in bills.

Uncertainty surrounding the date on which the Water Bureau's customer billing system can accommodate the proposed changes complicates the forecast. A recent Council resolution has postponed a decision on the start date until after a report on progress toward billing system stability in the spring of 2002.

Customer Billing System

The Water Bureau customer billing system is currently not billing all accounts correctly. As of January 7, approximately 6,700 accounts were not billing correctly, with an additional 40,000 needing cleanup of historical account data and possible billing adjustments. The receivables balance in the billing system for the Bureau at that time was approximately \$39 million, roughly three times what would be a normal amount. In response to possible revenue losses associated with CIS implementation, the Bureau has reduced its current year operating budget by \$2.2 million.

The current forecast includes approximately \$17 million in uncollectable debt in FY 2003 and 2004. Of this amount, \$3 million reflects amounts already billed, and \$14 million reflects adjustments made for amounts not billed by the system.

As mentioned above, Rate Stabilization Fund balance will be drawn down to its long run level of one percent of annual operating expenditures in FY 2002-03. This reflects anticipated write-offs of uncollectable debts. Should write-offs be larger than this, rate increases will need to be larger than forecast, or other expenses will need to be reduced.

Projected Sewer Usage

The Bureau remains concerned about the financial impacts of reduced sewer usage, for several reasons:

- ◆ The current economic climate is likely to result in reduced usage by commercial customers.
- ◆ Continued increases in water and sewer rates offer stronger incentives for water and sewer customers to conserve water
- ◆ Sewer rate increases offer stronger incentives for sewer customers to meter irrigation, cooling, and non-sewer water use more closely.
- ◆ The current concern with conservation-oriented rate structures for water and for enhanced non-price water conservation programs increase the likelihood of reduced sewer usage in the future.

The financial forecast assumes a 1.5% annual reduction in sewer usage per residential account, and a 2.0% annual reduction in sewer usage per commercial account over the forecast interval.

Industrial Waste Discharge Permitting

The Bureau currently administers discharge permits issued by the DEQ for approximately 160 industries in Portland and surrounding communities. For the current fiscal year, the Bureau is charging permit fees that recover approximately 1/2 of the program costs associated with permitting activities. Although the current five-year plan does not assume that these fees will be increased, they may be set to recover a greater proportion of costs if Council decides that further increases are appropriate.

Extra Strength Charges

The Bureau currently charges 44 commercial/industrial customers for extra strength sanitary sewage discharges based upon samples taken and laboratory analysis of their sewage discharges. In lieu of focusing only on these very high strength dischargers, the Bureau is developing a low/medium/high strength designation for commercial customers who generate higher than domestic strength sewage and is designing a corresponding system of rates and charges. This will improve customer equity and send clearer pricing signals to commercial/industrial customers relative to the strength of their wastewater discharges. The rate structure will be designed for revenue neutrality, so no changes to revenues are included in the forecast. There will be rate impacts for individual customers, however, depending on the strength of their discharges.

A proposal for implementation will be brought forward for PURB and City Council when the Water Bureau Customer Information System is judged to be stable and capable of accommodating such changes. This is not anticipated to occur before July 1, 2003.

THE FINANCIAL PLANNING PROCESS

The financial planning process has three key elements. Initial operating and capital expenditure requirements for the Bureau are developed through separate operating and capital planning processes. They are then brought together and overall revenue requirements and a corresponding five-year funding program is developed, taking account of the impacts of capital construction on future operations and maintenance requirements.

The Capital Improvement Planning Process

The CIP is developed annually using a multi-step process to identify, develop, review, score, and rank projects for funding and scheduling priority. A Bureau-wide stakeholder review team investigates, scores, and ranks all CIP projects in accordance with identified CIP criteria. CIP weighting criteria, scoring instructions, scheduling guidelines, estimating procedures, and project request forms insure each project is developed, reviewed, and scored based on detailed and consistent information throughout the Bureau. Each of the projects is reviewed by the Bureau's financial managers, program managers, operations managers, and engineering managers to insure that the Bureau is expending financial resources as effectively and appropriately as possible.

The CIP management team evaluates all of the information from the process, meets with selected Bureau project and program managers to further reduce costs where appropriate, and submits their final recommendation to the Bureau Director. The Bureau Director reviews the findings and adopts the CIP plan, forwarding it to the City Council for their consideration and approval.

The Operating Planning Process

This year's plan marked the beginning of a new, more detailed planning process for operations and maintenance expenditures. While similar in some respects to the CIP process, it differed from it in other ways. In particular, where the CIP is entirely project-oriented, much of the Bureau's operating expenditures are for routine, on going operations and operating programs. For this reason, the plan was not zero-based. Instead, managers were asked to identify both new operating requirements and opportunities to reduce expenditures from current levels.

During this process, approximately 65 add/cut packages were identified, scored, and ranked according to a set of criteria developed for this process. Although the criteria were useful for this process, there was general agreement that they could and should be further refined prior to developing next year's plan.

The plan assumes that all identified reductions are taken over the five-year interval. Funding available for additional operating activities and activities selected for funding are described in the next section.

Development of Revenue Requirements and Funding Plan

CIP requirements for the five-year forecast interval were significantly higher than those developed in the previous five-year CIP. This put additional pressure on operating expenditures over the five-year forecast interval. To fund the initial proposed CIP and high-priority operating requirements would have required double-digit percentage rate increases over the five-year interval. This was judged to be unacceptable in light of historical rate increases, the general economic climate, and the Bureau's prior commitment to keeping annual rate increases over the forecast interval at 8% or less. As a result, the CIP was reexamined for opportunities to reduce expenditures and to reschedule projects in an effort to free up additional resource for the operating program. The CIP funding in this plan reflects the results of this effort.

Given the identified reductions in operating expenses over the five-year interval, additional operating resources available under the forecast rate increases are sufficient to fund operating programs at current levels, allow for inflationary cost increases, and provide additional funding for activities identified as having highest priority over the forecast interval. These activities include an additional \$8 million for expenses related to Portland Harbor; \$3 million in additional implementation costs for the OV customer billing system; \$2 million for additional electricity demand related to new facilities; \$2 million in additional O&M expenditures on new facilities; and \$3 million for the Bureau's allocated share of additional debt service on bonds sold to finance the City's PERS obligations.

In addition to these specific expenditures, approximately \$13 million in additional expenditures were identified and ranked, many of which are considered critical to the Bureau's mission. Accommodating these requirements, which include increased environmental monitoring and data acquisition, facilities planning, watershed plan development, and regulatory response activities, while keeping rates at or below forecast levels is a major challenge facing the Bureau. The Bureau will continue to examine existing programs and practices for efficiency improvements, explore options for enhancing revenues through appropriate fees, ensure uniform and consistent application of current rates and charges over the entire rate base, and critically assess the continuation of current programs in light of the priority accorded new ones.

FIVE – YEAR FINANCIAL FORECAST**Forecast Assumptions**

The following table shows the economic and other assumptions underlying the five-year forecast.

Economic And Other Assumptions**Current Year and Forecast Interval**

Economic Assumptions	Current	Forecast				
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Inflation rates						
Personal Services (%)	3.54	3.12	3.12	3.12	3.12	3.12
External Materials & Services (%)	2.90	2.72	2.72	2.72	2.72	2.72
Internal Materials & Services (%)	3.04	3.27	3.27	3.27	3.27	3.27
Utilities (%)	15.00	29.21	0.53	3.47	3.56	3.47
Other (%)	3.00	2.72	2.72	2.72	2.72	2.72
Interest Earnings Rate (%)	3.75	2.50	4.25	4.25	4.25	4.25
Revenue Bond Interest Rate (%)	6.00	5.75	6.00	6.50	6.50	6.50
Bond Discount (%)	1.00	1.00	1.00	1.00	1.00	1.00
Bond Term (years)	20.00	20.00	20.00	20.00	20.00	20.00
Target Coverage Ratio (Net Revenues/Debt Service)	1.45	1.45	1.45	1.45	1.45	1.45
Forecast Assumptions						
Net Ending Fund Balances (% of Operating Expenses)	10.00	10.00	10.00	10.00	10.00	10.00
City Overhead Growth Rate (%)	2.83	1.48	1.48	1.48	1.48	1.48
Utility License Fee (% of Revenues)	7.50	7.50	7.50	7.50	7.50	7.50
Expenditure Rates (% of Budget)						
CIP	82.15	100.00	100.00	100.00	100.00	100.00
Personal Services	100.00	98.50	98.50	98.50	98.50	98.50
Materials and Services - External	100.00	98.00	98.00	98.00	98.00	98.00
Materials and Services - Internal	100.00	100.00	100.00	100.00	100.00	100.00
Other Assumptions						
Annual Customer Account Growth (%)	0.72	0.50	0.50	0.50	0.50	0.50

Key assumptions include:

- ◆ The Mid County program is complete; the rate of new connections has fallen to the “infill” rate of 0.5% per year.
- ◆ As mentioned previously, sewer usage is forecast to decrease by 1.5% annually for residential accounts and by 2.0% annually for commercial accounts. This reflects water conservation and pollution prevention efforts, the effects of block pricing for water, increases in the number of customers who use less than their winter average during non-winter months, and continued expansion of submetering by commercial customers.

Forecast Sewer System Costs and Resources

The Bureau forecasts substantial annual rate increases over the next five years. These increases are a combination of growth in annual system costs and decreases in non-rate revenues, as explained below. The table on the following page shows forecast system costs and resources in more detail.

System Costs

Annual system costs decrease by \$18.7 million over the five-year forecast interval.

- ◆ CIP expenditures decrease by \$18.2 million over the forecast interval. This reflects the pattern of expenditures in the CIP being relatively higher toward the beginning of the five-year interval. Cash transfers from the Operating Fund to the Construction Fund decrease by \$38.4 million over the forecast interval. This is primarily due to delays in cash collections during implementation of the customer billing system. Cash ordinarily sent to the Construction Fund has been held in the Operating Fund to maintain adequate cash balances there. As revenues are collected, the shortfall in cash transfers will be made up in FY 2002-03.
- ◆ Costs other than CIP and cash transfers increase by \$37.9 million over the forecast interval. More than half of the increase, \$22.7 million, is new debt service on proposed revenue bonds to be sold to finance capital construction activity. The financial plan includes \$272.1 million in additional bonded indebtedness over the five-year forecast interval. Bond sales are planned in FYs 2003-04 and 2005-06
- ◆ Total operations and maintenance expenditures increase by \$10.0 million over the interval, an average annual increase of 3.4%. Increases in excess of inflation are primarily due to increased operations and maintenance expenditures on new capital facilities, implementation costs associated with the customer billing system, and Portland Harbor costs.
- ◆ Utility License Fees, which increase in proportion to rate revenues and not rate levels, increase by \$4.1 million over the five-year interval, an annual rate of increase of 9.1%.
- ◆ CIP expenditures total \$465.1 million over the forecast interval (including inflation). The pattern of expenditures is influenced primarily by the timing of CSO projects. These expenditures are funded by sewer system revenue bonds, but also include substantial cash contributions (\$172.5 million over the five-year forecast interval) made necessary by coverage requirements on sewer system revenue bonds.

System Resources

Forecast annual system revenues from sources other than rates (excluding changes in Operating Fund balance) decrease by \$11.7 million over the five-year forecast interval. This is due to primarily to changes in transfers from the Rate Stabilization Fund to the Operating Fund.

- ◆ Transfers from the Rate Stabilization Fund to the Operating Fund occur in FYs 2002-03, 2004-05, and 2006-07. Transfers to the Rate Stabilization Fund occur in FYs 2003-04 and 2005-06. Increasing CIP expenditures beyond the current five-year forecast interval will require subsequent use of Rate Stabilization Fund balances for smoothing of rate increases.
- ◆ Reimbursements from the Construction Fund to the Operating Fund decrease by \$17.3 million over the forecast interval, reflecting the timing of CIP expenditures.
- ◆ System development charge revenues are forecast to increase by \$1.4 million over the forecast interval, reflecting in part the completion of the Mid County project and an end to the resulting high connection rate in that area, and in part an assumption of generally slower regional economic growth.

- ◆ Annual revenue requirements from rates must therefore increase by \$59.0 million from the current year’s forecast rate revenues to FY 2006-07, an average increase of 7.5%. Account growth provides a partial offset, allowing an average percentage increase in rates of 6.7% over the same interval. Lower consumption, particularly in the commercial sector, partially offsets the effects of account growth.

**Bureau of Environmental Services
Revenue Requirement from Rates**

	2003	2004	2005	2006	2007
O&M and CIP Expenses					
Personal Services	\$27,281,850	\$28,132,694	\$29,010,077	\$29,914,821	\$31,000,512
Materials & Services - External	19,399,768	20,060,046	20,536,717	20,959,039	22,679,605
Materials & Services - Internal	23,246,342	24,013,262	24,804,120	25,620,789	26,209,091
Capital Outlay & CIP	94,206,307	108,967,623	97,863,674	94,399,747	76,016,468
Equipment Cash Transfers	25,685	26,388	27,111	27,853	28,616
Amortized Bond Interest/Discount	(178,592)	(163,609)	(180,272)	(199,977)	(211,593)
Cash Transfers:					
General Fund Overhead	2,230,931	2,263,990	2,297,539	2,331,585	2,366,135
Utility License Fees	9,717,160	11,167,778	12,151,980	12,937,538	13,775,129
Rate Stabilization Fund	0	6,025,000	0	7,425,000	0
Sewer Revolving Loan Fund	0	0	0	0	0
Other Funds	2,191,974	2,461,946	2,714,419	2,967,054	3,302,033
Col. Slough Grant Oper. Exps.	0	(1)	0	0	0
Total O&M and CIP Expenses	\$178,121,425	\$202,955,116	\$189,225,363	\$196,383,449	\$175,165,996
Cash Transfers to Debt Redemption Fund :					
Existing Bond Debt Service	61,385,434	61,375,285	61,380,786	61,380,358	61,379,339
Projected New Bond Debt Service	0	0	11,822,858	11,822,858	22,688,796
less Capitalized Interest Offset	0	0	0	0	0
Existing/New Junior Lien Debt Service	53,496	52,412	56,533	55,421	54,295
Cash Transfers to Sewer Construction Fund :					
Cash Financed Capital Improvements	69,373,129	20,062,322	26,345,824	25,787,406	30,947,417
Annual System Costs	\$308,933,483	\$284,445,135	\$288,831,365	\$295,429,491	\$290,235,842
Less: Other System Resources					
CIP Reimbursement from Constr. Fd	\$99,948,380	\$115,081,492	\$104,182,618	\$100,837,269	\$82,645,297
Systems Development Charges	5,143,905	5,452,539	5,779,692	6,126,473	6,494,062
Wholesale Sewer Contracts	2,939,707	3,122,834	3,308,682	3,418,691	3,531,809
Other Service Charges	458,189	473,186	488,674	504,668	521,187
Service Reimbursements	880,641	839,465	866,941	895,317	924,622
Rate Stabilization Fund Transfer In	13,500,000	0	1,675,000	0	725,000
Other Cash Transfers	501,100	517,501	37,219	38,437	39,695
Product Sales	173,643	179,327	185,196	191,258	197,518
Rents	76,477	78,980	81,565	84,235	86,992
Licenses and Permits	308,122	318,207	328,623	339,379	350,487
Interest on Investments	447,358	283,365	388,047	400,319	415,643
Miscellaneous	777,943	734,987	242,455	250,167	258,370
Decrease/(Increase) in Oper. Fund Balance	46,512,993	(393,267)	(392,751)	(412,958)	(542,921)
Total Other Resources	\$171,668,458	\$126,688,617	\$117,171,961	\$112,673,256	\$95,647,760
Required Revenues from Rates	\$137,265,025	\$157,756,518	\$171,659,404	\$182,756,235	\$194,588,082

The following section presents revenue and cost information for the five years ending with the current year, and for the five-year forecast interval.

Financial Resources

Historical and Current Sewer System Financial Resources In Thousands of Dollars

Fiscal Year Ending June 30	1997-98	1998-99	1999-00	2000-01	2001-02	Five-year Totals
Revenues from Rates	\$97,483	\$108,043	\$121,408	\$134,734	\$135,615	\$597,283
System Development Charges	8,742	6,477	8,028	6,199	4,653	34,099
Wholesale Sewer Contracts	2,201	2,089	2,260	2,587	2,759	11,896
Rate Stabilization Fund Transfers	4,450	2,175	3,575	3,000	5,225	18,425
Other	5,999	13,293	(2,989)	(24,991)	(3,974)	(12,662)
Total	\$118,875	\$132,077	\$132,282	\$121,530	\$144,278	\$649,042

- ◆ Revenues from rates have increased at an average of 8.6% per year from FY 1997-98 through FY 2001-02 (forecast). The monthly bill for an average single family residential customer grew at an average of 8.1% annually over this interval.
- ◆ System development charge revenues totaled \$34.1 million over the interval.
- ◆ Cash transfers from the Rate Stabilization Fund to the Operating Fund in FYs 1997-98 through 2001-02 reflect a planned drawing down of fund balance for smoothing rate increases.
- ◆ “Other” resources for FY 1998-99 includes grant reimbursements for projects in the Columbia Slough area. The large swing in “Other” resources between FYs 1999-00 and 2000-01 reflects a delay in a transfer from the Operating Fund to the Construction Fund from FY 1999-00 to FY 2000-01.

Forecast Sewer System Financial Resources In Thousands of Dollars

Fiscal Year Ending June 30	2002-03	2003-04	2004-05	2005-06	2006-07	Five-year Totals
Revenues from Rates	\$137,265	\$157,757	\$171,659	\$182,756	\$194,588	\$844,025
System Development Charges	5,144	5,453	5,780	6,126	6,494	28,997
Wholesale Sewer Contracts	2,940	3,123	3,309	3,419	3,532	16,322
Rate Stabilization Fund Transfers	13,500	0	1,675	0	725	15,900
Other	50,136	3,032	2,226	2,291	2,252	59,937
Total	\$208,985	\$169,364	\$184,649	\$194,592	\$207,591	\$965,180

- ◆ Revenues from rates will make up a larger percentage of overall system resources than in the past. They are forecast to increase by an average of 9.1% per year over the forecast interval.
- ◆ Customer account growth is forecast to remain at the “infill” rate of 0.5% per year after FY 2000-01 with a minimum additional amount of infill in the Mid County area. System Development charge revenues are therefore expected remain relatively stable over the interval.
- ◆ Rate Stabilization Fund transfers for FY 2002-03 reflect a drawing down of fund balance to reduce revenue requirements from rates. Transfers in all years are for the purpose of smoothing rate increases over the forecast interval.

Operating Expenditures by Expense Type**Historical and Current Operating Expenditures by Expense Type**

In Thousands of Dollars

Fiscal Year Ending June 30						Five-year
	1997-98	1998-99	1999-00	2000-01	2001-02	Totals
Personal Services	\$19,149	\$21,527	\$21,480	\$22,277	\$23,286	\$107,720
Materials & Services						
External	15,195	14,346	14,106	10,117	12,078	65,842
Internal	15,428	17,872	18,100	20,416	20,639	92,454
General Fund Overhead	2,600	2,854	2,912	1,803	2,169	12,339
Utility License Fee	7,582	8,035	8,717	8,588	9,600	42,523
Rate Stabilization	84	-	-	9,475		9,559
Minor Capital Outlay	93	-	-	-	25	118
Totals	\$60,131	\$64,634	\$65,315	\$72,676	\$67,798	\$330,554

- ◆ Transfers from the Operating Fund to the Rate Stabilization Fund in FY 2000-01 established a reserve against future debt write-offs associated with implementation of the OV customer billing system.
- ◆ Utility License Fee expenditures have risen by approximately 6.0% annually over the interval despite a decrease in the License Fee rate from 8.0% to 7.50%, as a result of increases in Bureau rate revenues.

Forecast Operating Expenditures by Expense Type

In Thousands of Dollars

Fiscal Year Ending June 30						Five-year
	2002-03	2003-04	2004-05	2005-06	2006-07	Totals
Personal Services	\$23,604	\$24,347	\$25,113	\$25,904	\$26,872	\$125,839
Materials & Services						
External	18,032	18,549	18,981	19,358	21,032	95,952
Internal	21,302	22,012	22,744	23,500	24,026	113,585
General Fund Overhead	2,231	2,264	2,298	2,332	2,366	11,490
Utility License Fee	9,717	11,168	12,152	12,938	13,775	59,750
Rate Stabilization		6,025		7,425		13,450
Minor Capital Outlay	26	26	27	28	29	136
Totals	\$74,886	\$84,364	\$81,288	\$91,456	\$88,071	\$420,065

- ◆ Operating expenditures are forecast to increase by approximately 4.1% annually, or by about \$13.2 million over the five-year forecast interval.
- ◆ Transfers to the Rate Stabilization Fund total \$13.5 million over the forecast interval, and reflect the need to use fund balance to smooth rates beyond FY 2005-06.
- ◆ Utility License Fee payments are forecast to increase at an average rate of 9.1%.

- ◆ Internal materials and services are forecast to increase at an average annual rate of 3.1%, primarily for collection system maintenance and the Bureau's share of costs associated with the Water Bureau's Customer Information System.

Capital Expenditures by Program

Historical and Current Capital Improvement Expenditures by Program In Thousands of Dollars

Fiscal Year Ending June 30						Five-year
	1997-98	1998-99	1999-00	2000-01	2001-02	Totals
Combined Sewer Overflow	\$31,232	\$61,767	\$50,844	\$42,066	\$35,353	\$221,262
Maintenance and Reliability	16,172	16,035	12,164	15,938	17,754	78,063
Mid County Sewer Project	4,277	507	202	-	-	4,986
Systems Development	3,804	2,463	4,941	3,097	2,846	17,151
Sewage Treatment Systems	16,768	11,533	4,937	6,082	9,934	49,253
Surface Water Management	5,253	4,470	7,720	2,636	3,986	24,064
Totals	\$77,506	\$96,775	\$80,808	\$69,818	\$69,872	\$394,779

- ◆ The CSO program accounted for the largest share of capital improvement expenditures over the interval, at \$221 million. Major expenditures included stormwater infiltration sumps and sewer separation projects, and the Columbia Slough Consolidation Conduit.
- ◆ Maintenance and reliability expenditures totaled \$78.1 million over the interval, and include repair and reconstruction projects in numerous areas, and basement flooding relief.
- ◆ Sewage Treatment Systems program expenditures totaled \$49.3 million over the interval, and included replacement of the headworks, renovation of the sludge lagoon at the Columbia Boulevard Wastewater Treatment Plant, and pump station improvements (ongoing).
- ◆ Mid County program expenditures totaled \$5.0 million over the interval. Construction on this project is complete.

Forecast Capital Improvement Expenditures by Program

In Thousands of Dollars

Fiscal Year Ending June 30	2002-03	2003-04	2004-05	2005-06	2006-07	Five-year Totals
Combined Sewer Overflow	\$71,034	\$92,111	\$87,844	\$77,716	\$49,330	\$378,036
Maintenance and Reliability	10,501	6,898	1,865	2,649	13,351	35,265
Systems Development	4,655	3,414	2,440	2,695	3,331	16,535
Sewage Treatment Systems	2,515	4,036	3,282	6,076	5,350	21,260
Surface Water Management	4,153	1,324	1,239	3,968	3,323	14,007
Totals	\$92,858	\$107,783	\$96,670	\$93,105	\$74,686	\$465,102

Forecast total CIP expenditures for the five-year planning interval are \$465.1 million.

- ◆ CSO accounts for the largest portion at \$378.0 million over the interval. Major projects during this time include the West Side tunnel and pump station, the Carolina basin stream diversion, CSO-related improvements at the Columbia Boulevard treatment plant, the East tunnel, and the Tanner Creek Basin stream diversion.
- ◆ Maintenance and Reliability expenditures are forecast at \$35.3 million over the interval. Sewer relief, reconstruction, and sewer separation are the primary programs. In addition, many CSO-related projects (treatment plant upgrades and pipeline replacements for example) have maintenance-related benefits for the system.
- ◆ Forecast expenditures for Sewage Treatment Systems are \$21.3 million over the interval. Major projects during that time include reconstruction of the Columbia Boulevard sludge lagoon, treatment plant rehabilitation and modification, pump station improvements, and aeration basin repairs.
- ◆ Surface Water Management expenditures are forecast at \$14.1 million over the interval. Major projects include flood mitigation and restoration and the willing seller program.
- ◆ Systems Development program expenditures are forecast at \$21.3 million, primarily for the South Airport sanitary trunk sewer, and residential and commercial sewer extensions. Funding for these projects comes largely from non-rate sources.

Forecast capital expenditures will require additional debt issues totaling \$252 million over the five-year interval, requiring an additional \$22.7 million in annual debt service by FY 2006-07.

RISKS TO THE FORECAST

The following were judged to be issues of potential significance, but their potential effects were not explicitly included in the forecast. Potential costs are not known in all cases.

Columbia Slough Sediments

On October 7, 1993, the City entered into a consent order with DEQ to conduct a remedial investigation and feasibility study of contaminated sediments in the Columbia Slough. The main purposes of this study were to determine what contaminants are present and at what levels, to determine the types of risks posed, to identify elevated levels of sediment contamination, and to propose types of cleanup or related actions. Sixteen areas of potentially high risk (classified as Priority A and B sites) were identified, many of them associated with CSO and stormwater outfalls. Sediment contaminants include banned and persistent pesticides (DDT/DDE, chlordane, dieldrin, aldrin, and others), PCBs, and heavy metals.

The next phase is to conduct a more detailed or in-depth investigation in each of these potentially high-risk areas to define the extent of the contamination and to determine if these contaminants are bioavailable. The results of these detailed investigations will be used in a feasibility study to evaluate appropriate options for these areas. The City started this phase with Buffalo Slough (a side channel of the Middle Columbia Slough in northeast Portland), one of the areas identified in the previous phase. The City finished a feasibility study of potential clean-up options for Buffalo Slough in May 1997, and submitted it to DEQ for approval. DEQ has not formally accepted this report because of additional data needs. The City also completed more detailed risk assessments at Wapato Wetlands (a side channel of the Lower Slough), and all of the Priority A and B sites in the Middle and Upper Slough. Among the sites that were investigated in depth, only two areas (Buffalo Slough and an area in upper Whitaker Slough) may have sediment remediation implications. No Lower Slough Priority A and B sites have been investigated. Throughout the Slough, contaminated fish pose the major human health risk, particularly to subsistence anglers.

The Bureau is seeking a legal opinion on whether it is possible to treat remediation costs as capital costs. If not, these costs would not be eligible for revenue bond financing. Alternative financing methods are being studied, but at this point the costs of sediment remediation are not within the five-year operating forecast and if included, would require rate increases higher than those being proposed.

Willamette Basin TMDLs

The legislature has directed the DEQ to prepare TMDLs for the Willamette basin by the end of 2003. TMDLs will have to be prepared for bacteria, temperature, and mercury in the Willamette River, for DDT, dieldrin, bacteria, and temperature in Johnson Creek, and for temperature in the Columbia Slough and Tryon Creek. In anticipation of these TMDLs and to support the development of TMDLs, the Bureau is adjusting its water quality monitoring program. Furthermore, the City is coordinating its data collection efforts with other regional jurisdictions and agencies (such as the Oregon Association of Clean Water Agencies), in order to be an effective participant in this process.

BES is currently developing comprehensive watershed plans for Willamette Basin watersheds to support the City's efforts to meet regulatory requirements. These comprehensive plans will document watershed health and produce information and recommendations for improving water quality, restoring streams and fish habitat, assisting Portland Harbor cleanup, and otherwise improving watershed health. The costs associated with implementation of the watershed plans are not known at present, but could be significant.

Sanitary Sewer Overflows

Sanitary Sewer Overflows (SSOs) are discharges of raw sewage from municipal sanitary sewer systems. To address this issue, EPA has convened representatives of states, municipalities, health agencies, and environmental advocacy groups to advise the Agency on how to best deal with SSOs. The SSO Federal Advisory Subcommittee has recently produced draft rules intended to address the following: national consistency in permitting and enforcement; effective sewer operation and maintenance principles, public notification for SSOs with potential health or environmental dangers, and other public policy issues.

It is reported that the proposed rules would prohibit SSOs except in extreme cases such as tsunamis, and other “disaster level” situations. The draft rules would also require an exhaustive process to assess, implement, and document the planning, operations, and maintenance measures taken to eliminate SSOs, similar to the CSO Nine Minimum Controls. Pump stations in Portland are expected to be the primary facility potentially impacted by any new SSO requirements. Depending on the allowance for exceptions to the prohibition for design capacity exceedences, these rules could have significant financial impacts to both capital (via upsizing of facilities) or operating (increased system oversight) budgets.

Underground Injection Control Rules

The adoption of new federal rules in 1999 prompted the DEQ to form a Task Force and conduct a technical review process to consider a wide variety of groundwater and stormwater issues. Proposed revisions to OAR 340-044 related to underground injection control (UIC) rules were adopted by the Environmental Quality Commission on June 22, 2001 and became effective September 20, 2001.

The rules define any form of discharge of stormwater below ground as a Class V injection well. This definition includes the more than 14,000 sumps maintained by the City. To comply with the regulations, the City submitted an inventory of existing UICs in December 2000 and a registration in December 2001. Additionally, the regulations provide for a rule authorization, under which the City must submit a detailed Stormwater Master Plan. The Plan must be completed by July 2002 and include a system wide assessment, evaluation of land use and activities in catchment areas, and BMPs for source control and operations and maintenance. To assess impacts to groundwater, the regulations may require the installation of two new groundwater monitoring wells. This capital cost (approximately \$200,000) would be incurred in FY 2002-03 or FY 2003-04. Annual monitoring costs are currently \$60,000 per year.

Water Bureau Customer Information System

The Water Bureau provides customer account and billing services for the Bureau of Environmental Services through an interagency agreement. The Water Bureau has replaced its customer billing and information system (CBIS) with a new Customer Information System (CIS).

Revenues from sewer and stormwater charges are significantly lower than originally forecast for the current year. The current financial forecast assumes \$17 million in write-offs over the next two years. Should losses exceed that amount, the Bureau would be forced to lower debt service coverage below the 1.45 planning standard, to raise rates in excess of 8.0% for the upcoming year, or to reduce expenditures.

Other Factors Influencing the Forecast

The financial forecast presented in the preceding section makes assumptions about factors internal to the Bureau and the City, such as program levels, and external factors such as inflation and borrowing costs. Changes to some of these factors may change the forecast. The following is a description of some of these factors, and the risks involved in unanticipated changes.

Internal (Bureau and City)

- ◆ Owing to uncertainties in the timing of full CIS implementation, the financial forecast does not include additional operating funding for the Water Bureau’s intended move to monthly billing, or deferred capital costs associated with CIS. These costs will be recovered through the joint Water/Sewer account service charge.
- ◆ Although there is provision in the budget and forecast for reasonable maintenance and repair activities, it is possible that additional study of maintenance requirements will reveal a need for even higher levels of maintenance. This could require additional operating and capital expenditures.

External

- ◆ The forecast is based on a 1.5% reduction in average water use per residential customer, and a 2.0% reduction in average use per commercial and industrial customer, roughly consistent with recent history. If consumption is lower than this, there could be the need for an upward adjustment in rates. An additional one-half of one percent reduction per year in usage per account would require offsetting reductions in operating expenses of approximately \$3.7 million over the forecast interval to stay within planned rate increases. Alternatively, rate increases would have to average about .15% higher each year of the plan. Higher than projected consumption would make possible a reduction in rates or an increase in Rate Stabilization Fund balance to offset further unforeseen expenses or revenue reductions.
- ◆ Changes in interest rates will affect the cost of new debt. A significant increase in interest rates over the forecast interval will increase revenue requirements for interest on new debt. New debt will account for roughly one-third of debt service requirements by the end of the forecast interval. An increase in interest rates of one-half of one percent could add about three-quarters of one percent to revenue requirements from rates. Lower-than-anticipated interest rates would reduce borrowing costs and therefore revenue requirements.
- ◆ The forecast rate increases include best estimates of inflation over the forecast interval. An increase in the actual rate of inflation over the forecast inflation rate will require correspondingly higher rate increases.
- ◆ Greater than anticipated economic growth in the region could cause system development charge revenues to exceed forecast levels over the coming five years. Any such unexpected revenues would be an offset to revenue requirements from rates.

Office of Management & Finance
FY2002-03 Bureau Current Service Level (CSL) Budgets
City of Portland-General Fund, FY2002-03

As Of..... 21-Jun-2002			Discussion	
Estimated FY2002-03 Bureau Discretionary Budgets			The table at the left summarizes estimated General Fund current service level discretionary budgets plus overhead recovery numbers. CSL budgets are as found in Council's FY2002-03 Adopted Budget reflecting budget process outcomes. Compared to CSL targets issued last Fall, it is clear that CSL levels have been reduced by almost \$10 million annually.	
Reflect Adopted Budget, Lower CSL Levels				
FY2003-04 Current Service Level Estimates (see page 9)			Escalation Rates	
General Fund Bureau/Program	Discretionary	Overhead	Escalation rates reflect a December to December consumer price index increase (for Portland) as published at 2.2%. Targets included hefty increases for utilities, particularly natural gas and electricity. The expected July 1, 2002 COLA is 2.2%. Medical benefits escalation has been set at 10.5 percent consistent with the provisions of the recently negotiated labor contracts.	
Bureau of Police (Operating).....	\$110,329,739	\$0		
Bureau of Fire (Operating).....	\$61,680,908	\$270,580		
Bureau of Parks.....	\$29,549,005	\$0		
Commissioner #2--AU190.....	\$281,348	\$342,822		
Commissioner #4--AU191.....	\$219,475	\$294,420		
Commissioner #3--AU192.....	\$281,787	\$342,383		
Commissioner #1--AU193.....	\$281,682	\$342,488		
Office of the Mayor.....	\$585,331	\$712,306		
Cable Communications.....	\$639,033	\$0		
PCA Access Payments.....	\$784,205	\$0		
Office-Sustainable Development.....	\$325,354	\$0		
Government Relations.....	\$319,438	\$388,799		
Office of Manage. & Finance(OMF).....	\$2,696,077	\$5,471,709		
Unused Line	\$0	\$0		
Bureau of Licenses.....	\$2,593,509	\$0		
Office-City Attorney.....	\$1,554,533	\$1,108,954		
Office-City Auditor.....	\$2,281,148	\$1,580,772		
Office of Neighborhood Involvement.....	\$3,739,468	\$166,776		
Bureau of Planning.....	\$4,930,431	\$186,746		
Bureau-Community Dev.(BHCD).....	\$2,678,249	\$0		
Special Appropriations (NET).....	\$3,176,240	\$143,671		
Subtotal-General Fund Bureaus.....	\$228,926,960	\$11,352,426		
Unused Line.....	\$0			
BOEC Target IA w/ General Fund.....	\$8,318,245			
PDOT CSL Support.....	\$84,795			
OPDR &-Neighborhood Quality.....	\$2,129,886			
Regional Arts Commission (RACC).....	\$2,004,207			
Current Service Level Total.....	\$241,464,093	\$11,352,426		
Some Key CSL Target Assump- tions	CPI-W Portland Dec. 2000 To December 2001.....	2.2%	General Fund CSL Full Time Equivalent (FTE) Positions.....	2,848
	M & S Escalation Rates		Difference from last forecast..	-35
	EXTERNAL M&S.....	3.2%	Est. General Fund Compen- sation Set-Aside.....	\$8,053,712
	Net of Utilities.....	2.5%	Portland Population.....	
	INTERNAL M&S.....	5.1%	FY2001-02.....July 1, 2001.....	536,414
	CPI-U All U.S. Cities For FY2000.....	1.7%	FY2002-03.....July 1, 2002.....	541,271

CSL Estimates/Targets (CSL03AB)

21-Jun-2002

**Financial Forecast Bureau CSL Targets Compared To Adopted
Bureau FY2002-03 Discretionary On-Going Budgets**

The table below summarizes bureau CSL targets as published last December and Adopted Budget Council allocated discretionary bureau budgets. This table shows that the deepest discretionary budget reductions occurred in central administrative budgets (Council offices, Office of Management & Finance, City Attorney's Office, and Special Appropriations).

General Fund Bureau	Original CSL Estimate(*)	Adopted Budget CSL	Difference-\$	Percent-%
Bureau of Police.....	\$112,680,028	\$110,329,739	(\$2,350,289)	-2.1%
Bureau of Fire.....	\$63,603,070	\$61,680,908	(\$1,922,162)	-3.0%
Bureau of Parks.....	\$31,606,436	\$29,549,005	(\$2,057,431)	-6.5%
Commissioner #2-AU190.....	\$331,428	\$281,348	(\$50,080)	-15.1%
Commissioner #4-AU191.....	\$327,679	\$219,475	(\$108,204)	-33.0%
Commissioner #3-AU192.....	\$329,912	\$281,787	(\$48,125)	-14.6%
Commissioner #1-AU193.....	\$329,770	\$281,682	(\$48,088)	-14.6%
Office of the Mayor.....	\$692,157	\$585,331	(\$106,826)	-15.4%
Cable Communications.....	\$643,113	\$639,033	(\$4,080)	-0.6%
PCA Access.....	\$999,165	\$784,205	(\$214,960)	-21.5%
Office-Sustainable Development.....	\$340,050	\$325,354	(\$14,696)	-4.3%
Governmental Relations.....	\$347,932	\$319,438	(\$28,494)	-8.2%
Office of Manage. & Finance.....	\$3,442,766	\$2,696,077	(\$746,689)	-21.7%
Unused Line.....	\$0	\$0	\$0	NA
Bureau of Licenses.....	\$2,538,432	\$2,593,509	\$55,077	2.2%
Office-City Attorney.....	\$1,797,631	\$1,554,533	(\$243,098)	-13.5%
Office-City Auditor.....	\$2,372,087	\$2,281,148	(\$90,939)	-3.8%
Office of Neigh. Involvement.....	\$3,846,759	\$3,739,468	(\$107,291)	-2.8%
Bureau of Planning.....	\$4,315,938	\$4,930,431	\$614,493	14.2%
Community Development.....	\$2,842,873	\$2,678,249	(\$164,624)	-5.8%
Special Appropriations.....	\$3,743,737	\$3,176,240	(\$567,498)	-15.2%
Subtotal-Bureaus.....	\$237,130,963	\$228,926,960	(\$8,204,004)	-3.5%
Unused Line.....	\$0	\$0	\$0	NA
BOEC Target (Fund Cash Transfer).....	\$8,660,062	\$8,318,245	(\$341,817)	-3.9%
PDOT CSL Support.....	\$84,900	\$84,795	(\$105)	-0.1%
OPDR, Neigh. Quality.....	\$3,498,802	\$2,129,886	(\$1,368,916)	-39.1%
Regional Arts Com.....	\$1,955,061	\$2,004,207	\$49,146	2.5%
Bureau Current Service Level	\$251,329,788	\$241,464,093	(\$9,865,696)	-3.9%

(*) Document CSL0304, TARG0304, published December 11, 2001

Overall bureau on-going budget reductions total about \$9.9 million when compared to the published December CSL estimate of \$251.3 million. The overall percentage reduction works out to 3.9 percent and bureau Adopted Budget discretionary allocations total about \$241.5 million.

CSL Estimates/Targets (CSL03AB)

21-Jun-2002

Bureau CSL Base Compared To Adopted Budget

The table below summarizes bureau CSL "base" budgets as estimated in December with bureau Adopted Budget CSL allocations. A bureau's CSL base is defined to include last year's on-going CSL budget plus a pro-rata share of the current year's compensation set-aside. Bureau CSL base therefore excludes general inflation but includes a COLA adjustment. Viewed from this perspective, it is clear that all inflation was eliminated and significant reductions occurred in bureau base budgets as well.

General Fund Bureau	Base CSL FY2001-02	Pro-Rata Com- pensation SA(*)	Target & All Other Increases	Budgeted CSL FY2002-03	One-Time & Carryover
Bureau of Police.....	\$108,031,427	\$2,578,976	(\$280,664)	\$110,329,739	\$0
Bureau of Fire.....	\$60,666,220	\$1,584,576	(\$569,888)	\$61,680,908	\$0
Bureau of Parks.....	\$29,632,950	\$769,291	(\$853,237)	\$29,549,005	\$409,300
Com. #2-AU190.....	\$307,131	\$15,465	(\$41,248)	\$281,348	\$0
Com. #4-AU191.....	\$308,245	\$14,749	(\$103,519)	\$219,475	\$0
Com. #3-AU192.....	\$305,705	\$14,737	(\$38,655)	\$281,787	\$0
Com. #1-AU193.....	\$305,497	\$14,870	(\$38,684)	\$281,682	\$0
Office of the Mayor.....	\$637,320	\$28,148	(\$80,137)	\$585,331	\$0
Cable Com.....	\$608,958	\$16,859	\$13,217	\$639,033	\$0
PCA Access.....	\$986,685		(\$202,480)	\$784,205	\$0
Office-Sus. Develop.....	\$311,967	\$25,216	(\$11,829)	\$325,354	\$0
Govern. Relations.....	\$322,023	\$10,750	(\$13,335)	\$319,438	\$0
Manage. & Fin.....	\$2,899,573	\$377,651	(\$581,147)	\$2,696,077	\$0
Unused Line.....	\$0	\$0	\$0	\$0	\$0
Bureau of Licenses.....	\$2,459,199	\$74,417	\$59,892	\$2,593,509	\$0
Office-City Attorney.....	\$1,650,443	\$115,219	(\$211,129)	\$1,554,533	\$0
Office-City Auditor.....	\$2,145,496	\$123,729	\$11,923	\$2,281,148	\$137,566
Office of Neigh. Involv....	\$3,749,667	\$83,327	(\$93,526)	\$3,739,468	\$0
Bureau of Planning.....	\$4,174,262	\$137,805	\$618,364	\$4,930,431	\$61,092
Community Develop.....	\$2,717,261	\$48,337	(\$87,349)	\$2,678,249	\$0
Special Approps.....	\$3,616,157	\$0	(\$439,917)	\$3,176,240	\$214,218
Subtotal-Bureaus.....	\$225,836,186	\$6,034,124	(\$2,943,350)	\$228,926,960	\$822,176
Unused Line.....	\$0			\$0	\$0
BOEC Target IA.....	\$8,512,523		(\$194,278)	\$8,318,245	\$0
PDOT CSL Support.....	\$82,284		\$2,511	\$84,795	\$0
OPDR, Neigh. Quality....	\$3,383,891		(\$1,254,005)	\$2,129,886	\$0
Regional Arts Com.....	\$2,105,797		(\$101,590)	\$2,004,207	\$375,000
Current Service Level	\$239,920,681	\$6,034,124	(\$4,490,712)	\$241,464,093	\$1,197,176

(*) FY2001-02 Compendation Set-Aside (2.9% COLA)

Non-Bureau City-Wide CSL	Original	One- Time	Approved	Adopted
Unused Line				
Unused Line				
Unused Line				
Unused Line				
Unused Line				
Unused Line				
Unused Line				
Total Non-Bureau.....	\$0	\$0	\$0	\$0

The table below displays, for General Fund bureaus, the various sources of funding that back a bureau's budget and shows how the discretionary allocation fits into the overall funding scheme. Briefly, a bureau's budget "is backed" by three types of resources: a discretionary target allocation from Council, overhead recovery (if applicable) and non-discretionary revenues. Non-discretionary revenues include grants and donations, contract revenue, any inter or intra-agency billings, and bureau fee revenues and miscellaneous types of revenues. Overhead recovery revenues are limited to specific General Fund bureaus as shown on the CSL target schedule on page 1 of this document.

SOURCES OF FUNDING	
General Fund (101)	
General Fund Resources:	
Target Discretionary Allocation.....	\$
General Fund Overhead.....	\$xx,xxx,xxx
Subtotal Discretionary + Overhead	\$xx,xxx,xxx
Non-Discretionary Revenues.....	
Grants & Donations.....	\$xx,xxx,xxx
Contract Revenue.....	\$xx,xxx,xxx
Interagency (IA) Revenue.....	\$xx,xxx,xxx
Bureau Program (Fee) Revenue.....	\$xx,xxx,xxx
Subtotal Non-Discretionary	\$xx,xxx,xxx
TOTAL BUREAU BUDGET.....	\$xx,xxx,xxx

The table below compares previous financial forecast FY2002-03 CSL estimates to current bureau CSL budgets shown in this document. The previous financial plan and forecast estimated bureau CSL targets ing \$251.188 million. Current CSL budgets total \$241.379 million and are about \$9.8 million (-3.91%) below estimated CSL targets as published in last Fall's Financial Forecast document.

Comparison of Adoptd Budget FY2002-03 CSL Targets With December Forecast

CSL Requirements	CSL Budgets vs. Last December		
	December	Difference	Budget
Police Bureau.....	\$112,680,028	(\$2,350,289)	\$110,329,739
Fire Bureau.....	\$63,603,070	(\$1,922,162)	\$61,680,908
Parks.....	\$31,606,436	(\$2,057,431)	\$29,549,005
Commissioners.....	\$1,318,788	(\$254,497)	\$1,064,291
Mayor's Office.....	\$692,157	(\$106,826)	\$585,331
Cable & Sus. Develop....	\$983,164	(\$18,776)	\$964,388
Government Relations....	\$347,932	(\$28,494)	\$319,438
OMF.....	\$3,442,766	(\$746,689)	\$2,696,077
Unused Line.....	\$0	\$0	\$0
Licenses.....	\$2,538,432	\$55,077	\$2,593,509
City Attorney.....	\$1,797,631	(\$243,098)	\$1,554,533
Auditor.....	\$2,372,087	(\$90,939)	\$2,281,148
Neighborhood Involve.....	\$3,846,759	(\$107,291)	\$3,739,468
Planning.....	\$4,315,938	\$614,493	\$4,930,431
Community Develop.....	\$2,842,873	(\$164,624)	\$2,678,249
Cable Access.....	\$999,165	(\$214,960)	\$784,205
Special Approps.....	\$3,743,737	(\$567,498)	\$3,176,240
Unused line.....	\$0	\$0	\$0
BOEC Transfer.....	\$8,660,062	(\$341,817)	\$8,318,245
OPDR-Neigh.Quality.....	\$3,498,802	(\$1,368,916)	\$2,129,886
Regional Arts (RACC)....	\$1,955,061	\$49,146	\$2,004,207
CSL TOTAL.....	\$251,244,888	(\$9,865,591)	\$241,379,298

(*) Fall CSL Forecast (FP0304) and financial plan forecast (FORC0304) targets.

The table below itemizes Adopted Budget, financial plan ongoing CSL target increases included in bureau's budgets as well as Council adopted ordinances (Parks). These adds reflect Adopted

Bureau/Program	\$
Police-Labor.....	\$1,869,373
Unused Line.....	\$0
Fire-Labor Contract..	\$535,068
Fire-GO Bond.....	\$115,000
Fire-Energy Costs....	\$128,071
Unused Line.....	\$0
Parks-Energy Costs..	\$641,377
Parks-by ordinances	\$81,456
Parks-from set-aside	\$272,225
Auditor-Full Yr. FTE..	\$36,331
Planning Coppea.....	\$291,056
Willam.Greenway...	\$367,000
Unused Line.....	\$0
TOTAL ADDS.....	\$4,336,957

Budget process outcomes.

- The Police Bureau's target is increased by \$1,869,373 as planned to fund Police labor contract (longevity) increases.
- Fire is increased \$535,068 to cover labor contract increases as well as \$115,000 operations increase for GO Bond facilities.
- Parks' target increases \$641,377 for increased energy costs.
- Fire's target increases \$128,071 for increased energy costs.
- Auditor's target is increased as planned.
- Council allocations and ordinances granting Parks \$343,681 O&M target increases.

Special Appropriation Targets (net of Council Set-Asides)

The table below summarizes budgeted special appropriation targets (net of set-asides, one-time):

Special Appropriations (Not Set-Asides)	CSL Budget	Overhead
Justice Council.....	\$27,830	\$0
Memberships & Dues.....	\$143,493	\$132,815
Leaders Roundtable.....	\$4,735	\$5,551
Management Council.....	\$3,021	\$2,540
Council Emergency Funds.....	\$2,443	\$2,765
Employee Suggestion Fund.....	\$0	\$0
EID Assessment.....	\$16,439	\$0
MERC/PCPA-Operating Subsidy.....	\$630,982	\$0
Holiday Festival.....	\$46,500	\$0
Block By Block Weatherization.....	\$202,807	\$0
PDC Enterprise Zone Administration.....	\$53,312	\$0
Civil Rights Enforcement.....	\$14,344	\$0
Downtown Services.....	\$925,502	\$0
Unused Line.....	(\$0)	\$0
Transit Programs.....	\$139,432	\$0
PDC Targeted Jobs.....	\$123,689	\$0
Unused Line.....	\$0	\$0
NE Workforce Center.....	\$105,490	\$0
PDC Business Districts/Retention.....	\$53,662	\$0
PDC-Bus. Development Activities.....	\$451,138	\$0
Unused Line.....	\$0	\$0
Holiday Festival/Small Bus. Opportunity	\$268,115	\$0
Total Special Appropriations.....	\$3,212,936	\$143,671

One-Time Second Year Budgets and CRC Capital Set-Aside Allocations

The schedule below shows bureau one-time budgets, carryover budgets, and CRC approved capital allocations. These budget allocations are not part of on-going discretionary (CSL) support.

CSL Requirements	FY2002-03 One-Time & Capital		
	One-Time	Carryover(*)	CRC Capital(**)
Police.....	\$0	\$0	\$0
Fire.....	\$0	\$0	\$1,075,000
Parks.....	\$409,300	\$0	\$900,000
Commissioners' Offices..	\$0	\$0	\$0
Mayor's Office.....	\$0	\$0	\$0
Cable Communications...	\$0	\$0	\$0
Energy.....	\$0	\$0	\$0
Government Relations.....	\$0	\$0	\$0
OMF.....	\$0	\$0	\$257,950
Purchases & Stores....	\$0	\$0	\$0
Licenses.....	\$0	\$0	\$0
City Attorney.....	\$0	\$4,000	\$0
Auditor.....	\$137,566	\$0	\$0
Neighborhood Involve.....	\$0	\$0	\$0
To General Services.....	\$0	\$0	\$0
Planning.....	\$61,092	\$448,000	\$0
Community Develop.....	\$0	\$0	\$0
Cable Access.....	\$0	\$0	\$0
Special Approps.....	\$214,218	\$69,888	\$0
PDOT, One-Time.....	\$0	\$0	\$0
Street Light (PDOT).....	\$0	\$0	\$350,000
PDOT (Street Car).....	\$0	\$0	\$0
Buildings-Neigh.Quality...	\$0	\$0	\$0
Regional Arts (RACC).....	\$375,000	\$0	\$0
Column Total.....	\$1,197,176	\$521,888	\$2,582,950
Checksum Totals.....	\$1,197,176	\$521,888	\$2,582,950

(*) Budgeted in contingency pending final year-end FY2001-02 financial results. (**) Net of debt services.

Current Out-Year Target Adjustments

This table summarizes out-year program target increases included in Council's current five-year financial plan. Police increases include estimated longevity costs. Fire increases continue to reflect planned cost increases associated with new fire stations operations costs (GO bonds). Other bureau increases are negligible.

Bureau	2004	2005	2006	2007	NA
Police.....	\$548,006	\$264,984	\$0	\$0	NA
Fire.....	\$1,158,873	\$118,460	\$67,318	\$1,146,973	NA
Parks.....	\$60,486	\$95,587	\$105,645	\$110,660	NA
All Other Bureaus.....	\$111,417	\$34,904	\$18,265	(\$405,099)	NA
Annual Totals	\$1,878,781	\$513,935	\$191,228	\$852,534	NA

Budgeted FY2002-03 Council Set-Asides

Budgeted set-asides are down, net, \$4.66 million compared to the previous forecast. Compared to last December's forecast set-asides have changed as follows:

- The General Fund's contingency is up \$282,248. This increase resulting at final balance of Council Adopted Budget for the General Fund.
- PERS pension obligation bonds are down \$711,507 due to lower interest costs.
- The housing investment set-aside is reduced one-time \$437,348.
- This forecast assumes that the General Fund will have to issue \$10 million of tax anticipation notes incurring estimated interest costs of \$349,589.
- The transfer to BIT is up \$75,000 to reflect BIT's financial plan.
- The capital set-aside is down, net about \$1.5 million of debt service costs, by about \$3.48 million.
- Small technical adjustments occurred to several other set-asides.

Council Set-Aside Item	Previous	Current	Difference
TANS Interest	\$349,589	\$349,589	\$0
Comp. SET-ASIDE.....	\$7,905,984	\$8,053,712	\$147,728
Fund Contingency			
General Contingency.....	\$1,400,000	\$1,682,248	\$282,248
Unforeseen.....	\$2,000,000	\$2,000,000	\$0
Contingency.....	\$3,400,000	\$3,682,248	\$282,248
Street Light O&M.....	\$6,336,683	\$5,989,352	(\$347,331)
PERS Pension (POBS)...	\$4,555,110	\$3,843,602	(\$711,507)
Capital Set Aside.....	\$6,064,850	\$2,582,950	(\$3,481,900)
Various Debt Services....	\$2,460,425	\$2,977,549	\$517,124
Transfer-OUT Reserve	\$0	\$0	\$0
City Hall/Precincts Debt..	\$2,479,350	\$2,479,350	\$0
Transfers to BIT.....	\$399,900	\$474,900	\$75,000
County-ECD.....	\$941,523	\$940,550	(\$973)
2040 Set-Aside.....	\$133,377	\$133,377	\$0
O&M for CIPs.....	\$317,213	\$0	(\$317,213)
Unused.....	\$0	\$0	\$0
PDOT CSL.....	\$84,900	\$84,794	(\$106)
Endanger. Species Act...	\$1,010,680	\$938,887	(\$71,793)
PPDS (Debt) Transfer....	\$0	\$0	\$0
Housing Investment.....	\$493,000	\$55,652	(\$437,348)
Unemploy. Insurance.....	\$500,000	\$500,000	\$0
Misc. Transfers	\$13,681	\$35,000	\$21,319
Business Lic. Refunds....	\$5,801,617	\$5,551,863	(\$249,754)
City Hall Maint. Reserve..	\$400,000	\$316,800	(\$83,200)
COUNCIL Set-Asides.....	\$43,647,882	\$38,990,176	(\$4,657,706)
Checksum Error.....	\$0	\$0	(\$4,657,706)

Current CSL Forecast Compared To Previous Forecast

The table and graph compare the current budgeted FY2002-03 General Fund CSL estimate with the previous five-year financial (December) plan document. The revised FY2002-03 CSL estimate is substantively different when compared to the previous forecast.

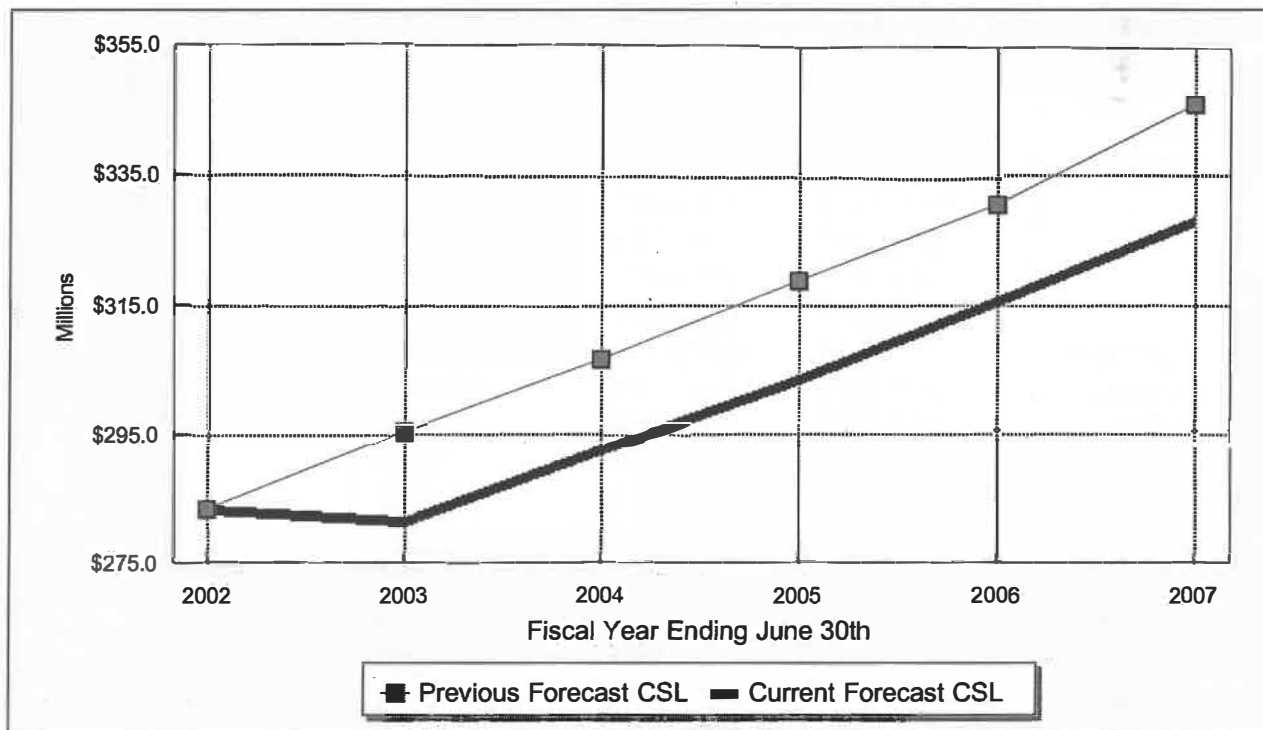
- The December financial forecast identified a \$14.4 million gap between CSL costs and resources. This increased to about \$18.6 million in the forecast done prior to the Mayor's Proposed Budget. This number in turn fell back to about \$13.6 million in the forecast done prior to final balancing by Council during Adopted Budget considerations.

Discretionary CSL	December	Adopted	Difference
Capital Set-Aside.....	\$6,064,850	\$2,582,950	(\$3,481,900)
Council Set-Asides.....	\$37,583,032	\$36,407,226	(\$1,175,806)
One-Time Bureaus.....	\$551,300	\$1,197,176	\$645,876
Bureaus, On Going.....	\$251,244,888	\$241,379,298	(\$9,865,591)
Estimated CSL Cost	\$295,444,070	\$281,566,649	(\$13,877,421)

(*)Spring financial forecast (FORC0304, FP0304).

- Council reduced CSL costs by about \$13.9 million in balancing its Adopted Budget. This estimate results from comparing the original December CSL cost estimate with Adopted Budget resources of \$281.6 million.

Current CSL Forecast versus Previous Forecast



Discussion of PERS Pension Obligation Bonds (POBS) Debt Service Schedule

In November of 1999, the City sold \$267 million of Pension Obligation Bonds (POBS). The bond proceeds were used to eliminate the City's unfunded PERS pension liability. This reduced the City's employer's PERS contribution rate from 10.48% (current) to 8.56% during FY2000-01. In selling the POBS, the City avoided an immediate PERS employer contribution rate increase to 17.4%. In addition, debt service costs were structured to phase in the higher pension costs over a ten year period allowing anticipated revenue growth to help absorb the impact of higher employer PERS costs.

Annual pension bond debt service is allocated to bureaus using the most recent year's actual PERS contributions. For FY2002-03, actual FY2000-01 PERS contributions are used to allocate annual FY2002-03 debt service costs of \$10,230,546. The table below details this allocation.

FUND	Bureau Total PERS	Percentage Allocation	Annual POB Debt Service	
			FY2002-03 \$10,230,546	FY2003-04 \$14,149,067
General Fund.....	\$9,143,882	31.90970%	\$3,264,542	\$4,514,925
Street Light (PDOT)...	\$61,351	0.21410%	\$21,903	\$30,293
BOEC @ 77%.....	\$886,476	3.09356%	\$316,489	\$437,710
OPDR.....	\$674,107	2.35245%	\$240,669	\$332,850
Subtotal.....	\$10,765,816	37.56982%	\$3,843,602	\$5,315,779
PDOT (net).....	\$5,070,008	17.69297%	\$1,810,088	\$2,503,390
BOEC (net).....	\$278,702	0.97260%	\$99,502	\$137,613
Buildings (OPDR).....	\$1,468,844	5.12587%	\$524,405	\$725,263
BES.....	\$3,677,242	12.83259%	\$1,312,844	\$1,815,692
Hydroelectric.....	\$27,028	0.09432%	\$9,650	\$13,345
WATER.....	\$3,894,598	13.59110%	\$1,390,444	\$1,923,014
Golf Operating.....	\$239,666	0.83637%	\$85,565	\$118,339
PIR.....	\$38,900	0.13575%	\$13,888	\$19,207
Refuse Disposal.....	\$73,612	0.25689%	\$26,281	\$36,347
Env. Remediation.....	\$1,306	0.00456%	\$466	\$645
Parks Bond Const.....	\$15	0.00005%	\$5	\$7
Parks Construction...	\$76,063	0.26544%	\$27,156	\$37,557
Facilities Services.....	\$287,390	1.00291%	\$102,604	\$141,903
Fleet Operating.....	\$518,959	1.81103%	\$185,278	\$256,244
Print & Distribution....	\$185,631	0.64780%	\$66,274	\$91,658
BIT	\$451,121	1.57429%	\$161,059	\$222,748
RISK	\$41,439	0.14461%	\$14,794	\$20,461
LID	\$74,207	0.25896%	\$26,493	\$36,641
FPD&R	\$79,387	0.27704%	\$28,343	\$39,198
Housing Investment	\$61	0.00021%	\$22	\$30
Comm. Services.....	\$265,775	0.92748%	\$94,887	\$131,230
Insurance & Claims	\$39,276	0.13706%	\$14,022	\$19,393
Public Safety Fund...	\$859	0.00300%	\$307	\$424
Workers Comp. Oper.	\$145,152	0.50654%	\$51,822	\$71,671
PDC.....	\$954,436	3.33073%	\$340,751	\$471,267
TOTAL All Funds.....	\$28,655,493	100.00000%	\$10,230,546	\$14,149,067

The table below details POB debt service for the three out-years of the financial forecast.

	2005	2006	2007
Out-Year Debt Service.(*)....	\$16,051,419	\$17,981,842	\$20,551,842

(*) Estimated, variable interest rate debt principal changes with interest rates.

Current Forecast Bureau CSL Targets For FY2003-04(*)

The table below summarizes current bureau CSL targets for the next budget. The table summarizes FY2003-04 targets, as they currently exist, given current assumptions about inflation, compensation increases, and assumptions built into Council's current five-year financial plan. The estimates are net of any one year allocations for both fiscal years.

Bureau/Program	FY2002-03 CSL Base	Add: Escalation & Comp.SA(**)	Scheduled Changes	FY2003-04 Target
Bureau of Police.....	\$110,329,739	\$4,178,205	\$548,006	\$115,055,949
Bureau of Fire.....	\$61,680,908	\$2,309,537	\$1,158,873	\$65,149,318
Bureau of Parks.....	\$29,549,005	\$1,272,330	\$60,486	\$30,881,820
Com. #2--AU190.....	\$281,348	\$15,153	\$0	\$296,500
Com. #4--AU191.....	\$219,475	\$15,933	\$61,092	\$296,500
Com. #3--AU192.....	\$281,787	\$14,713	\$0	\$296,500
Com. #1--AU193.....	\$281,682	\$14,817	\$0	\$296,500
Office of the Mayor.....	\$585,331	\$31,148	\$0	\$616,479
Office Cable Com.....	\$639,033	\$32,359	\$0	\$671,392
PCA Access Payments	\$784,205	\$23,528	\$0	\$807,733
Office-Sus. Develop.....	\$325,354	\$34,927	\$0	\$360,281
Government Relations...	\$319,438	\$13,828	\$0	\$333,266
Office of Man. & Fin.....	\$2,696,077	\$409,376	\$0	\$3,105,453
Unused Line.....	\$0	\$0	\$0	\$0
Bureau of Licenses.....	\$2,593,509	\$116,701	\$0	\$2,710,210
Office of City Attorney....	\$1,554,533	\$128,051	\$0	\$1,682,584
Office-City Auditor.....	\$2,281,148	\$149,859	\$0	\$2,431,008
Office of Neigh. Involve..	\$3,739,468	\$146,921	\$0	\$3,886,390
Bureau of Planning.....	\$4,930,431	\$275,690	\$50,325	\$5,256,446
Bureau-Com. Dev.....	\$2,678,249	\$113,611	\$0	\$2,791,861
Special App. (NET).....	\$3,176,240	\$82,491	\$0	\$3,258,731
Subtotal-Bureaus.....	\$228,926,960	\$9,379,179	\$1,878,781	\$240,184,920
Unused Line.....	\$0	\$0	\$0	\$0
BOEC Target IA.....	\$8,318,245	\$247,962	\$0	\$8,566,207
PDOT CSL Support.....	\$84,782	\$2,227	\$0	\$87,008
OPDR-Neigh.Quality.....	\$2,129,886	\$55,136	\$0	\$2,185,022
Reg.Arts Com.(RACC)..	\$2,004,207	\$70,593	\$0	\$2,074,801
CSL TOTAL.....	\$241,464,079	\$9,755,097	\$1,878,781	\$253,097,957

(**) Preliminary compensation set-aside for FY2003-04.

These targets are preliminary and reflect Adopted Budget decisions, recent Council adopted ordinances adjusting targets, and mid-year FY2001-02 budget cuts as they affect bureau on-going target allocations. FY2003-04 target estimates are prior to preparation of the next five-year forecast.

OFFICE OF PLANNING AND DEVELOPMENT REVIEW

City of Portland

Five – Year Financial Plan: FY 2003-2007

BACKGROUND

The Office of Planning and Development Review works with the community and other bureaus to preserve and shape safe, vital and well-planned urban environments. This is done through the enforcement of construction and land use code requirements and through the enforcement of zoning, housing maintenance, nuisance, and noise control regulations.

OPDR has the traditional "building department" functions of inspections, permit issuance, and review of architectural plans as well as the land use review function. These functions are funded through permit fees and charges. OPDR also enforces the City's housing, nuisance, and noise control codes. The City's general fund and the solid waste fund partially finance these programs.

In fiscal year 1988-89, the City Council established an operating fund for the Bureau of Buildings. At that time, the Bureau was charged with fully supporting its construction functions through fees and charges in a three year period. In addition the Bureau was to set up a reserve account which would capture revenues from pre-paid work and serve as a countercyclical reserve when the economy was on a downturn. Due to a booming construction industry and some long over-due fee increases in FY 1988-89, the Bureau succeeded in meeting the 100% cost recovery goal in just two years.

FINANCIAL PLANNING PROCESS

Since FY 1988-89, OPDR has made five-year projections of costs and revenues annually to assist in fiscal planning. Costs and revenues are projected based on both historical and current-year patterns, anticipated changes, and inflationary rates suggested by the Office of Management and Finance. Revenue and expenditures are compared to determine annual cost recovery rates and whether or not OPDR's reserve will be drawn down or increased. OPDR management reviews the level of service to customers, compares it to the revenue estimates, and makes recommendations on whether or not fees should be increased and by how much. Fee rates are reviewed each year to maintain OPDR's financial integrity.

RESERVE POLICY

In FY 1988-89, the City Council established the Bureau of Buildings as an Operating Fund with the goal of the fund eventually being 100% supported by permit fees and charges. The need to be self-supporting, combined with the difficulty in accurately predicting construction activity and fee revenues makes it important for OPDR to maintain a reserve of funds that can be used to ensure a stable and adequate level of service during times when revenues fall below expectations. During periods of strong construction activity, the reserve would be built up to provide a funding source for times when revenues drop. In this way, the fund will be able to weather the ups and downs of construction activity, to remain stable and efficient, and to maintain the staff necessary to provide services on work that has been paid for but not completed. The reserve is not intended to maintain existing budget levels in spite of reduced construction activity and OPDR workloads, but rather to allow the OPDR time to recognize and respond to such downturns.

In 1992, a reserve policy was adopted for the fund and was updated in 1995. The reserve allows OPDR time to recognize and respond to unanticipated declines in revenues and to maintain the staffing needed to carry out OPDR's obligation to provide inspection and plan review services on permits. Fee increases are recommended when workload remains high, costs increase, and the reserve is projected to dip below the recommended levels. Rather than increase fees in one year to bring the program back up to its recommended reserves, OPDR phases in the fee increases so that by the fifth year the program reaches its recommended reserve level. In addition, fees are increased as minimally as possible in order to mitigate the negative impact that fee increases can have on the construction industry.

For the larger programs which are more affected by the construction economy (Building and Mechanical, Electrical, Plumbing, and Site Development), the reserve goal is set at 35-45% of their annual budget. Smaller programs (Environmental Soils, Signs, and Zoning) have reserve goals of 20% of their annual budget. Likewise, programs with General Fund support (Land Use Review and Housing) have 20% reserve goals. The Facilities Permit program has a reserve goal of only 15% since the program's revenues are based not standard permit fees, but on hourly rates for actual work performed by the bureau.

It is important to remember that the goal of the reserve is to allow OPDR time to recognize and respond to unanticipated declines in revenues and to maintain the staffing needed to carry out its obligation to provide services on permits that have already been paid. The size of the reserve determines how much time OPDR will have to adjust to change and still provide necessary services. Even a 35-45% reserve will not insulate the programs from making significant budget adjustments in response to lower revenues and reduced workloads over the long term. But it will allow OPDR to remain stable and to meet its prepaid obligations, will provide time to respond, and will reduce the severity of the budget cuts in the short term.

CURRENT REVENUES

From July through November of 2001, revenues remained fairly strong. There has not been a substantial decline in construction/land use revenues, yet. In fact, total residential and commercial building permit revenues were 13% higher through October of FY 01-02 versus the same period in FY 00-01.

However, revenues will most likely drop during the first half of calendar year 2002, because there has been a significant decline in the valuation of new intakes. Total 2001 building permit valuation is down by 11%, mainly due to a 33% drop in valuation on regular commercial building permits. We expect to see a decline in commercial revenues in upcoming quarters.

Both residential and Facilities Permit Program valuations are up from 2000. The number of residential permits is only up slightly from last year, but the valuation is up 33%.

ECONOMIC OUTLOOK

Based upon forecasts from economic experts, the current recession will be mild and could end by mid 2002. However, commercial construction will probably rebound later that year. Economists predict that Oregon's recovery will take longer than the rest of the nation, because our economy relies heavily upon capital goods manufacturing. This sector of the economy has been especially hard hit. The recent reductions in interest rates have assisted in stimulating the sluggish economy and are probably the impetus for residential construction activity remaining steady.

The Oregon Office of Economic Analysis predicts state economic recovery beginning in 2002 and then slow and steady growth in subsequent years. They expect that the growth in construction employment will be between 2.1% and 2.7% annually through 2007. Portland's Office of Management and Finance projects inflationary rates to vary between 2.3% and 2.5% through FY 06-07.

All of the economic forecasters caution that any further catastrophic incidents could make matters much worse for the economy.

REVENUE FORECAST

FY 01-02 revenues are expected to be only slightly higher than revenues in the previous year. Strong revenues in the first half of FY 01-02 will carry the bureau through the projected drop in the second half of the fiscal year.

FY 02-03 revenues are expected to increase slightly. During the first half of FY 02-03 revenues are projected to continue to be down but will increase during the last half of the fiscal year.

Revenues in subsequent years are assumed to increase at 3%. This projection mirrors the slow but steady growth in the economy which is projected over the next several years.

In addition, several programs include fee increases over multiple years. Prior to proposing fee increases to City Council, OPDR will review the need for the increases. If these fees increases are necessary but not adopted, then program services will need to be reduced through budget/expenditure reductions.

GENERAL FUND FORECAST

OMF is projecting the need to reduce General Fund expenditures citywide by over \$14 million in FY 02-03. Projections for OPDR's share of the cut range from \$200,000 to \$600,000 depending upon whether or not Police and/or Fire are exempted from these reductions. Only three OPDR programs are funded in part by General Fund: Housing, Land Use Review, and Noise.

The financial plan assumes that the total reduction will be \$244,916 which is the estimated reduction if the Police Bureau is "held harmless" from the General Fund reductions. The plan also assumes that these cuts will be spread proportionally between OPDR's general fund programs.

RESPONSE TO PROJECTED REVENUE REDUCTIONS

In light of the projected dampening revenues, OPDR is reviewing all vacant positions and only filling positions where the workload demands it. Ten positions are proposed to be eliminated in the FY 02-03 budget. Expenditures are being contained to the greatest degree possible

EXPENDITURE PROJECTIONS

Expenditures for FY 00-01 were projected based on actual spending through the first five accounting periods of FY 00-01, anticipated project spending, and historical spending patterns. Projections for FY 2001-02 are based upon continuing the FY 2000-01 service level. OPDR is currently in the process of developing the FY 2001-02 budget. The financial plan projections will need to be updated once the budget request is submitted. Projections for FY 2002-03 through FY 2005-06 are based upon estimated inflation factors prepared by the City's Office of Finance and Administration

FEE INCREASE POLICY

OPDR's fee increase policy was adopted by the Bureau of Buildings and the Bureau Advisory Committee in 1992. The policy is to review fees on an annual basis and increase them to cover increases in personnel and interagency costs. This policy of increasing fees slowly and steadily assists permit applicants. It is very difficult for customers to absorb large fee increases, because their operations are based on a fairly stable cost of doing business. They have a much easier time absorbing smaller and more predictable increases. Although the general policy is to increase fees on an annual basis, fee increases may not be necessary every year if a program's revenues are strong and its reserves are at an acceptable level. Fee increases should be avoided only when the Bureau has enough excess reserves to operate through two fiscal years without depleting the program's reserves below the target set in OPDR's reserve policy.

Fee increases should be set at a rate which covers OPDR's increased operating costs. OPDR's cost of doing business increases each year. The labor agreements all contain provisions for cost of living increases based upon the Consumer Price Index for Urban Wage Earners and Clerical Workers for the City of Portland. OPDR estimates that overall costs will increase between 3.0%-4.1% each year. Fee increases above this figure are necessary when reserves are below acceptable levels, a large capital project is on the horizon (such as improvement to information systems or a major site relocation), or OPDR is confronted with other major unforeseen events.

LIMITATIONS ON USE OF REVENUES FROM CONSTRUCTION PERMIT FEES

Since the adoption of the operating fund, OPDR has analyzed expenses and revenues by program. These programs are Building/mechanical, Electrical, Plumbing, Facilities Permits, Site Development, Environmental Soils, Signs, Zoning, Housing, HCD, Noise, and Land Use Review. Revenues collected for each program stay within that program.

State law requires that “fees collected by a municipality...shall be used for the administration and enforcement of a building inspection program for which the municipality has assumed responsibility” (ORS 455.210(1)(c)). This statute applies to the permit and plan review fees for the building, mechanical and plumbing programs. There is a special provision for electrical permits and plan review. ORS 479.845 (3) states that “fees collected by a city or county for the enforcement or administration of the electrical specialty code and rules under ORS 479.730 (1) shall be used only for the enforcement and administration of those laws.” Thus OPDR is specifically prohibited from using fees from construction permits and plan reviews to fund the Land Use Review program, local ordinances relating to development, or any other programs that are not related to the construction permit/plan review revenues. Under state statute, revenues from building, plumbing, and mechanical permits/plan review can be used interchangeably.

BUILDING/MECHANICAL PROGRAM

The building and mechanical programs are combined into one Building/Mechanical program because staff making the inspections are all cross-certified and make both building and mechanical inspections. Historically, this has been a very strong, stable program. However, the program drew on its reserve substantially in FY 1998-99 and FY 1999-2000. In FY 2000-01, fees were increased and the program revenues exceeded expenditures by over \$800,000. Although expenditures are projected to exceed revenues in FY 01-02, the program will return to full cost recovery in FY 02-03.

ELECTRICAL PROGRAM

The electrical program has been below 100% cost recovery and has drawn on its reserves every year since FY 1994-95 when its reserve was in excess of its goal. In FY 2002-03, it is projected that, even with fee increases, the electrical program will have a cumulative deficit of approximately \$1,700,000. It is clear that the electrical permit applicants are not fully paying for services that they are currently receiving. Assuming continued fee increases of 5%, the electrical program would finally become 100% cost recovery in FY 06-07 but have a large reserve deficit of over \$2,200,000.

PLUMBING PROGRAM

The plumbing program has drawn on its reserves every year since FY 1995-96 causing its reserve to drop below zero. This deficit has continued every year since FY 1995-96. In FY 2002-03, it is projected that, even with fee increases, the plumbing program will have a cumulative deficit of over \$1,900,000. It is clear that the plumbing permit applicants are not fully paying for services that they are receiving. Assuming continued fee increases of 5%, the plumbing program would become 100% cost recovery in FY 03-04 but have a large reserve deficit. By the end of FY 2006-07, the program will still have a reserve deficit of nearly \$950,000.

FACILITIES PERMIT PROGRAM

The Facilities Permit Program began in FY 1998-99 as a new, innovative way for OPDR to provide services. Instead of paying standard permit fees, businesses and institutions enrolled in the program pay an hourly rate for plan review and inspection services. The program started slowly, with a limited number of inspectors as procedures and processes were developed and customers were brought into the program. In the first two years, revenues did not cover costs and the program incurred deficits. In FY 2000-01 the program was expanded by adding customers and the appropriate level of staff. As a result, the program will reach full cost recovery in FY 2001-02. Fee increases will be needed, however, to pay for the program’s deficit and to increase the hourly rate to match inflation. OPDR and the industry are interested in expanding this program further. However, since the size and timing of the expansion have not been set, the expansion is not included in this financial plan.

SITE DEVELOPMENT PROGRAM

The Site Development Program was set up as a separate program in FY 2000-01 to recognize the impact of new responsibilities for plan review and inspections relating to stormwater control, erosion control, and tree preservation which became part of the program within the past year. As program workloads are becoming more defined, OPDR is reviewing the revenues for this program. A more realistic allocation of revenues brings this program to full cost recovery in FY 01-02. OPDR will continue to review collections, allocation of revenues, interagency payments, and fee increases. Some fee increases may be needed in subsequent years in order to fund the reserve.

ENVIRONMENTAL SOILS PROGRAM

Since the end of the Mid-County sewer hookup program, revenues have dropped substantially in this program. Fee increases were implemented in FY 1999-2000 to bring the fees up to the State of Oregon fee schedule. A combination of increased collections, more realistic allocation of revenues and interagency payments, and fee increases will bring this program to full cost recovery in FY 03-04. Fee increases will be needed in subsequent years in order to fund the reserve.

SIGN PROGRAM

The sign program has had a deficit since FY 1995-96. Revenues dropped substantially in FY 1998-99 when litigation prohibited ODPR from charging for “copy changes” on signs. A new fee schedule was implemented in March 2001. However, revenues from this new fee schedule did not fully fund the program. Fee increases are proposed in FY 02-03 to fully fund the program.

LAND USE REVIEW PROGRAM

The Land Use Review Program is partly funded by program revenues and partly funded by the City’s General Fund. When the Land Use Review (LUR) fees were increased in 1995, the Bureau of Planning recommended that program revenues cover 64% of the program costs. However, the City Council set the fees to collect 50% of costs. In FY 1999-2000, LUR fees recovered only 60% of program costs, even without allocating any OPDR overhead to the LUR program.

LUR fees were increased in FY 2000-01 and a new cost recovery target was set at 65%. The program is currently not meeting this 65% cost recovery goal and the program’s reserve is very low. In FY 2000-01, general fund money from the Housing program was reallocated to the LUR program to fully fund their reserve. The financial plan assumes that the general fund allocation to this program will be reduced beginning in FY 02-03. Future fee increases are needed to maintain the cost recovery rate and reserve fund. Council policy established that LUR fees will be increased annually according to the consumer price index. Fee increases will need to be at least 8% per year to bring the reserve to a positive number by FY 06-07.

HOUSING PROGRAM

The Housing program is supported by code enforcement penalties, a transfer from the City’s Solid Waste Fund, and a transfer from the City’s General Fund.

The Solid Waste Fund has been contributing towards the nuisance abatement program since FY 1991-92. Currently, the Solid Waste fund transfers 15% of the 5% residential franchise fee (.75%) to the nuisance abatement program through an interagency cash transfer. In FY 2001-02, the cash transfer was budgeted at \$229,207.

During the 1991 General Fund budget cuts, City Council made a decision to reduce the General Fund allocation to nuisance abatement and replace it with moneys from the residential garbage franchise fees with the rationale that they were related. This idea had been discussed but not acted upon when these fees were first developed. A dollar amount was agreed upon, and thereafter increases were based upon cost of living and a one-time increase in contractor costs.

In 1996 a subcommittee of the Public Utility Review Board (PURB) reviewed this issue. The \$297,363 transfer was reduced by \$80,000 and the currently-used formula was established to calculate the transfer amount. The allocation of the residential franchise fees to nuisance abatement was a Council decision to fund nuisance abatement and was not an agreement between bureaus for services.

In FY 01-02, the new Office of Sustainable Development (OSD) reviewed the allocation of Solid Waste Fund revenues and reduced the transfer by \$100,000, because OSD was concerned that without this reduction, other programs such as leaf pickup, residential solid waste or recycling programs, or the green building program would need to be reduced. The agreement between OSD and OPDR was that this reduction was only for one year, and it would be reinstated in subsequent years.

The financial plan assumes that the general fund allocation to this program will be reduced beginning in FY 02-03. A modest fee increase is needed in FY 02-03 to maintain the cost recovery rate and reserve fund.

OFFICE OF SUSTAINABLE DEVELOPMENT

Five –Year Financial Plan: FY 2003-2007

INTRODUCTION

The Solid Waste Management Fund currently supports the efforts of the Office of Sustainable Development (OSD) Solid Waste and Recycling and Green Building programs; the Office of Planning and Development Review (OPDR) Residential Illegal Dumping/Nuisance Abatement program; and the Public Trash Can program.

- ◆ **The Solid Waste and Recycling program** oversees the collection of solid waste, yard debris and recyclable materials from residential and commercial sources within the Portland Urban Services Boundary. Residential program responsibilities include franchising of residential collection companies, enforcing service standards, setting rates, educating customers and promoting programs. The Commercial program provides recycling technical assistance to multifamily property managers and local businesses, issues permits and enforces service standards and compliance with the City's mandatory commercial recycling requirement. Commercial service is not franchised or rate regulated in Portland.
- ◆ **The Green Building program** promotes the design and development of healthy, resource efficient buildings with a focus on such areas as recycled building materials, energy and water conservation, construction site recycling, stormwater management and indoor air quality. Services include training, education, on-site technical help and financial assistance for private developers, homeowners, non-profit developers and city government projects.
- ◆ **The Illegal Dumping/Nuisance Abatement program** provides nuisance abatement and cleanup services to illegal dumping sites by the Office of Planning and Development Review.
- ◆ **The Public Trash Can program** provides trash receptacles and collection service for about 600 trash cans in downtown and six other business areas of the city. This service was funded by the Office of Transportation until July 1998.

REVENUE SOURCES

Revenue sources for the Solid Waste Management Fund include residential franchise fees, commercial tonnage and permit fees and grants.

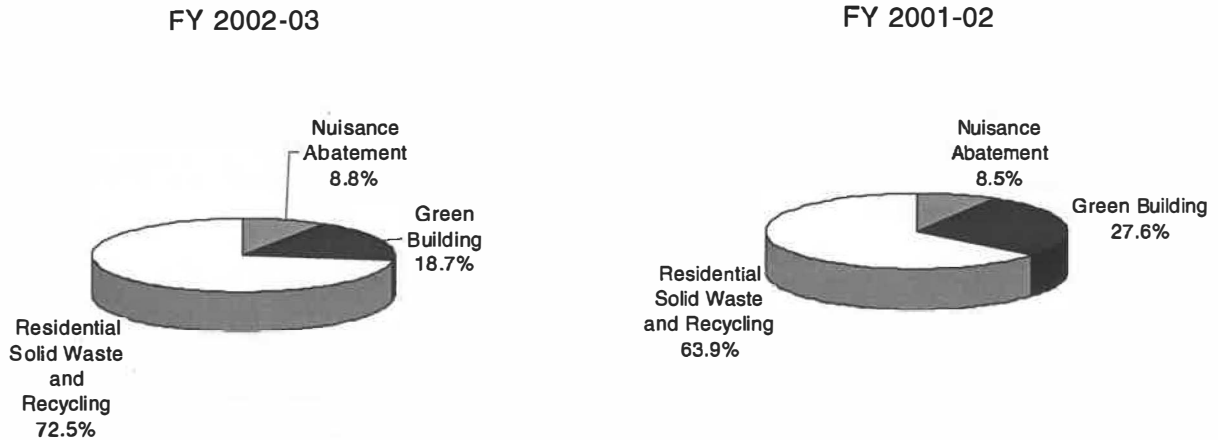
The residential franchise fee is currently set at five percent. In FY 2001-02, revenues were budgeted as follows:

- ◆ 3.19 percent for the Solid Waste and Recycling Residential program
- ◆ .43 percent for the Illegal Dumping/Nuisance Abatement program and
- ◆ 1.38 percent for the Green Building program.

A shift in distribution is proposed for FY 2002-03 to:

- ◆ 3.63 percent for the Solid Waste and Recycling Residential program
- ◆ .44 percent for the Illegal Dumping/Nuisance Abatement program and
- ◆ .93 percent for the Green Building program.

Residential Franchise Fee Revenue



Commercial tonnage fees are set at \$2.80/ton for garbage disposal. Commercial fees are used for the Solid Waste and Recycling Commercial program. Starting July 2002, it is proposed that the tonnage fee be increased by \$1.00 to \$3.80/ton. Program costs currently are higher than revenues and are being paid out of the Commercial Fund Balance. As the Fund is reduced, it is necessary to increase fees to cover costs. Approximately 70 cents of the \$1.00 increase will fund continued public trash can service in downtown and six business districts and 30 cents will fund efforts to improve commercial construction and demolition recycling and the use of recycled building materials – through the Green Building program.

FUND BALANCE

It is prudent City policy to keep a fund balance of about \$725,000 to cover an operating reserve and contingency for storm clean-up (\$250,000) and a set aside for rate stabilization (\$475,000) in the event prices for recyclable materials fall dramatically. Historically, unspent revenues from the Residential and Commercial Solid Waste and Recycling programs were placed together at year end in the fund balance. The fund balance is also used to pay for major efforts such as incentives for a food composting facility or recycling bins.

To clarify the sources and uses of funds, OSD has separated the current fund balance into residential, commercial and combined sources. Combined sources are from grants and miscellaneous revenues that replaced City funds and could be applied to either residential or commercial programs.

The fund balance on July 1, 2001 was \$3,946,927 and comprised of:

- ◆ \$2,737,016 from the Commercial program.
- ◆ \$412,499 from the Residential program.
- ◆ \$797,412 from combined sources.

The fund balance on July 1, 2002 is forecasted to be \$1,741,283 and comprised of:

- ◆ \$1,541,743 from the Commercial program.
- ◆ \$0 from the Residential program.
- ◆ \$199,540 from combined sources.

ISSUES AFFECTING THE FINANCIAL PLAN

Several issues will have a major impact on the Five Year Financial Plan including:

- ◆ Illegal Dumping/Nuisance Abatement
- ◆ Public Trash Cans
- ◆ Green Building program

- ◆ Commercial Food Waste project

Illegal Dumping/Nuisance Abatement

In FY 2001-02, OPDR will receive 8.5 percent (\$133,785) of annual residential franchise fee revenues for this program. This fund transfer is explicitly used to replace General Funds for illegal dumping and nuisance abatement. Most of the funds are used for general nuisance abatement unrelated to garbage. The Five Year Financial Plan assumes that beginning in FY 2002-03 OSD will continue to fund this effort, but will have an interagency agreement with OPDR to better account for services provided.

Public Trash Cans

Until July 1998, the Office of Transportation funded the Public Trash Can program. In FY 1998-99, the Solid Waste and Recycling Commercial program began to fund this service. Similar to the Leaf Pickup program, only a portion of the city is provided service. In this case, service is limited to downtown and six other business districts.

The Five Year Financial Plan assumes the program costs will remain about \$230,000 annually – *equal to more than 25 percent of all commercial fee revenues*. This remains a large and growing expense as more public trash cans are added along the new trolley and other rights of way.

Green Building

In December 1999, Council adopted a resolution to support the Green Building Initiative. In FY 2000-01, Council approved \$1 million from the Solid Waste Management Residential Fund Balance for the Green Building Program. Of this, \$300,000 was for program expenses and \$700,000 was allocated for the Green Investment Fund. The Green Investment Fund provides financial incentives to homeowners, developers of affordable housing, and commercial developers. In July 2000, Council provided ongoing funding for the Green Building program through an increase in the residential franchise fee of 1.55 percent. For FY 2001-02, 1.38% of the franchise fee will go to the Green Building Program. This will be reduced to 0.93% for FY 2002-03.

Commercial Food Waste

In September 1998, City Council passed a resolution to develop language mandating the separation of food waste for recycling by certain businesses beginning July 2001. A food waste pilot to examine the design and implementation of a food waste recycling program was completed in October 2001. In August 2000, Council approved a resolution to spend up to \$1 million toward financial assistance to site a food waste composting facility. This is a joint effort with Metro and it is uncertain whether the City will spend all of these funds. The Five Year Financial Plan assumes that the \$1 million contribution will be spent over two years with \$750,000 in FY 2001-02 and \$250,000 in FY 2002-03.

RISKS TO THE FORECAST

Risks to the Solid Waste Management Fund Five Year Plan forecast include:

- ◆ Reductions or elimination of other funding, such as the Metro local cost sharing program.
- ◆ Reductions in commercial tonnage collected thereby reducing total fees.

FORECAST ASSUMPTIONS

- ◆ To more equitably share the costs of the Green Building program between residents and businesses, city funding of the program will be split 33 percent (\$150,000) from commercial tonnage fees and 67 percent (\$303,362) from residential franchise fees. Of the total 5 percent franchise fee, 0.93 percent will go to green building , 3.63 percent will go to other solid waste and recycling efforts and .44 percent will go to fund the illegal dumping/nuisance abatement activities in OPDR.
- ◆ The tonnage fee is proposed to be increased by \$1. 00to \$3.80/ton starting July 2002. Program costs currently are higher than revenues and are being paid out of the Commercial Fund Balance. As the Fund is reduced, it is necessary to increase fees to cover costs. Approximately 70 cents of the \$1. 00increase will fund continued public trash can service in downtown and six business districts and 30 cents will fund efforts to improve commercial construction and demolition recycling and the use of recycled building materials – through the Green Building program.

**OFFICE OF SUSTAINABLE DEVELOPMENT
Solid Waste Management Fund
FY 2001-02 Five Year Financial Plan**

Economic and Other Assumptions (1)

	Current	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Interest Earnings	3.75%	2.50%	4.25%	4.25%	4.25%	4.25%
Personal Services	2.95%	2.88%	2.91%	2.85%	2.62%	2.62%
External Materials & Services	3.26%	2.99%	2.80%	2.87%	2.59%	2.59%
Internal Materials & Services	3.60%	3.07%	2.78%	2.99%	2.81%	2.81%
General Fund & Other Overhead	3.10%	2.70%	2.90%	2.90%	2.60%	2.60%

NOTES

1. Economic and inflationary assumptions are provided by the Office of Management and Finance.

**Rate History and Forecast
Weekly 32 Gallon Can Service (1)**

HISTORY

	FY 1993-94	FY 1994-95	FY 1995-96	FY 1996-97	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01
Rate Per Month (2)	\$ 17.60	\$ 17.60	\$ 17.20	\$ 17.50	\$ 17.50	\$17.20	\$17.60	\$17.85

FORECAST

	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Rate Per Month (2,3)	\$ 18.25	\$ 18.60	\$ 18.95	\$ 19.35	\$ 19.75	\$ 20.10	\$ 20.55	\$ 20.95

NOTES

1. This is the most common level of service City-wide, with a 50% subscription rate.
2. Includes weekly garbage and recycling collection, and bi-weekly yard debris collection.
3. Rates inflated 2.0% annually for planning purposes; franchise fee set at 5.0%.

Source: Office of Sustainable Development

**OFFICE OF SUSTAINABLE DEVELOPMENT
Solid Waste Management Fund
FY 2001-02 Five Year Financial Plan
Historical & Forecast Sources and Uses of Funds**

Resources	Actual FY 1999-00	Actual FY 2000-01	Estimated Year-End FY 2001-02	Year 1 Projected FY 2002-03	Year 2 Projected FY 2003-04	Year 3 Projected FY 2004-05	Year 4 Projected FY 2005-06	Year 5 Projected FY 2006-07
Residential Program Revenue								
Residential Franchise Fee (1)	1,020,290	1,334,378	1,569,095	1,623,747	1,675,963	1,728,368	1,781,787	1,837,456
Restricted Residential Grants	28,729	31,244	30,000	30,000	30,000	30,000	30,000	30,000
Total Residential Revenue	1,049,019	1,365,622	1,599,095	1,653,747	1,705,963	1,758,368	1,811,787	1,867,456
Commercial & Multifamily Program Revenue								
Commercial Permit Fee	904,867	850,515	897,218	1,217,653	1,217,653	1,217,653	1,217,653	1,217,653
Commercial Permit Application	4,020	3,660	4,800	4,800	4,800	4,800	4,800	4,800
Restricted Commercial/Multifamily Grants	0	20,535	159,090	0	0	0	0	0
Total Commercial/MF Revenue	908,887	874,710	1,061,108	1,222,453	1,222,453	1,222,453	1,222,453	1,222,453
Unrestricted Revenues								
Interest Income	271,181	280,793	119,239	40,598	58,495	53,872	47,035	38,020
Unrestricted Grants	237,831	238,671	240,000	240,000	240,000	240,000	240,000	240,000
Lease Payments at Parcel A	7,239	7,239	7,239	7,239	7,239	7,239	7,239	7,239
Fines and Penalties	4,395	1,131	2,500	2,500	2,500	2,500	2,500	2,500
Other Revenues	8,347	7,047	2,000	2,000	2,000	2,000	2,000	2,000
Total Unrestricted Revenues	528,992	532,881	370,978	292,337	310,234	305,611	298,774	289,759
Total Fund Revenue	2,486,898	2,773,212	3,031,181	3,168,537	3,238,650	3,286,432	3,333,014	3,379,668
Beginning Fund Balance/Contingency	4,835,278	4,763,744	3,946,927	1,741,283	1,426,204	1,333,644	1,187,346	990,033
TOTAL RESOURCES	7,322,176	7,536,956	6,978,108	4,909,820	4,664,854	4,620,076	4,520,360	4,369,701

EXPENDITURES	Actual FY 99-00	Actual FY 2000-01	Estimated Year-End FY 2001-02	Year 1 Projected FY 2002-03	Year 2 Projected FY 2003-04	Year 3 Projected FY 2004-05	Year 4 Projected FY 2005-06	Year 5 Projected FY 2006-07
Residential Programs	1,130,438	1,685,366	1,441,346	1,140,698	1,172,930	1,207,072	1,239,450	1,272,698
General Fund (Licenses)	35,000	35,000	40,000	40,000	40,000	40,000	40,000	40,000
Planning & Development Review (2)	229,912	236,529	133,785	143,562	151,394	159,255	167,268	175,618
Green Building Program (3)	0	239,731	1,243,424	453,362	469,548	485,794	502,354	519,611
Multifamily and Commercial Programs (4)	972,236	1,218,317	2,178,865	1,522,774	1,308,802	1,346,607	1,382,209	1,418,754
Shared Other Internal M & S	0	0	0	0	0	0	0	0
Sewer Operating Fund (5)	85,925	32,795	0	0	0	0	0	0
General Fund Overhead	103,298	121,822	125,104	128,482	132,208	136,042	139,579	143,208
General Fund-Comp Adj, Non-Rep	0	0	32,244	33,115	34,075	35,063	35,975	36,910
Pension Debt Retirement Fund	0	20,468	21,056	21,625	22,252	22,897	23,492	24,103
Fleet	0	0	21,000	0	0	0	0	0
Other	1,623	0	0	0	0	0	0	0
TOTAL EXPENDITURES	2,558,432	3,590,030	5,236,825	3,483,617	3,331,210	3,432,730	3,530,327	3,630,902
Fund Balance Attributed to Residential	\$ 1,035,440	\$ 412,499	\$ -	\$ 174,515	\$ 277,495	\$ 303,951	\$ 325,183	\$ 341,089
Fund Balance Attributed to Commercial & M/F	2,989,837	2,737,016	1,541,744	1,035,758	819,622	625,576	385,078	95,454
Fund Balance Attributed to Both	738,468	797,413	199,540	215,931	236,526	257,820	279,772	302,255
Total	\$ 4,763,745	\$ 3,946,927	\$ 1,741,283	\$ 1,426,204	\$ 1,333,644	\$ 1,187,346	\$ 990,033	\$ 738,799

1. Residential Franchise Fee reduced from 5% to 4% in FY 1996-97, to 3.45% in FY 1998-99, and increased to 5% in FY 2000-01.
2. Office of Planning and Development Review (formerly the Bureau of Buildings) moved from AU expense to fund level transfer in FY 1996-97. This accounts for the corresponding decrease in Internal M & S and increase in Transfers.
3. The Green Building program includes \$760,269 carryover from FY 2000-01 in the 2001-02 Revised Budget.
4. The Multifamily and Commercial program includes \$750,000 for the food waste composting facility in FY 2001-02 and \$250,000 in FY 2002-03.
5. Bureau of Environmental Services moved from fund level transfer to AU expense in FY 2000-01. This accounts for the corresponding increase in internal M & S and decrease in Transfers.

OFFICE OF SUSTAINABLE DEVELOPMENT
Solid Waste Management Fund
FY 2001-02 Five Year Financial Plan

	Actual FY 1999-00	Actual FY 2000-01	Current Revised FY 2001-02	Year 1 Projected FY 2002-03	Year 2 Projected FY 2003-04	Year 3 Projected FY 2004-05	Year 4 Projected FY 2005-06	Year 5 Projected FY 2006-07
RESOURCES								
External Revenue								
Internal Revenues								
<i>Federal Grants Fund</i>	0	20,535	81,535	0	0	0	0	0
	0	20,535	81,535	0	0	0	0	0
Permits & Licenses								
<i>Public Utility Licenses</i>	1,020,290	1,334,378	1,569,095	1,623,747	1,675,963	1,728,368	1,781,787	1,837,456
<i>Other Licenses - Commercial</i>	904,867	850,515	897,218	1,217,653	1,217,653	1,217,653	1,217,653	1,217,653
<i>Other Permits</i>	4,020	3,660	4,800	4,800	4,800	4,800	4,800	4,800
	1,929,177	2,188,553	2,471,113	2,846,200	2,898,416	2,950,821	3,004,240	3,059,909
Service Charges								
<i>Rents & Reimbursements</i>	7,239	7,239	7,239	7,239	7,239	7,239	7,239	7,239
<i>Miscellaneous</i>	4,395	5,375	2,500	2,500	2,500	2,500	2,500	2,500
	11,634	12,614	9,739	9,739	9,739	9,739	9,739	9,739
Local Sources								
<i>Local Cost Sharing</i>	266,560	267,915	347,555	270,000	270,000	270,000	270,000	270,000
	266,560	267,915	347,555	270,000	270,000	270,000	270,000	270,000
Miscellaneous Revenues								
<i>Fines and Forfeitures</i>	0	1,131	0	0	0	0	0	0
<i>Interest on Investments</i>	271,181	280,793	119,239	40,598	58,495	53,872	47,035	38,020
<i>Other Miscellaneous</i>	8,347	1,672	2,000	2,000	2,000	2,000	2,000	2,000
	279,527	283,595	121,239	42,598	60,495	55,872	49,035	40,020
Total External Revenue	2,486,898	2,773,212	3,031,181	3,168,537	3,238,650	3,286,432	3,333,014	3,379,668
Internal Revenues								
Interfund Cash Transfers								
<i>Housing & Community Develop</i>	0	0	0	0	0	0	0	0
Interfund Service Reimbursements								
<i>Housing & Community Develop</i>	0	0	0	0	0	0	0	0
Total Internal Revenues	0	0	0	0	0	0	0	0
Beginning Fund Balance	4,835,278	4,763,744	3,946,927	1,741,283	1,426,204	1,333,644	1,187,346	990,033
TOTAL RESOURCES	7,322,176	7,536,956	6,978,108	4,909,820	4,664,854	4,620,076	4,520,360	4,369,701
REQUIREMENTS								
Bureau Expenses								
<i>Personal Services</i>	668,329	685,864	684,629	726,238	747,364	768,687	788,826	809,493
<i>External Materials & Svcs</i>	1,254,268	1,275,113	1,917,393	1,247,275	1,025,228	1,054,642	1,081,989	1,110,045
<i>Internal Materials & Svcs</i>	166,650	942,706	1,018,189	689,959	709,140	730,351	750,844	771,913
<i>Capital Outlay</i>	13,406	0	0	0	0	0	0	0
Total Bureau Expenses	2,102,653	2,903,683	3,620,211	2,663,472	2,481,733	2,553,679	2,621,659	2,691,451
Fund Requirements								
Interfund Cash Transfers								
<i>General-Overhead</i>	103,298	121,822	125,104	128,482	132,208	136,042	139,579	143,208
<i>Planning & Development Review</i>	229,912	236,529	133,785	143,562	151,394	159,255	167,268	175,618
<i>General-Bus. License Offset</i>	35,000	35,000	40,000	40,000	40,000	40,000	40,000	40,000
<i>Pension Debt Redemption Fund</i>	0	20,468	21,056	21,625	22,252	22,897	23,492	24,103
<i>Sewer System Operating</i>	85,925	32,795	0	0	0	0	0	0
<i>Green Building Initiative</i>	0	239,731	1,243,424	453,362	469,548	485,794	502,354	519,611
<i>General-comp adj, non-rep</i>	0	0	32,244	33,115	34,075	35,063	35,975	36,910
<i>BGS-Fleet Services</i>	0	0	21,000	0	0	0	0	0
<i>Other</i>	1,644	0	0	0	0	0	0	0
	455,779	686,346	1,616,614	820,145	849,477	879,051	908,668	939,451
<i>Ending Balance/Reserves</i>	4,763,744	3,946,927	1,741,283	1,426,204	1,333,644	1,187,346	990,033	738,799
Total Fund Requirements	5,219,523	4,633,273	3,357,897	2,246,348	2,183,121	2,066,397	1,898,700	1,678,249
TOTAL REQUIREMENTS	7,322,176	7,536,956	6,978,108	4,909,820	4,664,854	4,620,076	4,520,360	4,369,701

PORTLAND OFFICE OF TRANSPORTATION

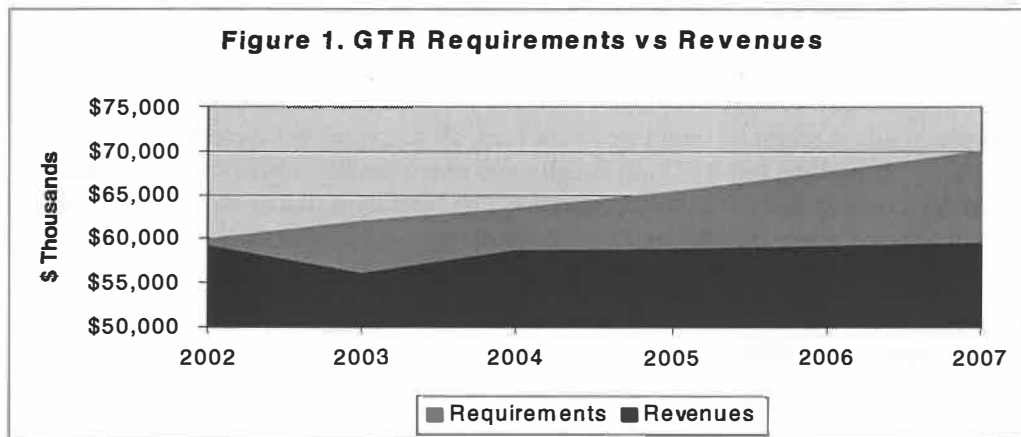
Five –Year Financial Plan: FY 2003-2007

INTRODUCTION AND EXECUTIVE SUMMARY

The financial picture for the City of Portland Office of Transportation (PDOT) is serious. Revenues are not keeping pace with inflation and alternative revenue sources are not readily available. For example, the Street Maintenance and Improvement Fee (SMIF) – a key element in balancing PDOT’s FY01-02 budget – was repealed after a successful opposition petition drive. Meanwhile expenses are up: OMF predicts that inflation will jump to 4.5% next fiscal year, and PDOT has new responsibilities burdening its limited resources (such as maintenance of Martin Luther King Boulevard, formerly a state responsibility).

Significant budget cuts are required. This financial plan lays out PDOT’s strategy to balance program costs against expected revenues from existing authorized sources.

Figure 1 shows PDOT’s five-year balance sheet of expected operating revenue and expenses,¹ and the level of cuts required to achieve balance.



In addition, PDOT receives ongoing General Fund revenue (\$5.46 million in FY01-02) in support of the Street Lighting program operations and maintenance. Due to a significant spike in utility costs, requirements for this program will increase dramatically in FY02-03.² However, OMF’s preliminary projections for FY02-03 General Fund allocations for Street Lighting are approximately \$200,000 short of PDOT’s projected requirements.

Recent history of budget cuts

PDOT has been in cutback mode for the last several years. Declining revenues and other initiatives such as the Administrative Services Review process have resulted in several rounds of cuts. In those past rounds of budget cutting, PDOT’s strategies were:

Program triage

Perform a basic triage to sort PDOT programs into three categories – “Basic,” “Necessary,” and “Desired” – with the goal of prioritizing funding for “Basic” programs and prioritizing cuts in “Desired” programs.

1. General Transportation Revenue operating budget. Excludes General Fund and capital revenue.
2. The increase actually hit in the current fiscal year. PDOT has requested a CSL adjustment for FY01-02.

Short-term funding bridges.

PDOT made internal cuts, implemented service delivery efficiencies, reduced contingency funds, re-organized programs, tapped one-time funding sources, and reduced its General Transportation Revenue capital investment program in order to reprogram GTR for ongoing programs.¹

However, PDOT has reached the limit of effectiveness of those strategies. Even if PDOT cut all services except those classified as “Basic”, the budget would not be balanced. This means that cuts to at least some core services are required, as well as a new strategy for approaching these cuts.

New Strategy

The new strategy is built around two central concepts:

Service Level Bridges

The concept of “service level bridges” is to identify areas where service levels can be reduced for the short- to medium-term without increasing the long term financial liability for the community, and when possible, to reduce it. That is the fiscal measure of performance and relates principally to the physical infrastructure side of our business. For example, is it possible to reduce street maintenance without allowing any additional streets to fall into such disrepair as to require expensive reconstruction? If so, then for how long?

Balance

The City of Portland’s transportation system has earned national acclaim for its innovation and creative approaches to solving difficult problems. While it might be tempting to cut back all functions not directly related to current system maintenance and operations, in the long run it is both fiscally and operationally more prudent to continue to invest at least at some level in future planning and innovative programs. The long-term risk of dismantling such high-quality programs is that they will be much more difficult and expensive to reconstruct later than to maintain some basic level of this capacity today.

For the FY 1999-00 Budget, PDOT Management developed some “principles” to guide decision making and have continued to use them through FY 2002-03. These are:

- ◆ Identify and honor past commitments.
- ◆ Stop “accelerated cost” maintenance backlog growth.
- ◆ Reduce/manage maintenance inventory growth.
- ◆ Reduce travel demand through multi-modal efforts focused on main streets and in town centers.
- ◆ Work toward a sustainable service level.

Proposed Budget Cuts

Guided by these principles and following the strategy outlined above, PDOT plans to make the following budget cuts in order to achieve balance:

Bureau of Maintenance – Cuts total \$3,650,000 and 27.4 FTE in FY02-03. Impacts include:

- ◆ Reduction of local and arterial street maintenance and an increase in backlog of 90 miles/year.
- ◆ Eliminate Central Business District (CBD) sidewalk cleaning – now becomes responsibility of adjacent property owners/occupants.
- ◆ Reduce CBD street cleaning from six times per week to four.

1. Fortunately, PDOT has been able to offset these CIP reductions with outside funding sources, so capital investment in the transportation system as a whole has not been reduced.

- ◆ Reduce livability services such as shifting fiscal responsibility for street area landscape maintenance to the Parks levy. Increases mowing and spraying, some loss of street beautification.
- ◆ Reduction in administrative support.

Bureau of Transportation Systems Management – Cuts total \$1,502,000 and 6.75 FTE in FY02-03. Impacts include:

- ◆ Transportation Options – Re-focus and downsize mission to focus on education efforts and removing barriers to access in a few geographic areas.
- ◆ Parking Enforcement – Re-organizes and reduces section management.
- ◆ Traffic Investigations – Decreased service (increased turn-around time) to requests for data collection, public inquiries. Reduction in support or increase in cost recovery for special events. Eliminates one Red Light Camera.
- ◆ Electrical Maintenance – Reduction in upgrades, maintenance, and modernization of traffic signals.

Bureau of Transportation Engineering and Development – Cuts total \$477,000 and ¼ FTE in FY02-03, primarily through cost recovery (particularly on CIP projects) and internal efficiencies. Reduction in Development Partnering program. (Most of this Bureau’s workload is reimbursable, funded by PDC and other external sources.)

Office of the Director – Cuts total \$747,000 and 8.5 FTE in FY02-03. Impacts include:

- ◆ Reducing and reorganizing Transportation Planning staff and projects.
- ◆ Reducing 3 positions in Finance and reorganizing workload.

Reducing IT Help Desk staff and server replacement Eliminating Communications Director position and function.

The five-year projection of these cuts is shown in Table 1.

	FY02-03	FY03-04	FY04-05	FY05-06	FY06-07
Shortfall	\$ (6,375)	\$ (6,520)	\$ (7,404)	\$ (9,278)	\$ (11,503)
Cuts Identified	\$ 6,375	6,520	6,545	6,762	6,989
Additional cuts	0	0	(859)	(2,516)	(4,514)

Note that the budget is balanced for the coming biennium (FY02-03 and FY03-04). We believe that the uncertainties in revenue forecasts in FY04-05 and beyond are significant, and that it is premature to identify specific service and program reductions for those out-years at this time. The remaining deficits in out years will be addressed by further budget cuts if additional revenue is not obtained to close those gaps.

Implications

FTE/layoffs

With cuts of this magnitude, position cuts are unavoidable. PDOT will eliminate nearly 43 permanent full-time positions in FY02-03. It is hoped that most of these cuts can be implemented through attrition rather than layoffs.

Risks to infrastructure

Cuts to the Street Preservation, Traffic Signals maintenance and capital, and Street Lighting program cannot be sustained indefinitely without putting the long-term condition and value of these assets at serious risk. Over time, deferrals in paving will lead to deterioration of street surfaces and create the need for more expensive repairs (e.g. reconstruction). Signal and street lighting system deferrals will ultimately mean more outages, and could increase congestion and create a public safety risk. If revenue projections do not recover or alternative revenue sources are not found within a few years, the City risks incurring even larger liabilities for maintenance of transportation infrastructure.

Impact on livability

Second only to the impact on infrastructure, these cuts impact PDOT's efforts to enhance Portland's livability. For example:

- ❖ Reduction in Central Business District cleaning from 6 days a week to 4 days a week (208 times per year) will result in a small amount of increased litter downtown for short durations of time.
- ❖ Wildflower program, Transportation Maintenance sites, Brush cutting – Beautification of streets diminished. Weed control and overgrowth could become a blight and perhaps a visibility problem. Degradation of livability in some areas.
- ❖ Street Area Landscaping – Fiscal responsibility for Street Area Landscaping transferred to Parks levy. Risks serious degradation in street beautification if levy fails.
- ❖ Cuts to Transportation Options will limit their education and outreach activities to a few targeted geographic areas rather than city-wide.
- ❖ Cuts to Traffic Investigations will result in decreased service in response to public inquiries and requests; eliminate one automated "red light camera", a new traffic safety program; and reduced special events support and/or more cost recovery at special events.

Organizational capacity

For the most part, PDOT's proposed cuts were crafted to maintain the capacity to recover its critical programs to current service levels, should financial conditions improve to allow it. However, the depth and breadth of the cuts required make it impossible to retain capacity to recover all programs. Significant organizational capacity will be lost in Transportation Options and Transportation Planning. While regrettable, the capacity lost in these programs is more sustainable than in other areas, for two reasons. First, these cuts do not put the long-term integrity of the infrastructure at risk. Second, to the extent that revenues recover, restorations would be made to other programs (particularly infrastructure maintenance) before these are rebuilt.

BUREAU OF WATER WORKS

Five – Year Financial Plan: FY 2003-2007

The Bureau of Water Works is a major public water utility owned by the people of the City of Portland, serving approximately 875,000 people. As an enterprise fund, the Bureau operates on a self sustaining basis, and is required to operate the water system within available resources and budget approved by the City Council. Water rates are established annually to ensure the collection of adequate revenues for the support of the water system as provided for in the City Charter.

Overall, the Bureau's mission is to act as a steward of our resource, our water system, our personnel, and 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 which satisfy the existing and future needs of the community on an equitable, efficient and self-sustaining basis.

FINANCIAL PLANNING PROCESS

The Water Bureau faces the unique challenge of operating like a private enterprise while remaining a governmental agency, and providing an essential service at an affordable cost. Almost all of the Bureau's costs are recovered through user charges. Considering the massive capital investment and years of planning and construction necessary to create and deliver additional water supply, it is an ongoing task to keep those user charges low.

The objective of the financial forecasting effort is to provide a multi-year framework within which the revenues, expenditures, and capital financing options of the Portland water system may be managed. Each year a new 5 year Financial Forecast is prepared for the active funds under the Bureau's care to reflect changing economic conditions as well as changes to the operating environment. The forecast is monitored closely throughout the year to address budgetary constraints, capital decisions, and cash flow requirements.

The Bureau's approach has been to create an interactive process which examines the large planning issues within the framework of the financial realities of the utility business. The utility financial planning/rate making process is complex and dynamic, requiring a variety of inputs ranging from hard accounting data to strategic planning goals and policy decisions.

The following set of requirements shape our financial planning process and the objectives we emphasize each year:

- ◆ The need to preserve a sound fiscal position as measured by the presence of adequate capital investment, fund balances, operating income, and credit ratios.
- ◆ The need, as a governmental agency, to comply with City Charter mandates, and to be responsive to City Council direction and the Office of Finance & Administration budgetary requirements.
- ◆ The need to be financially self-sustaining by covering virtually all costs through user charges.
- ◆ The need to allocate equitable user charges between inside-City (retail) and outside-City (wholesale) customers, in accordance with wholesale contract terms.
- ◆ The need to accurately predict and meet demand, both through demand-side and supply-side management.
- ◆ The need to plan, construct, and finance massive and expensive capital facilities which take years to complete and must meet changing federal and state regulations.

ANNUAL FINANCIAL PLANNING PROCESS

As a result of the unique nature of the utility environment, the Bureau employs a fairly rigorous year-round financial planning process. The annual planning process has been summarized below to highlight the key financial activities of the Bureau and to provide the context from which this planning document was derived. The Bureau's financial planning process addresses both the governmental budgetary perspective as well as the utility rate setting/financial planning environment.

The basic elements of the Bureau's financial planning process include:

- ◆ Establishment of goals and program priorities by upper management;
- ◆ Development of an internal budget manual and process;
- ◆ Development of the Capital Improvement Program (CIP);
- ◆ Preparation of the cost-of-service rate model;
- ◆ Development of Operating and Maintenance (O&M), and Capital requirements for each Bureau Work Group;
- ◆ Evaluation of new program requests and available funding including efficiencies in existing operations;
- ◆ Forecast/rate scenarios to determine fiscal impacts of budget decisions;
- ◆ Preliminary financial forecast analysis and plan publication;
- ◆ Budget request publication;
- ◆ Development and presentation of rate ordinance;
- ◆ Final Financial Plan publication;
- ◆ Development of Bureau trimester financial plans and status reports;
- ◆ Ongoing monitoring, analysis and reporting of utility and budgetary fiscal/operating performance; and,
- ◆ Implement financial adjustments, as appropriate, to ensure the Bureau's financial plan is achieved.

FORECAST RESULTS

Revenue Requirements, Rates, and Residential Bill

<u>Fiscal Year</u>	<u>Revenue Requirements</u>	<u>In-City Rates</u>	<u>Wholesale Rates</u>	<u>Residential Monthly Bill</u>
2002-03	5.4%	8.8%	3.7%	\$14.60
2003-07	8.2%	8.2%	5.1%	N.A.

The Bureau's total revenue requirement is forecast to increase from \$64.2 million in FY 2001-02 to \$67.6 million in FY 2002-03. That's an increase of approximately 5.4 percent which reflects increases in both O&M and the CIP. Total revenue requirements are projected to rise on average 8.2 percent over the 5 year forecast period.

The percentage change in the total revenue requirement is an aggregate figure, which cannot be interpreted as a rate increase. The revenue requirement is the total dollar amount collected from both wholesale and retail customers, without regard to the rate structure under which it must be collected. To determine the rate impacts of a revenue requirement increase, the revenue requirement must be allocated between wholesale and retail customers. The method of allocating costs to wholesale customers is mandated and limited by contractual provisions, and because of this the proportion of the total revenue requirement recoverable from them varies each year. Retail rates are set on what might be thought of as a "cash-residual" basis to recover whatever portion of the total revenue requirement is not allocable to wholesale customers. Also, wholesale and retail rate changes take into account changes in estimated water demand. For FY 2002-03, overall retail and wholesale demand are forecast to decrease 2.7 percent which reflects primarily a current downturn in the economy. Wholesale demand is expected to increase 2.2 percent per year over the remaining 4 years of the forecast period.

FY 2002-03 Average Retail Rate Increase

The adopted FY 2002-03 average retail rate increased 8.8 percent. This increase reflects additions for the Requested Service Level packages for security enhancements (both operating and capital), decreases in retail demand, and increased expenditures for capital projects. The reduced retail demand projection is forecast based on ongoing successful conservation efforts, and a continued slowing of the local economy. There is also continued higher staffing within the Bureau's FY 2002-03 budget to address billing system needs, but these costs are more than offset by planned operating expenditure reductions.

Retail Bills

On May 29, 2002, FY 2002-03 water rates and charges were adopted with the passage of City Ordinance 176525. The resulting "typical" residential customer using 8 ccf/month will pay \$14.60 per month – an increase of \$1.17.

The Bureau's Low Income Utility Relief Program was once again approved by City Council. This existing program provides to qualified single family residential water customers a 30 percent discount on a typical low income (5 ccf per month usage) bill or \$34.80 per year. Funding for this program also includes utility bill assistance for low income multi-family properties owned by non-profit housing agencies. This new program is currently under development and scheduled to be implemented shortly after stabilization of the new customer automated billing system.

Wholesale Water Rates

About \$15.3 million of the total \$67.6 million in FY 2002-03 revenue requirements is planned to come from wholesale customers. FY 2002-03 revenue to be generated from wholesale customers is up 2.0 percent from FY 2001-02, with an effective overall wholesale rate increase of 3.7 percent. Wholesale rate impacts will also vary in accordance to expected wholesale water demand. Similar to projected retail demand, wholesale demand is expected to decrease 3.3 percent in FY 2002-03.

Wholesale rates are calculated using different methodologies from inside-City retail rates, and as such are subject to different influences. Wholesale rates are set on the Utility-Enterprise basis (as required by their various contracts) and fluctuate from year to year according to the allowable rate of return, and plant replacement indexes.

These wholesale contracts do continue to benefit the retail ratepayers as well as the wholesale purveyors. As well as providing our wholesale customers the ability to purchase inexpensive, high quality water, the wholesale contracts remain a very valuable supplemental income source to city rate payers. Without these contracts, retail rates would be over 20 percent higher than those proposed.

CAPITAL POLICIES

Capital Expenditures

The Bureau's capital expenditures cover routine, ongoing capital repair and replacements to the water system as well as enhancements and additions which tend to be large and nonrecurring. The capital expenditure forecast is composed of the capitalized portion of the Capital Improvement Program (CIP) and indirect capitalized costs (overhead and interest). This would also include the cost of issuing Water Revenue Bonds.

Capital Financing

Capital costs are financed mainly from three major sources of funds: water sales; proceeds from Revenue bond sales; and Construction Fund revenues (capital project reimbursements, sales of property, interest earnings, etc.). For FY 2002-03, 37 percent of the capital forecast is planned to be funded with current resources (23 percent water sales, 14 percent Construction Fund revenues) and the balance from bond sales. The funding of the 5 year forecast period averages 25 percent water sales, 14 percent Construction Fund revenues, and 61 percent debt.

Debt

The Bureau has the ability, by City Charter State Authority, to issue debt in the form of general obligation (G.O.) or Revenue tax-free bonds. Before July 1993, the Bureau had issued only "double-barreled" (revenue-backed) General Obligation (G.O.) bonds, which carry no debt coverage requirement since they are backed by the full faith and credit of the City. Because the debt service on these bonds was wholly paid out of water revenues, the Bureau had made it a practice to target a minimum overall debt service coverage of only 1.2. For reasons related to State Ballot Measure 5, new debt beginning with the 1993 bond sale, and future bond sales would be in the form of revenue issues. Unlike G.O. debt, the Bureau's new revenue issues were required by bond ordinance to dedicate net water revenues to the payment of revenue bond debt service, and pass a debt service coverage test. Given the likelihood the Bureau will no longer sell G.O. debt, it has adopted the more conservative assumption that all future debt will be supported solely by net revenues of the water system. Since revenue bonds do carry a coverage requirement, and the Bureau desires as a policy to maintain its Moody's Aa1 Revenue bond rating, the Bureau's minimum target coverage for overall (G.O. plus revenue) debt service was increased to 1.9. The Bureau's overall target coverage is met or exceeded over the five year forecast period.

City Comprehensive Financial Management Policy Resolution #35005

Adopt a Comprehensive Financial Management Policy

WHEREAS, the city has been recognized for excellence in financial management; and

WHEREAS, these achievements are the result of dedicated work by Elected Officials, operating bureaus, central support organizations, and others; and

WHEREAS, the City Council desires to enhance that management by documenting financial management policies; and

WHEREAS, the Council desires a mechanism to communicate financial policy to Citizens, City staff, and the financial community; and,

WHEREAS, Bureaus have had an opportunity to review and comment on the proposed policy,

NOW THEREFORE BE IT RESOLVED by the City council of the City of Portland, Oregon that

1. The comprehensive Financial Management Policy, attached hereto as Exhibit I, is hereby adopted.
2. The Office of Finance and Administration is directed to review the policy on a regular basis, especially as a part of the budget development process, and recommend modifications and adjustments as necessary to keep the policy updated.

Adopted by the Council, June 17, 1992

Mayor J.E. Bud Clark Barbara Clark

SCB:jb Auditor of the City of Portland

June 11, 1992

EXHIBIT I

RELATION TO OVERALL CITY GOALS AND OBJECTIVES

The City's development of a mission statement and conforming goals and objectives are critical elements in the successful development, maintenance and operation of a Comprehensive Financial Management Policy (CFMP). Rather than driving the goals and objectives of the City, the finances are simply tools which are used to accomplish the City's mission.

The Comprehensive Financial Management Policy is a mechanism to ensure that the City is financially able to meet its immediate and long term service objectives. These policies also enhance financial planning and internal financial management of the City.

In addition, the City as an institution has multiple partners, including citizens, taxpayers, businesses, employees and other governments. As a major institutional, economic and service force in the region, it is important that the City strengthen its relationships with its partners by adopting clear and comprehensive financial policies.

PURPOSE

The City of Portland is accountable to its citizens for the use of public dollars. Municipal resources should be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. The CFMP is intended to serve as a blueprint to achieve the fiscal stability required to achieve the City's policy goals and objectives.

OBJECTIVES

In order to achieve the above purpose, the Comprehensive Financial Management Policy has the following objectives for the City’s fiscal performance.

1. To guide Council and management policy decisions that have significant fiscal impact.
2. To set forth operating principles that minimize the cost of government and reduce financial risk.
3. To employ balanced and fair revenue policies that provide adequate funding for desired programs.
4. To maintain appropriate financial capacity for present and future needs.
5. To promote sound financial management by providing accurate and timely information on financial condition.
6. To protect and enhance the City’s credit rating and prevent default on any municipal debts.
7. To ensure the legal use of financial resources through an effective system of internal controls.
8. To promote cooperation and coordination with other governments and the private sector in financing and delivery of services.

To achieve these objectives, the Comprehensive Financial Management Policy consists of twelve major sections:

- I. FINANCIAL PLANNING POLICIES
- II. BUDGET POLICIES
- III. ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES
- IV. REVENUE POLICIES
- V. OPERATING POLICIES
- VI. EMPLOYEE COMPENSATION AND SUPPORT POLICIES
- VII. CAPITAL PLANNING AND FINANCING POLICIES
- VIII. INTERGOVERNMENTAL REVENUES AND RELATIONS POLICIES
- IX. ACCOUNTING STRUCTURE POLICIES
- X. AFFILIATED AGENCIES
- XI. OTHER FINANCIAL POLICIES
- XII. APPENDICES

I. FINANCIAL PLANNING POLICIES

INTRODUCTION: A long range plan that estimates revenue and expenditure behavior of the City and regional and national economies is necessary to support the Council and community in decisions that they make about City services. This planning must recognize the effects of economic cycles on the demand for services and the City’s revenues.

City financial planning should ensure the delivery of needed services (many of which become more critical during economic downturns) by increasing reserves during periods of a strong economy in order to support continued City services during economic downturns.

The City is a major force in a complex regional economic system. The City must understand how it affects and is affected by that system in order to maximize its positive contributions. The City must have the capacity to understand and anticipate changes in both regional and national economic systems in order to engage in strategic financial and management planning.

GENERAL FUND:

1. The City will prepare annually a five year financial plan for General Fund operations based on current service levels and current funding sources. If appropriate, needed additional resources to continue current service levels or identified service adjustments will be made.
2. The City will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate and widely disseminated to users throughout the City.
3. General Fund Bureaus will forecast and monitor their own revenues and expenditures. OF&A will assist bureaus in developing appropriate systems for such monitoring. OF&A will retain overall fiscal oversight responsibility for the General Fund.
4. The Office of Finance and Administration will publish regular General fund status reports on revenues and expenditures during the course of each budget year.

ENTERPRISE FUNDS: Just as a forecasting effort is made for the City's General Fund, similar efforts will be made for Enterprise and major Special Revenue activities. Examples of such operations are Water, Environmental Services, and Transportation. The purpose of these forecasts will be to allow the Council and Citizens to evaluate the impact of the financial needs of these programs on both the local and metropolitan regional economies; and to coordinate funding needs with those of the General Fund.

1. Enterprise/ Special Revenue activities will prepare annually, a five year financial forecast for operations and capital needs based on current service levels and current revenue sources.
2. The forecasts should rely on the same basic economic assumptions as the General Fund forecast. These forecasts will also identify other assumptions used in their preparation and the risks associated with them.
3. The forecasts must identify how they will impact rate structures.
4. The forecasts will discuss how standards for debt service coverage and operating reserves are established.
5. Enterprise and major Special Revenue activities will coordinate periodic status reports on expenditures and revenues within a fiscal year with the Office of Finance & Administration.

ALL FUNDS: The financial planning and subsequent budgeting for all funds will be based on the following principles:

1. Revenue estimates should be prepared on a conservative basis to minimize the possibility that economic fluctuations could imperil ongoing service programs during the upcoming budget year.
2. Expenditure estimates should anticipate contingencies that are reasonably predictable.

II. BUDGET POLICIES

INTRODUCTION: The Bureau of Financial Planning under the Office of Finance and Administration is responsible for coordinating the overall preparation and administration of the City's annual budget. This function is fulfilled in compliance with applicable State of Oregon Statutes governing local government budgeting practices.

1. **BUDGET PREPARATION:** Each year the Mayor will provide direction to the Office of Finance and Administration on the process for the development of the annual budget. The Office of Finance and Administration translates this direction into guidelines and rules for the preparation and review of bureau budget request. The budget request format will be designed to identify major financial and service issues. It will include detailed budget and performance information for all City organizations, including the Portland Development Commission. This information will be compiled from Bureau submittal by the Office of Finance and Administration for inclusion in the budget document. The City will prepare and present its budget consistent with the criteria developed by GFOA for distinguished budget presentations.

Unless otherwise directed by the Mayor, the annual budget process will consist of the following phases:

- ❖ Issuance of budget preparation guidelines and schedules. The budget process will provide for the full participation of the City's budget advisory committees and ensure opportunities for public testimony and participation.
 - ❖ Presentation to Council of five-year financial forecasts for the General and other major City funds.
 - ❖ Presentation of bureau budget requests in a manner consistent with budget directives.
 - ❖ The issuance of OFA reviews, summarizing each budget request and as necessary identifying related issues for Council consideration.
 - ❖ Development of a proposed budget as required by ORS for presentation to the Council, sitting as the budget committee.
 - ❖ Council budget hearings for the purpose of receiving public testimony and reaching final decisions necessary to balance the City's budget.
 - ❖ Submission of the Council approved budget to the Multnomah County Tax Supervising and Conservation Commission for review.
 - ❖ Adoption of the budget in accordance with Council directives, and Local Budget Law, and certification from the Tax Supervising and Conservation Commission.
2. **BUDGET MONITORING:** The Office of Finance and Administration will maintain a system for monitoring the City's budget during the fiscal year. This system will provide the Council with quarterly information on expenditures and performance at both the bureau and fund level. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of Oregon budgetary statutes. Budget adjustments requiring Council approval will occur through a process coordinated by the Bureau of Financial Planning.
3. **REVIEW OF COUNCIL ACTIONS:** The Office of Finance and Administration will review ordinances and significant administrative decisions submitted for Council actions. The objective of these reviews will be to ensure compliance with the budget and to identify for the Council financial and service issues. The Bureau of Financial Planning will distribute procedures and guidelines for the submission of fiscal impact statements on proposed ordinances.

III. ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

INTRODUCTION: The City must maintain a system of financial monitoring, control and reporting for all operations, funds and agencies in order to provide effective means of ensuring that overall City goals and objectives will be met and to assure the City's partners and investors that the City is well managed and fiscally sound.

1. The City will maintain its accounting records and report on its financial condition and results of operations in accordance with state and federal law and regulations. And Generally Accepted Accounting Principles (GAAP). And standards established by the Governmental Accounting Standard Board (GASB). Budgetary reporting will be in accordance with the State Local Budget Law.
2. An independent firm of certified public accountants will annually perform a financial and compliance audit of the City's financial statements. Their opinions will be contained in the City's Comprehensive Annual Financial Report (CAFR), and the Report on Compliance with the Single Audit Act of 1984.
3. As an additional independent confirmation of the quality of the City's financial reporting, the City will annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The CAFR will be presented in a way designed to communicate with citizens about the financial affairs of the City.
4. The City's elected Auditor will supervise and conduct a full range of performance and financial audits of City programs. In addition, the City's elected Auditor will prepare an annual report on service efforts and accomplishments.

IV. REVENUE POLICY

INTRODUCTION: The City must consider its General Fund discretionary revenues as defined in operating policies on page 7 as a group rather than in isolation. Both individual revenues and the total package must be viewed in the context of broader City goals. The City must be sensitive to the balance between the need for services and the City's ability to raise fees, charges and taxes to support City services. As much as is possible and feasible, City services that provide private benefits should be paid by fees and charges in order to provide maximum flexibility in use of general City taxes to meet the cost of services of broader public benefit.

1. Charges for services that benefit specific users should recover full costs, including all direct costs and bureau overhead, loss of interest, depreciation on capital plant and equipment, and general fund overhead. Bureaus that impose fees or services charges should prepare and periodically update cost-of-service studies for such service. When consistent with legal requirements, other City interest such as remaining competitive within the region or meeting other City objectives, may dictate a subsidy of a portion of the costs of such services. However, all services will be presumed to be 100% cost reimbursable unless the Council makes a specific exception in the ordinance adopting the charge. In some cases, with Council approval, it will be appropriate to meet this test on a program-wide basis in order to achieve administrative efficiencies and service equity. Current charges not meeting this standard will be reviewed within two years of the adoption of this policy.
2. The City should strive to diversify its revenues in order to maintain needed services during periods of declining economic activity. A base of property taxes and other stable revenues provide a reliable base of revenues during periods of economic downturn. Elastic revenues will allow the building of reserves during periods of strong economic performance. If the proportion of elastic City revenues increases, adjustments to reserve policies may be necessary as greater "swings" in resources may occur from year to year.
3. The City's overall revenue structure should be designed to recapture for the City some of the financial benefits resulting from City economic and community development investments.
4. The City will observe the following priorities in utilizing existing and obtaining additional resources:
 - a. The City will use as efficiently as possible the resources that it already collects.
 - b. The City will collect as efficiently as possible the resources to which it is already entitled.
 - c. The City will seek new resources, consistent with the policies in this document and other City goals.
5. The City will strive to keep a total revenue mix that encourages growth and keeps Portland competitive in the metropolitan area.
 - a. As part of the annual Financial Forecast or budget process, the revenue mix will be analyzed with an evaluation of the impact on the competitiveness of Portland within the metropolitan area, including Clark County. This comparison of costs for services will be used as baseline data for Council budget discussions.
 - b. The evaluation should include all local taxation and fees including those of overlapping jurisdictions.

V. OPERATING POLICIES

INTRODUCTION: The City should accommodate both one-time and on-going expenditures to current revenues, establish and adequately fund reserves, regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible, and constantly review City services for appropriateness and effectiveness. For purposes of this document, the City's General Fund "discretionary revenues" are defined as the property taxes within the tax base as may be compressed, 5 percentage points of lodging taxes, business license fees, utility license fees, interest income, state shared revenues, and beginning cash balances.

1. On-going revenues should be equal to or exceed on-going expenditures. Each City fund budget must identify on-going resources that at least match expected on-going annual requirements. One-time cash transfers and non-recurring ending balances will be applied to reserves or to fund one-time expenditures; they will not be used to fund on-going programs. Each year OF&A will provide Council with the amount of ending balance that is estimated to be non-recurring for the General Fund.
2. Unless otherwise stated explicitly by the Council, the City will not earmark discretionary revenues for specific purposes in the General Fund. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.
3. The City will maintain a system of financial monitoring and control. The major components of this system include:
 - a. Financial Accounting System and periodic Status Reports: Each Accounting Period the Office of Finance and Administration will publish a General Fund financial status report on the revenues and expenditures to date and estimated year end balance.
 - b. Quarterly budget review: Each quarter the Office of Finance and Administration will review all City financial operations, report to Council on financial results, and recommend financial management actions necessary to meet the adopted budget's financial planning goals.
4. The City will seek to optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.
5. City operations will be run on an enterprise basis if doing so will increase efficiency of service delivery or recover the cost of providing the service by a user fee or charge.
6. The City will attempt to maintain cash reserves in order to reduce borrowing needed for General Fund operating purposes.
7. The City will not increase accruals and non-cash enhancements to revenues as a means to influence fund balances at year end.
8. All city agencies will maintain accurate inventories of physical assets, their condition, lifespan and cost. The Office of Finance and Administration will coordinate the master inventory of assets for the city.
9. The Treasury Division in the Office of Finance and Administration will develop, maintain and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security to all cash assets. All cash received by City agencies will be deposited to Treasury accounts within twenty-four hours of receipt.
10. The City shall endeavor to reduce needless competition with other public and private providers and to ensure the most cost-effective and efficient provision of services.
11. General Fund overhead costs will be allocated according to consistent methodology developed in consultation between the Office of Finance and Administration and other fund managing bureaus.
12. The City will strive to ensure that the City service priorities keep pace with the dynamic needs of the community by incorporating a service needs review as part of the budget process.

VI. EMPLOYEE COMPENSATION AND SUPPORT

INTRODUCTION: Personal services costs comprise a significant percentage of the City's Operating Funds budget. The City of Portland is fortunate to have employees who are dedicated to the City and to public service. These employees are vital to the City's ability to meet its services demands. The City expects its workers to be highly productive. In return, the City must fairly compensate, train and equip its employees in order to attract and keep high quality, productive employees. Subject to collective bargaining law, as appropriate, it is the City's "Total Compensation Policy" that

1. Direct and indirect compensation (wages, premiums, health benefits, vacations, holidays, and other leaves, pensions, etc.) are to be considered collectively in determining appropriate levels of compensation for employees.
2. Wage and benefits packages are considered "externally competitive" if they approximate the average of the total compensation offered in applicable labor markets for similar work.
3. Other factors such as compression between classes and the ease or difficulty of recruitment of qualified employees may also be considered in establishing wages and benefits.
4. Annual adjustment to the compensation plan may be based upon a formula that considers the consumer price index and that is consistent with the cost of living formulas found in collective bargaining agreements.

VII. CAPITAL PLANNING AND FINANCING POLICIES

INTRODUCTION: The City must preserve its current physical assets and plan in an orderly manner for future capital investments, including the operating costs associated with new capital improvements or major equipment budgeted as part of the CIP process.

The City must make the capital investment needed to support and enhance the delivery of basic services. This commitment is important because the demands for basic services (police officers on the street and fire fighters in the stations) often receive priority over infrastructure improvements (streets and fire stations and apparatus).

1. The City will maintain a strong bond rating that is consistent with other City goals.
2. Each bureau with major capital assets will develop and maintain five year capital plans. The actual bureau planning horizon for capital programs should relate to the useful life of capital assets, the term of financing, and industry standards for the particular type of asset. Since adopted citywide plans contain capital expenditure needs, bureaus will include projects from such plans in their capital plans. Capital plans will display proposed projects in a map format that can be included in the annual CIP.
3. The City will prepare, adopt and update annually a City five year Capital Improvement Plan that includes and prioritizes bureau needs for capital replacement and additions. The plan will include estimated projects costs and identify funding sources.
4. The City will prepare an annual Capital Budget which will include current year capital expenditures based on the first year of the current Capital Improvement Plan.
5. As part of the annual Capital Budget, the City will identify and include full costs of future maintenance needs and operating costs of new capital improvements and equipment prior to funding as part of the annual Capital Budget.
6. In general, all assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs. The City will maintain accurate information on the condition, lifespan and estimated replacement cost of its major physical assets to assist in long term planning.
7. The budget will provide sufficient funding for adequate operations, maintenance and scheduled replacement and enhancements of capital plant and equipment. Whenever bureaus identify that there is a significant discrepancy between the need to maintain / modernize City infrastructure or facilities and the funds available for such improvements, the fund manager will prepare and present to Council a strategy for meeting such needs.

8. In general, maintenance and operations of capital facilities should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. In addition, State or federal mandates or new service demands may require acquisition of new facilities even when maintenance needs are not fully met.
9. A high priority should be placed on maintenance where deferring maintenance will result in greater costs to restore or replace neglected facilities.
10. The City may finance the improvement of transportation, water, wastewater, and other public improvements through creation of Local Improvements Districts (LIDs). Unless otherwise directed by Council, LID assessments will include all costs associated with the project, including but not limited to financing, and administrative costs. The City will take actions to ensure that financial risk to the City is minimized.

VIII. INTERGOVERNMENTAL REVENUES AND RELATIONS

INTRODUCTION: Many service costs of the City are influenced by other governments, either because of service overlap or service mandates imposed by State and Federal governments. The City must take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues and grants while aggressively opposing mandates that distort local service priorities.

1. The City will avoid using grants to meet on-going service delivery needs. In the City's financial planning, grants will be treated in the same manner as all temporary and uncertain resources and should not fund on-going, basic service needs.
2. All grant applications will be reviewed by the Grants Division of OF&A to ensure compliance with State, Federal and City regulations. This review must occur before a grant application submittal, or acceptance in cases of no application.
3. The City will budget expenditures for grant-funded programs only after grant award or letter of commitment, and only for the amount of grant award. Entitlement programs will be budgeted based on expected revenues. City overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted.
4. The City will aggressively oppose State or Federal actions that mandate expenditures which the Council considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.
5. The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. When the City cannot simply transfer responsibility for service delivery, it will consider intergovernmental agreements and contract for service delivery.

IX. ACCOUNTING STRUCTURE POLICIES

INTRODUCTION: The City is a complex financial and service organization. Its financial operations are organized into three types of funds (Governmental, Proprietary, and Fiduciary). All funds and City operations must work to achieve the City's mission and goals.

1. The City manages all funds to meet the objectives of a single comprehensive long range financial plan.
2. Funds
 - a. The City will minimize the number of funds. The funds will be categorized by standard GAAP functional classifications but may also be referred to by City of Portland fund types.
 - b. Appendix A of this policy lists current Funds and their standard GAAP functional classification as well as their City fund type.
3. Purpose Statement for Funds
 - a. Each fund in the City will have a Statement of Purpose which includes the following items:
 - ♦ Purpose(s) of the fund

- ❖ Source(s) of revenues to the fund
 - ❖ A method of establishing annual contributions to the fund, if any.
 - ❖ The Bureau responsible for managing the fund.
 - ❖ Size and use of contingency, if any. Contingency levels will be based on the uncertainties associated with the purposes of the fund
 - ❖ Size, purpose and alternative means of meeting required reserves, if any. Required reserve levels will be based on long term operating needs of the fund and prudent management requirements.
- b. The Internal Service funds will include additional information in the Statement of Purpose, as follows, if appropriate:
 - ❖ For purchase of capital items, a method for periodically testing the cost-effectiveness of pre-funding capital replacement vs. leasing or lease purchasing. Each fund statement will indicate what level of purchases are suitable for either direct cash payment or financing.
 - ❖ Clear equipment replacement policies and identifiable equipment reserves, where appropriate.
 - ❖ A method of clearly accounting for equipment reserves from and purchases for each bureau.
 - ❖ A policy and procedure for protecting capital reserves from being used for operating purposes.
 - ❖ A method for periodically testing the cost-effectiveness of internal provision of services vs. contacting out or direct purchase of all or part of the services provided by the fund. For insurance type funds this will mean a method for periodically testing the cost-effectiveness of self-insurance vs. purchase of all or part of the City's insurance needs; and internal or contracted claims and loss control services.
 - c. Funds that receive a General Fund subsidy in addition to fees and charges or dedicated revenues will include a rationale for General Fund subsidy and a means for determining the annual level of that subsidy or conditions under which the subsidy should be eliminated.
 - d. Enterprise Funds will include:
 - ❖ Required level of debt service coverage for the fund.
 - ❖ Relationship between operating and construction funds.
 - e. Existing funds will be so described by fund managers, and adopted by Council resolution, within one year of the adoption of this policy.
4. The Office of Finance and Administration will do annual review of all funds to determine if each is still serving a useful purpose and is needed.
 5. New funds must be created by resolution of Council containing the above required descriptions. A review and report by OF&A will be required precedent to Council action.

X. AFFILIATED AGENCIES

INTRODUCTION: City Charter, Council action, inter-governmental agreements and state and federal laws have created a number of agencies which are affiliated with the City and which can have an adverse effect on the City if not managed to the same financial standards as direct City agencies. It is necessary to spell out standards on financial operations for these organizations in order to protect the City's fiscal status.

1. Affiliated Agencies will be accountable for financial compliance and reporting standards as established in this document.
2. The Criteria for defining Affiliated Agencies will include any of the following:
 - a. Created by City Charter or Council action
 - b. Leadership appointed by the City Council

- c. A majority of funds are received from the City

XI. OTHER FINANCIAL POLICIES

INTRODUCTION: The City has adopted several other financial policies that guide City operations. It is necessary to recognize them as elements of this Comprehensive Financial Management Policy. The following City financial policies are incorporated as part of this policy:

1. Investment Policy
2. Debt Management Policy
3. Urban Services Policy
4. Transportation Funding Policy
5. Revenue Allocation Policy
6. Interagency Agreement Policy
7. Local Improvement District Financing Policy
8. Reserve Policy

City Debt Management Policy

1. SELECTION OF FINANCE CONSULTANTS AND SERVICE PROVIDERS

The City's Debt Manager shall be responsible for establishing a solicitation and selection process for securing professional services that are required to develop and implement the City's debt program. Goals of the solicitation and selection process shall include encouraging participation from qualified service providers, both local and national, and securing services at competitive prices.

- a. **Bond Counsel.** As part of its responsibility to oversee and coordinate the marketing of all City indebtedness, the City Attorney, with advice of the Debt Manager and a committee representing City Bureaus, Agencies, and Commissions with capital financing needs, shall make recommendations to the City Council regarding the selection of Bond Counsel to be employed and the duration of the employment for individual or a series of financings. The solicitation and selection process for such services will comply with City Code requirements for Professional, Technical, and Expert Services. The Council shall make such selection, taking into consideration these recommendations.
- b. **Underwriters.** The Debt Manager shall solicit proposals for underwriting services for all debt issued in a negotiated or private placement sale mode. The solicitation process used for these services shall comply fully with City Code requirements for Professional, Technical, and Expert Services, and shall include formation of a review committee to evaluate written proposals and, if deemed necessary, conduct oral interviews. In addition, the proposal solicitation and selection process for negotiated sales as developed by the Debt Manager, and amended from time to time, shall also be followed. The selection of underwriters may be for an individual or series of financings or a specified time period. The Council shall make such selections taking into consideration the recommendations of the review committee.
- c. **Financial Advisor.** The Debt Manager, with advice of a committee representing City Bureaus, Agencies, and Commissions with capital financing needs, shall make recommendations to the City Council regarding the selection of financial advisors to be employed and the duration of such employment. The solicitation and selection process for such services will comply with City Code requirements for Professional, Technical, and Expert Services. The time period for employment may relate to an individual or a series of financings, or for a specified period of time.
- d. **Paying Agent.** The Debt Manager, in consultation with the City Treasurer, shall solicit periodically for paying agent services from qualified commercial and trustee banks. The cost of providing such services shall be used by the Debt Manager, along with other qualitative measurements, in developing a Paying Agent recommendation to City Council, along with the term of such agreement.
- e. **Other Service Providers.** The Debt Manager shall periodically solicit for other service providers (escrow agents, verification agents, trustees, etc.). The cost of providing such services shall be used by the Debt Manager in developing a recommendation to City Council, along with the term of such agreement.

2. COMPREHENSIVE CAPITAL PLANNING AND FINANCING SYSTEM

- a. **Capital Planning and Financing System.** The City shall develop a capital planning and financing system for use in preparing a multi-year Capital Improvement Plan for consideration and adoption by the City Council as part of the City's budget process. Individual bureaus and agencies shall prepare multi-year capital plans and coordination and preparation of the City-wide Capital Improvement Plan shall reside with the Office of Finance and Administration. This Plan shall be for the coming five fiscal years and shall be updated periodically. The Plan shall contain a comprehensive description of the sources of funds and the timing of capital projects for future operating and capital budgets, effect of the projects on future debt sales, debt outstanding, and debt service requirements, and the impact on future debt burdens and current revenue requirements. In this latter regard, the Plan shall, analyze the conformance of the planned financings with policy targets regarding the (1) magnitude and composition of the City's indebtedness, and (2) the economic and fiscal resources of the City to bear such indebtedness over the next five years. Affordability impacts of the Plan shall be evaluated in consultation with the various City Bureaus.
- b. **Debt Calendar and Financing Priorities.** It shall be the responsibility of the Debt Manager, within the context of the Capital Improvement Plan, to oversee and coordinate the timing, process of issuance, and marketing of the City's borrowing and capital funding activities required in support of the Plan. In this capacity, the Debt Manager shall make recommendations to the City Council regarding necessary and desirable actions and shall keep it informed through regular and special reports as to the progress and results of current-year activities under the Plan.
- c. **Funding of Capital Outlays.** As part of its capital financing philosophy, the City shall make contributions from its own current revenues, or from outside funding sources such as state or federal grants, to each capital project or program equal to at least 5% of its total capital cost.
- d. **Maintenance, Replacement and Renewal.** Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good repair and to maximize the capital stock's useful life, the City should set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal.
- e. **Debt Authorization.** No City debt issued for the purpose of funding capital projects shall be authorized by the City Council unless it has been included in the Capital Improvement Plan or until the Council has modified the Plan. Such modification shall occur only after the Council has received a report of the impact of the contemplated borrowing on the existing Capital Improvement Plan and recommendations as to the financing arrangements from the Debt Manager and the Office of Finance and Administration.

3. LIMITATIONS ON CITY INDEBTEDNESS

- a. **Target Limitations on Non-Self-Supporting Unlimited Tax General Obligation Indebtedness.** The City shall, as a matter of policy, conduct its finances so that the amount of direct, non-self-supporting, unlimited tax general obligation ("UTGO") debt outstanding at any time that is subject to approval by the voters (excluding long-term, non-self-supporting leases) does not exceed 0.75% of the City's taxable assessed valuation.
- b. **Target Limitations on Non-Self-Supporting Limited Tax General Obligation Indebtedness and Full Faith and Credit Lease-Purchase Obligations.** The City shall, as a matter of policy, conduct its finances so that the amount of direct, non-self-supporting, limited tax general obligation ("LTGO") debt and full faith and credit lease purchase obligations outstanding at any time that are not subject to approval by the voters does not exceed 1.0% of the City's taxable assessed valuation. Furthermore, the City shall strive to limit the annual debt service requirements on these obligations to an amount that is not greater than 10% of annual General Fund revenues.

These limitations apply to debt obligations issued with a specific LTGO pledge, obligations secured by a pledge of the City's full faith and credit, and obligations that are in effect secured by a LTGO pledge and are not self-supporting, or which are paid for from General Fund monies. Also included within this limitation are any other loan agreements entered into directly by the City or secured indirectly by a pledge of the City's General Fund.

- c. **Target Limitations on Lease-Purchase Financing of Equipment and Furnishings.** The City may enter into short-term lease-purchase obligations to finance the acquisition of capital equipment and furnishings with estimated useful lives of less than ten years. Outstanding lease-purchase obligations issued to finance capital equipment and furnishings shall not exceed 0.125% of the City's taxable assessed valuation. Repayment of these lease-purchase obligations shall occur over a period not to exceed the useful life of the underlying asset or in any case no longer than five years from the dated date of such obligations. The Debt Management Group of the Office of Finance and Administration shall be responsible for developing procedures for use by City Bureaus interested in participating in the lease-purchase program, and for setting repayment terms and amortization schedules, in consultation with participating Bureaus.
- d. **Limitations on General Fund Loan Guarantees and Credit Support.** As part of the City's financing activities, General Fund resources may be used to provide credit support or loan guarantees for public or private developments that meet high priority City needs. Before such General Fund commitments are made, specific policy goals and objectives that determine the nature and type of projects qualifying for such support, and specific limitations to be placed on the maximum amount of General Fund resources pledged to such projects shall be developed. The Office of Finance and Administration shall be responsible for coordinating the development of such policies and goals, which shall not take effect until approved by the City Council. General Fund loan guarantees shall be subject to the overall debt limitations set forth in B, above.

Recognizing the limited capacity of the City's General Fund to support both ongoing operating programs and secure long-term debt obligations, use of the General Fund to secure such obligations must first be approved by the Debt Manager and the Director of the Office of Finance and Administration. Key factors that will be considered in determining whether or not the General Fund should be used to secure a particular debt obligation will include the following:

- ❖ Demonstration of underlying self-support, thus limiting potential General Fund financial exposure.
- ❖ Use of General Fund support as a transition to a fully stand alone credit structure, where interim use of General Fund credit support reduces borrowing costs and provides a credit history for new or hard to establish credits.
- ❖ General Fund support is determined by the City Council to be in the City's overall best interest.

- e. **Target Limitations on the Issuance of Revenue-Secured Debt Obligations.** The City shall seek to finance the capital needs of its revenue producing enterprise activities through the issuance of revenue-secured debt obligations. Prior to issuing revenue-secured debt obligations, City Bureaus, in consultation with the Debt Manager, will develop financial plans and projections showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on ratepayers, property owners, City Bureaus, and other affected parties. The amount of revenue-secured debt obligations issued by a City Bureau will be limited by the feasibility of the overall financing plan as determined by the Debt Manager.

Revenue-secured debt obligations must first be reviewed and approved by the Debt Manager and the Director of the Office of Finance and Administration before being issued.

4. STRUCTURE AND TERM OF CITY INDEBTEDNESS

- a. **Rapidity of Debt Repayment.** Generally, borrowings by the City should be of a duration that does not exceed the economic life of the improvement that it finances and where feasible should be shorter than the projected economic life. Moreover, to the extent possible, the City should design the repayment of debt so as to recapture rapidly its credit capacity for future use. The City shall strive to repay the principal amount of its long-term general obligation debt (both voter and non-voter approved) according to the following schedule: at least 20% in five years and 40% in ten years. The City may choose to structure debt repayment so as to wraparound existing obligations or to achieve other financial planning goals. Such alternative structures shall be subject to the approval of the Debt Manager and Director of the Office of Finance and Administration, in consultation with the involved Bureaus, before being recommended to the City Council.
- b. **Use of Variable-Rate Securities.** When appropriate, the City may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. The decision to issue such securities must be reviewed and approved by the Debt Manager and the Director of the Office of Finance and Administration, in consultation with the City Treasurer, before Council is requested to approve their issuance.
- c. **Pledge of Restricted Funds to Secure Debt.** The City has the power to make an irrevocable pledge of a security interest in an account created exclusively for the security of holders of City obligations. Before such funds are used to secure a prospective financing, policies regarding the use of such restricted funds shall be developed by the affected Bureau and the Debt Manager, subject to approval by the Director of the Office of Finance and Administration, to ensure that the use of such funds to secure bonds does not violate restrictions on such funds and that underlying program commitments can be maintained in addition to meeting debt service obligations on debt secured by the restricted funds. These policies shall be presented as recommendations to Council prior to or at the time issuance of the secured debt is to be authorized.
- d. **Use of Subordinate Lien Obligations.** Creation of a subordinate lien financing structure, if appropriate, shall be based on the overall financing needs of a particular bureau, expected credit ratings, relative cost of a subordinate lien structure, and impacts on the City as determined by the Debt Manager and the Director of the Office of Finance and Administration, in consultation with the involved Bureau. The results of this review shall be presented in the form of recommendations to Council for consideration prior to or at the time such bonds are being authorized.

5. METHOD OF SALE

- a. **Competitive Sale.** The City, as a matter of policy, shall seek to issue its debt obligations in a competitive sale unless it is determined by the Debt Manager that such a sale method will not produce the best results for the City. In such instances where the City in a competitive bidding for its debt securities (whether general obligation or non-general obligation debt) deems the bids received as unsatisfactory or does not receive bids, it may, at the election of the City Council, enter into negotiation for sale of the securities.
- b. **Negotiated Sale.** When determined appropriate by the Debt Manager and approved by the Director of the Office of Finance and Administration, the City may elect to sell its debt obligations through a negotiated sale. Such determination may be made on an issue by issue basis, for a series of issues, or for part or all of a specific financing program. Selection of the underwriting team shall be made pursuant to selection procedures set forth in these Debt Policies, consistent with City Code.
- c. **Private Placement.** When determined appropriate by the Debt Manager and approved by the Director of the Office of Finance and Administration, the City may elect to sell its debt obligations through a private placement or limited public offering. Selection of a placement agent shall be made pursuant to selection procedures developed by the Debt Manager, consistent with City Code.
- d. **Official Bid Form.** The City shall design an official bid form to be made part of each official notice of sale published in conjunction with the sale of debt securities in a competitive sale by the City.

6. SHORT-TERM DEBT AND INTERIM FINANCING

- a. **Lines and Letters of Credit.** Where their use is judged by the Debt Manager to be prudent and advantageous to the City, the City has the power to enter into agreements with commercial banks or other financial entities for purposes of acquiring lines or letters of credit that shall provide the City with access to credit under terms and conditions as specified in such agreements. Before entering into any such agreements, takeout financing for such lines or letters of credit must be planned for and determined to be feasible by the Debt Manager. Any agreements with financial institutions for the acquisition of lines or letters of credit shall be approved by the City Council. Lines and letters of credit entered into by the City shall be in support of projects contained in the approved Capital Improvement Plan.
- b. **Bond Anticipation Notes.** Where their use is judged by the Debt Manager to be prudent and advantageous to the City, the City may choose to issue Bond Anticipation Notes as a source of interim construction financing. Before issuing such notes, takeout financing for such notes must be planned for and determined to be feasible by the Debt Manager. Bond Anticipation Notes may be sold in either a competitive or negotiated sale, subject to authorization and approval by the City Council.
- c. **Tax and Revenue Anticipation Notes.** Where their use is judged by the Debt Manager to be prudent and advantageous to the City, the City may choose to issue Tax and Revenue Anticipation Notes to fund internal working capital cashflow needs. Before issuing such notes, cashflow projections will be prepared by the appropriate City Bureaus and reviewed by the Debt Manager. Tax and Revenue Anticipation Notes may be sold in either a competitive or negotiated sale, subject to authorization and approval by the City Council.
- d. **Tax Exempt Commercial Paper.** The City may choose to issue Tax Exempt Commercial Paper as a source of interim construction financing for projects contained in the City's approved Capital Improvement Plan only after the Debt Manager, in consultation with the City Treasurer, determines that such a financing represents the least cost interim financing option for the City. Furthermore, Tax Exempt Commercial Paper shall not be issued for City capital programs unless it is of sufficient economic size as determined by the Debt Manager. A report recommending the issuance of Tax Exempt Commercial Paper must first be approved by the Director of the Office of Finance and Administration, before recommendations are made to City Council authorizing the establishment of such a program.

7. IMPROVEMENT DISTRICT AND ASSESSMENT CONTRACT FINANCING

- a. **Financing Policies.** The policies guiding the City's improvement district and assessment contract financing program shall be guided by City Council Resolution No. 34847, as amended.
- b. **Interest Rates on Improvement Assessment Loans.** The contract interest rate on loans made from the proceeds of Improvement Assessment Bonds shall be equal to the effective interest rate paid on the bonds sold to finance such loans plus an additional percentage markup to cover self-insurance and loan servicing costs. The self-insurance and servicing charge markup shall be adjusted annually based upon the historical Improvement Assessment Bond collection history and consultation among the Auditor's Office, the Debt Manager, and the City Treasurer. The contract interest rate shall be determined on the day of the sale of Improvement Assessment Bonds for those assessment contracts financed with proceeds of the sale.
- c. **Interim Assessment Contract Interest Rates.** The interim assessment contract interest rate is the interest rate set on contracts that precede the sale of Improvement Assessment Bonds. This rate shall be set at a level deemed reasonable and prudent by the Debt Manager and the Auditor's Office to insure that funds collected through assessment contract payments are sufficient to meet that portion of future debt service requirements on Improvement Assessment Bonds attributable to such contracts.

- d. **Commitment to Self-Supporting Improvement District Financings.** Consistent with the concept of Improvement Assessment financing, all of the City's Improvement Assessment indebtedness shall be self-supporting. Prior to the issuance of Improvement Assessment Bonds, the Auditor's Office shall review projected cash flows which incorporate scheduled assessment contract payments, prepayments, delinquencies, and non-payments with the Debt Manager to ensure that the proposed Bonds shall meet the City's self-support requirement.

8. REFUNDING OF CITY INDEBTEDNESS

- a. **Debt Service Savings--Advance Refundings.** The City may issue advance refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent, and net present value savings, expressed as a percentage of the par amount of the refunding bonds, equal or exceed 5 percent. Exceptions to this requirement shall be made only upon the approval of the Debt Manager and the Director of the Office of Finance and Administration.
- b. **Debt Service Savings--Current Refundings.** The City may issue current refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent, and net present value savings equal or exceed \$100,000.
- c. **Restructuring of Debt.** The City may choose to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management. Savings requirements for current or advance refundings undertaken to restructure debt may be waived by the Debt Manager and the Director of the Office of Finance Administration upon a finding that such a restructuring is in the City's overall best financial interests.
- d. **Open Market Purchase of City Securities.** The City may choose to defease its outstanding indebtedness through purchases of its securities on the open market when market conditions make such an option financially feasible. The Debt Manager and the City Treasurer shall be responsible for developing procedures for executing open market purchases and the savings objectives to be achieved by undertaking such actions.

9. USE OF CREDIT ENHANCEMENT

The City shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Selection of credit enhancement providers shall be subject to a competitive bid process developed by the Debt Manager. Credit enhancement may be used to improve or establish a credit rating on a City debt obligation even if such credit enhancement is not cost effective if, in the opinion of the Debt Manager, the use of such credit enhancement meets the City's debt financing goals and objectives.

10. REBATE REPORTING AND COVENANT COMPLIANCE

The Debt Management Group in the Office of Finance and Administration shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the City's outstanding debt issues. Additionally, general financial reporting and certification requirements embodied in bond covenants shall be monitored to ensure that all covenants are complied with.

11. CONDUIT FINANCINGS

The City may sponsor conduit financings for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall service and policy objectives as determined by the Portland Development Commission. All conduit financings must insulate the City completely from any credit risk or exposure and must first be approved by the Debt Manager and the Director of the Office of Finance and Administration before being submitted to City Council for authorization and implementation.

12. FINANCING PROPOSALS

Any capital financing proposal made to a City Bureau, Agency, or Commission involving a pledge or other extension of the City's credit through the sale of securities, execution of loans or leases, or making of guarantees or otherwise involving directly or indirectly the lending or pledging of the City's credit shall be referred to the Debt Manager, who in a timely manner shall be responsible for analyzing the proposal, responding to the proposal, and recommending to the Director of the Office of Finance and Administration the required action to be taken.

13. DERIVATIVE PRODUCTS

The City may in the future choose to enter into contracts and financing agreements involving interest rate swaps, floating/fixed rate auction or reset securities, or other forms of debt bearing synthetically determined interest rates as authorized under Oregon statutes. Before entering into such contracts or agreements, a review team consisting of the Debt Manager, the City Treasurer, and appropriate bureau staff and outside consultants shall be formed to review the risks and benefits of such financing techniques and expected impacts on the City's long-term financial operations and credit ratings. The report, when completed, shall be presented to the Director of the Office of Finance and Administration for review and approval before any recommendations are submitted to the City Council for authorization and implementation.

14. OTHER POLICIES AND REQUIREMENTS

- a. **Annual Audit of City.** The annual audit of the City shall describe in detail all funds and fund balances established as part of any direct debt financing of the City. The audit may also contain a report detailing any material or rate covenants contained in any direct offering of the City and whether or not such covenants have been satisfied.

15. CREDIT RATINGS

- a. **Rating Agency Relationships.** The Debt Manager shall be responsible for maintaining relationships with the rating agencies that currently assign ratings to the City's various debt obligations. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.
- b. **Use of Rating Agencies.** The Debt Manager shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.
- c. **Minimum Long-Term Rating Requirements.** The City's minimum rating requirement for its direct, long-term, debt obligations is a rating of "A" or higher. If such a debt obligation cannot meet this requirement based on its underlying credit strength, then credit enhancement shall be sought to ensure that the minimum rating is achieved. If credit enhancement is unavailable or is determined by the Debt Manager to be uneconomic, then the obligations may be issued without a rating.

A lower rating standard may be accepted for indirect or conduit obligations, subject to the approval of the Debt Manager.

16. ONGOING DISCLOSURE

The Debt Manager shall be responsible for providing ongoing disclosure information to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

General Fund Revenue Policy

Resolution #35006

Adopt a General Fund Revenue Policy. (Resolution)

WHEREAS, increasing emphasis is being placed on support of city programs through the implementation and use of fees, and

WHEREAS, bureaus have been encouraged to seek new and innovative means of supporting services which might otherwise be significantly reduced or eliminated because of their relative priority in comparison to other City services and the scarcity of General Fund discretionary resources and

WHEREAS, advancements in the use of fees and charges have been achieved in piecemeal manner and in the absence of City-wide policy,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Portland, Oregon that:

1. The General Fund Revenue Policy, attached hereto as Exhibit I, is hereby adopted as the City of Portland's General Fund Revenue Policy.
2. This policy shall apply to all General Fund bureaus of the City of Portland.
3. This policy shall apply to "non-discretionary" General Fund revenues including permits, service charges and fees, and sales, and in some cases to contracts and interagency agreements.
4. Bureaus regularly budgeting fee revenue are required to complete a Cost of Service Study.
5. Revenues effected by this policy shall be dedicated to the bureaus in which they are generated.
6. Year-end revenue shortfalls and surpluses shall be allocated to the Bureau and the General Fund budgets in accordance with completed cost-of-service studies.

Adopted by Council, June 17, 1992

Mayor J.E. Bud Clark
Barbara Clark

SCB:jb
Auditor of the City of Portland

June 11, 1992

EXHIBIT I

OFFICE OF FINANCE AND ADMINISTRATION

updated June 1996

POLICY OVERVIEW

The following principles underlay the City's General Fund Revenue Policy:

- ◆ City services that provide private benefit should be paid for by fees and charges. A "private benefit" should be viewed as one which benefits the user and whose quantity, quality, and/or number of units may be specified. Examples would include parks usage fees, plans review fees, site rental fees, etc. These will maximize flexibility in the use of general city taxes to meet the cost of broader public services.
- ◆ All bureaus charging fees are required to complete and present for review by OF&A and subsequently for action by Council fee studies based upon cost-of-service principles. These studies are to be updated at a minimum every two years.
- ◆ In performing fee studies and developing fee structures, bureaus shall take into account:

- ◆ The degree to which a service provides a general benefit or public good in addition to the private good provided to a specific business, property, or individual;
 - ◆ The economic impact of new or expanded fees, especially in terms of comparability with other governmental jurisdictions within the metropolitan area;
 - ◆ The true or comprehensive cost of providing a service.
 - ◆ The impact of imposing or increasing the fee upon populations at risk and the achievement of other city goals.
- ◆ All fee revenues are dedicated to the Bureau in which they are generated.

SCOPE OF POLICY

This Policy applies to General Fund Bureaus. Because of their financial structure, both Enterprise and Operating Funds automatically dedicate revenues to their respective services. The methodology utilized by these funds in establishing fees and charges will continue to be reviewed in their respective financial plans the initial step in the annual budget process. For General Fund bureaus, all bureau-specific revenues are dedicated to the bureaus through which they are generated. This means that bureaus are responsible for the preparation of revenue forecasts, the tracking of receipts, and the administration of all related changes during the fiscal year. Each Bureau is responsible for attaining revenue estimates. These are reported in the quarterly budget process, and adjustments are made to appropriations accordingly.

Revenue categories covered by this policy are permits, service charges and fees, and sales. Contracts and inter-agency agreements which result in surplus may also be included, provided that such surplus does not violate the conditions imposed under the contract or inter-agency agreement.

Excluded are the major non-Bureau specific General Fund revenue categories of Property Taxes, Utility License Fees, Franchise Fees, business License Fees, Lodging Tax, Interest earnings, Local Government Sources, and State Sources. These resources will continue to be categorized as discretionary and be allocated to Bureaus as part of the annual budget process. Also excluded are donations and grants.

GUIDELINES

The following guidelines will be followed by bureaus in developing and updating fees:

Bureau Responsibilities

Each Bureau which produces revenues (as identified above) is responsible for:

- ◆ Preparing annual revenue estimates as part of the annual budget request. These estimates should be developed after completion of a cost-of-service study. Annual review of fee schedules should include necessary adjustments to cover inflation.
- ◆ Monitoring actual revenue receipts throughout the fiscal year. Report on status within the quarterly budget reports.
- ◆ Adjusting budgets as necessary in response to total revenue shortfalls and surpluses occurring during the fiscal year. These adjustments will occur in conjunction with the quarterly review process. Bureaus will need to decrease appropriation when total Bureau specific resources are projected to be less than budgeted.

Bureau of Financial Planning Responsibilities

It is the responsibility of the Bureau of Financial Planning to work with the bureaus in developing, implementing, and monitoring fees in the following ways:

- ◆ The Bureau of Financial Planning is responsible for reviewing bureau rates and revenue estimates as well as monitoring the receipt of bureau revenues. Variances between planned and actual revenues are reported to Council in the Quarterly budget Report along with recommended actions.
- ◆ All Bureau request for adjustments related to revenues will require the review of the Office of Finance and Administration prior to Council action in accordance with procedures for the Council Calendar or Quarterly review process.

- ◆ Bureau of Financial Planning staff provide assistance to bureaus in completing fee studies.

Revenue Surpluses

- ◆ Current year surplus revenues above the budgeted revenue estimate shall be available to the Bureau for appropriation through the quarterly ordinance process. Additional appropriation shall be used for activities supporting the sources generating the additional fees.
- ◆ Bureaus recognizing a revenue surplus may elect to establish a reserve or “rainy day fund” with all or part of the surplus. The Bureau will develop a policy for the creation and use of the fund. Use of funds from the reserve will be identified and justified in the quarterly or annual budget process, in accordance with the policy adopted by the bureau. Such reserve accounts will be budgeted as special appropriations.
- ◆ Year-end surpluses and shortfalls shall be treated in accordance with the ratio outlined in the bureau’s cost of service study. In the absence of a cost of service study, the surplus shall be available or the shortfall absorbed at a level of 50% to the bureau and 50% to the General Fund.

Revenue Shortfalls

- ◆ It is the responsibility of each Bureau to achieve budgeted revenues. In the event of a projected total revenue shortfall, the Bureau is required to document other offsetting revenues, or reduce its budget within the quarterly budget report.
- ◆ Additional General Fund discretionary appropriation will not be transferred to cover revenue shortfalls without Council authorization.
- ◆ A five percent (5%) margin of error is established as acceptable for fee projection and collection. Bureaus will share any amount of surplus in the manner outlined in the section above. In the event of a shortfall, this policy shall take effect when the shortfall exceeds 5% of the total non-discretionary revenue. In such case, the bureau will reduce expenditures in non-discretionary funded programs by the same percentage identified in the cost of service study, or 50-50 in the absence of a cost of service study.

General Fund Reserves Use Policy

Resolution #34722

Adopt a General Reserve Use Policy. (Resolution)

WHEREAS, over the past three years, and continuing with the approved FY 1990-91 budget the City Council has endeavored to rebuild General Fund reserves; and

WHEREAS, as a result of annual transfers and one-time unexpected revenues Council was able to achieve a five percent General Reserve in just three years; and

WHEREAS, the Auditor's Annual Financial Condition Report has recommended establishment to reserve levels equal to 10 to 15 percent of annual General Fund operating revenues, and a written financial management policy that includes policies on reserve requirement; and

WHEREAS, an increase in the City's reserves decreases the City's need for short-term borrowing which is an indication of the City's financial health; and

WHEREAS, actions taken in the FY 1990-91 Approved Budget transfer \$2 million toward a second five percent reserve; and

WHEREAS, it is important for Council to adopt a policy governing Council's use of the General Fund Reserve Fund.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Portland, Oregon that the attached General Fund Reserve Fund Use Policy (summarized below) be adopted:

1. The first five percent reserve is defined as an **emergency reserve** available to fund one-time, emergency, unanticipated expenditure requirements or offset unanticipated revenue fluctuations occurring within a fiscal year.
2. The **emergency reserve** will only be accessed when the result of emergency expenditures or an unexpected revenue reduction would likely result in a negative ending balance for the General Fund.
3. **Emergency Reserve** resources must begin to be restored in the fiscal year following their use. Restoration will be consistent with the Council's past practice of budgeting transfers totaling a minimum of \$1 million dollars a year to the General Reserve Fund.
4. The second five percent reserve is defined as **counter cyclical reserve** available to either maintain General Fund current service level programs or transition expenditure growth to match slower revenue growth during the first 18 to 24 months of a recession.
5. The **counter cyclical reserve** may be used when basic revenue growth (where "basic revenue" is defined as the sum of General Fund property tax, business license, utility license/franchise fees, cigarette and liquor taxes, transient lodging taxes, and interest income) falls to below 5.5 percent for two consecutive quarters or the Financial Forecast estimates basic revenue growth will be below 5.5 percent for the next fiscal year, and one or more of the following conditions occurs in conjunction with slower revenue growth:
 - ❖ The Portland Metropolitan Area unemployment rate is reported above 6.5 percent for two consecutive quarters or the Financial Forecast estimates unemployment will average in excess of 6.5 percent for the next fiscal year.
 - ❖ The property tax delinquency rate exceeds 8 percent.
 - ❖ Actual business license year-to-year revenue growth falls below 5.5 percent for two consecutive quarters or the Financial Forecast estimates Business License revenue growth at less than 5.5 percent for the next fiscal year.

6. The Council should begin to restore **counter cyclical reserves** within 24 months of their first use.
7. Revenue shortfalls associated with bureau service reimbursement income, contract income, or cost recovery income may not be offset by a transfer of resources from the General Reserve Fund.

Adopted by Council, May 03, 1990

Mayor J.E. Bud Clark

Barbara Clark

April 26, 1990

Auditor of the City of Portland

SCB:TG:RR

General Reserve Fund Use Policy

INTRODUCTION

Over the past three years and continuing with the proposed FY 1990-91 budget the Council, through past actions, established the General Reserve Fund to house and clearly identify the discretionary reserve within the budget. As a result of annual transfers and one-time unexpected revenues Council was able to achieve a five percent General Reserve in just three years. A general fund reserve is needed for two reasons:

- ❖ To insulate General Fund programs and current service levels from large and unanticipated one-time expenditure requirements, a revenue reduction due to a change in state or federal legislation, resulting from adverse litigation, or similar unforeseen action.
- ❖ To temporarily insulate General Fund programs and current service levels from slower revenue growth that typically occurs during an economic recession.

This reserve is not intended to be used because General Fund expenditure growth exceeds normal revenue growth.

The level of the reserve fund is measured as a percentage of the budgeted General Fund revenues net of short-term borrowing receipts. Analysis attached as Appendix A of the December 1989 **Financial Forecast** shows that a 10 percent reserve level is required.

The following paragraphs set out policy guidelines that could govern Council's use of reserve funds.

EMERGENCY RESERVE

The Council reserves the first five percent, or one half of the overall reserve as an Emergency Reserve. The emergency reserve is available to fund one-time emergency, unanticipated expenditure requirements or offset unanticipated revenue fluctuations occurring within a fiscal year. The reserve avoids the need to make budget adjustments outside of the normal budget hearing process. The Council can withdraw funds from the emergency reserve after the General Fund's budgeted contingency is exhausted. The emergency reserve will only be accessed when the result of emergency expenditures or an unexpected revenue reduction would be that the General Fund would likely end the fiscal year with a negative ending fund balance.

Revenue shortfalls associated with bureau service reimbursement income, contract income, or cost recovery revenues may not be offset by a transfer of resources from the General Reserve Fund.

Restoration of the Emergency Reserves will begin the fiscal year following their use. Restoration will be consistent with the Council's past practice of budgeting transfers totaling a minimum of \$1 million dollars a year to the General Reserve Fund.

USE OF THE COUNTER CYCLICAL RESERVE

The second 5 percent of the reserve is designated as a **counter cyclical**. The Council will use this half of the reserve to either maintain General Fund current service level programs or transition expenditure growth to match slower revenue growth during the first 18- to 24 months of a recession. The counter cyclical reserve is designated for use as "bridge financing" necessary to offset slower revenue growth during a recession.

For purposes of this policy, slower or recessionary revenue growth triggers Council’s assessment of use of the reserve when:

- ❖ Basic revenue growth falls to below 5.5 percent for two (2) consecutive quarters or the Financial Forecast estimates basic revenue growth will be below 5.5 percent for the next fiscal year. Basic Revenue is defined as the sum of General Fund property tax, business license, utility license/franchise fees, cigarette and liquor taxes, transient lodging taxes, and interest income.

In addition, one or more of the following conditions must occur in conjunction with slower basic revenue growth:

- ❖ The Portland Metropolitan Area (PMSA) unemployment rate is reported above 6.5 percent for two (2) consecutive quarters or the Financial Forecast estimates PMSA unemployment will average in excess of 6.5 percent for the next fiscal year.
- ❖ The property tax delinquency rate exceeds 8 percent.
- ❖ Business license year-to-year revenue growth falls below 5.5 percent for two (2) consecutive quarters or the Financial Forecast estimates Business License revenue growth at less than 5.5 percent for the next fiscal year.

Exhibit A summarizes these indicators on an annual fiscal year basis for the period FY 1969-70 through FY 1998-99. Exhibit A shows that basic revenue growth below 5.5 percent occurred three times in the past two decades. Exhibit A should not be construed to suggest that use of reserves would avoid the need to reduce expenditure growth or possibly the absolute level of expenditures over a multi-year period.

Declines in Bureau specific cost recovery revenues, contract income, or service reimbursement income may not be offset by transfer of counter cyclical reserve resources.

The Council should begin to restore Counter cyclical Reserves used under the guidelines within 24 months after their first use.

Table 1: Counter Cyclical Reserves Use Indicators

Basic Revenues			PMSA Unemployment Rate		Property Tax Delinquency Rate		Business License Revenue	
Fiscal Year	Growth (%)	Below 5.5%	Rate (%)	Over 6.5%	Rate (%)	Over 8.0%	Growth (%)	Below 5.0%
1971	4.9%	Below 5.5%	7.6%	Over 6.5%	8.2%	Over 8.0%	0.6%	Below 5.0%
1972	9.1%	NA	6.9%	Over 6.5%	7.1%	NA	5.4%	Below 5.0%
1973	9.3%	NA	5.6%	NA	6.8%	NA	14.9%	NA
1974	7.0%	NA	5.8%	NA	12.2%	Over 8.0%	33.4%	NA
1975	4.9%	Below 5.5%	7.8%	Over 6.5%	10.7%	Over 8.0%	-11.9%	Below 5.0%
1976	13.6%	NA	9.6%	Over 6.5%	9.7%	Over 8.0%	24.8%	NA
1977	8.5%	NA	7.7%	Over 6.5%	8.6%	Over 8.0%	42.9%	NA
1978	7.1%	NA	5.7%	NA	8.9%	Over 8.0%	10.9%	NA
1979	10.6%	NA	5.3%	NA	7.9%	NA	19.4%	NA
1980	7.1%	NA	5.7%	NA	11.7%	Over 8.0%	5.3%	Below 5.0%
1981	10.6%	NA	7.1%	Over 6.5%	5.9%	NA	4.8%	Below 5.0%
1982	2.3%	Below 5.5%	9.1%	Over 6.5%	6.7%	Over 8.0%	-10.9%	Below 5.0%
1983	-0.1%	Below 5.5%	10.4%	Over 6.5%	8.6%	Over 8.0%	-0.8%	Below 5.0%
1984	8.9%	NA	8.7%	Over 6.5%	8.3%	NA	5.4%	Below 5.0%
1985	12.1%	NA	7.6%	Over 6.5%	7.6%	NA	24.4%	NA
1986	8.5%	NA	7.4%	Over 6.5%	8.4%	NA	1.7%	Below 5.0%
1987	14.3%	NA	6.2%	NA	7.5%	NA	16.7%	NA
1988	9.2%	NA	5.0%	NA	7.1%	NA	19.3%	NA
1989	7.9%	NA	4.4%	NA	6.5%	NA	11.4%	NA

Table 1: Counter Cyclical Reserves Use Indicators

Note: "Basic Revenues" include General Fund property taxes, business licenses, utility licenses, transient lodging taxes, cigarette and liquor taxes, and interest income revenues.
 NA: Not Applicable

Table 1 - Counter Cyclical Reserve Use Indicators

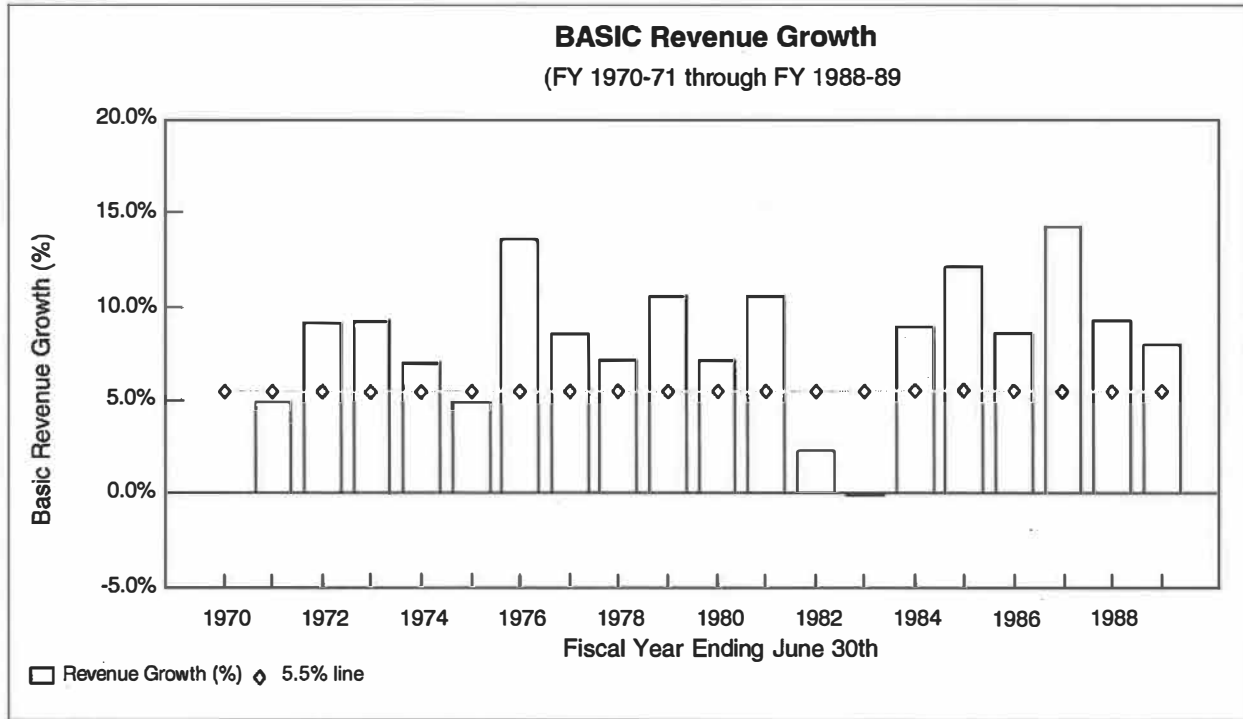


Figure 1 - Basic Revenue Growth vs. 5.5%

APPENDIX A

A DISCUSSION OF REQUIRED GENERAL FUND RESERVE LEVEL

General

The Council, at present, is operating with a goal of funding the General Reserve Fund at 5 percent of the General Fund revenues net of short-term borrowing proceeds. As noted in the Financial Forecast, the General Reserve Fund will probably end FY 1989-90 at or very close to the desired 5 percent goal. Table 2 shows that estimated year-end balance in the General Reserve

Table 2: General Reserve Fund Status

Item	Audit FY 1997-88	Actual FY 1988-89	Adopted Budget FY 1989-90	Estimated Year-End FY 1989-90
GENERAL RESERVE FUND DETAIL				
Beginning Fund Balance	\$0	\$1,000,000	\$2,433,894	\$2,434,967
Transfers-IN	\$4,950,000	\$1,340,283	\$1,000,000	\$9,667,952
Transfers-OUT	(\$3,950,000)	\$0	\$0	(\$4,000,000)
Interest Income	\$0	\$94,684	\$103,017	\$472,481
Ending Fund Balance	\$1,000,000	\$2,434,967	\$3,536,911	\$8,575,400
Ending Fund Balance As Percent of Net Revenues	0.623%	1.409%	2.034%	4.926%
Net Revenues	\$160,591,017	\$172,784,494	\$173,926,367	\$174,087,688
5% Reserve Level (5.000%)	\$8,029,551	\$8,639,225	\$8,696,318	\$8,704,384
Over (Under)	(\$7,029,551)	(\$6,204,258)	(\$5,159,407)	(\$128,984)
(*) Total General Fund revenues less short-term borrowing proceeds				

Table 2 -General Reserve Fund Status

Fund will be somewhere around 4.9 percent. The forecast for the fund currently assumes that \$3 million will be needed to fund Police and Fire retirements expected to result from recent vote approval of Fire and Police, Disability and Retirement pension reform. Another \$1 million of possible expenditures, requiring a transfer from the reserve to the General Fund, were outlined in the FY 1988-89 **Fourth Quarter Report**.

There are two principal reasons for building a reserve;

- ❖ First, large unexpected one-time expenditures are more easily funded from a reserve. Temporary or permanent reductions in programs are avoided. For example, the current reserve allows funding of Fire and Police retirement related personal services expenses without disruption of General Fund programs.
- ❖ Second, a “counter-cyclical” reserve is required to ameliorate the effects of an economic downturn on General Fund revenue growth. A slower regional economy will slow revenue growth relative to expenses. The result is a resource gap that, in the absence of a reserve, can probably only be eliminated by expenditure reductions. In addition it should be noted that actions by the State Legislature or the Public Utilities Commission (PUC) can also adversely affect revenue growth.

The General Reserve Fund is now at a level that allows the Council to use reserves to counteract one-time fluctuations in revenues and expenditures or meet large unexpected one-time expenditures. The 5 percent level is not adequate to offset the combination of slower revenue growth and fund large unexpected expenditures. That is it would not provide any insulation against the effects of an economic downturn. The following paragraphs develop alternative estimates of General Reserve Fund levels that would provide a reserve capable of funding extraordinary one-time expenditure requirements and ameliorate the effects of an economic downturn, adverse legislation, or adverse PUC decisions.

Revenue History FY 1974-75 To FY 1988-89

Table 3 summarizes historical General Fund discretionary revenue growth characteristics. In table 2 revenue is summarized for the “Big Four” revenues and “All Other” discretionary revenues. Two discretionary revenue streams are shown in Table 2. The top line of Table 2 represents “unadjusted” discretionary revenues, i.e., total revenues less short-term borrowing, contracts, service reimbursements, and grants and donations. The “adjusted” line, at the bottom of Table 2 nets out Federal Revenue Sharing transfers to the General Fund, other irregular or one-time transfers, and construction permit revenues.

Table 3: General Fund Revenue Growth

City of Portland Characteristics, FY 1974-75 to FY 1988-89				
Item		Growth Rates (%).....		
		Compound Annual	Maximum	Minimum
General Fund Discretionary		5.5%	12.2%	0.6%
Big Four Revenue		9.2%	14.4%	2.1%
Property Taxes	811-814	7.7%	13.2%	2.4%
Transient Lodgings	821	12.0%	31.4%	-9.2%
Business Licenses	831	11.7%	42.9%	-10.9%
Utility License	832	13.3%	22.1%	2.9%
All Other Discretionary (**)		-2.8%	16.9%	-7.4%
Adjusted Discretionary (*)		8.5%	14.5%	0.0%
(*) Net of Federal Revenue Sharing, one-time or irregular transfers and construction permits.				
(**) Average of 6 negative changes				

Table 3 - General Fund Revenue Growth

This line more accurately reflects the General Fund’s current organizational make-up and revenue mix.

Table 3 shows that overall, General Fund discretionary revenues have at worst gone flat or grown only marginally during the periods of slower regional growth. The compound annual growth rate over the past 15 years has been about 5.5 percent. The worst year of growth for the “unadjusted” discretionary revenue stream was apparently FY 1976-77 at the tail end of a recession. The “adjusted” discretionary revenue stream showed no growth during FY 1982-83. A larger Federal Revenue Sharing transfer (up \$1.4 million) and other one-time transfers (up about \$3.4 million) totaling an estimated \$4.8 million, allowed the City to temporarily support higher expenditure levels.

The Big Four revenues have never failed to grow and the lowest overall year-to-year growth appears to be about 2.1 percent. It is interesting to note the difference in growth characteristics. Property Taxes and Utility Franchise/License Fees appear to have a growth floor in the 2 to 2.5 percent range. Transient Lodging and Business License Taxes both declined during the last recession. Transient Lodging taxes declined by about 9 percent between FY 1979-80 and FY 1980-81 (at \$10.03 million) and did not reach a new high until FY 1984-85 (at \$11.5 million). All Other discretionary revenues appears to be more volatile but the long run trend appears to be downward. This probably reflects the fact that miscellaneous fees and charges are not indexed to a price index and are not regularly reviewed to reflect rising costs.

Alternative Reserve Level Calculations

Table 3 seems to show that during an economic downturn revenue growth will at best slow considerably. How much depends on the nature, severity, timing, and length of the downturn. Tables 4 and 5 use the information above and other **Financial Forecast** information to develop three cases or alternative reserve level calculations.

CASE 1

Case 1 uses the Lower Bound revenue forecast shown in Figures 4 and 5 of the **Financial Forecast**.

The onset of an economic downturn during late FY 1989-90 creates an estimated gap, during FY 1990-91 of about \$2.8 million between expenditures and revenues. During the second year (FY 1991-92) the estimated gap widens to \$5.6 million. Creation of a reserve large enough to get through the first year translates into a General Reserve Fund totaling about \$11.5 million. This would be composed of a 5 percent element for unexpected expenses plus a \$2.8 million counter-cyclical element. This works out to a total reserve level that is 6.6 percent of Net Revenues as defined above.

Adding the insurance of a second year raises the required reserve level to about \$17.1 million. This works out to a total reserve level of just under 10 percent. A conservative approach argues for the 10 percent level. The reason for this is timing. A recession is likely to result in slower revenue growth during or within a fiscal year. This requires some initial use of the counter cyclical reserve element to get through a part of a year. Adding the second year, really the first full year, would give Council the opportunity to make revenue and expenditure adjustments with the implementation of a new budget. Thus, under the two-year column in Table 3, the \$8.35 million counter cyclical reserve would be used to adjust to slower revenue growth over an 18 to 24 month period. The other reserve elements, the “unexpected expenses” reserve would still be available for the extraordinary one-time expenditure requirements.

The “Case 1” calculations are attractive because they “fall out” of the annual **Financial Forecast**. This calculation can be replicated from year to year. The major drawback associated with the approach is that it depends on a specific (DRI) recession forecast. The specifics and details of the recession forecast that produces the lower bound revenue forecast are different every forecast cycle. Calculations from year-to-year may result in variations in the required reserve level.

Table 4: Case 1

CASE 1	
Cyclical Reserve Calculations Use Lower Bound Revenue Forecast	
FY 1990-91 General Fund Net Revenues	\$174,087,688
Item	Required Reserve
Unexpected Expense.(5.00%)	\$8,704,384
Counter cyclical Reserve.....	\$9,912,685
Required Reserve Fund Level.....	\$18,617,070
Reserve Level Percentage.....	10.7%

Table 4 - Case 1 Reserve Calculation

CASE 2

Case 2 uses the lowest overall historical year-to-year growth rate of 0.6 percent to compute a counter cyclical reserve element. Under this alternative the difference between the “Most Likely” forecast and lower 0.6 percent discretionary revenue growth translates into about \$7.7 million gap between revenues and expenditures. As shown at the top of table 4, the required reserve level amounts to about \$16.4 million or about 9.4 percent of revenues. The counter cyclical reserve element would total about \$7.7 million. Comparison with Case 1, suggests that this would be large enough to get through a 12 to 18 month period of slow revenue growth.

CASE 3

Case 3 uses the lowest growth rate for each major category shown in Table 2 and estimated year-end FY 1989-90 revenues to compute an overall lower bound revenue estimate for FY 1990-91. For example, Transient Lodging Taxes are forecast to increase by about 7 percent during FY 1990-91. Table 2 shows a worst case growth of -9.2 percent. The difference between the forecast and negative growth results in a revenue gap. Doing this for other major categories yields an estimated shortfall of about \$9.9 million. The required reserve level for this case is \$18.6 million. This equates to about 10.7 percent of forecast FY 1990-91 General Fund revenues net of short-term borrowing. A counter-cyclical reserve totaling \$9.9 million would, judging from Case 1, probably be sufficient to offset slower revenue growth over an 18 to 24 month period.

Table 5: Case 2 and Case 3

CASE 2	
Cyclical Reserve Calculation	
Use Lowest Year-to-Year Overall Growth	
Item	Required Reserve
Unexpected Expense.(5.00%)	\$8,704,384
Counter cyclical Reserve.....	\$7,699,782
Required Reserve Fund Level.....	\$16,404,167
Reserve Level Percentage.....	9.4%
CASE 3	
Cyclical Reserve Calculations	
Use Lowest Year-to-Year Overall Growth	
Item	Required Reserve
Unexpected Expense.(5.00%)	\$8,704,384
Counter cyclical Reserve.....	\$9,912,685
Required Reserve Fund Level.....	\$18,617,070
Reserve Level Percentage.....	10.7%

Table 5 - Cases 2 and 3 Reserve Calculations

Conclusion

The three different reserve level calculations shown above suggest that the desired General Reserve Fund level is about 10 percent of total annual General Fund Revenues net of short-term borrowing receipts. About 5 percentage points constitutes a reserve for large unexpected one-time expenditures. An additional 5 percentage points would provide a counter-cyclical reserve. A 10 percent General Reserve Fund level would give the Council flexibility to contend with the combination of large one-time unexpected expenditures and slower revenue growth due to an economic downturn. The analysis above suggests that the 5 percent counter-cyclical reserve element would provide about 12 to 24 months of leeway in adjusting to the effects of slower revenue growth due to an economic slowdown.

Interagency Agreement Policy Resolution #35089

Revise Interagency Agreement Policy for the City of Portland (Resolution No. 35089)

WHEREAS, an Interagency Agreement Policy was adopted by Council (Resolution No. 34580), effective July 1, 1989 upon acknowledging the need for such a policy, consisting of a set of standards and guidelines governing the Interagency Agreement process throughout each fiscal year.

WHEREAS, the IBIS Interagency Agreement Committee, in conjunction with the Bureau of Financial Planning, proposes updates to the policy and revisions to the billing dispute resolution process described under Guideline V of the City's policy.

WHEREAS, the Council of the City of Portland acknowledges a need to revise the Interagency Agreement Policy.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Portland, Oregon that:

1. The Revised Interagency Agreement Policy (Exhibit I) shall be adopted by the Council and shall be in full force and effect, beginning December 9, 1992.
2. All Interagency Agreements entered into by bureaus/agencies of the City of Portland after December 8, 1992 shall follow the revised policy standards and guidelines set forth therein.

Adopted by the Council, Dec. 16, 1992

Mayor Bud Clark

Barbara Clark

JEC:LMS

Auditor of the City of Portland

December 4, 1992

EXHIBIT I

Revised November 2, 1992

INTRODUCTION

The City of Portland has a budgeting process that establishes controls at organizational and programmatic levels called appropriation units. These units are cost centers that collect all the appropriate costs associated with the organization or program. Frequently, one organizational unit is better equipped either logistically or economically to provide services that fulfill the organizational or programmatic need of another organizational unit. Due to specific funding requirements and in order to hold managers responsible for the budgets, programs and organizations that they control, there is a need to insure that costs are allocated among appropriate cost centers. The method of assigning these costs is called an Interagency Agreement.

BACKGROUND

The Interagency Agreement (IA) was first implemented by the City of Portland during FY 1974-75. In its current form, an Interagency Agreement is akin to a contractual agreement between two city agencies/bureaus for either the provision of services or the purchase or replacement of equipment from any of the internal service funds. The receiver is a bureau of the City receiving specific services from another City bureau through an Interagency Agreement. The provider is a bureau of the City which provides specific services to another bureau of the City through an Interagency Agreement.

In theory, the receiver agency requests a specific level of service from a provider agency. Upon reaching the tentative agreement, the provider offers a cost estimate to the receiver. If the receiver agency is in agreement with the cost estimate of the providers agency for the services requested, the bureau manager signs and returns the Interagency Service Agreement (Bud 5) to the provider agency. Also, the fact that rates periodically change to reflect increased/decreased costs in materials and labor must be taken into consideration when providers/receivers are entering into new agreements. Bud 5's should provide a clear and detailed description of the services to be provided and received.

Further, most of the internal service funds were established by ordinance during FY 1974-75. Internal service fund interagency are unique in that the internal service bureaus (i.e. Communications Services, Printing and Distribution Services, Fleet Services, Insurance and Claims, Worker's Compensation, Computer Services, Justice Center) furnish receiver bureaus with a Bud 5 indicating the budgeted amount of service for the current fiscal year and an estimate based on the current level of service for the subsequent fiscal year.

An internal service fund, the Intermediate Debt Service Fund, has been established for the acquisition of equipment under the Master Lease program. This fund is managed by the Office of Finance and Administration (OF&A) and is used to collect lease payments from bureaus financing acquisitions through this program. OF&A's Debt Management Division is responsible for preparing BUD 5's for bureaus acquiring equipment and/or facilities under an existing Master Lease or the 1984 Facilities Lease Purchase.

Sometimes the receiver bureau wishes to obtain additional services or to delete existing services with the provider, generally after consultation. When this occurs, the receiver bureau makes the necessary changes on the BUD 5 and returns a copy to the provider bureau for its approval. After the provider bureau has agreed to these service changes and both bureaus have signed the agreement, the receiver bureau may then include the revised figure in its budget request. If the receiver agency does not agree with the provider agency's cost estimate, it must resolve the disagreement with the provider agency. In terms of the calendar for the Budget Process, a three-week turn-around is provided for the receiver bureaus to notify the provider bureaus of any changes in service level requests.

In practice, because of the short time frame involved, the I/A process can break down due to:

1. The lateness of the BUD 5's to the receivers,
2. The bureaus not signing their interagency agreements,
3. Disagreement as to the content of the agreement,
4. Bureaus not informing each other when changes have occurred, etc.

When there are requests for new or replacement equipment from Fleet Services, Printing and Distribution and Distribution Services, or Communication Services, the receiver agency includes only the additional rental or replacement charges for that equipment in its interagency agreement for services. In addition, the BUD 6 Form allows bureaus to provide a description of any equipment to be purchased and the purchase amount. This form is a Cash Transfer (BUD 6). The cost of purchasing the equipment is also listed on the Line Item Worksheet (BUD 1), Line Item 573000 (Equipment Cash Transfers).

In summary, the Interagency Agreement (BUD 5) establishes a mutually agreed upon budget amount for anticipated services to be provided or received. The Cash Transfer (BUD 6) establishes the amount of equipment purchases in much the same manner.

Due to the numerous problems incurred in recent years and the ever-increasing usage of the Interagency Agreements, it became necessary to establish formal policy citing standards and guidelines to allow for a more efficient and effective Interagency Agreement process and to provide a method for conflict resolution. The process was first introduced in FY 1989-90.

GUIDELINE I: FORMAT OF THE INTERAGENCY AGREEMENT

The format of a complete Interagency Agreement (I/A) will include the following:

1. The I/A will be written, not verbal, and will be completed on the BUD 5 form provided by OF&A or its equivalent.
2. The I/A will reasonably define the service to be provided in quantitative terms and whenever possible, qualitative terms.
3. The I/A will clearly state the price and quantity or elements of the service(s) to be provided so that any necessary amendments/adjustments may be made easily. This will also assist bureaus in reducing or increasing services to meet their program needs. This requirement may be fulfilled by making reference to procedures manuals or an indication that documentation is available upon request.
4. The I/A will define the process by which amendments/adjustments may be made to the original agreement.
5. In the case of an unanticipated mid-year amendment, the proper supporting documentation with respect to the changes will be provided. The Interagency Service/Cash Transfer Agreement form includes columns labeled "original", "revised", and "adjustment" to accommodate policy requirements.
6. The I/A will define the billing process and schedule.

Interagency Agreements will only be accepted by the Office of Finance and Administration, Bureau of Financial Planning, if they have been completed according to the above requirements and if they have been signed by both the providers' and the receiver's authorized bureau representative, thus indicating they have entered into an agreement. **If a completed Interagency Agreement is not received by OF&A, it will not be put in the budget.**

Copies of any subsequent signed I/A Change Forms to amend an agreement shall be sent to all parties involved, i.e., the provider, receiver, budget analyst, etc.

GUIDELINE II: RATE SETTING

Brief summary of RATE METHODOLOGY -- Since there are typically no General Fund or other subsidies built in provider budgets, Interagency providers must charge the full cost of services provided. This includes not only current services, but also the planning for future provision of services.

Rates will be developed based on the cost-of-services data. Each service category must be identified at a level which can be measured (in terms of cost and quantity) and, if possible, comparable to similar externally-provided services. Cost must include both direct and indirect costs. Indirect costs may include elements of both General Fund and bureau administrative overhead.

As a result, every rate structure must be composed of two or more elements, with the elements dependent on the type of associated costs (fixed or variable) involved. The computation will also include direct and indirect administrative costs which are part of the rates. Direct costs cover the supervisory functions (i.e., personnel and related materials and supplies) directly associated with managing work production. Indirect costs include administrative support functions like accounting, budgeting, payroll, billing, rental space, personnel and the like. These tasks are performed by a central administrative staff within the providing bureau. (The Office of Finance and Administration is nearing the completion of the **Cost of Service Manual** that describes rate setting methodologies and procedures. The anticipated distribution date is December 1992.)

In the case of General Services, the Interagency Agreement (BUD 5) separately identifies a charge for General Fund Overhead which has not been included as part of the service rate computations. The General Fund Overhead is a cost to an internal service fund for certain centralized services not covered under Interagency Agreements. Services of this kind include central accounting, treasury, purchasing, payroll, legal services and personnel. General Fund Overhead will continue to be included, in some way, as a part of the rate computations, denoting the true cost of all services provided to the receivers.

The basic premise of the rate development philosophy is that the rates of Interagency providers will reflect the true cost of operations.

Each year, prior to the development of bureau budgets and in conformance with the budget calendar, providers will contact receiving bureaus and present estimates of service costs. This contact will include the following:

1. Notification to receivers of any major changes in their rate methodology. Rate development by the provider bureaus will be timed to meet the requirements of the fiscal year budget calendar considering the availability of overhead targets and budget costs.
2. An estimate of the service quantity and quality that is to be provided in the subsequent year.
3. Providers will make available to receiver's information concerning the development of their interagency rates. This includes detail concerning the methodology of rate construction and cost basis of rates. Upon request by receiver bureaus, other providers will also make this information available.
4. This information will provide the basis of discussions between the provider and receiver to arrive at a mutually agreeable level of service and associated costs.

Annually, after bureau budget submission to OF&A, providers will hold work sessions with receivers to review and explore modifications to rate methodologies for implementation in the following budget process. This rate methodology review will involve:

1. Notice of work sessions regarding the development of their rate methodology annually after submittal of the budget. Any agreed upon changes in methodology will apply to the following year's budget process.
2. Providers must develop rates in any one of several ways consistent with the provider's service: flat rates, fixed plus variable rates, rates based on prior experience, etc. Whatever the methodology chosen, the objective of the rate setting process must be a fair allocation of the provider's costs among all receivers of a service.

GUIDELINE III: RATE APPLICATION

For each class of I/A receivers, rates will be uniformly applied. Special arrangements or any sort of exception from standard rates or components of rates for the provision of services by provider bureaus will not be made unless otherwise directed by Council.

GUIDELINE IV: BILLING PROCEDURES

Billing documents and supporting data will be submitted to the Accounting Division in a timely manner and in conformance with the processing schedules set forth by the Office of Finance and Administration. There will be a full description of the type of service provided, reference made to authorizing work order numbers, as well as a breakdown of either the quantity and rate being charged or the actual costs being billed. Billings will indicate the period of time during which the services were provided and the date of the billing transaction (within the current accounting period). All billings must have an appropriate authorized signature along with the name, position and telephone number of the person preparing the billing.

Billings for the interagency services fall into three categories: premium/dedicated/cash transfers, charges driven by inventories, and charges based upon specific services or usage. The first category includes insurance premiums and dedicated interagency appropriation. The second category includes billings for assigned equipment (vehicles, telephones, radios), rent and lease financing charges. The third category covers work order charges and other variable cost services like fuel, motor pool, and long distance. In addition, equipment cash transfers would fall into the third category. (These examples are not exhaustive.)

Documents submitted to record direct billings for a service, i.e., printing services, telephone service, etc., must include the following:

1. Description of the service which was provided
2. The price elements of the service(s) which was (were) provided including quantity and any other direct and indirect charges applied.

The Accounting Division of the Office of Finance and Administration will only accept and process billings which are billed in the same FY for which the services/purchases were provided/made. Therefore, the final billing of all internal services must be complete and submitted to the Accounting Division in time to be included in **Period 13, Run 1. If actual amounts are not known in time for Run 1, then estimates may be substituted and adjusted to actuals in Run 2. If a receiver wants to challenge a billed amount, it must be filed and resolved prior to Run 2.**

GUIDELINE V: DISPUTE RESOLUTION PROCESS

There are two separate types of dispute resolution processes:

- a. Policy disputes - including rate methodology; and,
- b. Billing disputes - involving the application of set rates, and/or serving provision within an existing Interagency Agreement.

In both cases, parties are encouraged to resolve dispute between themselves. However, experience has shown the need for a dispute resolution process.

A. Policy Dispute Resolution

In cases of disputes relating to policy issues such as rate methodology, either party may submit issues to the Interagency Review Board (IARB), comprised of non-involved Bureau Managers appointed by the OF&A Director on a case-by-case basis for resolution. The IARB will issue a report of its finding and recommendations. Parties to the dispute will have ten (10) days to accept its recommendations. If not, the report and issues will be placed on the Council agenda for final resolution.

B. Billing Dispute Resolution

In the case of billing disputes, the following procedure will be utilized:

Step 1 - Receiver Agency:

1. Formally objects to billing in dispute by writing to provider describing the billings and why receiver believes they are incorrect.

Step II - Provider Agency:

1. Receives written description of disputed billings from receiver. Provider and receiver agencies then have 20 working days to resolve the dispute. To the degree the dispute is resolved in the receiver's favor, provider will return the cash **plus interest**.

Step III - Provider and Receiver Agencies:

1. If the dispute is not resolved within 20 working days as noted above, provider and receiver shall submit written justification for their positions to the Office of Finance and Administration in conformance with the following process:
 - a. Position papers must be submitted within 10 working days which clearly:
 - ◆ Defines the dispute
 - ◆ Provides relevant information in support of the Bureau's position.
 - ◆ States the steps that were taken in an attempt to resolve the disputed issues.

Step IV - Office of Finance and Administration:

1. Issues a decision on the dispute within 10 working days after receiving the request. (During the budget season, from January 1 through March 31, this 10-day period may need to be extended indefinitely, dependent upon available staff within OF&A.) If the provider and receiver agencies do not accept the decision of OF&A, OF&A will submit its report to the Commissioner-In-Charge of the respective bureaus, with a copy to the rest of Council. When the dispute is finally resolved, to the degree the resolution is in the receiver's favor, provider will make cash restitution **plus interest**.

NOTE: Again, it must be determined by the Office of Finance and Administration that the bureaus in dispute have taken all possible steps to resolve the disputed issues. Also, bureaus are encouraged to settle any and all apparent I/A disputes prior to the beginning of the Budget Process, either by stipulation or arbitration. Arbitration prior to the submission of the bureau's budgets will yield a maximum level of agreement. However, once the Budget Process begins, time for arbitration of disputes will be very, very limited, if not non-existent.

City Investment Policy

Resolution #35925

Adopt City of Portland Investment Policy. (Resolution)

WHEREAS, the City of Portland is allowed under State of Oregon law to invest its idle funds in United States Government or United States Agency securities; time deposits and bankers' acceptances of financial institutions located within Oregon; in commercial paper of financial institutions and corporations; and in the Local Government Investment Pool; and

WHEREAS, State of Oregon law (ORS 294.135) requires that the City of Portland annually adopt a formal Investment Policy; and

WHEREAS, there is a need to clearly define the criteria for operation of the City's investment portfolio; and

WHEREAS, the primary objective of the Investment Policy is to establish a conservative set of investment criteria that will prudently protect the City's principal sums and enable the City to generate a fair rate of return; and

WHEREAS, the Public Finance and Treasury Division of the Office of Finance and Administration is charged with responsibility for managing the City's investments; and

WHEREAS, the Office of Finance and Administration has developed a formal Investment Policy after seeking the advice of the City's Investment Advisory Committee; and

WHEREAS, the City of Portland is required under State of Oregon law (ORS 294.135) to submit the Investment Policy for review by the State of Oregon Short-Term Fund Board;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Portland, Oregon that:

1. The Investment Policy, attached hereto as Exhibit I, fulfills all State of Oregon, City Charter and Code mandated requirements, and is hereby adopted as the City of Portland's Investment Policy.
2. The City Treasurer shall submit the adopted Investment Policy to the State of Oregon Short-Term Fund Board for their review.
3. The City Treasurer shall be responsible for the implementation of the Investment Policy.
4. Amendments to the Investment Policy must be approved by the City Council.
5. This resolution shall remain in effect from the date of adoption unless a change is directed by Council.

September 7, 1995

PURPOSE

This Policy sets forth current criteria for the operation of the investment portfolio. As economic conditions change, the Policy may need to be amended to reflect new trends and opportunities within the framework of this Policy. It will be recognized that the primary objective of the Investment Policy is to establish a conservative set of investment criteria that will prudently protect the City's principal sums and enable the City to generate a fair rate of return from its investment activities.

This Policy applies to the investment of all funds on deposit at the City of Portland Treasurer's Office, as well as all trust funds for which the City has investment responsibility. Funds held by Trustee or Fiscal Agents are excluded, if the City does not have explicit investment authority. Deferred Compensation funds have separate rules and are not covered within this Policy. The estimated investments covered herein range from \$350 million to \$750 million.

RESPONSIBILITY

The City Treasurer will be responsible for the implementation of this Policy. In the absence of the City Treasurer, the City's Chief Deputy Treasurer or the Director of the Bureau of Financial Management shall perform the investment duties. Any amendments to this Policy must be approved by the City Council after seeking the advice of the Director of the Office of Finance and Administration, the City Treasurer, and the City's Investment Advisory Committee. The Director of the Office of Finance and Administration (or designee) will establish the maximum investment level with each Oregon financial institution after consulting with the Investment Advisory Committee. The City Council will adopt a City Investment Policy annually.

TYPES OF INVESTMENT AND DIVERSIFICATION

The following types of investments will be permitted in the City's investment portfolio:

- ◆ United States Treasury Debt Obligations
 - ◆ Maximum % of Portfolio 100%
 - ◆ Maximum Maturity 7 Years
 - ◆ Securities held for safekeeping at the City's custodian Bank or successor.
- ◆ United States Agency Debt Obligations
 - ◆ Maximum % of Portfolio 100%
 - ◆ Maximum Maturity 2 Years
 - ◆ Maximum % of Portfolio Per Issuer 100%
 - ◆ Securities held for safekeeping at the City's custodian Bank or successor.
- ◆ Repurchase Agreements Secured by United States Treasury Debt Obligations
 - ◆ Maximum % of Portfolio 30%
 - ◆ Maximum Maturity 30 days
 - ◆ Repurchase agreements with brokerage firms will only be executed with dealers from the list of Government Security Dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York
 - ◆ Repurchase agreements cannot exceed 2% of brokerage firm's liabilities.
 - ◆ A signed repurchase agreement will be obtained in advance of the initial execution of an investment.
 - ◆ Securities which serve as collateral for repurchase agreements must be delivered to the City's Trust Account at the City's custodian bank or successor on a delivery versus payment basis.
 - ◆ Only United States Treasury Securities shall be used in conjunction with the repurchase agreement and such securities shall have a maturity of not longer than three years.
 - ◆ The price paid by the Treasurer for United States Treasury Securities in the repurchase agreement shall not exceed amounts or percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board created by ORS 294.885.
- ◆ Time Deposits in State of Oregon Financial Institutions Collateralized 25% by Securities as Required by Oregon Revised Statutes
 - ◆ Maximum % of Portfolio 50%
 - ◆ Maximum Maturity 1 Year
 - ◆ Maximum % of Portfolio Per Issuer 25%
 - ◆ Securities held in vault at the City's Treasury
- ◆ Bankers' Acceptance Issued by Financial Institutions in Compliance With the Provisions of ORS 294.035

- ❖ Maximum Percent of Portfolio 50%
- ❖ Maximum Maturity 6 Months
- ❖ Maximum Percent of Portfolio Per Issuer 25%
- ❖ Securities held for safekeeping at the City's custodian Bank or successor Bank.
- ◆ State of Oregon Local Government Investment Pool

The legal maximum as provided under ORS 294.810.

- ◆ Commercial Paper Issued by United States Corporations in Compliance With the Provisions of ORS 294.035
 - ❖ Investment Rating A-1, P-1
 - ❖ Maximum Percent of Portfolio 25%
 - ❖ Maximum Maturity 270 Days
 - ❖ Maximum Percent of Portfolio Per Issuer 5%
 - ❖ Securities held for safekeeping through the City's custodian Bank or successor

INVESTMENT DIVERSIFICATION

Diversification requirements must be met on the settlement date of an investment transaction. If due to unanticipated cash needs, the investment in any security type or financial issuer later exceeds the limitations in this policy, the Treasurer is responsible for bringing the investment portfolio back into compliance as soon as is practical.

DISTRIBUTION OF PORTFOLIO MATURITIES

Distribution, by maturity, of the investments is illustrated below:

Maturity Percentage of Funds

0-2 Years 50-100%

2-7 Years 0-50%

This maturity structure applies to the Treasury's estimate of the lowest cash balance that the portfolio will reach during the next seven years. If, for example, the projected lowest cash balance is \$200 million, then up to \$100 million may be invested in the two to seven year maturity range. All other funds must be invested in less than two-year maturities and must meet the City's cash flow requirements. The City's Investment Advisory Committee will be consulted prior to implementing a strategy of purchasing securities with maturities beyond two years. The portfolio's weighted average maturity shall not exceed eighteen (18) months.

BROKERAGE ALLOCATION

The Treasury will maintain a current list of all brokerage firms that have been approved by the Director of the Office of Finance and Administration (or designee) to conduct investment business with the City. The Treasury will obtain a minimum of three quotes from different brokers before it executes a government securities transaction, or purchases commercial paper issued by a corporation outside of Oregon on the national market. The allocation of brokerage business will be based upon which brokerage firm offers the best price to the City on each particular transaction. Where two or more brokers have offered the same best price, allocation will go to the investment firm that has provided the best service to the City.

When purchasing bankers' acceptances or commercial paper, the Treasury will compare interest rates on similar investments from other investment dealers. The Treasury will also determine that the rates being offered the city are rates comparable to those available for similar investments in the national market.

When purchasing time deposits, the Treasury will obtain interest rate offers from all Oregon financial institutions approved to do business with the City. The time deposits will be allocated to the highest interest rate offered the City, consistent with the maximum deposit levels set for each financial institution by the Director of the Office of Finance and Administration (or designee).

METHOD OF ACCOUNTING

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the American Institute of Certified Public Accountants (AICPA); the Financial Accounting Standards Board (FASB); and the Government Accounting Standards Board (GASB).

REPORTING REQUIREMENTS

The City Treasurer will provide the following reports on a monthly basis to the City's Investment Advisory Committee and the Director of the Office of Finance and Administration (or designee):

- ◆ A list of securities owned, with all maturities over one year priced at both cost and market value.
- ◆ A list of all investment transactions showing the net gain or loss on each investment.

INTERNAL CONTROLS

The internal controls of the City of Portland's Treasury are reviewed and tested by the City's internal and external auditors.

PERFORMANCE EVALUATION

The City's investment performance shall be reviewed monthly by the Director of the Bureau of Financial Management. The City's portfolio yield will be compared monthly to the yield of U.S. Treasury Securities with a maturity similar to the average maturity of the City's portfolio.

ANALYSIS OF INVESTMENT RISKS

In analyzing the City's Investment Portfolio, there are three major risks that the City incurs through its investment activities. The first risk that the City faces is the interest rate risk. This risk is the uncertainty of the size of future incomes from securities caused by fluctuations in the general level of interest rates in the capital markets. Interest rates have fluctuated dramatically over the last ten years and, therefore, the City's Investment Policy is designed to minimize the interest rate risk. This is accomplished by limiting investments to a maximum maturity of seven years, and by investing to meet the City's cash flow requirements.

The second risk that the City faces can be termed the purchasing power risk. This risk can be defined as the uncertainty of the purchasing power of interest and principal to be received in the future. It can be easily recognized that if the amount of income from a security in current dollars remains unchanged over a period of time while the price index is rising, then the amount of income in constant dollars declines and the constant value of the principal to be received also declines.

The final risk is the financial risk of not receiving principal and interest when due from an issuer. The design of the types of investments permitted by the Investment Policy seeks to minimize this risk by the conservative nature of the permissible investments and by establishing safe limits on the level of investments with Oregon financial institutions and issuers of commercial paper. A portfolio policy stressing a relatively short maturity serves to additionally minimize the financial risk.

Thus, it is the conclusion that the shorter the portfolio is in maturity, the less risk the City is incurring with regard to the three major risks that it faces. The policy of keeping 100% of the funds in seven year or less maturities leaves open the flexibility to earn capital gains on the City's investments by shifting funds out to longer maturity when interest rates are falling, yet avoids the extreme amount of exposure to the interest rate risk and purchasing power risk that we would incur in an even longer-term portfolio.

September 20, 2000

MEMORANDUM

TO: Mayor Vera Katz

Commissioner Jim Francesconi

Commissioner Charlie Hales

Commissioner Dan Saltzman

Commissioner Erik Sten

City Auditor Gary Blackmer

FROM: Tim Grewe

SUBJECT: Council Resolution on Investment Policy

Attached is the Investment Policy developed by the Office of Finance and Administration. Oregon law pertaining to the investment of public funds requires the annual adoption of an Investment Policy. The City's Investment Advisory Committee has reviewed the Policy and unanimously recommended its adoption by Council. The three member Investment Advisory Committee is appointed by Council and is comprised of public volunteers with economics, investment and/or cash management experience.

The Investment Policy continues to reflect the conservative strategies the City has utilized since the adoption of its first Policy in 1978. The Policy's basic strategies, which have generated above average returns, remain in tact. Two minor changes were made in this year's policy: (1) the maximum percentage of the portfolio that can be invested in any single United States Agency is being increased from 50% of the portfolio to 100% and (2) the maximum maturity for commercial paper is being expanded from 180 days to 270 days. These changes are being made because bank time deposits are not currently offering competitive rates of return. Consequently, the changes will expand the City's capacity in other permissible investment alternatives and will provide additional investment management flexibility without increasing credit risk to the City. These changes will also provide needed capacity to accommodate the City's proposed PERS pension bond issue. Our policy remains more conservative than state law allows and fully protects the City's cash reserves.

If you have any questions, please call David Thurman directly at 823-6822.

TG:DS:jb

Attached

Local Improvement District Financing Policy

Resolution #34847

Establish a Local Improvement District Financing Policy for evaluating, forming and financing local improvement projects. (Resolution)

THE COUNCIL OF THE CITY OF PORTLAND FINDS THAT

1. WHEREAS, the City of Portland forms, finances and constructs more than \$1 million in voluntary local improvement district projects, annually; and
2. WHEREAS, the City of Portland has provided financial security for local improvement projects by pledging the City's taxing authority; and
3. WHEREAS, Ballot Measure 5 imposes new restrictions and conditions on the use of the City's taxing authority by requiring City-wide voter approval of unlimited tax general obligation improvement bonds; and
4. WHEREAS, existing local improvement district financing policies do not address the changing requirements of Ballot Measure 5; and
5. WHEREAS, it is critical to the long-term financial health of the City to have financial policies which protect City resources, and provide adequate security for City bondholders; and
6. WHEREAS, the local improvement district program is an important method for financing local transportation, sewer, water and other capital improvements; and
7. WHEREAS, the City's local improvement district financing policy must be responsive to the varied financial requirements of each local improvement district; and
8. WHEREAS, the Auditor's Office convened a Policy Committee consisting of the Auditor's Office, Office of Transportation, Bureau of Environmental Services, Water Bureau, Office of Finance and Administration, and Public Financial Management, the City's financial advisor; and
9. WHEREAS, the Policy Committee reviewed the issues affecting the City's LID Program and developed recommendations to be included in the LID Financing Policy; and
10. WHEREAS, the Auditor's Office presented the Policy Committee recommendations to the Auditor's Office Budget Advisory Committee on April 23, 1991, and to City Council in informal session on April 30, 1991;

NOW, THEREFORE, BE IT RESOLVED THAT

1. The City of Portland adopts the Local Improvement District Financing Policy, as set forth in Attachment A; and
2. The Local Improvement District Financing Policy governs all future local improvement projects, including projects which City Council has formed by ordinance, and for which City Council has not awarded a construction contract; and
3. The Local Improvement District Financing Policy supplements all existing City policies related to local improvement districts, assessments and assessment financing; and
4. The Auditor's Office is directed to work with participants on the Policy Committee, existing advisory bodies, property owners and other interested citizens to obtain public review and comment; and
5. The Auditor's Office is directed to prepare City Charter and Code amendments, as needed, to codify this policy after receiving public review and comment.

Attachment A

City of Portland

Local Improvement District Financing Policy

A. Purpose and Intent.

The LID Financing Policy is intended to facilitate the use of the local improvement district process in a manner which protects the City's financial condition. The Policy prescribes a process to (1) evaluate the financial feasibility of local improvement projects, (2) measure financial risk of project default, and (3) identify sources of financial security for long-term assessment financing. Through this process, the City will be able to make reasoned policy decisions about the purpose of the local improvement, the responsibilities of property owners, the contributions (if any) of City resources, and the means of responding to financial risk.

B. Findings.

1. The City of Portland forms, finances and constructs more than \$1 million in voluntary local improvement district projects, annually.
2. The City of Portland has provided financial security for local improvement projects by pledging the City's taxing authority.
3. Ballot Measure 5 imposes new restrictions and conditions on the use of the City's taxing authority by requiring City-wide voter approval of general obligation improvement bonds.
4. Existing local improvement district financing policies do not address the changing requirements of Ballot Measure 5.
5. It is critical to the long-term financial health of the City to have financial policies which protect City resources, and provide adequate security for City bondholders.

The local improvement district program is an important method for financing local transportation, sewer, water and other capital improvements.

The City's local improvement district financing policy must be responsive to the varied financial requirements of each local improvement district.

C. Responsibilities.

The following general responsibilities will govern the evaluation of a proposed local improvement project prior to City Council adoption of an ordinance to form a local improvement district:

1. The chief petitioners shall be responsible for responding to any financial concerns or conditions raised by the City as a result of a technical or financial evaluation of the proposed local improvement project.
2. The lead public works bureau shall be responsible for assisting property owners with the procedures to file a petition to form a local improvement district. To the greatest extent possible, the bureau should attempt to identify financing issues early in the petition process, and include the Auditor's Office in a review of possible financial options.
3. The Auditor's Office shall be responsible for evaluating the financial feasibility and measuring the financial risk of a proposed local improvement project based on this Policy.

D. Feasibility Tests.

The City Auditor shall use the following tests when evaluating the financial feasibility of a local improvement project. These tests, and any resulting financial security issues, shall be completed and addressed before the Auditor's Office prepares and files an ordinance to form a local improvement district. The Auditor's Office will perform the financial evaluation with assistance and involvement from public works bureaus, the Office of Finance and Administration, the Portland Development Commission, petitioners and other interested parties.

Table 6:

Feasibility Test	Standard or Condition
Value to Assessment Ratio	Individual properties must have a value to assessment ratio of 2:1 or greater. Exceptions to this standard will be accepted for aberrant ratios as noted under Waiver Criteria.
Aberrant Value to Assessment Ratio	Ratios below 2:1 will be accepted on properties representing no more than 5% of estimated assessments. No individual aberrant property may represent more than 2% of estimated assessments. No individual aberrant property may have a ratio less than 1.5:1.
Diversity of Ownership	The City will require additional security for projects where 3 or less property owners represent more than 50% of estimated assessments.
Diversity of Development	The City may require additional security for projects involving vacant property which represents more than 25% of total assessments.
Bankruptcy	The City will require additional security for properties which are involved in a bankruptcy proceeding.
Waiver Criteria	<ul style="list-style-type: none"> ◆ Project involving less than 12 properties, and for which more than 75% of assessment estimates are on residential property. ◆ The value to assessment and aberrant ratio standards may be waived if affected property owners file financial statements demonstrating ability to pay assessments, and if total real market property value exceeds total taxes and assessment liens. ◆ Publicly owned property is exempt from all feasibility tests. ◆ The project advances expressed City goals or objectives, and adequate security is identified by City Council. ◆ The project is included in an urban renewal area, and is secured by the Portland Development Commission.
Conditions for Developer LIDs	<ul style="list-style-type: none"> ◆ Developer/chief petitioner files current financial statements. ◆ No delinquent property taxes or assessments. ◆ Bond, letter of credit or other security equal to total project costs.

E. Improvement Bond Program Security and Structure

The City Council shall use the following security arrangements and bonding structure when approving long-term financing of local improvement assessments. These guidelines are intended to provide adequate financial securities to market limited general obligation improvement bonds at the lowest possible interest cost to property owners. In addition, the guidelines set forth the order of security to be provided in the event that a property owner defaults on a local improvement assessment loan.

Table 7:

Security or Structural Consideration	Standard or Condition
Lien Enforcement	The City shall use active collection and foreclosure practices to collect delinquent local improvement assessments.
Primary Security	The City places a municipal lien on property to secure local improvement assessments. Additional security is pledged by developers based on the value to lien ratio test of 2:1.
Secondary Security	The City shall adjust the interest rate on local improvement assessment loans to provide for insurance for improvement bonds. The adjustment shall be determined by City Council, based on a recommendation of the Office of Finance and Administration, the Auditor's Office and the City's financial advisor. The interest rate adjustment shall be fixed at the time the Auditor's Office sets the permanent interest rate on assessment loans, following a bond sale. Proceeds shall be deposited in a dedicated reserve account to be used to cover debt service payments in the event of an assessment loan default.
Ultimate Security	The General Fund shall be ultimately responsible for securing improvement bonds. In the event that a property owner default of an assessment loan requires debt service payments beyond the coverage established in improvement bond reserve account, City enterprise funds shall make payments on behalf of the General Fund as set forth in the bond sale ordinance. Participation by each enterprise fund shall be proportionate based on the types of local improvement projects involved in the bond sale.
Interest Rate Bump	The Auditor's Office and Office of Finance and Administration shall provide that the interest rate adjustment authorized by City Code is sufficient to administrative costs, cash flow requirements and the reserve requirements set forth in City Code and this Policy.
Contract versus Bond Length	The City shall structure improvement bonds to mature at least 2 years following the last scheduled installment payment of an assessment loan financed by the bond sale.
Bond Amortization Schedule	The City shall offer monthly and semi-annual installment plans for the convenience of property owners. The City shall encourage early payoff and prepayment of assessment loans and use of 10 year loan terms wherever possible.

E. Definitions

The following definitions are used for the purposes of this Policy:

Aberrant Value: Exceptions to set criteria.

Assessment: Share of public improvement costs apportioned to LID property based on the total Actual Cost (defined in HB 2550) less any project subsidy.

Bare Land LID: An LID which includes predominantly unimproved land.

Bond Reserve Fee: A separate fee (distinct from Financing Fees) charged to property owners to provide a separate reserve fund as additional security for the bonds issued to finance assessment contracts.

Contingent Liability: Potential debt service payments (including unrecovered principal repayment after the foreclosure and sale of property) to be paid if assessment payments are not made on a timely basis.

Developer LID: Local Improvement District formed to install public improvements (streets, sidewalks, lighting, sewers, or water) before private improvements are constructed or completed.

Financing Fees: Charges to LID participants who elect to finance assessments which cover the cost incurred by the City in the provision of such financing. These costs include, but are not limited to, fees to consultants, bond counsel, underwriters and paying agents, and the cost of preparing and printing the official statement.

Letters of Credit: An irrevocable commitment by a credit worthy bank or financial institution to make payments upon demand. Generally required by a developer wishing to proceed with an LID which does not conform to financial criteria established by the City. The Letter of Credit (LC) is generally posted for the estimated total cost of the improvements and subject to draw by the City without further approval.

Lien: Legally enforceable claim on the property second only to taxes and superior to other mortgage liens.

Property: Land, identified by a discrete tax lot number, plus any existing improvements to the land.

Property Value: Real Market Value as determined by Assessor in conformance with HB 2550 or an appraisal by a certified (MAI) appraiser of the market value of the property as of the completion of the public improvements.

Total Liens: All taxes due (current, deferred and delinquent), existing and proposed City assessments, mortgage, and any other legal claim on the property, regardless of lien position.

Value to Lien Ratio: The value of the property, less any taxes or co-equal liens, compared to the estimated LID assessment.



Budget Adoption Ordinance

ORDINANCE NO. 176601

*Adopt the annual budget of the City of Portland and establish appropriations for the fiscal year beginning July 1, 2002. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. The Multnomah County Tax Supervising and Conservation Commission (TSCC) held its public hearing on the City of Portland's FY 2002-03 budget on June 20, 2002 and certified the City's FY 2002-03 budget and proposed levies on that date.
2. For FY 2002-03 the document provides specific position authorization and line item expenditure and revenue detail for all City bureaus and funds.
3. After the preparation, approval, public notice, and presentation to the TSCC of the City's Approved Budget, it is advisable to update the estimates of resources and requirements contained in the FY 2002-03 Budget prior to final adoption as allowed under Oregon State budget statutes.
4. The changes to be incorporated in the Adopted Budget include:
 - a. The carryover of appropriations for certain activities or projects previously authorized in the FY 2001-02 budget but not expected to be expended by June 30, 2001. Carryover appropriations will be budgeted in contingency pending determination of realizing budgeted year-end balance for FY 2001002;
 - b. Technical adjustments including program revenue adjustments; updated estimates for interagency agreements; updated estimates for General Fund overhead recovery; and numerous minor adjustments needed in order to make the resource and requirement estimates as up-to-date and technically accurate as possible prior to adoption of the FY 2002-03 budget.
5. The budget should be adopted so that there is no delay in establishing budget authority for conducting City business on July 1, 2002.
6. The Council expresses specific direction to bureaus to ensure proper attention is given to work items in the form of Budget Notes included in the Adopted Budget document.

NOW, THEREFORE, the Council directs:

- a. The Fiscal Year 2002-03 budget of the City of Portland is hereby adopted.
- b. Expenditures in accordance with the annual budget adopted in Section 1.a of this Ordinance, amounts are hereby appropriated for the fiscal year beginning July 1, 2002, from the funds and for the purposes listed on Attachment 1, Table 1. This schedule of appropriations incorporates the changes referred to in the Findings of this ordinance.
- c. The Mayor and the Auditor are hereby authorized to draw warrants on the appropriations made in Section 1.b of this Ordinance as provided in Section 2-508 of the City Charter.
- d. The number of authorized full-time positions is hereby limited to the number of such positions listed for each fund and bureau in the FY 2002-03 Adopted Budget unless otherwise authorized by Council. The Mayor, the Commissioners and the Auditor, within their respective jurisdictions, are authorized to fill vacant positions in accordance with the Human Resources Administrative Rules unless otherwise directed by Council. Salaries for each appointee shall be set in accordance with the Compensation Plan of the City of Portland unless otherwise directed by the Council.
- e. Special expenditure limitations are hereby established as follows:

- i. Expenditures may not exceed the amounts listed for the major object categories in the FY 2002-03 Adopted Budget, as amended throughout the fiscal year by the appropriate authority. The "major object categories" include personal services, external materials and services, internal materials and services, capital outlay, equipment cash transfers, contingency, fund-level cash transfers, debt retirement, and inventory increases.
 - ii. Bureau managers may adjust their line item budgets as needed, subject to the limitations described below.
 - a. Line item budget adjustments may not change the appropriation amounts shown in Attachment 2, Appropriation Schedule – FY 2002-03, Table 10 except with approval from the City Council as provided for in ORS 294.450, 294.326, or 294.455 or through the Supplemental Budget process provided for in ORS 294.455 and ORS 294.480.
 - b. Line item budget adjustments may only change the totals for the major object categories of the bureau program budget with written authorization from the Commissioner-in-Charge and subsequent reporting in the trimester Budget Monitoring Reports that bureaus submit to the Office of Management and Finance.
 - iii. Expenditures for internal materials & services (line items 551000 through 559000) may only be used to obtain services from City of Portland agencies. Any line item budget adjustment that changes an internal materials & services amount must be agreed to by both the bureau providing the service and the bureau receiving the service, in accordance with the City's policy on interagency agreements adopted by the City Council on June 21, 1989 and revised on December 4, 1992.
 - iv. Fund-level cash transfers may not exceed the amounts detailed in the FY 2002-03 Adopted Budget without approval from the City Council.
 - v. The capital outlay category is to be used for the purchase of "fixed assets," which are defined as tangible assets having a unit cost of at least \$5,000 and an expected life of at least one year. The capital outlay category is subdivided into land, buildings, improvements, and equipment/furniture. "Improvements" are fixed assets other than buildings that add value to land, cost at least \$10,000, and have an expected life of at least 10 years. "Equipment and furniture" (line item 564000) is defined as fixed assets other than land, buildings, and improvements.
 - vi. Expenditures on Federal and State grant projects are limited to those grants that have been accepted and approved by the City Council.
- f. Special budget monitoring provisions are hereby authorized for FY 2002-03:
 - g. The Bureau of Financial Planning is directed to prepare a trimester report to Council regarding budgetary performance and fiscal status and is authorized to require City bureaus to submit such information as is necessary to prepare this report, including the status of Budget Notes included in the FY 2002-03 Adopted Budget.
 - h. Resolution number 33526, directing Council increases to the General Fund capital set aside, adopted by Council June 13, 1996, is hereby rescinded.
 - i. The FY 2002-03 Adopted Budget will be prepared in accordance with Council policy directions and state budget law.
 - j. The FY 2002-03 Budget will include the Budget Notes as presented in Attachment 3 titled Budget Notes.

Section 2. The Council declares that an emergency exists, as it necessary to adopt the Fiscal Year 2002-03 budget and establish appropriation without delay in order to provide authority to transact the financial affairs of the City of Portland for Fiscal Year 2002-03; therefore, this ordinance shall be in force and effect from and after the start of the Fiscal Year beginning July 1, 2002.

Passed by the Council,

Gary Blackmer

Mayor Katz
Office of Management and Finance
TG:MM
June 20, 2002

Auditor of the City of Portland

By
Deputy

Tax Levy Ordinance

ORDINANCE NO. 176600

*Levy taxes for the City of Portland for the fiscal year beginning July 1, 2002, and direct the Chief Administrative Officer to submit said tax levy and other certifications to the County Assessors of Multnomah, Clackamas, and Washington Counties. (Ordinance)

The City of Portland ordains:

Section 1. The City Council finds that:

1. The FY 2002-03 Budget for the City of Portland was adopted and appropriations made by the City Council on June 20, 2002 by Ordinance.
2. The City has approved tax increment collection. The collection will be used to pay existing urban renewal debt service requirements and other urban renewal indebtedness.
3. The Department of Revenue has issued a Form "UR-50 Notice to Assessor" in addition to the Notice of Property Tax Levy (Form LB-50), on which the City is required to categorize its levies by Option selected, either 1, 2, or 3 or new plans. The form UR-50 also requires the City to certify the Maximum to Collect From All Methods, the Amount of Special Levy, and the Maximum to Collect From the Division of Taxes method.
4. In no case will an urban renewal district receive more than the amount of increment revenue allowed under the statutory formula outlined in ORS 457.440.
5. Collection of tax levy revenues is contingent on the actual assessed value.
6. The City will certify and collect property tax revenues based upon the assessed values as determined by the respective County Assessors of Multnomah, Clackamas, and Washington counties.

NOW, THEREFORE, the Council directs:

- a. Taxes are hereby categorized and levied for municipal purposes for the fiscal year beginning July 1, 2002, on all taxable property, both real and personal, within the corporate limits of the City of Portland as follows:
 - i. For General Government the permanent tax rate of \$4.5770 per \$1,000 of assessed valuation.
 - ii. For General Government - to be credited to the FIRE AND POLICE DISABILITY AND RETIREMENT FUND, the amount then added to the levy for FIREMEN'S RELIEF AND PENSION FUND will total seventy four million, six hundred fifty six thousand, four hundred and twenty six dollars.

\$74,656,426
 - iii. Excluded from Limitation – for bonded indebtedness, the estimated sum of six million, nine hundred fourteen thousand, thirty two dollars.

\$6,914,032
- b. The Chief Administrative Officer of the Office of Management and Finance is hereby directed to certify on the Form LB-50 the tax levies made in Section 1.a through 1.b hereof to the Assessors of Multnomah, Clackamas, and Washington Counties.

- c. In order to continue the City's active urban renewal districts and provide for potential future tax revenue for obligations of; the Waterfront Renewal Bond Sinking Fund, the Central Eastside Industrial District Debt Fund, the Airport Way Debt Service Fund, the South Park Renewal Debt Service Fund, the Oregon Convention Center Area Debt Service Fund, the Lents Town Center District Debt Service Fund, the River District Debt Service Fund, the Interstate Corridor Debt Service Fund, and the Macadam Debt Service Fund, the Assessors of Multnomah, Clackamas, and Washington Counties are hereby instructed to implement the procedures specified by ORS 457.420 to ORS 457.440 and other applicable state law relative to tax increment financing of urban renewal indebtedness, subject to the certifications contained in section 1.d.
- d. The Chief Administrative Officer of the Office of Management and Finance is hereby directed to certify that the City of Portland requests that tax increment revenue be collected for urban renewal bonded indebtedness and other indebtedness in FY 2001-02 for Airport Way, Central Eastside, Convention Center, South Park Blocks, Downtown Waterfront, Lents Town Center District, River District, North Macadam District, North Interstate District and Gateway Regional Center District debt service requirements as outlined below. This means that on Form UR-50, the following amounts will be certified for urban renewal collections:

Tax Increment Authority for FY2001-02 by Plan Area	Max. to Collect All Methods	Amount of Special Levy	Max. to Collect Division of Tax
DOWNTOWN WATERFRONT	\$14,810,000	\$7,100,000	\$7,710,000
SOUTH PARK BLOCKS	\$7,160,000	\$1,500,000	\$5,660,000
CENTRAL EASTSIDE	100%	No Special Levy	100%
LENTS TOWN CENTER	100%	No Special Levy	100%
RIVER DISTRICT	100%	No Special Levy	100%
AIRPORT WAY	\$7,640,000	\$5,100,000	\$2,540,000
GATEWAY REGIONAL CENTER	100%	No Special Levy	100%
CONVENTION CENTER	\$7,040,000	\$1,300,000	\$5,740,000
NORTH MACADAM DISTRICT	100%	No Special Levy	100%
NORTH INTERSTATE DISTRICT	100%	No Special Levy	100%
TOTAL CERTIFIED FOR COLLECTIONS		\$15,000,000	

- e. Collection of the tax increment revenues is contingent on actual assessed value growth. The City will certify and collect the tax increment revenues only if the increase in assessed value is sufficient to allow the tax increment collection without forcing the City's other levies into compression under the \$10 limit.
- f. The Chief Administrative Officer shall submit the tax levy and other certifications to the County Assessors of Multnomah, Clackamas and Washington Counties.

Section 2. The Council declares that an emergency exists inasmuch as it is necessary to certify the above amounts to the County Assessors by July 15, 2002; therefore, this Ordinance shall be in force and effect from and after its passage.

Passed by the Council,

Mayor Katz

Office of Management and Finance

Gary Blackmer

Auditor of the City of Portland

TG:MM
June 20, 2002

By
Deputy

Accept State Shared Revenues Ordinance

ORDINANCE NO. 176598

*Elect to accept funds from the State of Oregon under the State Revenue Sharing Program for FY 2002-03 (Ordinance)

The City of Portland Ordains:

Section 1. The Council finds:

1. The State of Oregon enacted a State Revenue Sharing Program through the enactment of Senate Bill 11 by the 1977 Oregon Legislative Assembly.
2. Pursuant to ORS 221.770 the City of Portland must elect to receive the State Revenue Sharing Program funds and must notify the State of Oregon Department of Administrative Services of said election prior to July 31, 2002.

NOW THEREFORE, the Council directs:

- a. The Office of Management and Finance is hereby authorized to notify the State of Oregon Department of Administrative Services, Internal Support Division, that pursuant to ORS 221.770, the City of Portland hereby elects to receive state revenues for the fiscal year 2002-03.

Section 2. The Council declares that an emergency exists, as it necessary to notify the State of Oregon Executive Department by July 31, 2002 regarding the City's election to receive State Revenue Sharing Funds for the FY 2002-03 Budget; therefore, this ordinance shall be in force and effect from and after its passage.

Passed by the Council,

Mayor Katz

Office of Management and Finance

TG:MM

June 20, 2002

Gary Blackmer

Auditor of the City of Portland

By

Deputy

Close and Open City Funds Ordinance

ORDINANCE NO. 176599

*Close three funds and create one new fund in FY 2002-03 effective July 1, 2002. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City's independent auditors have consistently recommended that the City control the number of funds to streamline its financial management and accounting.
2. The financial activities of the three funds have been integrated into the Parking Debt Redemption Fund (360).
3. The closing of the three funds and the establishment of one new fund will improve the financial management and accounting of the City through the proper tracking of financial activity.

NOW, THEREFORE, the Council directs:

- a. Close Morrison Park West Bond Redemption Fund (357), Morrison Park East Bond Redemption Fund (358), and Old Town Parking Bond Redemption fund (362).
- b. Financial activity of the closed funds will be incorporated into the Parking Facilities Debt Redemption Fund (360).
- c. Open the Gateway Urban Renewal Area Debt Redemption Fund (315) and include it in the FY 2002-03 Adopted Budget. The fund is established to manage the tax increment revenues and debt service payments for activities associated with the establishment of the Gateway Urban Renewal Area.

Section 2. The Council declares that an emergency exists as it is necessary to close and open the above City funds on the designated effective date in order to properly transact the financial affairs of the City of Portland as budgeted for FY 2002-03; therefore this ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council,
Mayor Katz
Office of Management and Finance
MM
June 20, 2002

Gary Blackmer
Auditor of the City of Portland

By
Deputy



**Tax Supervising
& Conservation
Commission**

PO Box 8428
Portland, Oregon
97207-8428

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TSCC@co.multnomah.or.us

Web Site:
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orgs/tsccl

June 20, 2002

Mayor and Council
City of Portland
1220 SW 5th
Portland, Oregon 97204

Dear Mayor and Council Members:

The Tax Supervising and Conservation Commission met on June 20, 2002 to review, discuss and conduct a public hearing on the City of Portland 2002-03 budget. This hearing was conducted pursuant to ORS 294.605-705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the City.

The 2002-03 budget, filed June 5, 2002, is hereby certified by a majority vote of members of the Commission with the following recommendation, which will require a written response.

Recommendation:

Over Expenditures

The audit for the year ending June 30, 2001 notes over expenditures in six appropriations as follows:

General Fund	Materials and Services	\$392,708
Water Fund	Interest	204,955
Water Construction Fund	Materials and Services	219,896
Golf Fund	Principal	70,241
Portland International Raceway Fund	Materials and Services	24,512
Health Insurance Operating Fund	Materials and Services	348,927

We recommend that expenditures be more closely monitored during the year and any necessary adjustments be made before appropriations are exceeded.

Aside from the above exception, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, are listed on the following pages.

Please file a complete copy of the adopted budget with the Commission within 15 days of adoption. The response to the Commission recommendation should be included either in the adopting resolution or within a letter that accompanies the adopted budget.

We appreciate having the opportunity to discuss this budget with you.

Yours very truly,

TAX SUPERVISING & CONSERVATION COMMISSION

Richard Anderson, Commissioner

Commissioners
Richard Anderson
Anthony Jankans
Lynn McNamara
Carol Samuels
Julie Van Noy

Carol Samuels, Commissioner

Julie Van Noy, Commissioner

Mayor and Council
City of Portland

June 20, 2002
Page 2

City of Portland Approved Budget	Fund Totals	Unappropriated Portion
Operating Funds:		
General	365,171,904	
Water	138,738,365	
Sewer	300,855,690	
Transportation	136,297,008	
Assessment Collection	58,905	
Spectator Facilities	16,230,749	
Planning & Development	31,670,352	
Cable TV	4,991,822	816,437
Business Property Management License	3,316,516	
Emergency Communication	13,140,179	
Golf	7,962,923	
Hydropower	991,831	
Parking Facilities	14,491,819	
Portland International Raceway	1,179,296	
Public Safety	1,813,000	
Solid Waste Management	5,570,940	
Communications - Services	22,818,073	
Information Technology	20,391,026	
Facilities Services	37,385,204	
Fleet Services	31,892,330	6,246,555
Health Insurance	48,346,606	
Insurance & Claims	19,931,532	
Printing & Distribution	7,609,644	
Workers Compensation	16,265,128	
Environmental Remediation	1,111,879	
Housing Investment	27,630,047	
Hydro Renewal/Replacement	8,231,555	
Parks Trust	4,756,255	
Parks Endowment	30,400	29,000
Water Growth Impact	1,651,949	1,651,949
Sewer Rate Stabilization	6,210,584	
Sewer Revolving Loan	1,726,877	
Sewer Safety Net	1,236,383	
BFRES Facilities Bond	26,611,768	
Capital Improvement	68,475	
LID Construction	11,243,220	
Parks Construction	5,223,833	
Sewer System Construction	120,101,326	
Water Construction	56,881,418	8,325,916
Airport Way UR	7,280,693	400,355
Gas Tax Bond Redemption	795,436	
Bancroft Bond Interest & Sinking	10,640,034	7,912,470
Bonded Debt	6,904,991	
Convention Center UR	8,660,014	
Central Eastside UR	3,316,333	
Parking Facilities Debt Redemption	3,638,026	
Golf Revenue Bond Redemption	447,529	12,529
Hydropower Bond Redemption	7,967,940	4,270,556
Government Bond Redemption	10,446,725	
Interstate Corridor Debt Service	1,405,205	
Gateway UR Debt Service	288,454	
Lents Town Center UR	2,467,946	

Mayor and Council
City of Portland

June 20, 2002
Page 3

City of Portland Approved Budget	Fund Totals	Unappropriated Portion
North Macadam UR	794,861	
Pension Debt Redemption	27,737,980	11,552,478
River District UR	5,228,428	
Sewage Disposal Debt Redemption	64,347,160	
Special Projects Debt Redemption	8,051,546	2,169,853
South Park Renewal UR	5,971,996	589,375
Washington County Supply	3,792,650	1,758,465
Water Bond Sinking	14,603,477	
Downtown Waterfront UR	16,724,150	3,735,000
Federal Grants	13,428,263	
HOME Grant	4,948,000	
Housing & Community Development	15,908,984	
Fire & Police Disability & Retirement	95,642,913	
FPDR Supplemental Reserve	99,133	91,933
FPDR Reserve	750,000	
Convention & Tourism	2,158,258	
General Reserve	37,048,629	
Transportation Reserve	699,132	
Special Finance & Resource	43,030,000	
GRAND TOTAL ALL FUNDS	1,945,061,697	49,562,982

Tax Levy:

Permanent Rate - General Government Category	4.5770
Bonded Debt Fund - Not Subject to Limit	6,914,032
Fire & Police Disability & Retirement -General Government Category	74,656,426

Urban Renewal Divide the Tax:

Downtown Waterfront	Option 3	7,710,000
South Park Blocks	Option 3	5,660,000
Central Eastside	Option 1	100%
Lents Town Center	New Plan	100%
River District	New Plan	100%
Airport Way	Option 3	2,540,000
Convention Center	Option 3	5,740,000
Macadam District	New Plan	100%
Interstate Corridor	New Plan	100%
Gateway Regional Center	New Plan	100%

Urban Renewal Special Levies:

Downtown Waterfront	7,100,000
South Park Blocks	1,500,000
Airport Way	5,100,000
Convention Center	<u>1,300,000</u>
Total Special Levy	15,000,000

