

**ADOPTED BUDGET**  
**CITY OF PORTLAND, OREGON**  
**FISCAL YEAR 2004-2005**

**VOLUME TWO**  
**City Funds**  
**Financial Plans and Policies**

## **Portland's Skyline and Oaks Bottom Wildlife Refuge**

Portland's skyline, appearing above the stillness of the Oaks Bottom Wildlife Refuge, highlights the juxtaposition of human and natural environments. Blending those environments is one of the goals of the City of Portland's River Renaissance strategy. Captured together in this photograph, downtown and the wildlife refuge are only a few miles apart, straddling opposite banks of the Willamette River.

Acquired in 1959, Oaks Bottom is the City's only designated wildlife refuge. The area began as a 120-acre tract of wetland on the east bank of the Willamette River, with part of the park built on a sanitation landfill consisting of 400,000 cubic feet of construction waste material layered with soil. The refuge of now more than 160 acres is a rare phenomenon: a natural wetland existing in the heart of a city.

A rich and varied habitat area, Oaks Bottom is a birdwatcher's paradise. Hawks, eagles, quail, pintails, mallards, coots, woodpeckers, kestrels, and widgeon are some of the birds one might encounter, not to mention Portland's official bird, the great blue heron.

The picture was taken by Sallie Edmunds and is part of the photograph collection of the Portland Bureau of Planning.

# **Adopted Budget**

## **City of Portland, Oregon**

**Fiscal Year 2004-05**  
**Volume Two**

**City Funds**

*Mayor Vera Katz*  
*Commissioner Jim Francesconi*  
*Commissioner Randy Leonard*  
*Commissioner Dan Saltzman*  
*Commissioner Erik Sten*  
*Auditor Gary Blackmer*

*This document is printed on 100% post-consumer waste recycled paper.*



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# Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Portland, Oregon for its annual budget for the fiscal year beginning July 1, 2003.

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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Portland  
Oregon**

For the Fiscal Year Beginning

**July 1, 2003**

President

Executive Director



# User's Guide

The FY 2004–05 Adopted Budget document consists of three volumes. Volume One contains general information about the City of Portland budget and presents the proposed 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 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 2004–05.
- Overviews**
- City Overview**  
The City Overview provides general information on Portland, its demographics, and its government management systems.
- Budget Overview**  
The Budget 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 Summaries** 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.
- ◆ Public Safety
  - ◆ Parks, Recreation, and Culture
  - ◆ Public Utilities
  - ◆ Community Development
  - ◆ Transportation and Parking
  - ◆ Legislative, Administrative, and Support Services

## VOLUME TWO - CITY FUNDS

- Financial Summaries** Tables at the 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.
- Financial Plans** 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
- Financial Policies** These policies provide a framework for financial and budgetary decisions, especially during times of constricting resources in tension with increasing expectations for services. Financial policies also provide for a basis for stability over time, counterbalancing more immediate interests and issues.
- 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**

- Introduction** The section provides an introduction to the City's Capital Improvement process and explains the decision process for General Fund projects.
- Overview** The overview of the five-year capital budget includes highlights of the FY 2004–05 capital budget of the General Fund and other funds with capital projects.
- Citywide Summary** Various tables present the projects by Service Area, including anticipated changes to operating and maintenance costs. The tables also present a five-year forecast of the capital budgets.
- Capital Projects Detail** 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 Financial Planning Division in the Office of Management and Finance at (503) 823-5288.



# Financial Summaries

## Guide to the Financial Summaries

### Introduction

The Financial Summaries section of Volume Two 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.

### Bureau Level Summaries

#### Bureau Expenses by Fund

The first table in Volume Two looks at the "Bureau Expenses by Fund." It provides detail on the bureau expenses, showing how much is budgeted for personal services, capital purchases, and the other major expense categories. The Total column of Table 1 is equal to the first column in Table 2.

#### Appropriation Schedule

The second table in Volume Two, 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 1. Fund requirements are divided into contingency, interfund cash transfers, debt retirement, and inventory increases.

### Tax and Urban Renewal Tables

#### Tax Levy Computation

Table 3 outlines City property tax levy calculations. Table 3 reflects Measure 5 and Measure 47/50 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 statutes. 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 revenues. This amount is factored up for delinquencies, and Measure 5 and 50 losses (if applicable). The result is a certified property tax levy for each fund.

#### Urban Renewal Certification

Table 4 provides information about tax increment collections in the City's ten urban renewal districts.

### Fund Level Summaries

Tables 5 and 6 in 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 5, the “Total Revenues and Expenses by Fund by Fiscal Year” table, shows the total expenses (or the total revenues, since they are equal) in any fund for the budget year, current year, and two years of history.

### **Revenues by Fund**

Table 6, “Summary of Revenues by Fund,” provides a more detailed view of the major revenue types received by each fund.

### **Historical Funds**

Table 7, “Historical Funds and Appropriations,” shows fund total information for City funds and for General Fund Special Appropriations that have been closed during the past three fiscal years. This information is required by state budget law.

### **Debt Summaries**

Tables 8 through 12 provide summary information about the City’s debt:

- ◆ Table 8, “Summary of Indebtedness, Debt Outstanding”
- ◆ Table 9, “Summary of Indebtedness, Debt Service”
- ◆ Table 10, “Principal Over the Life of the Debt”
- ◆ Table 11, “Interest Over the Life of the Debt”
- ◆ Table 12, “Summary of Defeased Indebtedness”

### **General Fund and General Reserve Fund 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 2004–05

TABLE 1

This table summarizes the major categories of expenditures included in total appropriation budgets by fund and by bureau. It does not include fund level expenses, such as debt service and contingency, and unappropriated ending balance.

	Personal Services	External Mat'l & Svcs	Internal Mat'l & Svcs	Capital Outlay	Equip Cash Transfers	Total Bureau Expenses
<b>General Fund</b>						
City Attorney	4,564,341	353,662	551,346	0	0	5,469,349
City Auditor	4,899,001	1,207,406	1,013,372	0	0	7,119,779
Cable Communications	630,933	813,185	292,158	0	0	1,736,276
Commissioner of Public Utilities	509,489	16,570	109,503	0	0	635,562
Commissioner of Public Works	517,714	10,937	104,998	0	0	633,649
Commissioner of Public Affairs	841,612	117,000	111,261	0	0	1,069,873
Commissioner of Public Safety	517,917	17,663	93,840	0	0	629,420
Community Development	2,044,836	5,955,324	243,387	0	0	8,243,547
Emergency Management	580,059	135,729	273,136	0	0	988,924
Fire, Rescue & Emergency Service	59,193,837	4,797,613	4,353,201	1,171,956	0	69,516,607
Government Relations	459,044	199,557	106,477	0	0	765,078
Bureau of Licenses	5,568,330	1,451,461	782,084	0	0	7,801,875
Mayor	937,271	45,125	404,298	0	0	1,386,694
Neighborhood Involvement	3,954,381	2,428,652	668,323	0	0	7,051,356
OMF - Bus Ops	2,284,245	866,584	1,127,671	0	0	4,278,500
Office of the BGS Director	305,581	36,693	25,378	0	0	367,652
OMF - Financial Services	4,559,786	845,842	3,964,468	0	0	9,370,096
OMF - Human Resources	4,519,911	503,169	1,174,861	0	0	6,197,941
OMF - Purchases	2,222,079	683,667	867,884	0	0	3,773,630
OMF - Utility Billing System	1,616,627	2,599,085	437,703	0	0	4,653,415
Parks - GF	29,385,671	11,361,677	5,772,666	55,846	0	46,575,860
Parks Stores	0	25,000	0	0	0	25,000
OSD Director's Office	368,362	70,858	26,642	0	0	465,862
OSD Policy, Research & Eval	206,178	534,737	19,052	0	0	759,967
OSD Technical & Financial Svcs	608,694	1,254,072	113,656	0	0	1,976,422
Planning	4,461,663	509,719	1,044,610	0	0	6,015,992
Police	97,390,551	11,007,249	23,269,166	0	0	131,666,966
Special Appropriations	0	18,726,269	117,455	0	0	18,843,724
<b>Total General Fund</b>	<b>233,148,113</b>	<b>66,574,505</b>	<b>47,068,596</b>	<b>1,227,802</b>	<b>0</b>	<b>348,019,016</b>
<b>Operating Funds</b>						
Spectator Facilities Fund	0	912,500	390,116	500,000	0	1,802,616
Assessment Collection	0	0	0	0	0	0
Development Services Fund	22,062,765	1,510,409	5,480,455	12,389	0	29,066,018
Cable	0	2,825,017	377,804	0	0	3,202,821
Emergency Communications	9,500,644	725,932	2,482,876	0	0	12,709,452
Golf	2,484,809	1,487,096	635,491	408,510	0	5,015,906
Hydropower Operating	253,131	119,200	172,491	0	0	544,822
Parking Facilities	0	2,610,279	2,253,580	0	0	4,863,859
Portland International Raceway	539,672	438,800	249,195	0	0	1,227,667
Property Management License	0	4,656,863	0	0	0	4,656,863
Public Safety	10,000	457,460	261,068	0	0	728,528
Solid Waste	839,217	1,351,675	512,918	0	0	2,703,810
Sewage System Operating	40,057,405	36,068,609	39,986,192	118,128,154	25,000	234,265,360
Transportation Operating	54,621,470	38,996,222	18,152,110	42,031,284	0	153,801,086
Water	40,181,045	27,684,855	14,745,778	19,393,779	0	102,005,457
<b>Total Operating Funds</b>	<b>170,550,158</b>	<b>119,844,917</b>	<b>85,700,074</b>	<b>180,474,116</b>	<b>25,000</b>	<b>556,594,265</b>
<b>Internal Service Funds</b>						
Communications Services Fund	3,382,064	7,185,982	1,210,226	565,000	0	12,343,272
Information Technology Fund	12,724,936	2,910,872	1,756,171	491,280	0	17,883,259
Facilities Services	2,879,729	14,726,563	1,986,324	0	0	19,592,616
Vehicle Services Operating Fund	5,511,630	7,129,531	1,436,353	5,487,953	0	19,565,467
Health Insurance	480,654	28,190,013	511,502	0	0	29,182,169
PPA Health Insurance	0	6,722,931	276,312	0	0	6,999,243
Insurance and Claims Operating	868,850	4,356,960	1,465,441	0	0	6,691,251
Printing/Distribution Services	1,686,203	3,407,830	622,385	333,312	0	6,049,730
Workers Compensation Operating	874,901	3,862,624	587,221	0	0	5,324,746
<b>Total Internal Service Funds</b>	<b>28,408,967</b>	<b>78,493,306</b>	<b>9,851,935</b>	<b>6,877,545</b>	<b>0</b>	<b>123,631,753</b>
<b>Agency and Trust Funds</b>						

# Summary of Bureau Expenses by Fund – FY 2004–05

TABLE 1

This table summarizes the major categories of expenditures included in total appropriation budgets by fund and by bureau. It does not include fund level expenses, such as debt service and contingency, and unappropriated ending balance.

	Personal Services	External Mat'l & Svcs	Internal Mat'l & Svcs	Capital Outlay	Equip Cash Transfers	Total Bureau Expenses
Environmental Remediation	0	40,000	198,933	325,000	0	563,933
Housing Investment	0	18,282,966	0	0	0	18,282,966
Hydropower Renewal & Replacement	0	0	0	0	0	0
Portland Parks Memorial Trust	0	1,010,608	823,107	0	0	1,833,715
Parks Endowment Fund	0	400	1,200	0	0	1,600
Sewer Revolving Loan	0	253,500	0	0	0	253,500
Sewer System Rate Stabilization	0	0	0	0	0	0
Sewer System Safety Net	0	0	0	0	0	0
Water Growth Impact Charge Trust	0	0	0	0	0	0
<b>Total Agency and Trust Funds</b>	0	19,587,474	1,023,240	325,000	0	20,935,714
<b>Construction Funds</b>						
BFRES Facilities Bond Fund	0	0	2,034,000	6,841,235	0	8,875,235
LID Construction Fund	0	100,000	17,066,291	0	0	17,166,291
Parks Construction	1,479,995	457,996	227,807	7,017,947	0	9,183,745
Sewer System Construction	0	0	0	0	0	0
Water Construction	0	0	0	0	0	0
<b>Total Construction Funds</b>	1,479,995	557,996	19,328,098	13,859,182	0	35,225,271
<b>Debt Service Funds</b>						
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	5,250	0	0	0	5,250
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	412,313	109,992	0	0	522,305
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	0	0	0	0	0
<b>Total Debt Service Funds</b>	0	417,563	109,992	0	0	527,555
<b>Federal and State Funds</b>						
Federal Grants	0	0	0	0	0	0
Home Grant	0	5,237,255	433,934	0	0	5,671,189
Housing & Community Development	0	14,159,846	2,000,125	0	0	16,159,971
<b>Total Federal and State Funds</b>	0	19,397,101	2,434,059	0	0	21,831,160
<b>Retirement Funds</b>						
FPD&R	0	83,300,527	1,248,170	5,000	0	84,553,697
FPD&R Retirement Reserve	0	0	0	0	0	0
Supp Retirement Program Trust	0	9,700	0	0	0	9,700
<b>Total Retirement Funds</b>	0	83,310,227	1,248,170	5,000	0	84,563,397
<b>Revenue and Reserve Fund</b>						
Business License Surcharge	0	8,398,334	304,736	0	0	8,703,070
Children's Investment Fund	0	8,000,000	394,996	0	0	8,394,996
Convention and Tourism	0	2,358,883	61,700	0	0	2,420,583



# Summary of Bureau Expenses by Fund – FY 2004–05

TABLE 1

This table summarizes the major categories of expenditures included in total appropriation budgets by fund and by bureau. It does not include fund level expenses, such as debt service and contingency, and unappropriated ending balance.

	Personal Services	External Mat'l & Svcs	Internal Mat'l & Svcs	Capital Outlay	Equip Cash Transfers	Total Bureau Expenses
General Reserve	0	0	0	0	0	0
Parks Levy Fund	0	0	7,802,465	0	0	7,802,465
Private-Hire Trans. Safety Fund	0	155,000	0	0	0	155,000
Special Finance & Resource Fund	0	73,176,828	0	0	0	73,176,828
Transportation Reserve	0	0	0	0	0	0
<b>Total Revenue and Reserve Fund</b>	0	92,089,045	8,563,897	0	0	100,652,942
<b>TOTAL ALL FUNDS</b>	<b>\$ 433,587,233</b>	<b>\$ 480,272,134</b>	<b>\$ 175,328,061</b>	<b>\$ 202,768,645</b>	<b>\$ 25,000</b>	<b>\$1,291,981,073</b>

# Appropriation Schedule – FY 2004–05

TABLE 2

This table summarizes the major categories of expenditures, including fund level expenses, by fund and by bureau. It does not include unappropriated ending balance.

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
<b>GENERAL FUND</b>						
City Attorney	5,469,349	0	0	0	0	5,469,349
City Auditor	7,119,779	0	0	0	0	7,119,779
Cable Communications	1,736,276	0	0	0	0	1,736,276
Commissioner of Public Utilities	635,562	0	0	0	0	635,562
Commissioner of Public Works	633,649	0	0	0	0	633,649
Commissioner of Public Affairs	1,069,873	0	0	0	0	1,069,873
Commissioner of Public Safety	629,420	0	0	0	0	629,420
Community Development	8,243,547	0	0	0	0	8,243,547
Emergency Management	988,924	0	0	0	0	988,924
Fire, Rescue & Emergency Service	69,516,607	0	0	0	0	69,516,607
Government Relations	765,078	0	0	0	0	765,078
Bureau of Licenses	7,801,875	0	0	0	0	7,801,875
Mayor	1,386,694	0	0	0	0	1,386,694
OMF - Bus Ops	4,278,500	0	0	0	0	4,278,500
Office of the BGS Director	367,652	0	0	0	0	367,652
OMF - Financial Services	9,370,096	0	0	0	0	9,370,096
OMF - Human Resources	6,197,941	0	0	0	0	6,197,941
OMF - Purchases	3,773,630	0	0	0	0	3,773,630
OMF - Utility Billing System	4,653,415	0	0	0	0	4,653,415
Neighborhood Involvement	7,051,356	0	0	0	0	7,051,356
OSD Director's Office	465,862	0	0	0	0	465,862
OSD Policy, Research & Eval	759,967	0	0	0	0	759,967
OSD Technical & Financial Svcs	1,976,422	0	0	0	0	1,976,422
Parks - GF	46,575,860	0	0	0	0	46,575,860
Parks Stores	25,000	0	0	0	0	25,000
Planning	6,015,992	0	0	0	0	6,015,992
Police	131,666,966	0	0	0	0	131,666,966
<b>Total GENERAL FUND BUREAUS</b>	<b>329,175,292</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>329,175,292</b>
<b>Special Appropriations</b>						
MERC/PCPA	650,912	0	0	0	0	650,912
PDC Citywide Business Dev	428,942	0	0	0	0	428,942
BHCD Workforce Development	100,299	0	0	0	0	100,299
PDC Business Districts Program	54,395	0	0	0	0	54,395
PDC Targeted Industry Jobs	118,400	0	0	0	0	118,400
PDC Regional Business Dev	136,525	0	0	0	0	136,525
Downtown Services	879,969	0	0	0	0	879,969
Block by Block Weatherization	100,000	0	0	0	0	100,000
PDC Enterprise Zones	50,689	0	0	0	0	50,689
PDC Small Business Program	111,436	0	0	0	0	111,436
City Membership & Dues	228,512	0	0	0	0	228,512
Regional Arts & Culture	2,009,862	0	0	0	0	2,009,862
Economic Development Fund	2,350,000	0	0	0	0	2,350,000
Downtown Marketing	400,000	0	0	0	0	400,000
CIP O&M Set Aside	669,704	0	0	0	0	669,704
Washington Monroe School	1,000,000	0	0	0	0	1,000,000
Leaders Roundtable	9,552	0	0	0	0	9,552
Public Safety Coord Council	26,461	0	0	0	0	26,461
Holiday Festival	50,000	0	0	0	0	50,000

# Appropriation Schedule – FY 2004–05

TABLE 2

This table summarizes the major categories of expenditures, including fund level expenses, by fund and by bureau. It does not include unappropriated ending balance.

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
Clean & Safe (BID)	17,090	0	0	0	0	17,090
Employee Transit Program	132,572	0	0	0	0	132,572
Compensation Adjustments	9,313,203	0	0	0	0	9,313,203
Council Emergency Funds	5,201	0	0	0	0	5,201
<b>Total SPECIAL APPROPRIATIONS</b>	<b>18,843,724</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,843,724</b>
<b>Total FUND REQUIREMENTS</b>	<b>0</b>	<b>7,973,899</b>	<b>31,363,433</b>	<b>0</b>	<b>0</b>	<b>39,337,332</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 348,019,016</b>	<b>\$ 7,973,899</b>	<b>\$ 31,363,433</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 387,356,348</b>
<b>OPERATING FUNDS</b>						
Assessment Collection	0	63,806	273	0	0	64,079
Cable	3,202,821	601,580	14,844	0	0	3,819,245
Emergency Communications	12,709,452	158,329	426,083	0	0	13,293,864
Golf	5,015,906	503,579	1,033,368	0	0	6,552,853
Hydropower Operating	544,822	131,102	366,949	0	0	1,042,873
Parking Facilities	4,863,859	1,526,872	4,612,019	0	0	11,002,750
Development Services Fund	29,066,018	2,145,814	1,662,659	0	0	32,874,491
Portland International Raceway	1,227,667	229,291	50,879	0	0	1,507,837
Property Management License	4,656,863	0	0	0	0	4,656,863
Public Safety	728,528	927,592	60,926	0	0	1,717,046
Solid Waste	2,703,810	2,095,136	883,892	0	0	5,682,838
Sewage System Operating	234,265,360	20,091,154	116,992,573	90,000	0	371,439,087
Spectator Facilities Fund	1,802,616	5,519,915	245,176	6,864,111	0	14,431,818
Transportation Operating	153,801,086	11,278,439	6,706,663	0	100,000	171,886,188
Water	102,005,457	13,819,567	39,944,792	490,967	40,000	156,300,783
<b>Total OPERATING FUNDS</b>	<b>556,594,265</b>	<b>59,092,176</b>	<b>173,001,096</b>	<b>7,445,078</b>	<b>140,000</b>	<b>796,272,615</b>
<b>Internal Service Funds</b>						
Communications Services Fund	12,343,272	8,527,039	567,433	1,490,435	0	22,928,179
Information Technology Fund	17,883,259	3,029,172	909,987	1,548,000	0	23,370,418
Facilities Services	19,592,616	4,084,394	1,647,680	9,763,523	0	35,088,213
Vehicle Services Operating Fund	19,565,467	11,306,332	1,030,043	0	0	31,901,842
Health Insurance	29,182,169	10,659,626	230,954	0	0	40,072,749
PPA Health Insurance	6,999,243	1,091,984	53,368	0	0	8,144,595
Insurance and Claims Operating	6,691,251	16,854,116	176,645	0	0	23,722,012
Printing/Distribution Services	6,049,730	889,383	380,435	0	0	7,319,548
Workers Compensation Operating	5,324,746	11,264,453	196,357	0	0	16,785,556
<b>Total INTERNAL SERVICE FUNDS</b>	<b>123,631,753</b>	<b>67,706,499</b>	<b>5,192,902</b>	<b>12,801,958</b>	<b>0</b>	<b>209,333,112</b>
<b>Agency and Trust Funds</b>						
Environmental Remediation	563,933	528,698	904,637	0	0	1,997,268
Housing Investment	18,282,966	1,491,208	4,285,250	0	0	24,059,424
Hydropower Renewal & Replacement	0	8,633,558	50,000	0	0	8,683,558
Portland Parks Memorial Trust	1,833,715	2,394,146	0	0	0	4,227,861
Parks Endowment Fund	1,600	0	0	0	0	1,600
Sewer Revolving Loan	253,500	570,741	0	0	0	824,241
Sewer System Rate Stabilization	0	22,248,883	0	0	0	22,248,883
Sewer System Safety Net	0	1,086,258	0	0	0	1,086,258
Water Growth Impact Charge Trust	0	0	0	0	0	0

# Appropriation Schedule – FY 2004–05

**TABLE 2**

This table summarizes the major categories of expenditures, including fund level expenses, by fund and by bureau. It does not include unappropriated ending balance.

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
<b>Total AGENCY AND TRUST FUNDS</b>	20,935,714	36,953,492	5,239,887	0	0	63,129,093
<b>Construction Funds</b>						
BFRES Facilities Bond Fund	8,875,235	2,594,900	85,765	0	0	11,555,900
LID Construction Fund	17,166,291	2,329,886	1,123,075	3,650,000	0	24,269,252
Parks Construction	9,183,745	618,852	1,045,854	0	0	10,848,451
Sewer System Construction	0	90,780,310	144,000,222	0	0	234,780,532
Water Construction	0	6,952,402	46,349,349	0	0	53,301,751
<b>Total CONSTRUCTION FUNDS</b>	35,225,271	103,276,350	192,604,265	3,650,000	0	334,755,886
<b>Debt Service Funds</b>						
Airport Way Debt Service	0	0	0	6,247,332	0	6,247,332
Bancroft Bond	0	0	0	4,624,992	0	4,624,992
Bonded Debt Interest and Sinking	0	0	0	7,817,992	0	7,817,992
Central Eastside Industrial Debt	0	0	0	4,172,791	0	4,172,791
Convention Center Area Debt Svc	0	0	0	6,592,920	0	6,592,920
Parking Facilities Debt Fund	0	0	0	3,490,176	0	3,490,176
Gateway Debt Fund	0	0	0	1,276,978	0	1,276,978
Gas Tax Bond Redemption	0	0	0	1,922,782	0	1,922,782
Golf Revenue Bond	0	0	0	806,806	0	806,806
Governmental Bond Redemption	5,250	0	0	8,759,482	0	8,764,732
Hydropower Bond	0	0	0	3,667,930	0	3,667,930
Lents Urban Renewal Debt Fund	0	0	0	4,719,681	0	4,719,681
Interstate Corridor Debt Service Fund	0	0	0	3,537,280	0	3,537,280
N Macadam Debt Fund	0	0	0	1,548,139	0	1,548,139
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	522,305	0	0	12,714,833	0	13,237,138
River District Debt Fund	0	0	0	10,054,161	0	10,054,161
Sewage Disposal Debt	0	0	0	72,607,977	0	72,607,977
South Park Renewal Debt Service	0	0	0	6,706,532	0	6,706,532
Special Projects Debt Redemption	0	0	0	5,691,806	0	5,691,806
Washington County Supply Bond	0	0	0	2,024,550	0	2,024,550
Water Bond Sinking	0	0	0	13,845,281	0	13,845,281
Waterfront Renewal Bond Sinking	0	0	0	13,774,120	0	13,774,120
<b>Total DEBT SERVICE FUNDS</b>	527,555	0	0	196,604,541	0	197,132,096
<b>Federal and State Funds</b>						
Federal Grants	0	0	16,676,896	0	0	16,676,896
Home Grant	5,671,189	0	0	0	0	5,671,189
Housing & Community Development	16,159,971	49,513	265,516	0	0	16,475,000
<b>Total FEDERAL AND STATE FUNDS</b>	21,831,160	49,513	16,942,412	0	0	38,823,085
<b>Retirement Funds</b>						
FPD&R	84,553,697	3,319,503	104,165	20,500,000	0	108,477,365
FPD&R Retirement Reserve	0	0	750,000	0	0	750,000
Supp Retirement Program Trust	9,700	0	0	0	0	9,700
<b>Total RETIREMENT FUNDS</b>	84,563,397	3,319,503	854,165	20,500,000	0	109,237,065



# Appropriation Schedule – FY 2004–05

**TABLE 2**

This table summarizes the major categories of expenditures, including fund level expenses, by fund and by bureau. It does not include unappropriated ending balance.

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
<b>Revenue and Reserve Fund</b>						
Business License Surcharge	8,703,070	31	1,635	0	0	8,704,736
Children's Investment Fund	8,394,996	668,077	25,000	0	0	9,088,073
Convention and Tourism	2,420,583	98	7,822	0	0	2,428,503
General Reserve	0	41,008,938	0	0	0	41,008,938
Parks Levy Fund	7,802,465	4,777,040	26,751	0	0	12,606,256
Private-Hire Trans. Safety Fund	155,000	0	50,000	0	0	205,000
Special Finance & Resource Fund	73,176,828	0	0	0	0	73,176,828
Transportation Reserve	0	691,577	0	0	0	691,577
<b>Total REVENUE AND RESERVE FUND</b>	<b>100,652,942</b>	<b>47,145,761</b>	<b>111,208</b>	<b>0</b>	<b>0</b>	<b>147,909,911</b>
<b>TOTAL ALL FUNDS</b>	<b>\$1,291,981,073</b>	<b>\$ 325,517,193</b>	<b>\$ 425,309,368</b>	<b>\$ 241,001,577</b>	<b>\$ 140,000</b>	<b>\$ 2,283,949,211</b>

# 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	Parks Local Option Levy	Childrens Local Option Levy
<b>FISCAL YEAR 2004-05</b>						
Total Budget Requirements	517,586,359	379,596,673	7,817,992	108,477,365	12,606,256	9,088,073
Less: Budgeted Resources, Except Taxes to be Levied	(266,293,257)	(231,008,854)	(510,369)	(30,258,081)	(4,153,215)	(362,738)
<b>Total Equals: Taxes Necessary To Balance</b>	<b>251,293,102</b>	<b>148,587,819</b>	<b>7,307,623</b>	<b>78,219,284</b>	<b>8,453,041</b>	<b>8,725,335</b>
Add: Taxes Estimated not to be Received due to Delinquency & Discount	15,189,508	8,981,448	441,712	4,727,995	510,947	527,406
<b>Total Equals: Estimated (Measure 50) Levy Receivable</b>	<b>266,482,610</b>	<b>157,569,267</b>	<b>7,749,335</b>	<b>82,947,279</b>	<b>8,963,989</b>	<b>9,252,742</b>
Add: Estimated Measure 50 Levy Compression	20,611,133	6,791,274	0	3,575,048	5,041,210	5,203,600
<b>Total Taxes to be Levied</b>	<b>287,093,743</b>	<b>164,360,541</b>	<b>7,749,335</b>	<b>86,522,327</b>	<b>14,005,199</b>	<b>14,456,342</b>
<b>Legal Basis of Taxes to be Levied</b>						
Permanent Rate Limit Levy-Subject to \$10 Limit	192,822,081	164,360,541	0	0	14,005,199	14,456,342
Local Option Operating Tax	0	0	0	0		0
Local Option Capital Construction Tax	0	0	0	0		0
Levy for Gap Bonds	0	0	0	0		0
Levy for Pension & Disability Obligations	86,522,327	0	0	86,522,327	0	0
Levy For Bonded Indebtedness	7,749,335	0	7,749,335	0	0	0
<b>TOTAL TAXES TO BE LEVIED</b>	<b>\$ 287,093,743</b>	<b>\$ 164,360,541</b>	<b>\$ 7,749,335</b>	<b>\$ 86,522,327</b>	<b>\$ 14,005,199</b>	<b>\$ 14,456,342</b>
<b>FISCAL YEAR 2003-04</b>						
Total Budget Requirements	\$506,900,761	\$370,278,201	\$6,890,123	\$111,812,582	8,707,989	9,211,866
Less: Budgeted Resources, Except Taxes to be Levied	(\$251,607,395)	(\$222,851,004)	(\$595,000)	(\$27,890,511)	(36,880)	(234,000)
<b>Total Equals: Taxes Necessary to Balance</b>	<b>\$255,293,366</b>	<b>\$147,427,197</b>	<b>\$6,295,123</b>	<b>\$83,922,071</b>	<b>8,671,109</b>	<b>8,977,866</b>
Add: Taxes Estimated not to be Received due to Delinquency & Discount	\$15,574,926	\$8,994,232	\$384,053	\$5,119,914	529,006	547,721
<b>Total Equals: Estimated (Measure 50) Levy Receivable</b>	<b>270,868,292</b>	<b>156,421,429</b>	<b>6,679,176</b>	<b>89,041,985</b>	<b>9,200,115</b>	<b>9,525,587</b>
Add: Estimated Measure 5/50 Levy Compression	\$17,412,107	\$5,209,363	\$0	\$2,979,636	4,531,400	4,691,708
<b>Total Taxes to be Levied</b>	<b>288,280,399</b>	<b>161,630,792</b>	<b>6,679,176</b>	<b>92,021,621</b>	<b>13,731,515</b>	<b>14,217,295</b>
<b>Legal Basis of Taxes to be Levied</b>						
Permanent Rate Limit Levy-Subject to \$10 Limit	189,579,602	161,630,792	0	0	13,731,515	14,217,295
Local Option Operating Tax	0	0	0	0	0	0
Local Option Capital Construction Tax	0	0	0	0	0	0
Levy for Gap Bonds	0	0	0	0	0	0
Levy for Pension & Disability Obligations	92,021,621	0	0	92,021,621	0	0
Levy For Bonded Indebtedness	6,979,176	0	6,679,176	0	0	0
<b>TOTAL TAXES TO BE LEVIED</b>	<b>\$ 288,280,399</b>	<b>\$ 161,630,792</b>	<b>\$ 6,679,176</b>	<b>\$ 92,021,621</b>	<b>\$ 13,731,515</b>	<b>\$ 14,217,295</b>

# Urban Renewal Certification

**TABLE 4**

This table shows the amount of tax increment collections planned for the City's urban renewal districts.

Tax Increment Authority for FY 2004-05 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
<b>Part 1: Option One Plans</b>					
Central Eastside	Part 1, Option 1	100%	4,664,481	No Special Levy	4,664,481
<b>Part 2: Option Two Plans</b>					
Not Applicable to Portland					
<b>Part 3: Option Three Plans (Standard Rate)</b>					
Airport Way	Part 3, Option 3	Fixed Amount	2,540,000	4,308,861	6,848,861
Downtown Waterfront	Part 3, Option 3	Fixed Amount	7,710,000	7,363,713	15,073,713
South Park Blocks	Part 3, Option 3	Fixed Amount	5,660,000	1,763,713	7,423,713
Convention Center	Part 3, Option 3	Fixed Amount	5,740,000	1,563,713	7,303,713
<b>Total Part 3 Plans</b>			<b>21,650,000</b>	<b>15,000,000</b>	<b>36,650,000</b>
<b>Part 4: "Window" (Standard Rate)--(Adopted after December 6, 1996, prior Oct. 6, 2001)</b>					
Lents Town Center District	Part 4 Plans	100%	5,269,980	No Special Levy	5,269,980
River District	Part 4 Plans	100%	11,117,760	No Special Levy	11,117,760
Macadam District	Part 4 Plans	100%	1,515,067	No Special Levy	1,515,067
North Interstate District	Part 4 Plans	100%	3,958,721	No Special Levy	3,958,721
Gateway Regional Center	Part 4 Plans	100%	1,458,372	No Special Levy	1,458,372
<b>Total Part 4 Plans</b>			<b>23,319,900</b>		<b>23,319,900</b>
<b>TOTAL CERTIFIED FOR COLLECTIONS</b>			<b>\$ 49,634,381</b>	<b>\$ 15,000,000</b>	<b>\$ 64,634,381</b>

(\*) Before compression, delinquency and discounts.

# Total Revenues and Expenses by Fund By Fiscal Year

TABLE 5

This table summarizes expenditures, including fund level expenses and unappropriated ending balance, in total appropriation budgets by fiscal year.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Proposed FY 2004–05	Adopted FY 2004–05
<b>Operating Funds</b>					
General Fund	353,407,319	349,390,766	389,576,423	379,596,673	387,356,348
Spectator Facilities Fund	28,290,588	15,877,287	16,025,203	14,431,818	14,431,818
Assessment Collection	58,081	60,301	63,321	64,079	64,079
Development Services Fund	32,435,106	34,187,549	32,613,775	35,438,323	35,533,355
Cable	5,748,182	5,969,745	5,959,298	5,741,146	5,741,146
Emergency Communications	16,362,736	14,689,994	13,279,230	13,293,864	13,293,864
Golf	6,890,852	8,521,968	8,331,774	6,552,853	6,552,853
Hydropower Operating	893,810	1,221,853	1,213,200	1,042,873	1,042,873
Parking Facilities	16,942,292	15,526,336	12,562,607	11,002,750	11,002,750
Portland International Raceway	1,511,104	1,516,230	1,441,248	1,507,837	1,507,837
Property Management License	3,648,597	4,150,852	4,394,434	4,664,200	4,664,200
Public Safety	3,752,111	3,000,280	1,580,163	1,717,046	1,717,046
Solid Waste	7,007,312	6,504,194	6,054,944	5,682,838	5,682,838
Sewage System Operating	291,844,932	332,777,590	373,255,277	371,415,907	371,439,087
Transportation Operating	130,019,321	137,091,853	148,518,538	171,886,188	171,886,188
Water	115,134,437	126,223,747	141,496,795	157,861,469	156,300,783
<b>Total Operating Funds</b>	<b>1,013,946,780</b>	<b>1,056,710,545</b>	<b>1,156,366,230</b>	<b>1,181,899,864</b>	<b>1,188,217,065</b>
<b>Internal Service Funds</b>					
Communications Services Fund	29,940,004	30,362,123	24,215,061	22,928,179	22,928,179
Information Technology Fund	23,251,475	23,060,735	26,537,975	23,737,178	23,370,418
Facilities Services	42,903,261	56,481,678	41,065,775	35,551,781	35,088,213
Vehicle Services Operating Fund	37,762,691	37,747,485	38,912,822	31,901,842	31,901,842
Health Insurance	62,108,274	51,243,984	50,515,348	47,675,678	40,072,749
PPA Health Insurance	0	0	0	0	8,144,595
Insurance and Claims Operating	19,119,943	21,068,607	23,026,044	23,722,012	23,722,012
Printing/Distribution Services	7,018,537	6,973,996	7,514,061	7,319,548	7,319,548
Workers Compensation Operating	16,468,806	17,196,748	16,176,494	16,785,556	16,785,556
<b>Total Internal Service Funds</b>	<b>238,572,991</b>	<b>244,135,356</b>	<b>227,963,580</b>	<b>209,621,774</b>	<b>209,333,112</b>
<b>Agency and Trust Funds</b>					
Environmental Remediation	1,194,177	1,238,162	1,359,804	1,997,268	1,997,268
Housing Investment	14,367,203	10,951,503	29,328,506	24,059,424	24,059,424
Hydropower Renewal & Replacement	8,257,735	8,506,367	8,571,085	8,683,558	8,683,558
Portland Parks Memorial Trust	5,160,815	4,700,903	4,616,388	4,227,861	4,227,861
Parks Endowment Fund	29,388	154,384	154,619	161,504	161,504
Sewer Revolving Loan	1,646,109	1,694,682	1,830,363	824,241	824,241
Sewer System Rate Stabilization	8,303,123	8,316,232	16,194,974	22,248,883	22,248,883
Sewer System Safety Net	1,055,867	1,121,732	2,549,433	1,082,258	1,086,258
Water Growth Impact Charge Trust	1,611,931	1,644,762	1,666,461	1,684,496	1,684,496
<b>Total Agency and Trust Funds</b>	<b>41,626,348</b>	<b>38,328,727</b>	<b>66,271,633</b>	<b>64,969,493</b>	<b>64,973,493</b>
<b>Construction Funds</b>					
BFRES Facilities Bond Fund	19,475,774	11,039,333	24,126,468	11,555,900	11,555,900
Capital Improvement Fund	114,537	68,170	0	0	0
LID Construction Fund	13,139,847	45,122,236	14,270,415	24,269,252	24,269,252
Parks Bond Construction	(15,577)	0	0	0	0
Parks Construction	11,405,327	9,140,565	22,024,875	10,748,451	10,848,451
Sewer System Construction	139,755,099	288,244,021	189,067,118	234,780,532	234,780,532
Water Construction	28,603,242	43,060,448	79,436,264	76,493,906	75,658,926
<b>Total Construction Funds</b>	<b>212,478,249</b>	<b>396,674,773</b>	<b>328,925,140</b>	<b>357,848,041</b>	<b>357,113,061</b>
<b>Debt Service Funds</b>					
Airport Way Debt Service	7,834,546	21,533,825	8,480,168	7,597,332	7,597,332

# Total Revenues and Expenses by Fund By Fiscal Year

TABLE 5

This table summarizes expenditures, including fund level expenses and unappropriated ending balance, in total appropriation budgets by fiscal year.

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Proposed FY 2004-05	Adopted FY 2004-05
Bancroft Bond	13,071,737	14,398,330	14,923,427	15,872,621	15,872,621
Bonded Debt Interest and Sinking	38,564,643	7,785,359	6,890,123	7,817,992	7,817,992
Central Eastside Industrial Debt	4,190,130	4,110,709	4,310,182	4,172,791	4,172,791
Convention Center Area Debt Svc	8,478,102	9,749,034	6,481,814	6,592,920	6,592,920
Parking Facilities Debt Fund	6,327,902	3,639,972	3,737,226	3,490,176	3,490,176
Gateway Debt Fund	0	655,695	912,447	1,276,978	1,276,978
Gas Tax Bond Redemption	792,352	913,776	1,916,709	1,922,782	1,922,782
Golf Revenue Bond	143,911	711,207	1,449,500	1,441,707	1,441,707
Governmental Bond Redemption	9,148,544	9,656,383	25,898,974	8,664,732	8,764,732
Hydropower Bond	8,018,035	7,937,943	7,988,585	8,075,741	8,075,741
Lents Urban Renewal Debt Fund	2,807,747	3,464,394	4,040,775	4,719,681	4,719,681
Interstate Corridor Debt Service Fund	1,066,166	1,986,592	2,828,212	6,458,110	6,458,110
N Macadam Debt Fund	305,257	1,198,655	1,315,982	1,548,139	1,548,139
Morrison Park East Bond	1,512,170	0	0	0	0
Morrison Park West Bond	959,123	0	0	0	0
Old Town Parking Bond	5,706,264	0	0	0	0
Pension Debt Redemption Fund	28,695,520	24,224,195	24,302,981	18,245,352	18,245,352
River District Debt Fund	5,941,323	35,846,396	8,256,086	14,789,111	14,789,111
Sewage Disposal Debt	64,259,202	105,866,215	73,589,974	75,444,527	75,444,527
South Park Renewal Debt Service	7,868,469	7,405,493	6,570,744	6,706,532	6,706,532
Special Projects Debt Redemption	9,474,750	42,897,142	6,180,435	5,691,806	5,691,806
Washington County Supply Bond	3,638,216	3,677,325	3,704,464	2,024,550	2,024,550
Water Bond Sinking	13,438,604	26,303,705	9,768,875	13,743,988	13,845,281
Waterfront Renewal Bond Sinking	18,350,998	35,567,870	15,682,952	15,455,620	15,455,620
<b>Total Debt Service Funds</b>	<b>260,593,711</b>	<b>369,535,215</b>	<b>239,230,635</b>	<b>231,753,188</b>	<b>231,954,481</b>
<b>Federal and State Funds</b>					
Federal Grants	15,730,201	15,530,413	33,147,357	16,531,669	16,676,896
Home Grant	4,226,076	2,693,863	15,267,145	5,671,189	5,671,189
Housing & Community Development	16,631,607	12,940,288	26,134,613	16,475,000	16,475,000
<b>Total Federal and State Funds</b>	<b>36,587,884</b>	<b>31,164,564</b>	<b>74,549,115</b>	<b>38,677,858</b>	<b>38,823,085</b>
<b>Retirement Funds</b>					
FPD&R	81,470,138	92,473,847	112,414,183	108,477,365	108,477,365
FPD&R Retirement Reserve	750,000	750,000	750,000	750,000	750,000
Supp Retirement Program Trust	101,852	96,886	96,018	101,018	101,018
<b>Total Retirement Funds</b>	<b>82,321,990</b>	<b>93,320,733</b>	<b>113,260,201</b>	<b>109,328,383</b>	<b>109,328,383</b>
<b>Revenue and Reserve Funds</b>					
Business License Surcharge	0	0	13,000,000	8,704,736	8,704,736
Children's Investment Fund	0	10,000	10,056,866	9,088,073	9,088,073
Convention and Tourism	2,227,217	2,291,276	2,407,153	2,428,503	2,428,503
General Reserve	36,519,258	37,699,789	36,930,057	41,008,938	41,008,938
Parks Levy Fund	0	0	8,707,989	12,606,256	12,606,256
Private-Hire Trans. Safety Fund	0	0	45,000	205,000	205,000
Special Finance & Resource Fund	36,732,775	88,503,004	154,681,027	73,176,828	73,176,828
Transportation Reserve	662,582	676,077	702,582	691,577	691,577
<b>Total Revenue and Reserve Funds</b>	<b>76,141,832</b>	<b>129,180,146</b>	<b>226,530,674</b>	<b>147,909,911</b>	<b>147,909,911</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 1,962,269,785</b>	<b>\$ 2,359,050,059</b>	<b>\$ 2,433,097,208</b>	<b>\$ 2,342,008,512</b>	<b>\$ 2,347,652,591</b>

# Summary of Revenues by Fund – FY 2004–05

TABLE 6

This table summarizes the major categories of estimated revenues, including beginning fund balance and transfers from other funds, in total appropriation budgets by fund.

	Property Taxes	Svc Charges, Licenses, & Permits	Other External Revenue	Interfund Revenues	Beginning Balances	Total Revenues
<b>Operating Funds</b>						
General Fund	153,173,082	95,939,395	43,327,717	75,450,860	19,465,294	387,356,348
Spectator Facilities Fund	0	5,571,000	2,352,631	0	6,508,187	14,431,818
Assessment Collection	0	0	2,250	0	61,829	64,079
Development Services Fund	0	28,372,032	664,000	1,362,062	5,135,261	35,533,355
Cable	0	973,510	1,991,070	248,292	2,528,274	5,741,146
Emergency Communications	0	50,000	4,875,269	8,368,595	0	13,293,864
Golf	0	5,929,744	33,694	123,036	466,379	6,552,853
Hydropower Operating	0	0	649,282	90,500	303,091	1,042,873
Parking Facilities	0	8,298,495	22,342	685,589	1,996,324	11,002,750
Portland International Raceway	0	1,397,748	5,000	0	105,089	1,507,837
Property Management License	0	4,650,263	6,600	0	7,337	4,664,200
Public Safety	0	0	30,000	687,046	1,000,000	1,717,046
Solid Waste	0	2,698,965	369,911	58,073	2,555,889	5,682,838
Sewage System Operating	0	185,668,875	2,259,343	151,743,856	31,767,013	371,439,087
Transportation Operating	0	21,370,902	85,019,806	46,996,468	18,499,012	171,886,188
Water	0	75,379,388	2,024,833	56,559,019	22,337,543	156,300,783
<b>Total Operating Funds</b>	<b>153,173,082</b>	<b>436,300,317</b>	<b>143,633,748</b>	<b>342,373,396</b>	<b>112,736,522</b>	<b>1,188,217,065</b>
<b>Internal Service Funds</b>						
Communications Services Fund	0	3,228,110	124,000	11,741,814	7,834,255	22,928,179
Information Technology Fund	0	0	248,701	18,874,573	4,247,144	23,370,418
Facilities Services	0	1,498,348	1,239,316	25,536,912	6,813,637	35,088,213
Vehicle Services Operating Fund	0	30,000	582,000	18,628,837	12,661,005	31,901,842
Health Insurance	0	22,893,431	2,036,806	276,312	14,866,200	40,072,749
PPA Health Insurance	0	7,775,006	369,589	0	0	8,144,595
Insurance and Claims Operating	0	0	335,910	6,806,623	16,579,479	23,722,012
Printing/Distribution Services	0	308,244	1,008,162	5,162,442	840,700	7,319,548
Workers Compensation Operating	0	0	324,440	4,468,140	11,992,976	16,785,556
<b>Total Internal Service Funds</b>	<b>0</b>	<b>35,733,139</b>	<b>6,268,924</b>	<b>91,495,653</b>	<b>75,835,396</b>	<b>209,333,112</b>
<b>Agency and Trust Funds</b>						
Environmental Remediation	0	640,000	23,000	0	1,334,268	1,997,268
Housing Investment	0	300,250	20,500,250	492,716	2,766,208	24,059,424
Hydropower Renewal & Replacement	0	0	189,200	0	8,494,358	8,683,558
Portland Parks Memorial Trust	0	1,488,956	124,529	98,000	2,516,376	4,227,861
Parks Endowment Fund	0	0	2,387	0	159,117	161,504
Sewer Revolving Loan	0	250,000	50,000	0	524,241	824,241
Sewer System Rate Stabilization	0	0	630,528	6,850,000	14,768,355	22,248,883
Sewer System Safety Net	0	0	159,000	0	927,258	1,086,258
Water Growth Impact Charge Trust	0	0	19,974	0	1,664,522	1,684,496
<b>Total Agency and Trust Funds</b>	<b>0</b>	<b>2,679,206</b>	<b>21,698,868</b>	<b>7,440,716</b>	<b>33,154,703</b>	<b>64,973,493</b>
<b>Construction Funds</b>						
BFRES Facilities Bond Fund	0	0	94,000	116,300	11,345,600	11,555,900
LID Construction Fund	0	1,458,020	20,369,960	46,959	2,394,313	24,269,252
Parks Construction	0	1,994,680	1,820,181	6,086,244	947,346	10,848,451
Sewer System Construction	0	580,181	152,769,489	21,300,000	60,130,862	234,780,532
Water Construction	0	2,074,516	17,006,461	18,435,720	38,142,229	75,658,926
<b>Total Construction Funds</b>	<b>0</b>	<b>6,107,397</b>	<b>192,060,091</b>	<b>45,985,223</b>	<b>112,960,350</b>	<b>357,113,061</b>
<b>Debt Service Funds</b>						
Airport Way Debt Service	6,216,560	0	30,772	0	1,350,000	7,597,332

# Summary of Revenues by Fund – FY 2004–05

TABLE 6

This table summarizes the major categories of estimated revenues, including beginning fund balance and transfers from other funds, in total appropriation budgets by fund.

	Property Taxes	Svc Charges, Licenses, & Permits	Other External Revenue	Interfund Revenues	Beginning Balances	Total Revenues
Bancroft Bond	0	0	5,767,920	0	10,104,701	15,872,621
Bonded Debt Interest and Sinking	7,407,623	0	25,000	0	385,369	7,817,992
Central Eastside Industrial Debt	4,152,237	0	20,554	0	0	4,172,791
Convention Center Area Debt Svc	6,560,955	0	31,965	0	0	6,592,920
Parking Facilities Debt Fund	0	0	0	3,490,176	0	3,490,176
Gateway Debt Fund	1,270,723	0	6,255	0	0	1,276,978
Gas Tax Bond Redemption	0	0	0	1,922,782	0	1,922,782
Golf Revenue Bond	0	0	7,500	799,000	635,207	1,441,707
Governmental Bond Redemption	0	0	1,432,822	7,331,910	0	8,764,732
Hydropower Bond	0	0	3,787,235	0	4,288,506	8,075,741
Lents Urban Renewal Debt Fund	4,696,434	0	23,247	0	0	4,719,681
Interstate Corridor Debt Service Fund	3,517,931	0	2,940,179	0	0	6,458,110
N Macadam Debt Fund	1,540,587	0	7,552	0	0	1,548,139
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	9,952,170	0	101,991	0	4,734,950	14,789,111
Pension Debt Redemption Fund	0	0	397,529	10,816,296	7,031,527	18,245,352
Sewage Disposal Debt	0	0	328	72,607,649	2,836,550	75,444,527
South Park Renewal Debt Service	6,673,498	0	33,034	0	0	6,706,532
Special Projects Debt Redemption	0	0	5,155,524	0	536,282	5,691,806
Washington County Supply Bond	0	155,182	0	202,455	1,666,913	2,024,550
Water Bond Sinking	0	0	0	13,845,281	0	13,845,281
Waterfront Renewal Bond Sinking	13,680,381	0	93,739	0	1,681,500	15,455,620
<b>Total Debt Service Funds</b>	<b>65,669,099</b>	<b>155,182</b>	<b>19,863,146</b>	<b>111,015,549</b>	<b>35,251,505</b>	<b>231,954,481</b>
<b>Federal and State Funds</b>						
Federal Grants	0	0	16,676,896	0	0	16,676,896
Home Grant	0	0	5,671,189	0	0	5,671,189
Housing & Community Development	0	0	16,475,000	0	0	16,475,000
<b>Total Federal and State Funds</b>	<b>0</b>	<b>0</b>	<b>38,823,085</b>	<b>0</b>	<b>0</b>	<b>38,823,085</b>
<b>Retirement Funds</b>						
FPD&R	79,719,284	0	20,500,000	757,200	7,500,881	108,477,365
FPD&R Retirement Reserve	0	0	0	0	750,000	750,000
Supp Retirement Program Trust	0	9,700	2,500	0	88,818	101,018
<b>Total Retirement Funds</b>	<b>79,719,284</b>	<b>9,700</b>	<b>20,502,500</b>	<b>757,200</b>	<b>8,339,699</b>	<b>109,328,383</b>
<b>Revenue and Reserve Fund</b>						
Business License Surcharge	0	8,704,736	0	0	0	8,704,736
Children's Investment Fund	8,892,072	0	18,277	0	177,724	9,088,073
Convention and Tourism	0	0	2,257,606	0	170,897	2,428,503
General Reserve	0	0	29,764	1,594,692	39,384,482	41,008,938
Parks Levy Fund	8,614,459	0	41,797	0	3,950,000	12,606,256
Private-Hire Trans. Safety Fund	0	0	205,000	0	0	205,000
Special Finance & Resource Fund	0	0	73,176,828	0	0	73,176,828
Transportation Reserve	0	0	8,000	0	683,577	691,577
<b>Total Revenue and Reserve Fund</b>	<b>17,506,531</b>	<b>8,704,736</b>	<b>75,737,272</b>	<b>1,594,692</b>	<b>44,366,680</b>	<b>147,909,911</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 316,067,996</b>	<b>\$ 489,689,677</b>	<b>\$ 518,587,634</b>	<b>\$ 600,662,429</b>	<b>\$ 422,644,855</b>	<b>\$2,347,652,591</b>

# Historical Funds and Appropriations

TABLE 7

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

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Adopted FY 2004-05
<b>HISTORICAL FUNDS</b>				
Morrison Park East Bond Redemption Fund	1,512,170	0	0	0
Morrison Park West Bond Redemption Fund	959,123	0	0	0
Old Town Parking Bond Redemption Fund	5,706,264	0	0	0
Capital Improvement Fund	114,537	68,475	0	0
Parks Bond Construction Fund	(15,577)	15,573	0	0
<b>Total Historical Funds</b>	<b>8,276,517</b>	<b>84,048</b>	<b>0</b>	<b>0</b>
<b>HISTORICAL SPECIAL APPROPRIATIONS</b>				
<b>General Fund</b>				
PDC Waterfront Development Activities	419,543	0	0	0
PDC 2040 Implementation	345,264	100,040	0	0
Early Childhood Development	756,603	1,069,029	0	0
Fair Housing of Oregon	26,171	0	0	0
Civil Rights Enforcement	13,601	14,344	0	0
IRS Rebate	14,213	14,150	0	0
HR Transition Costs	7,930	0	0	0
DCTU Training	58,482	0	0	0
Business License Refunds	5,657,506	35,487	6,382,525	0
DCTU Service Improvements	72,228	0	0	0
Unemployment Insurance	254,556	472,805	0	0
Management Council	1,081	665	0	0
Portland Center Stage	200,000	0	0	0
Regional Drug Initiative-City	28,551	0	0	0
<b>Total Historical Special Appropriations</b>	<b>7,855,729</b>	<b>1,706,520</b>	<b>6,382,525</b>	<b>0</b>
<b>TOTAL HISTORICAL FUNDS AND APPROPRIATIONS</b>	<b>\$ 16,132,246</b>	<b>\$ 1,790,568</b>	<b>\$ 6,382,525</b>	<b>\$ 0</b>



# Summary of Indebtedness

TABLE 8

## DEBT OUTSTANDING

Service Area	Facility/ Function	Type of Indebtedness	FY 2002-03	FY 2003-04	Change
<b>DEBT OUTSTANDING BY SERVICE AREA</b>					
<b>Parks, Recreation and Culture</b>					
Arena		Limited Tax Revenue Bonds	\$9,270,000	\$8,715,000	(\$555,000)
Arena		Limited Tax Bonds	8,030,000	7,635,000	(395,000)
Arena		Gas Tax Revenue Bonds	11,983,102	11,563,102	(420,000)
Civic Stadium		Limited Tax Revenue Bonds	33,550,000	32,660,000	(890,000)
PCPA		Limited Tax Revenue Bonds	1,970,000	1,900,000	(70,000)
Golf		Revenue Bonds	6,333,333	5,797,000	(536,333)
Parks System		Voter Approved General Obligation Bonds	44,170,000	41,305,000	(2,865,000)
			115,306,435	109,575,102	(5,731,333)
<b>Public Utilities</b>					
Sewer System		Revenue Bonds	897,700,000	871,495,000	(26,205,000)
		State Loans	579,204	554,504	(24,700)
Water System		Revenue Bonds	93,810,000	151,345,000	57,535,000
		General Obligation Water Revenue Bonds	11,416,606	9,624,399	(1,792,208)
		Line of credit	25,000,000	0	(25,000,000)
Hydroelectric Power		Revenue Bonds	27,740,000	25,885,000	(1,855,000)
			1,056,245,810	1,058,903,903	2,658,092
<b>Community Development and Services</b>					
Public Infrastructure		Limited Tax Improvement Bonds	31,515,000	23,770,000	(7,745,000)
Local Improvement line of credit		Limited Tax Revenue (secured)	718,733	718,733	0
Housing Preservation Line		Limited Tax Revenue (secured)	0	0	0
Convention Ctr Expan.		Limited Tax Revenue Bonds	99,998,888	99,688,888	(310,000)
Interstate Max Interim		Limited Tax Revenue Bonds	32,750,000	32,750,000	0
			164,982,621	156,927,621	(8,055,000)
<b>Transportation and Parking</b>					
Parking Facilities		Parking Revenue Refunding Bonds	8,435,000	7,020,000	(1,415,000)
Street Lovejoy		OTIB Loan	430,691	0	(430,691)
Streetcar		Parking Revenue Bonds	27,360,000	26,620,000	(740,000)
Transportation line of credit		Gas Tax Revenue Bonds	4,545,512	3,535,796	(1,009,716)
Street Improvements			7,515,000	7,120,000	(395,000)
			48,286,203	44,295,796	(3,990,407)
<b>Legislative, Admin. And Support Services</b>					
Equipment and Facility		Limited Tax Revenue Bonds	72,300,000	70,165,000	(2,135,000)
		State Loans	49,365	39,927	(9,438)
		Full Faith & Credit Refunding Obligations	20,185,000	16,005,000	(4,180,000)
Pension		Limited Tax Pension Obligations	300,848,346	300,848,346	0
Emergency Facilities		Voter Approved General Obligation Bonds	21,120,000	34,155,000	13,035,000
			414,502,710	421,213,272	6,710,562
<b>Portland Development Services</b>					
Airport Way		Tax Increment	63,045,000	60,710,000	(2,335,000)
Central Eastside		Tax Increment	10,800,000	10,800,000	0
Convention Center		Tax Increment	49,380,000	49,380,000	0
Lents		Tax Increment	6,400,000	6,400,000	0
River District		Tax Increment	61,940,000	59,590,000	(2,350,000)
North Macadam		Tax Increment	500,000	500,000	0
Gateway		Tax Increment	1,000,000	1,000,000	0
South Park Blocks		Tax Increment	37,735,000	36,905,000	(830,000)
Waterfront		Tax Increment	70,460,000	66,490,000	(3,970,000)
OMSI		Limited Tax General Obligation Notes	444,169	0	(444,169)
			301,704,169	291,775,000	(9,929,169)

**Summary of Indebtedness**

**TABLE 8**

**DEBT OUTSTANDING**

Service Area	Facility/ Function	Type of Indebtedness	FY 2002-03	FY 2003-04	Change
<b>TOTAL DEBT OUTSTANDING</b>			<b>\$2,101,027,949</b>	<b>\$2,082,690,694</b>	<b>\$ (18,337,255)</b>
<b>TYPE OF INDEBTEDNESS</b>					
		Limited Tax Bonds	308,878,346	308,483,346	(395,000)
		Limited Tax Improvement Bonds	31,515,000	23,770,000	(7,745,000)
		General Obligation Water Revenue Bonds	11,416,606	9,624,399	(1,792,208)
		Voter Approved General Obligation Bonds	65,290,000	75,460,000	10,170,000
		Gas Tax Revenue Bonds	24,043,614	22,218,898	(1,824,716)
		Revenue Bonds	1,059,018,333	1,061,542,000	2,523,667
		Limited Tax Revenue Bonds	277,917,621	273,217,621	(4,700,000)
		State Loans	1,059,260	594,431	(464,829)
		Department of Environmental Quality Bonds	0	0	0
		Full Faith and Credit Obligations	20,185,000	16,005,000	(4,180,000)
		Tax Increment	301,260,000	291,775,000	(9,485,000)
		Limited Tax General Obligation Notes	444,169	0	(444,169)
<b>TOTAL DEBT OUTSTANDING</b>			<b>\$2,101,027,949</b>	<b>\$2,082,690,694</b>	<b>\$ (18,337,255)</b>

**ACTUAL DEBT OUTSTANDING**

Facility/ Function	Type of Indebtedness	FY 2002-03	FY 2003-04	FY 2004-05
<b>ACTUAL DEBT OUTSTANDING JULY 1, 2003</b>				
<b>Debt Issued Fiscal Year 2003-04</b>				
Emergency Facilities	General Obligation Bonds		\$13,965,000	
Refunding of Full Faith and Credit Bonds	Limited Tax Revenue Refunding Bonds		25,140,000	
Parks Refunding	General Obligation Refunding Bonds		9,200,000	
Water System	Water Revenue Bonds		61,900,000	
Water System	Water Revenue Refunding Bonds		29,900,000	
Various	Lines of credit		2,768,222	
<b>Total</b>			<b>142,873,222</b>	
<b>Total Debt Redeemed Fiscal Year 2003-04</b>			<b>(161,210,477)</b>	
<b>TOTAL PROJECTED DEBT OUTSTANDING JULY 1, 2004</b>		<b>\$</b>	<b>\$2,082,690,694</b>	<b>\$</b>
<b>Estimated Debt to be Issued Fiscal Year 2004-05</b>				
Sewer System	Sewer System Revenue Bonds			175,000,000
Urban Renewal	Interstate Urban Renewal			38,000,000
Assessment Improvements	Limited Tax Improvement Bonds			10,000,000
<b>Total</b>				<b>223,000,000</b>
<b>Total Projected Debt Redemption Fiscal Year 2004-05</b>				<b>(102,602,150)</b>
<b>TOTAL PROJECTED DEBT OUTSTANDING JULY 1, 2005</b>		<b>\$</b>	<b>\$</b>	<b>\$2,203,088,544</b>

# Summary of Indebtedness

**TABLE 9**  
**DEBT SERVICE**

Service Area Facility/Function	Type of Indebtedness	Principal	Interest	Total
<b>Parks, Recreation and Culture</b>				
Arena	Limited Tax Revenue Bonds	595,000	622,570	1,217,570
Arena	Limited Tax Bonds	420,000	570,283	990,283
Arena	Gas Tax Revenue Bonds	545,000	222,153	767,153
		1,560,000	1,415,006	2,975,006
Golf	Revenue Bonds	550,000	256,805	806,805
Parks / Fire	Voter Approved General Obligation Bonds	4,240,000	3,577,990	7,817,990
Civic Stadium 2001	Limited Tax Revenue Bonds	945,000	2,194,105	3,139,105
PCPA 2001	Limited Tax Revenue Bonds	80,000	91,530	171,530
		5,815,000	6,120,430	11,935,430
<b>Public Utilities</b>				
Sewer System	Revenue Bonds	27,195,000	44,854,769	72,049,769
	State Loans	29,906	27,178	57,084
		27,224,906	44,881,947	72,106,853
Water System	Revenue Bonds	6,200,000	7,350,812	13,550,812
	General Obligation Water Revenue Bonds	2,082,208	236,878	2,319,086
		8,282,208	7,587,689	15,869,897
Hydroelectric Power	Revenue Bonds	1,970,000	1,730,675	3,700,675
		37,477,114	54,200,311	91,677,425
<b>Community Development and Services</b>				
Public Infrastructure	Department of Environmental Quality Bonds	1,866,565	0	1,866,565
	Limited Tax Improvement Bonds	1,045,000	1,000,583	2,045,583
Convention Ctr Expan.	Limited Tax Revenue Bonds	800,000	4,176,763	4,976,763
Interstate Max Interim	Limited Tax Revenue Bonds	32,750,000	491,250	33,241,250
		36,461,565	5,668,596	42,130,161
<b>Transportation and Parking</b>				
Parking Facilities	Revenue Bonds	1,980,000	1,510,175	3,490,175
Street Improvements	Gas Tax Revenue Bonds	1,458,495	458,214	1,916,709
		3,438,495	1,968,389	5,406,884
<b>Legislative, Admin. And Support Services</b>				
Pension Bonds	Limited Tax Bonds	0	21,218,115	21,218,115
Equipment and Facility	Limited Tax Revenue Bonds	10,375,000	2,738,754	13,113,754
	State Loans	10,063	2,034	12,097
		10,385,063	23,958,903	34,343,966
<b>Portland Development Commission</b>				
Airport Way	Tax Increment	3,015,714	3,231,618	6,247,332
Central Eastside	Tax Increment	3,739,748	433,043	4,172,791
Convention Center	Tax Increment	3,228,619	3,364,300	6,592,919
South Park Blocks	Tax Increment	4,411,455	2,295,076	6,706,531
Waterfront	Tax Increment	9,991,676	3,782,443	13,774,119
River District	Tax Increment	7,624,221	2,429,940	10,054,161
Gateway	Tax Increment	1,094,678	182,300	1,276,978
Lents	Tax Increment	4,462,447	257,234	4,719,681
North Macadam	Tax Increment	1,136,827	411,312	1,548,139
Interstate	Tax Increment	3,527,708	9,572	3,537,280
OMSI	Limited Tax General Obligation Notes	0	0	0
		42,233,093	16,396,837	58,629,930
<b>TOTAL DEBT SERVICE BY SERVICE AREA</b>		<b>\$ 137,370,330</b>	<b>\$ 109,728,473</b>	<b>\$ 247,098,803</b>
	Limited Tax Bonds	420,000	21,788,398	22,208,398
	Limited Tax Improvement Bonds	1,045,000	1,000,583	2,045,583

# Summary of Indebtedness

**TABLE 9**  
**DEBT SERVICE**

<b>Service Area Facility/Function</b>	<b>Type of Indebtedness</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	General Obligation Water Revenue Bonds	2,082,208	236,878	2,319,086
	Voter Approved General Obligation Bonds	4,240,000	3,577,990	7,817,990
	Gas Tax Revenue Bonds	2,003,495	680,367	2,683,862
	Revenue Bonds	37,895,000	55,703,236	93,598,236
	Limited Tax Revenue Bonds	45,545,000	10,314,972	55,859,972
	State Loans	39,969	29,212	69,181
	Department of Environmental Quality Bonds	1,866,565	0	1,866,565
	Tax Increment	42,233,093	16,396,837	58,629,930
<b>TOTAL DEBT SERVICE BY TYPE</b>		<b>\$ 137,370,330</b>	<b>\$ 109,728,473</b>	<b>\$ 247,098,803</b>

## Principal Over the Life of the Debt

TABLE 10

### 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
2004/05	1,560,000	2,925,000	550,000	1,025,000	27,699,906	6,302,244	1,970,000	3,216,565	420,000	1,980,000	18,472,599	42,233,093
2005/06	1,760,000	3,090,000	566,000	1,080,000	29,040,124	5,562,155	2,115,000	1,070,000	435,000	1,640,000	10,196,025	10,100,000
2006/07	1,975,000	3,210,000	585,000	1,140,000	30,605,355	7,165,000	2,225,000	1,100,000	460,000	1,705,000	13,481,882	11,485,000
2007/08	2,210,000	3,340,000	608,000	1,215,000	32,915,598	7,515,000	1,500,000	1,065,000	475,000	1,780,000	15,921,789	12,150,000
2008/09	2,465,000	3,595,000	634,000	1,290,000	34,505,858	7,875,000	1,600,000	0	505,000	1,840,000	15,185,000	11,560,000
2009/10	2,016,247	3,745,000	663,000	1,365,000	36,236,136	8,250,000	1,700,000	0	535,000	1,920,000	16,159,780	14,800,000
2010/11	2,129,011	3,900,000	695,000	1,460,000	38,526,442	8,640,000	1,825,000	0	555,000	1,995,000	17,889,440	14,490,000
2011/12	2,254,128	4,075,000	729,000	1,545,000	40,471,764	7,415,000	1,950,000	0	585,000	1,605,000	19,555,734	15,385,000
2012/13	2,381,638	4,280,000	767,000	1,650,000	42,482,103	7,780,000	2,075,000	2,700,000	620,000	1,675,000	20,150,250	16,375,000
2013/14	2,521,946	4,470,000		1,750,000	44,617,457	8,165,000	2,225,000	450,000	655,000	1,250,000	22,098,112	17,395,000
2014/15	1,469,525	4,675,000		1,870,000	46,832,831	8,560,000	2,375,000	260,000	695,000	1,310,000	24,380,530	18,355,000
2015/16	1,567,469			1,990,000	49,148,223	8,950,000	2,525,000	1,380,000	720,000	1,370,000	26,846,940	19,360,000
2016/17	1,097,835			2,125,000	51,658,634	9,660,000	1,800,000	0	220,000	1,430,000	27,334,000	20,455,000
2017/18	1,074,427			2,270,000	54,409,073	10,150,000		1,150,000	240,000	1,500,000	30,010,720	21,600,000
2018/19	1,038,418			2,425,000	56,635,000	10,680,000		3,070,000		1,570,000	30,599,480	22,805,000
2019/20	392,457			2,585,000	59,720,000	11,250,000		0		1,650,000	31,962,480	24,075,000
2020/21				2,765,000	63,150,000	11,850,000		0		1,720,000	36,106,250	4,110,000
2021/22				2,790,000	65,245,000	4,190,000		0		1,810,000	40,577,172	4,315,000
2022/23				2,220,000	68,625,000	4,400,000		10,480,000		1,900,000	13,925,175	4,520,000
2023/24						4,630,000				1,990,000	14,075,423	
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	
2029/30											9,510,000	
<b>TOTAL</b>	<b>\$ 27,913,102</b>	<b>\$ 41,305,000</b>	<b>\$ 5,797,000</b>	<b>\$ 34,560,000</b>	<b>\$872,524,504</b>	<b>\$158,989,399</b>	<b>\$ 25,885,000</b>	<b>\$ 25,941,565</b>	<b>\$ 7,120,000</b>	<b>\$ 33,640,000</b>	<b>\$522,331,529</b>	<b>\$305,568,093</b>

## Interest Over the Life of the Debt

TABLE 11

## 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
2004/05	1,415,005	1,891,177	256,805	2,285,635	44,908,072	7,543,039	1,730,675	1,408,427	378,718	1,510,175	31,381,010	16,396,837
2005/06	1,316,470	1,704,610	240,910	2,225,735	43,233,592	7,343,506	1,593,530	969,234	358,193	1,433,775	28,042,351	14,468,255
2006/07	1,205,023	1,581,430	221,893	2,162,455	42,036,058	7,107,493	1,446,063	937,134	336,590	1,370,050	27,685,084	14,043,943
2007/08	1,079,050	1,453,175	199,487	2,095,495	40,401,952	6,776,593	1,317,750	904,134	313,310	1,303,788	27,054,654	13,566,404
2008/09	937,895	1,319,575	173,343	2,018,500	38,457,302	6,427,593	1,209,250	869,521	288,893	1,231,375	26,243,051	13,017,049
2009/10	1,502,478	1,170,383	144,369	1,936,540	37,451,454	6,061,493	1,093,750	869,521	262,440	1,155,275	26,052,968	12,373,582
2010/11	1,505,526	1,011,220	112,280	1,849,615	34,900,137	5,674,303	970,375	869,521	233,893	1,074,538	25,241,807	11,536,226
2011/12	1,508,605	835,720	77,669	1,758,315	33,685,270	5,265,243	838,250	869,521	203,858	990,650	24,392,866	10,636,019
2012/13	1,507,335	631,970	40,344	1,659,690	30,947,227	4,891,218	697,375	869,521	171,920	919,588	23,439,699	9,646,484
2013/14	1,498,991	439,370		1,552,770	29,166,998	4,512,203	546,875	777,721	137,760	843,938	22,512,881	8,626,113
2014/15	1,013,118	233,750		1,437,500	26,961,976	4,113,725	385,875	751,846	101,670	786,125	21,401,699	7,673,250
2015/16	1,066,656			1,314,250	24,647,234	3,725,975	214,375	738,196	63,160	723,900	20,298,341	6,663,340
2016/17	2,822,165			1,181,090	22,129,472	3,228,738	63,000	661,606	23,000	658,825	19,053,709	5,569,493
2017/18	3,005,573			1,038,800	19,017,827	2,735,075		661,606	12,000	590,900	17,430,451	4,424,900
2018/19	3,201,582			886,750	15,934,365	2,204,031		605,543		519,650	15,606,076	3,217,023
2019/20	1,312,543			719,700	11,975,332	1,637,675		455,880		445,075	13,683,976	1,951,138
2020/21				541,450	8,879,634	1,036,100		455,880		366,700	10,834,888	624,200
2021/22				350,700	6,726,891	640,050		455,880		285,000	7,943,236	418,700
2022/23				155,400	3,372,807	451,500		455,880		194,500	36,628,518	212,100
2023/24						231,500				99,500	38,081,790	
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	
<b>TOTAL</b>	<b>\$ 25,898,013</b>	<b>\$ 12,272,380</b>	<b>\$ 1,467,100</b>	<b>\$ 26,664,290</b>	<b>\$504,733,900</b>	<b>\$ 80,283,998</b>	<b>\$ 12,107,143</b>	<b>\$ 13,674,810</b>	<b>\$ 2,885,403</b>	<b>\$ 15,924,325</b>	<b>\$380,355,513</b>	<b>\$154,434,255</b>

# Summary of Defeased Indebtedness

TABLE 12

## DEFEASED BONDS PAYABLE

Type of Indebtedness	Principal		
	Outstanding 7-1-03	Maturity FY 2003-04	Outstanding 7-1-04
<p>The City will have \$60.41 million of defeased bonds outstanding as of July 1, 2004. 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>			
<b>DEFEASED BONDS OUTSTANDING</b>			
<b>General Obligation Parks Bonds</b>			
General Obligation Parks 1995 Series A	9,720,000	0	12,875,000
General Obligation Parks 1995 Series B	18,785,000	0	24,915,000
	<u>28,505,000</u>	<u>0</u>	<u>37,790,000</u>
<b>Water System Bonds</b>			
General Obligation Water, Series 1993	0	0	7,530,000
Water System Revenue Bonds, Series 1995	0	0	15,095,000
	<u>0</u>	<u>0</u>	<u>22,625,000</u>
<b>Sewer Revenue Bonds</b>			
Series 1994 A	185,335,000	185,335,000	0
	<u>185,335,000</u>	<u>185,335,000</u>	<u>0</u>
<b>TOTAL DEFEASED BONDS OUTSTANDING</b>	<b>\$ 213,840,000</b>	<b>\$ 185,335,000</b>	<b>\$ 60,415,000</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>						
<b>External Revenues</b>						
<b>Property Taxes</b>						
Current Property Taxes	141,000,455	142,567,951	144,732,198	148,587,819	148,587,819	148,587,819
Payments In Lieu of Taxes	1,001,478	834,449	706,515	805,221	805,221	805,221
Prior Year Property Taxes	4,132,263	3,693,429	3,461,175	3,780,042	3,780,042	3,780,042
	146,134,196	147,095,829	148,899,888	153,173,082	153,173,082	153,173,082
<b>Lodging Taxes</b>						
	10,408,531	10,690,005	10,978,701	10,811,022	10,811,022	10,811,022
<b>Licenses and Permits</b>						
Business Licenses	45,941,414	39,372,885	40,664,039	39,274,397	39,274,397	39,274,397
Construction Permits	1,004,227	1,120,515	984,000	1,070,000	1,070,000	1,070,000
Other Permits	689,720	1,090,556	1,879,825	1,986,096	1,986,096	1,986,096
Public Utility Licenses	39,991,182	41,094,286	41,452,252	40,828,684	40,828,684	40,828,684
	87,626,543	82,678,242	84,980,116	83,159,177	83,159,177	83,159,177
<b>Service Charges and Fees</b>						
Concessions	7,688	0	17,500	22,815	22,815	22,815
Inspection Fees	904,644	766,287	900,000	800,000	800,000	800,000
Miscellaneous	1,836,780	2,782,749	2,351,340	2,037,270	2,037,270	2,037,270
Parks & Recreation Facilities	6,927,789	7,406,322	7,731,679	7,938,197	7,938,197	7,938,197
Rents and Reimbursements	2,105,729	1,749,874	1,829,892	1,981,936	1,981,936	1,981,936
	11,782,630	12,705,232	12,830,411	12,780,218	12,780,218	12,780,218
<b>State Sources</b>						
State Cost Sharing	56,595	25,291	40,000	40,000	40,000	40,000
State Grants	0	32,406	0	0	0	0
State Shared Revenue	9,641,014	9,074,477	9,480,137	9,702,997	9,702,997	9,702,997
	9,697,609	9,099,768	9,520,137	9,742,997	9,742,997	9,742,997
<b>Local Sources</b>						
City Overhead Charges	220,922	340,505	275,323	194,765	190,950	190,950
Local Cost Sharing	5,649,391	5,685,961	6,111,555	5,698,450	5,698,450	5,698,450
Local Shared Revenue	2,797,361	2,470,496	2,502,887	5,296,069	5,296,069	5,296,069
Locally Administered Fed Funds	128,056	155,847	127,794	136,624	136,624	136,624
Multnomah County Cost Sharing	1,443,374	1,417,646	6,090,529	5,014,730	5,014,730	5,014,730
	10,239,104	10,070,455	15,108,088	16,340,638	16,336,823	16,336,823
<b>Miscellaneous Revenues</b>						
Collection of Assessment	1,000	0	1,151,598	1,615,000	1,615,000	1,615,000
Interest Earned	1,312,816	908,922	1,757,618	1,496,821	1,496,821	1,496,821
Loan Repayments	22,846	28,415	0	15,000	15,000	15,000
Other Miscellaneous	1,720,397	1,742,638	3,014,917	2,853,915	2,853,915	2,853,915
Private Grants/Donations	100,279	40,056	73,000	0	0	0
Refunds	76,328	420,377	256,304	401,060	401,060	401,060



	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Sales Miscellaneous	50,395	51,866	31,500	55,079	55,079	55,079
	3,284,061	3,192,274	6,284,937	6,436,875	6,436,875	6,436,875
<b>Total External Revenues</b>	<b>279,172,674</b>	<b>275,564,211</b>	<b>288,602,278</b>	<b>292,444,009</b>	<b>292,440,194</b>	<b>292,440,194</b>
<b>Internal Revenues</b>						
<b>Overhead Cash Transfers</b>						
Assessment Collection Fund	0	210	209	269	273	273
BFRES Facilities Bond Fund	55,694	72,265	93,769	80,667	79,667	79,667
Business License Surcharge	0	0	0	1,666	1,635	1,635
Cable Fund	7,377	7,645	14,259	13,666	13,504	13,504
Childrens Investment Fund	0	0	0	25,000	25,000	25,000
Communications Services Fund	258,237	393,561	445,342	447,427	452,000	452,000
Convention and Tourism Fund	271	6,066	7,264	7,006	6,908	6,908
Development Services	630,048	821,144	920,424	1,075,351	1,063,872	1,063,872
Emergency Communications Fund	216,659	300,727	359,399	290,483	291,632	291,632
Environmental Remediation Fund	0	3,003	3,661	3,650	3,628	3,628
FPD&R Fund	69,974	116,839	102,213	80,187	79,693	79,693
Golf Fund	86,429	88,012	131,604	132,107	130,523	130,523
Health Insurance Fund	174,237	263,040	266,157	242,064	238,343	238,343
Hydropower Operating Fund	47,819	52,836	57,400	53,933	53,356	53,356
Information Technology Fund	215,116	452,805	420,200	399,815	405,842	405,842
Insurance And Claims Fund	124,306	169,842	199,961	131,997	129,713	129,713
LID Construction Fund	135,037	12,589	56,680	81,314	79,977	79,977
Parking Facilities Fund	65,929	116,241	108,622	102,757	101,578	101,578
Parks Construction Fund	137,590	111,588	122,551	97,517	96,747	96,747
Parks Local Option Levy	0	0	0	27,252	26,751	26,751
Portland Building Fund	937,088	995,706	1,108,561	1,458,451	1,533,666	1,533,666
Portland International Raceway	5,512	28,172	28,430	32,098	31,568	31,568
Printing/Distribution Fund	209,384	251,651	360,732	292,928	298,150	298,150
Public Safety Capital Fund	6,513	8,785	11,468	4,703	4,684	4,684
Refuse Disposal Fund	137,373	153,869	167,244	129,562	127,140	127,140
Sewage System Operating Fund	1,495,879	2,499,076	2,488,812	2,722,483	2,722,075	2,722,075
Spectator Facilities	390,993	0	28,281	103,232	102,130	102,130
Transportation Operating Fund	1,944,153	2,186,515	2,690,003	2,758,652	2,737,230	2,737,230
Vehicle Services Fund	591,376	559,066	869,753	786,475	787,892	787,892
Water Fund	1,778,621	952,013	1,730,499	2,052,927	2,060,780	2,060,780
Workers Comp Operating Fund	114,426	184,798	211,560	154,912	153,439	153,439
	9,836,041	10,808,064	13,005,058	13,790,551	13,839,396	13,839,396
<b>Other Cash Transfers</b>						
BFRES Facilities Bond Const Fund	0	0	0	6,098	6,098	6,098
Development Services	0	0	0	67,478	67,478	67,478

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Cable Fund	0	165,750	0	1,340	1,340	1,340
Communication Services Fund	33,300	10,000	0	25,816	25,816	25,816
Convention & Tourism Fund	0	0	0	914	914	914
Emergency Communications Fund	0	0	0	28,585	28,585	28,585
Facilities Services Fund	0	0	0	23,480	23,480	23,480
Federal Grants Indirect	29,826	6,202	0	0	0	0
General Reserve Fund	460,296	0	0	0	0	0
Golf Fund	0	0	0	12,769	12,769	12,769
Health Insurance Fund	0	0	0	29,168	29,168	29,168
Housing & Community Development	131,445	156,829	231,495	243,835	243,835	243,835
Hydropower Operating Fund	150,000	200,000	200,000	302,446	302,446	302,446
Information Technology Fund	0	0	0	34,379	34,379	34,379
Insurance & Claims Fund	0	0	0	7,205	7,205	7,205
LID Construction Fund	0	0	0	5,201	5,201	5,201
Parking Facilities Fund	196,130	202,014	308,074	320,265	320,265	320,265
Parks Construction Fund	0	0	0	4,118	4,118	4,118
Parks Memorial Trust Fund	40,000	0	0	0	0	0
Pension Debt Redemption	0	0	500,000	0	0	0
Portland International Raceway	0	0	0	1,778	1,778	1,778
Printing & Distribution	0	213,867	0	10,189	10,189	10,189
Private Fort Hire Transportation	0	0	0	0	0	50,000
Public Safety Capital Fund	0	0	0	1,262	1,262	1,262
Refuse Disposal Fund	705,215	620,741	938,606	728,470	728,470	728,470
Sewage System Operating Fund	11,048,119	11,885,708	11,767,433	13,012,943	13,012,943	13,012,943
Spectator Facilities Operating	0	0	0	4,719	4,719	4,719
Environmental Remediation Fund	0	0	0	356	356	356
FPD&R Fund	0	0	0	1,790	1,790	1,790
Vehicle Services Fund	0	1,405,804	25,856	29,402	29,402	29,402
Water Fund	3,740,457	3,753,739	4,016,308	4,333,276	4,333,276	4,333,276
Workers Compensation Fund	0	0	0	5,758	5,758	5,758
	16,534,788	18,620,654	17,987,772	19,243,040	19,243,040	19,293,040
<b>Federal Grants Transfers</b>	9,520,771	8,697,491	17,467,634	7,956,210	7,956,210	7,998,212
<b>Interfund Service Reimbursements</b>						
BFRES Facilities GO Bond Const	35,475	132,977	93,180	90,464	90,464	90,464
Business License Surcharge	0	0	304,594	304,736	304,736	304,736
Cable Commission/Access	372,512	303,067	313,616	326,583	326,583	326,583
Children's Investment Fund	0	6,378	163,758	394,996	394,996	394,996
Communications Services	393,050	399,475	385,662	409,546	409,546	409,546
Community Development	0	0	26,305	28,735	28,735	28,735
Convention and Tourism	56,850	68,499	60,254	61,700	61,700	61,700
Development Services	511,145	418,398	428,997	354,673	354,673	354,673

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Emergency Communications	127,672	122,966	119,438	132,125	132,125	132,125
Environmental Services	2,482,404	2,770,887	3,340,504	2,999,467	2,999,467	4,834,603
Environmental Svcs - Internal	0	0	5,000	5,000	5,000	5,000
Facilities Services Fund	672,496	748,105	731,168	765,409	765,409	765,409
FPD&R	912,747	1,096,613	1,136,635	1,172,212	1,172,212	1,172,212
Golf Operating Fund	501,601	602,043	483,721	326,496	326,496	326,496
Health Insurance	213,098	250,509	271,938	199,935	199,935	199,935
Home Grant Operating Fund	389,986	392,227	441,105	433,934	433,934	433,934
Housing & Community Development	1,613,326	2,197,457	1,993,492	1,751,125	1,700,125	1,700,125
Housing Investment	0	0	31,000	0	0	0
Hydropower Operating Fund	30,087	14,616	26,172	26,671	26,671	26,671
Information Technology Fund	97,323	476,799	538,555	596,373	596,373	596,373
Insurance & Claims Fund	1,385,413	1,439,457	1,564,729	1,260,189	1,260,189	1,260,189
LID Construction Fund	983,097	1,542,592	1,436,885	1,441,331	1,441,331	1,441,331
Parking Facilities Fund	315,774	330,363	282,358	260,471	260,471	260,471
Parks Construction Fund	335,054	580,894	550,731	163,932	163,932	163,932
Parks Endowment Fund	0	0	0	1,200	1,200	1,200
Parks Serial Levy	0	0	4,421,081	4,507,465	4,507,465	4,507,465
POBS Retirement	0	75,000	110,921	109,992	109,992	109,992
Portland International Raceway	146,356	139,458	108,913	118,601	118,601	118,601
Portland Parks Trust	667,331	700,912	992,082	505,737	505,737	505,737
Printing & Distribution	188,124	186,745	165,135	181,376	181,376	181,376
Public Safety Capital	18,148	16,415	24,068	24,068	24,068	24,068
Refuse Disposal Fund	365,514	272,225	398,184	303,011	303,011	303,011
Special Finance and Resources	0	1,000,000	0	0	0	0
Spectator Facilities Operating	312,546	318,813	102,294	114,668	114,668	114,668
Transportation	2,067,592	1,542,573	1,940,147	2,123,803	2,123,803	2,123,803
Utility Billing System	0	0	0	0	0	24,824
Vehicle Services	349,628	357,842	372,193	397,639	397,639	397,639
Water Bureau	1,681,572	1,714,578	2,157,056	1,687,475	1,687,475	3,502,302
Workers Compensation Fund	565,133	525,736	678,707	379,044	379,044	379,044
	17,791,055	20,744,619	26,200,578	23,960,182	23,909,182	27,583,969
<b>Intra-Fund Service Reimbursement</b>	<b>6,539,710</b>	<b>5,928,308</b>	<b>6,925,827</b>	<b>6,737,387</b>	<b>6,737,387</b>	<b>6,736,243</b>
<b>Total Internal Revenues</b>	<b>60,222,364</b>	<b>64,799,136</b>	<b>81,586,869</b>	<b>71,687,370</b>	<b>71,685,215</b>	<b>75,450,860</b>
<b>Beginning Fund Balance</b>	<b>14,002,370</b>	<b>8,822,921</b>	<b>19,387,276</b>	<b>15,465,294</b>	<b>19,465,294</b>	<b>19,465,294</b>
<b>TOTAL RESOURCES</b>	<b>\$ 353,397,408</b>	<b>\$ 349,186,268</b>	<b>\$ 389,576,423</b>	<b>\$ 379,596,673</b>	<b>\$ 383,590,703</b>	<b>\$ 387,356,348</b>
<b>REQUIREMENTS</b>						
<b>Bureau Expenses</b>						
<b>Personal Services</b>	213,292,361	211,596,935	224,104,023	231,563,269	231,596,069	233,148,113
<b>External Materials and Services</b>	50,722,456	45,819,130	72,658,777	59,960,504	63,991,504	66,574,505

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Internal Materials and Services</b>						
Communications Services	5,052,324	5,262,627	5,587,630	5,487,578	5,487,578	5,501,848
Facilities Services	8,269,262	8,277,456	8,707,384	9,106,756	9,106,756	8,609,174
Information Technology	5,431,127	7,158,207	8,379,150	8,669,199	8,669,199	8,706,131
Insurance	5,213,691	5,579,850	5,825,982	5,639,297	5,639,297	5,622,092
Printing & Distribution	2,087,893	2,128,638	2,582,092	2,380,324	2,380,324	2,383,624
Vehicle Services	7,121,416	7,438,831	7,965,035	8,235,055	8,235,055	8,235,055
BFRES Bond	0	116,300	116,300	116,300	116,300	116,300
Bureau Of Development Services	43,371	33,158	178,122	51,672	51,672	51,672
Cable Commission	243,102	219,005	244,738	248,292	248,292	248,292
Environmental Services	45,739	45,053	0	25,000	25,000	25,000
Environmental Svcs - Int	87,096	92,485	86,500	100,000	100,000	100,000
FPD&R	43,918	38,686	41,448	7,200	7,200	7,200
Golf Operating	0	0	0	13,186	13,186	13,186
Government Bond Redemption	29,140	30,384	12,097	12,097	12,097	12,097
Information Technology	143,021	82,563	0	0	0	0
Office of Management & Finance	0	0	0	0	0	24,824
Parking Facilities	345,717	366,021	375,720	383,160	383,160	383,160
Parks Construction	0	277,234	61,893	77,890	77,890	77,890
PIR	20,800	0	0	0	0	0
Portland Parks Trust	102,954	137,279	93,000	98,000	98,000	98,000
Refuse Disposal	0	0	0	48,073	48,073	48,073
Transportation	85,694	191,819	20,000	20,000	20,000	20,000
Water Bureau	35,962	16,164	20,000	20,000	20,000	20,000
Same Fund Services	6,560,123	5,934,676	6,952,132	6,766,122	6,766,122	6,764,978
	40,962,350	43,426,436	47,249,223	47,505,201	47,505,201	47,068,596
<b>Capital Outlay</b>	1,444,136	1,115,473	2,616,976	1,227,802	1,227,802	1,227,802
<b>Equipment Cash Transfers</b>						
Communications Services	0	360,451	270,262	0	0	0
Facilities Services	37,996	0	0	0	0	0
Printing & Distribution	89,250	67,834	9,200	0	0	0
Vehicle Operating	674,557	356,995	133,152	0	0	0
	801,803	785,280	412,614	0	0	0
<b>Minor Equipment Transfers</b>						
Communications Services	175,264	21,434	235,200	0	0	0
Printing & Distribution	7,900	3,575	1,500	0	0	0
	183,164	25,009	236,700	0	0	0
<b>Total Bureau Expenses</b>	307,406,270	302,767,263	347,278,313	340,256,776	344,320,576	348,019,016

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Fund Requirements</b>						
<b>General Operating Contingency</b>						
General Operating Contingency	0	0	4,250,739	3,593,669	3,423,899	3,473,899
Prior Years Encumbered	0	0	4,500,000	4,500,000	4,500,000	4,500,000
	0	0	8,750,739	8,093,669	7,923,899	7,973,899
<b>Fund Cash Transfers</b>						
Children's Investment Fund	0	10,000	0	0	0	0
Communication Services	0	257,950	250,000	350,000	350,000	350,000
Development Services Fund	3,329,443	2,129,886	1,143,072	1,153,361	1,153,361	1,153,361
Emergency Communications	8,064,535	8,318,245	8,081,943	8,313,615	8,313,615	8,313,615
Facilities Services	3,409,050	2,796,150	2,897,234	2,773,660	2,773,660	2,773,660
General Reserve Fund	0	0	625,384	1,594,692	1,594,692	1,594,692
Housing Investment	485,068	55,652	495,757	492,716	492,716	492,716
Information Technology	388,252	474,900	674,378	1,086,145	1,086,145	1,086,145
Intermediate Debt Fund	3,696,379	2,675,093	7,720,483	2,140,873	2,140,873	2,140,873
Parks Construction	2,143,450	900,000	1,073,676	928,044	1,028,044	1,028,044
Pension Debt Redemption Fund	2,928,143	2,882,702	1,417,168	4,177,232	4,177,232	4,177,232
Printing & Distribution	35,080	0	0	0	0	0
Sewage Operating Fund	222,000	50,000	0	344,851	344,851	362,056
Transportation Operating	6,526,974	6,480,151	4,654,217	7,891,039	7,891,039	7,891,039
	31,228,374	27,030,729	29,033,312	31,246,228	31,346,228	31,363,433
<b>Ending Balance</b>						
Unappropriated Ending Balance	14,762,764	19,387,276	4,514,059	0	0	0
	14,762,764	19,387,276	4,514,059	0	0	0
<b>Total Fund Requirements</b>	45,991,138	46,418,005	42,298,110	39,339,897	39,270,127	39,337,332
<b>TOTAL REQUIREMENTS</b>	<b>\$ 353,397,408</b>	<b>\$ 349,186,268</b>	<b>\$ 389,576,423</b>	<b>\$ 379,596,673</b>	<b>\$ 383,590,703</b>	<b>\$ 387,356,348</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	1,163,971	678,611	520,668	520,668	29,764	29,764	29,764
Other Miscellaneous	0	962,216	0	0	0	0	0
	1,163,971	1,640,827	520,668	520,668	29,764	29,764	29,764
<b>Total External Revenues</b>	<b>1,163,971</b>	<b>1,640,827</b>	<b>520,668</b>	<b>520,668</b>	<b>29,764</b>	<b>29,764</b>	<b>29,764</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Development Services	0	0	730,360	730,360	0	0	0
General Fund	0	0	625,384	625,384	1,594,692	1,594,692	1,594,692
Health Insurance Fund	0	0	262,281	262,281	0	0	0
	0	0	1,618,025	1,618,025	1,594,692	1,594,692	1,594,692
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>1,618,025</b>	<b>1,618,025</b>	<b>1,594,692</b>	<b>1,594,692</b>	<b>1,594,692</b>
<b>Beginning Fund Balance</b>	<b>35,355,287</b>	<b>36,058,962</b>	<b>34,791,364</b>	<b>37,245,789</b>	<b>39,384,482</b>	<b>39,384,482</b>	<b>39,384,482</b>
<b>TOTAL RESOURCES</b>	<b>\$ 36,519,258</b>	<b>\$ 37,699,789</b>	<b>\$ 36,930,057</b>	<b>\$ 39,384,482</b>	<b>\$ 41,008,938</b>	<b>\$ 41,008,938</b>	<b>\$ 41,008,938</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	36,930,057	0	41,008,938	41,008,938	41,008,938
	0	0	36,930,057	0	41,008,938	41,008,938	41,008,938
<b>Fund Cash Transfers</b>							
Development Services Fund	0	454,000	0	0	0	0	0
General Fund	460,296	0	0	0	0	0	0
	460,296	454,000	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	36,058,962	37,245,789	0	39,384,482	0	0	0
	36,058,962	37,245,789	0	39,384,482	0	0	0
<b>Total Fund Requirements</b>	<b>36,519,258</b>	<b>37,699,789</b>	<b>36,930,057</b>	<b>39,384,482</b>	<b>41,008,938</b>	<b>41,008,938</b>	<b>41,008,938</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 36,519,258</b>	<b>\$ 37,699,789</b>	<b>\$ 36,930,057</b>	<b>\$ 39,384,482</b>	<b>\$ 41,008,938</b>	<b>\$ 41,008,938</b>	<b>\$ 41,008,938</b>

## 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 5% 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 2004-05.

City Council's five-year financial forecast allows using reserves in excess of the required 10% level to fund one-time General Fund appropriations. In FY 2004-05, the five-year financial forecast has no such transfer scheduled. The interest income for the General Reserve Fund is not projected to keep reserves at the required 10 percent level throughout the five-year financial forecast period ending FY 2008-09. Therefore, the FY 2004-05 Adopted Budget includes a cash transfer to the General Reserve Fund of \$1,594,692 followed by a larger transfer in FY 2005-06. These transfers ensure that enough excess reserves are available to support service levels from the Adopted Budget in last three years of the five-year financial forecast. These services include back filling for police grant revenues, and staffing for a new fire station.

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. In FY 2002-03, the balance of the land use reserves were transferred to the Planning and Development Fund (Fund 116) of the Office of Planning and Development Review.

**Managing Agency**

Office of Management and Finance, Financial Planning





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	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	0	0	0	150,288	0	0	0
	0	0	0	150,288	0	0	0
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	0	0	20,000,000	14,250,000	0	0	0
Interest Earned	597,786	176,603	77,000	89,132	94,000	94,000	94,000
Other Miscellaneous	16,240	0	0	0	0	0	0
Sale of Capital Assets	94,280	216,573	0	0	0	0	0
	708,306	393,176	20,077,000	14,339,132	94,000	94,000	94,000
<b>Total External Revenues</b>	<b>708,306</b>	<b>393,176</b>	<b>20,077,000</b>	<b>14,489,420</b>	<b>94,000</b>	<b>94,000</b>	<b>94,000</b>
<b>Internal Revenues</b>							
<b>Interfund Service Reimbursements</b>							
Fire Bureau	0	116,300	116,300	116,300	116,300	116,300	116,300
	0	116,300	116,300	116,300	116,300	116,300	116,300
<b>Total Internal Revenues</b>	<b>0</b>	<b>116,300</b>	<b>116,300</b>	<b>116,300</b>	<b>116,300</b>	<b>116,300</b>	<b>116,300</b>
<b>Beginning Fund Balance</b>	<b>18,767,468</b>	<b>10,529,857</b>	<b>3,933,168</b>	<b>3,782,880</b>	<b>11,345,600</b>	<b>11,345,600</b>	<b>11,345,600</b>
<b>TOTAL RESOURCES</b>	<b>\$ 19,475,774</b>	<b>\$ 11,039,333</b>	<b>\$ 24,126,468</b>	<b>\$ 18,388,600</b>	<b>\$ 11,555,900</b>	<b>\$ 11,555,900</b>	<b>\$ 11,555,900</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	57,230	118,527	269,000	264,000	0	0	0
<b>Internal Materials and Services</b>							
Communications Services	18,649	76,397	231,000	173,000	225,000	225,000	225,000
Facilities Services	1,541,343	1,086,885	2,020,000	1,323,820	1,746,397	1,746,397	1,718,536
Fire Bureau	35,471	132,980	93,180	93,180	90,464	90,464	90,464
Transportation	164,938	109,492	0	0	0	0	0
Water Bureau	5,170	0	0	0	0	0	0
	1,765,571	1,405,754	2,344,180	1,590,000	2,061,861	2,061,861	2,034,000
<b>Capital Outlay</b>	<b>4,549,759</b>	<b>5,659,907</b>	<b>11,606,988</b>	<b>5,066,465</b>	<b>6,963,374</b>	<b>6,963,374</b>	<b>6,841,235</b>
<b>Equipment Cash Transfers</b>							
Facilities Services	2,481,663	0	300,000	0	0	0	0
	2,481,663	0	300,000	0	0	0	0
<b>Total Bureau Expenses</b>	<b>8,854,223</b>	<b>7,184,188</b>	<b>14,520,168</b>	<b>6,920,465</b>	<b>9,025,235</b>	<b>9,025,235</b>	<b>8,875,235</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	9,512,531	0	2,443,900	2,444,900	2,594,900
	0	0	9,512,531	0	2,443,900	2,444,900	2,594,900
<b>General Fund Overhead</b>	<b>55,694</b>	<b>72,265</b>	<b>93,769</b>	<b>122,535</b>	<b>80,667</b>	<b>79,667</b>	<b>79,667</b>
<b>Fund Cash Transfers</b>							
Facilities Services	36,000	0	0	0	0	0	0

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
General Fund	0	0	0	0	6,098	6,098	6,098
	36,000	0	0	0	6,098	6,098	6,098
<b>Ending Balance</b>							
Unappropriated Ending Balance	10,529,857	3,782,880	0	11,345,600	0	0	0
	10,529,857	3,782,880	0	11,345,600	0	0	0
<b>Total Fund Requirements</b>	10,621,551	3,855,145	9,606,300	11,468,135	2,530,665	2,530,665	2,680,665
<b>TOTAL REQUIREMENTS</b>	<b>\$ 19,475,774</b>	<b>\$ 11,039,333</b>	<b>\$ 24,126,468</b>	<b>\$ 18,388,600</b>	<b>\$ 11,555,900</b>	<b>\$ 11,555,900</b>	<b>\$ 11,555,900</b>
<b>LINE ITEM DETAIL - AU 735</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
521000 Professional Services	11,530	0	0	0	0	0	0
522000 Utilities	2,781	0	0	0	0	0	0
524000 Repair & Maintenance Services	8,452	14,000	0	0	0	0	0
525000 Non-Capital Improvement	5,098	20,000	0	0	0	0	0
529000 Miscellaneous Services	0	11,481	0	0	0	0	0
532000 Operating Supplies	0	654	0	0	0	0	0
533000 Repair & Maintenance Supplies	0	2,043	0	0	0	0	0
534000 Minor Equipment & Tools	0	55,814	0	0	0	0	0
539000 Other Commodities External	0	4,418	0	0	0	0	0
549000 Miscellaneous	29,369	10,117	269,000	264,000	0	0	0
<b>Total External Materials and Services</b>	57,230	118,527	269,000	264,000	0	0	0
<b>Internal Materials and Services</b>							
553000 Facilities Services	1,541,343	1,086,885	2,020,000	1,323,820	1,746,397	1,746,397	1,718,536
554000 Communications Services	18,649	76,397	231,000	173,000	225,000	225,000	225,000
559000 Other Fund Services	205,579	242,472	93,180	93,180	90,464	90,464	90,464
<b>Total Internal Materials and Services</b>	1,765,571	1,405,754	2,344,180	1,590,000	2,061,861	2,061,861	2,034,000
<b>Total Materials and Services</b>	1,822,801	1,524,281	2,613,180	1,854,000	2,061,861	2,061,861	2,034,000
<b>Capital Outlay</b>							
561000 Land	373,944	0	0	0	0	0	0
562000 Buildings	3,888,515	5,659,907	11,606,988	5,066,465	6,963,374	6,963,374	6,841,235
564000 Capital Equipment	287,300	0	0	0	0	0	0
<b>Total Capital Outlay</b>	4,549,759	5,659,907	11,606,988	5,066,465	6,963,374	6,963,374	6,841,235
573000 Equipment Cash Transfers	2,481,663	0	300,000	0	0	0	0
<b>TOTAL Bureau Expenses</b>	<b>\$ 8,854,223</b>	<b>\$ 7,184,188</b>	<b>\$ 14,520,168</b>	<b>\$ 6,920,465</b>	<b>\$ 9,025,235</b>	<b>\$ 9,025,235</b>	<b>\$ 8,875,235</b>

## FUND OVERVIEW

On November 7, 1998, the citizens of Portland authorized the sale of \$53.8 million in general obligation bonds to support a \$60.1 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 and Rescue. 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 \$60.1 million program, \$57.3 million will be used to improve fire facilities and \$2.8 million to expand the Portland Communications Center.

**Managing Agency**

Office of Management and Finance, Business Operations

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	38,141	55,898	50,000	50,000	50,000	50,000	50,000
	38,141	55,898	50,000	50,000	50,000	50,000	50,000
<b>State Sources</b>							
State Cost Sharing	2,369,244	1,915,637	1,972,821	2,036,018	2,271,400	2,271,400	2,271,400
	2,369,244	1,915,637	1,972,821	2,036,018	2,271,400	2,271,400	2,271,400
<b>Local Sources</b>							
Local Cost Sharing	2,143,024	2,210,271	2,295,590	2,238,645	2,345,658	2,345,658	2,345,658
Multnomah County Cost Sharing	486,763	259,923	252,392	246,140	258,211	258,211	258,211
	2,629,787	2,470,194	2,547,982	2,484,785	2,603,869	2,603,869	2,603,869
<b>Miscellaneous Revenues</b>							
Interest Earned	106,231	30,158	0	0	0	0	0
	106,231	30,158	0	0	0	0	0
<b>Total External Revenues</b>	<b>5,143,403</b>	<b>4,471,887</b>	<b>4,570,803</b>	<b>4,570,803</b>	<b>4,925,269</b>	<b>4,925,269</b>	<b>4,925,269</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
General Fund	8,064,535	8,318,245	8,081,943	8,045,780	8,313,615	8,313,615	8,313,615
Public Safety Capital Fund	0	857,151	454,775	454,775	54,980	54,980	54,980
Vehicle Services Fund	0	1,633	0	0	0	0	0
	8,064,535	9,177,029	8,536,718	8,500,555	8,368,595	8,368,595	8,368,595
<b>Total Internal Revenues</b>	<b>8,064,535</b>	<b>9,177,029</b>	<b>8,536,718</b>	<b>8,500,555</b>	<b>8,368,595</b>	<b>8,368,595</b>	<b>8,368,595</b>
<b>Beginning Fund Balance</b>	<b>3,154,798</b>	<b>1,041,078</b>	<b>171,709</b>	<b>171,709</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$ 16,362,736</b>	<b>\$ 14,689,994</b>	<b>\$ 13,279,230</b>	<b>\$ 13,243,067</b>	<b>\$ 13,293,864</b>	<b>\$ 13,293,864</b>	<b>\$ 13,293,864</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	<b>9,039,246</b>	<b>10,041,491</b>	<b>9,487,358</b>	<b>9,487,358</b>	<b>9,500,644</b>	<b>9,500,644</b>	<b>9,500,644</b>
<b>External Materials and Services</b>	<b>556,508</b>	<b>442,593</b>	<b>704,140</b>	<b>702,328</b>	<b>725,932</b>	<b>725,932</b>	<b>725,932</b>
<b>Internal Materials and Services</b>							
Communications Services	389,471	443,750	408,264	408,264	365,830	365,830	365,830
Facilities Services	276,533	315,598	281,756	281,756	387,933	387,933	387,933
Information Technology	1,505,216	1,573,062	1,233,883	1,233,883	1,348,067	1,348,067	1,348,067
Insurance	304,427	227,546	232,501	232,501	228,099	228,099	228,099
Printing & Distribution	17,354	18,906	33,986	33,986	18,349	18,349	18,349
Vehicle Services	4,848	4,600	7,632	7,632	2,473	2,473	2,473
Office of Management & Finance	127,672	122,966	119,438	119,438	132,125	132,125	132,125
	2,625,521	2,706,428	2,317,460	2,317,460	2,482,876	2,482,876	2,482,876
<b>Capital Outlay</b>	<b>37,960</b>	<b>0</b>	<b>155,000</b>	<b>155,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equipment Cash Transfers</b>							
Facilities Services	500,000	0	0	0	0	0	0
	500,000	0	0	0	0	0	0

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>Minor Equipment Transfers</b>							
Communications Services	0	21,439	0	0	0	0	0
	0	21,439	0	0	0	0	0
<b>Total Bureau Expenses</b>	12,759,235	13,211,951	12,663,958	12,662,146	12,709,452	12,709,452	12,709,452
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	0	0	159,478	158,329	158,329
	0	0	0	0	159,478	158,329	158,329
<b>General Fund Overhead</b>	216,659	300,727	359,399	385,968	290,483	291,632	291,632
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	28,585	28,585	28,585
Pension Debt Redemption Fund	81,866	74,627	84,164	23,244	105,866	105,866	105,866
Public Safety Fund	2,263,898	930,980	171,709	171,709	0	0	0
	2,345,764	1,005,607	255,873	194,953	134,451	134,451	134,451
<b>Ending Balance</b>							
Unappropriated Ending Balance	1,041,078	171,709	0	0	0	0	0
	1,041,078	171,709	0	0	0	0	0
<b>Total Fund Requirements</b>	3,603,501	1,478,043	615,272	580,921	584,412	584,412	584,412
<b>TOTAL REQUIREMENTS</b>	<b>\$ 16,362,736</b>	<b>\$ 14,689,994</b>	<b>\$ 13,279,230</b>	<b>\$ 13,243,067</b>	<b>\$ 13,293,864</b>	<b>\$ 13,293,864</b>	<b>\$ 13,293,864</b>

## FUND OVERVIEW

### Summary

The Emergency Communications Fund reflects the costs of the Bureau of Emergency Communications (BOEC) and its services. These expenses are related to emergency 9-1-1 call-taking and dispatching of police, emergency medical, and fire personnel, and administrative support for this program.

### Cost-Sharing

Resources for FY 2004-05 include \$10.6 million in cost-sharing payments from the City of Portland (including allocated state 9-1-1 revenue) and local cost-sharing payments of \$2.6 million projected to be received from other jurisdictions. These jurisdictions include Multnomah County and the cities of Gresham, Troutdale, Fairview, Maywood Park, and Wood Village.

### State of Oregon Revenues

The City of Portland's \$10.6 million contribution includes \$2.3 million of state 9-1-1 revenue. In addition, approximately \$3,400 in 9-1-1 revenue will be received to offset Maywood Park's billings. Other cities receive the state 9-1-1 revenue directly.

**Other Activity**

The State of Oregon continues to pay for the telephone system costs related to providing the emergency response to 9-1-1 calls within Multnomah County. These costs are paid directly by the state and are not reflected in the FY 2004-05 BOEC budget.

**Managing Agency**

Bureau of Emergency Communications



	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	58,199,998	68,119,139	83,922,071	82,495,396	78,219,284	78,219,284	78,219,284
Prior Year Property Taxes	1,833,331	1,581,071	1,400,000	1,400,000	1,500,000	1,500,000	1,500,000
	60,033,329	69,700,210	85,322,071	83,895,396	79,719,284	79,719,284	79,719,284
<b>Service Charges and Fees</b>							
Miscellaneous	0	47	0	0	0	0	0
	0	47	0	0	0	0	0
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	11,055,023	17,910,283	25,000,000	22,426,547	20,000,000	20,000,000	20,000,000
Interest Earned	843,594	555,802	500,000	446,070	500,000	500,000	500,000
Other Miscellaneous	17,312	27,076	0	184,584	0	0	0
	11,915,929	18,493,161	25,500,000	23,057,201	20,500,000	20,500,000	20,500,000
<b>Total External Revenues</b>	<b>71,949,258</b>	<b>88,193,418</b>	<b>110,822,071</b>	<b>106,952,597</b>	<b>100,219,284</b>	<b>100,219,284</b>	<b>100,219,284</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
FPD&R Reserve	0	0	750,000	0	750,000	750,000	750,000
	0	0	750,000	0	750,000	750,000	750,000
<b>Interfund Service Reimbursements</b>							
Fire Bureau	7,530	0	0	0	0	0	0
Police Bureau	36,388	38,686	41,448	39,161	7,200	7,200	7,200
	43,918	38,686	41,448	39,161	7,200	7,200	7,200
<b>Total Internal Revenues</b>	<b>43,918</b>	<b>38,686</b>	<b>791,448</b>	<b>39,161</b>	<b>757,200</b>	<b>757,200</b>	<b>757,200</b>
<b>Beginning Fund Balance</b>	<b>9,476,962</b>	<b>4,241,743</b>	<b>800,664</b>	<b>1,563,709</b>	<b>7,500,881</b>	<b>7,500,881</b>	<b>7,500,881</b>
<b>TOTAL RESOURCES</b>	<b>\$ 81,470,138</b>	<b>\$ 92,473,847</b>	<b>\$ 112,414,183</b>	<b>\$ 108,555,467</b>	<b>\$ 108,477,365</b>	<b>\$ 108,477,365</b>	<b>\$ 108,477,365</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>	64,816,222	71,393,764	82,294,496	77,144,782	83,300,527	83,300,527	83,300,527
<b>Internal Materials and Services</b>							
Communications Services	14,583	32,989	17,441	15,341	17,767	17,767	17,767
Facilities Services	65	12	0	0	0	0	0
Information Technology	13,524	11,132	12,422	11,491	11,683	11,683	11,683
Printing & Distribution	36,165	45,077	39,830	34,385	46,508	46,508	46,508
City Auditor	793,440	977,196	1,015,605	1,002,769	1,041,385	1,041,385	1,041,385
Fire Bureau	35,151	33,040	35,304	35,304	36,060	36,060	36,060
Office of Management & Finance	15,441	14,329	18,383	18,383	18,668	18,668	18,668
Police Bureau	68,714	72,048	67,343	76,321	76,099	76,099	76,099
	977,083	1,185,823	1,206,328	1,193,994	1,248,170	1,248,170	1,248,170
<b>Capital Outlay</b>	6,525	0	10,000	0	5,000	5,000	5,000
<b>Total Bureau Expenses</b>	<b>65,799,830</b>	<b>72,579,587</b>	<b>83,510,824</b>	<b>78,338,776</b>	<b>84,553,697</b>	<b>84,553,697</b>	<b>84,553,697</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	3,258,461	0	3,294,356	3,294,850	3,294,850
Compensation Adjustment	0	0	24,653	0	24,653	24,653	24,653
	0	0	3,283,114	0	3,319,009	3,319,503	3,319,503
<b>General Fund Overhead</b>	69,974	116,839	102,213	93,172	80,187	79,693	79,693
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	1,790	1,790	1,790
Pension Debt Redemption Fund	0	0	18,032	18,032	22,682	22,682	22,682
	0	0	18,032	18,032	24,472	24,472	24,472
<b>Debt Retirement</b>	11,358,591	18,213,712	25,500,000	22,604,606	20,500,000	20,500,000	20,500,000
<b>Ending Balance</b>							
Unappropriated Ending Balance	4,241,743	1,563,709	0	7,500,881	0	0	0
	4,241,743	1,563,709	0	7,500,881	0	0	0
<b>Total Fund Requirements</b>	15,670,308	19,894,260	28,903,359	30,216,691	23,923,668	23,923,668	23,923,668
<b>TOTAL REQUIREMENTS</b>	<b>\$ 81,470,138</b>	<b>\$ 92,473,847</b>	<b>\$ 112,414,183</b>	<b>\$ 108,555,467</b>	<b>\$ 108,477,365</b>	<b>\$ 108,477,365</b>	<b>\$ 108,477,365</b>

## 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 of real market value.

## CHANGES FROM PRIOR YEAR

Total requirements net of tax anticipation notes (TANs) will increase by \$1.1 million, or 1.2%, from \$87.4 million in FY 2003-04 to \$88.5 million in FY 2004-05. The FY 2004-05 Adopted Budget supports all ongoing activities and services provided to members and the Board of Trustees.

### Managing Agency

Fire and Police Disability and Retirement Fund Board of Trustees

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
External Revenues							
Internal Revenues							
Beginning Fund Balance	750,000	750,000	750,000	750,000	750,000	750,000	750,000
<b>TOTAL RESOURCES</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>
<b>REQUIREMENTS</b>							
Bureau Expenses							
Fund Requirements							
Fund Cash Transfers FPD&R	0	0	750,000	0	750,000	750,000	750,000
	0	0	750,000	0	750,000	750,000	750,000
Ending Balance							
Unappropriated Ending Balance	750,000	750,000	0	750,000	0	0	0
	750,000	750,000	0	750,000	0	0	0
<b>Total Fund Requirements</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>

**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 Fire and Police Disability and Retirement Fund.

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

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Prior Year Property Taxes	180	242	0	0	0	0	0
	180	242	0	0	0	0	0
<b>Miscellaneous Revenues</b>							
Interest Earned	39,640	7,872	0	0	30,000	30,000	30,000
	39,640	7,872	0	0	30,000	30,000	30,000
<b>Total External Revenues</b>	<b>39,820</b>	<b>8,114</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Emergency Communications Fund	2,263,898	930,980	171,709	171,709	0	0	0
	2,263,898	930,980	171,709	171,709	0	0	0
<b>Federal Grants Transfers</b>							
	0	0	0	0	687,046	687,046	687,046
<b>Total Internal Revenues</b>	<b>2,263,898</b>	<b>930,980</b>	<b>171,709</b>	<b>171,709</b>	<b>687,046</b>	<b>687,046</b>	<b>687,046</b>
<b>Beginning Fund Balance</b>	<b>1,448,393</b>	<b>2,061,186</b>	<b>1,408,454</b>	<b>1,408,454</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>TOTAL RESOURCES</b>	<b>\$ 3,752,111</b>	<b>\$ 3,002,280</b>	<b>\$ 1,580,163</b>	<b>\$ 1,580,163</b>	<b>\$ 1,717,046</b>	<b>\$ 1,717,046</b>	<b>\$ 1,717,046</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	175,275	8,594	0	0	10,000	10,000	10,000
<b>External Materials and Services</b>	506,143	359,152	521,200	178,000	457,460	457,460	457,460
<b>Internal Materials and Services</b>							
Facilities Services	0	0	0	0	237,000	237,000	237,000
Information Technology	1,813	1,763	0	0	0	0	0
Office of Management & Finance	0	0	0	0	0	0	0
Police Bureau	18,148	16,415	24,068	24,068	24,068	24,068	24,068
	19,961	18,178	24,068	24,068	261,068	261,068	261,068
<b>Capital Outlay</b>	251,010	339,736	345,139	155,232	0	0	0
<b>Equipment Cash Transfers</b>							
Facilities Services	732,023	0	0	0	0	0	0
	732,023	0	0	0	0	0	0
<b>Total Bureau Expenses</b>	<b>1,684,412</b>	<b>725,660</b>	<b>890,407</b>	<b>357,300</b>	<b>728,528</b>	<b>728,528</b>	<b>728,528</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	216,893	0	927,573	927,592	927,592
	0	0	216,893	0	927,573	927,592	927,592
<b>General Fund Overhead</b>	6,513	8,785	11,468	11,468	4,703	4,684	4,684
<b>Fund Cash Transfers</b>							
Emergency Communications	0	857,151	454,775	204,775	54,980	54,980	54,980
General Fund	0	0	0	0	1,262	1,262	1,262
Pension Debt Redemption Fund	0	230	6,620	6,620	0	0	0
	0	857,381	461,395	211,395	56,242	56,242	56,242

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Ending Balance</b>							
Unappropriated Ending Balance	2,061,186	1,408,454	0	1,000,000	0	0	0
	2,061,186	1,408,454	0	1,000,000	0	0	0
<b>Total Fund Requirements</b>	2,067,699	2,274,620	689,756	1,222,863	988,518	988,518	988,518
<b>TOTAL REQUIREMENTS</b>	<b>\$ 3,752,111</b>	<b>\$ 3,000,280</b>	<b>\$ 1,580,163</b>	<b>\$ 1,580,163</b>	<b>\$ 1,717,046</b>	<b>\$ 1,717,046</b>	<b>\$ 1,717,046</b>
<b>LINE ITEM DETAIL - AU 260</b>							
<b>Personnel Services</b>							
511000 Full-Time Employees	125,000	0	0	0	7,500	7,500	7,500
514000 Overtime	4,104	6,563	0	0	0	0	0
517000 Benefits	46,171	2,031	0	0	2,500	2,500	2,500
<b>Total Personnel Services</b>	175,275	8,594	0	0	10,000	10,000	10,000
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
521000 Professional Services	0	92,277	321,200	78,000	0	0	0
524000 Repair & Maintenance Services	6,638	5,830	0	0	0	0	0
529000 Miscellaneous Services	41,327	4,621	0	0	0	0	0
532000 Operating Supplies	24,144	4,985	0	0	0	0	0
534000 Minor Equipment & Tools	434,034	251,439	200,000	100,000	457,460	457,460	457,460
<b>Total External Materials and Services</b>	506,143	359,152	521,200	178,000	457,460	457,460	457,460
<b>Internal Materials and Services</b>							
553000 Facilities Services	0	0	0	0	237,000	237,000	237,000
555000 Information Technology	1,813	1,763	0	0	0	0	0
559000 Other Fund Services	18,148	16,415	24,068	24,068	24,068	24,068	24,068
<b>Total Internal Materials and Services</b>	19,961	18,178	24,068	24,068	261,068	261,068	261,068
<b>Total Materials and Services</b>	526,104	377,330	545,268	202,068	718,528	718,528	718,528
<b>Capital Outlay</b>							
564000 Capital Equipment	251,010	339,736	345,139	155,232	0	0	0
<b>Total Capital Outlay</b>	251,010	339,736	345,139	155,232	0	0	0
573000 Equipment Cash Transfers	732,023	0	0	0	0	0	0
<b>TOTAL Bureau Expenses</b>	<b>\$ 1,684,412</b>	<b>\$ 725,660</b>	<b>\$ 890,407</b>	<b>\$ 357,300</b>	<b>\$ 728,528</b>	<b>\$ 728,528</b>	<b>\$ 728,528</b>

## 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.

### Original Tax Levy

The Public Safety Fund's original funding source was a 1989 levy for the construction of the Portland Communications Center. In addition, the levy funded the acquisition and enhancement of a computer-aided dispatch computer system to support the call taking and dispatch activities at BOEC.

**State of Oregon Revenues**

Money remaining in the fund is primarily from reimbursements from the State of Oregon to purchase and upgrade the 9-1-1 phone system and from accumulated interest income.

**Support to BOEC Operations**

During recent years, the fund has provided between \$650,000 to \$750,000 annually to BOEC for operating support.

**Balance and Planned Expenditures**

The fund is projected to be approximately \$1,717,046 during FY 2004-05, which includes \$687,046 in grant funding from the Homeland Security Office of Domestic Preparedness. The grant funds are directed to the improvement of perimeter security around the 9-1-1 center, purchase of additional mobile radios and the acquisition of a mobile communication system. Other non-grant funds are primarily designated for information technology equipment scheduled replacements and the possible need for grant matching funds.

*Managing Agency*

Bureau of Emergency Communications

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	0	0	0	5,102	9,700	9,700	9,700
	0	0	0	5,102	9,700	9,700	9,700
<b>Miscellaneous Revenues</b>							
Interest Earned	3,532	1,868	1,000	1,000	2,500	2,500	2,500
	3,532	1,868	1,000	1,000	2,500	2,500	2,500
<b>Total External Revenues</b>	<b>3,532</b>	<b>1,868</b>	<b>1,000</b>	<b>6,102</b>	<b>12,200</b>	<b>12,200</b>	<b>12,200</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	98,320	95,018	95,018	89,916	88,818	88,818	88,818
<b>TOTAL RESOURCES</b>	<b>\$ 101,852</b>	<b>\$ 96,886</b>	<b>\$ 96,018</b>	<b>\$ 96,018</b>	<b>\$ 101,018</b>	<b>\$ 101,018</b>	<b>\$ 101,018</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
Total Bureau Expenses	6,834	6,970	7,200	7,200	9,700	9,700	9,700
	6,834	6,970	7,200	7,200	9,700	9,700	9,700
<b>Fund Requirements</b>							
<b>Ending Balance</b>							
Unappropriated Ending Balance	95,018	89,916	88,818	88,818	91,318	91,318	91,318
	95,018	89,916	88,818	88,818	91,318	91,318	91,318
<b>Total Fund Requirements</b>	<b>95,018</b>	<b>89,916</b>	<b>88,818</b>	<b>88,818</b>	<b>91,318</b>	<b>91,318</b>	<b>91,318</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 101,852</b>	<b>\$ 96,886</b>	<b>\$ 96,018</b>	<b>\$ 96,018</b>	<b>\$ 101,018</b>	<b>\$ 101,018</b>	<b>\$ 101,018</b>
<b>LINE ITEM DETAIL - AU 229</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
547000 Retirement System Payments	6,834	6,970	7,200	7,200	9,700	9,700	9,700
<b>Total External Materials and Services</b>	<b>6,834</b>	<b>6,970</b>	<b>7,200</b>	<b>7,200</b>	<b>9,700</b>	<b>9,700</b>	<b>9,700</b>
<b>Total Materials and Services</b>	<b>6,834</b>	<b>6,970</b>	<b>7,200</b>	<b>7,200</b>	<b>9,700</b>	<b>9,700</b>	<b>9,700</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 6,834</b>	<b>\$ 6,970</b>	<b>\$ 7,200</b>	<b>\$ 7,200</b>	<b>\$ 9,700</b>	<b>\$ 9,700</b>	<b>\$ 9,700</b>

## 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 Services





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	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	7,874,297	6,552,365	6,295,123	6,295,123	7,307,623	7,307,623	7,307,623
Prior Year Property Taxes	223,453	208,887	100,000	75,000	100,000	100,000	100,000
	8,097,750	6,761,252	6,395,123	6,370,123	7,407,623	7,407,623	7,407,623
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	29,851,677	0	0	0	0	0	0
Interest Earned	95,716	60,774	45,000	25,000	25,000	25,000	25,000
	29,947,393	60,774	45,000	25,000	25,000	25,000	25,000
<b>Total External Revenues</b>	<b>38,045,143</b>	<b>6,822,026</b>	<b>6,440,123</b>	<b>6,395,123</b>	<b>7,432,623</b>	<b>7,432,623</b>	<b>7,432,623</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Special Revenue and Finance	19,994	0	0	0	0	0	0
	19,994	0	0	0	0	0	0
<b>Total Internal Revenues</b>	<b>19,994</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>499,506</b>	<b>963,333</b>	<b>450,000</b>	<b>880,369</b>	<b>385,369</b>	<b>385,369</b>	<b>385,369</b>
<b>TOTAL RESOURCES</b>	<b>\$ 38,564,643</b>	<b>\$ 7,785,359</b>	<b>\$ 6,890,123</b>	<b>\$ 7,275,492</b>	<b>\$ 7,817,992</b>	<b>\$ 7,817,992</b>	<b>\$ 7,817,992</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	37,601,310	6,904,990	6,890,123	6,890,123	7,817,992	7,817,992	7,817,992
<b>Ending Balance</b>							
Unappropriated Ending Balance	963,333	880,369	0	385,369	0	0	0
	963,333	880,369	0	385,369	0	0	0
<b>Total Fund Requirements</b>	<b>38,564,643</b>	<b>7,785,359</b>	<b>6,890,123</b>	<b>7,275,492</b>	<b>7,817,992</b>	<b>7,817,992</b>	<b>7,817,992</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 38,564,643</b>	<b>\$ 7,785,359</b>	<b>\$ 6,890,123</b>	<b>\$ 7,275,492</b>	<b>\$ 7,817,992</b>	<b>\$ 7,817,992</b>	<b>\$ 7,817,992</b>

## 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 parks 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 Services

**Bonded Debt Interest and Sinking Fund – 302**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
<b>General Obligation Parks Bonds, 1995 Series A</b>						
03/01/1995 - Due 6/1	20,000,000					
		2004/05	950,000	5.30%	50,350	1,000,350
		TOTAL	950,000		50,350	1,000,350
<b>General Obligation Parks Bonds, 1995 Series B</b>						
03/01/1995 - Due 6/1	38,800,000					
		2004/05	1,840,000	5.25%	96,600	1,936,600
		TOTAL	1,840,000		96,600	1,936,600
<b>General Obligation Parks Refunding Bonds, 2001 Series A</b>						
07/01/2001 - Due 6/1	29,810,000					
		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	29,315,000		10,977,273	40,292,273
<b>General Obligation Emergency Facility Bonds, 1999 Series A</b>						
06/01/1999 - Due 6/1	24,500,000					
		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	20,190,000		9,072,600	29,262,600
<b>General Obligation Emergency Facility Bonds, 2004 Series A</b>						
01/28/2004 - Due 6/1	13,965,000					
		2004/05	345,000	2.00%	676,178	1,021,178
		2005/06	540,000	2.00%	482,887	1,022,887
		2006/07	550,000	2.13%	472,087	1,022,087
		2007/08	560,000	2.25%	460,399	1,020,399
		2008/09	575,000	2.50%	447,799	1,022,799
		2009/10	590,000	2.75%	433,424	1,023,424
		2010/11	605,000	3.00%	417,199	1,022,199
		2011/12	625,000	3.13%	399,049	1,024,049
		2012/13	645,000	3.25%	379,518	1,024,518
		2013/14	665,000	3.38%	358,555	1,023,555
		2014/15	685,000	4.00%	336,112	1,021,112
		2015/16	715,000	4.00%	308,712	1,023,712

**Bonded Debt Interest and Sinking Fund – 302**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2016/17	740,000	4.00%	280,112	1,020,112
		2017/18	770,000	4.00%	250,512	1,020,512
		2018/19	805,000	4.00%	219,712	1,024,712
		2019/20	835,000	4.00%	187,512	1,022,512
		2020/21	870,000	4.00%	154,112	1,024,112
		2021/22	905,000	4.13%	119,312	1,024,312
		2022/23	940,000	4.20%	81,980	1,021,980
		2023/24	1,000,000	4.25%	42,500	1,042,500
		<b>TOTAL</b>	<b>13,965,000</b>		<b>6,507,671</b>	<b>20,472,671</b>
<b>General Obligation Parks Refund- ing Bonds, 2004 Series B</b>						
04/27/2004 - Due 6/1	9,200,000					
		2004/05	-		402,757	402,757
		2005/06	2,950,000	4.00%	368,000	3,318,000
		2006/07	3,065,000	4.00%	250,000	3,315,000
		2007/08	3,185,000	4.00%	127,400	3,312,400
		<b>TOTAL</b>	<b>9,200,000</b>		<b>1,148,157</b>	<b>10,348,157</b>
<b>COMBINED DEBT SERVICE</b>	136,275,000					
		2004/05	4,240,000		3,577,993	7,817,993
		2005/06	4,640,000		3,154,485	7,794,485
		2006/07	4,810,000		2,975,055	7,785,055
		2007/08	5,000,000		2,782,612	7,782,612
		2008/09	5,310,000		2,581,412	7,891,412
		2009/10	5,535,000		2,360,844	7,895,844
		2010/11	5,755,000		2,126,657	7,881,657
		2011/12	6,010,000		1,870,507	7,880,507
		2012/13	6,295,000		1,581,726	7,876,726
		2013/14	6,575,000		1,299,663	7,874,663
		2014/15	6,870,000		997,800	7,867,800
		2015/16	2,295,000		659,262	2,954,262
		2016/17	2,400,000		549,687	2,949,687
		2017/18	2,520,000		435,012	2,955,012
		2018/19	2,655,000		314,525	2,969,525
		2019/20	835,000		187,512	1,022,512
		2020/21	870,000		154,112	1,024,112
		2021/22	905,000		119,312	1,024,312
		2022/23	940,000		81,980	1,021,980
		2023/24	1,000,000		42,500	1,042,500
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 75,460,000</b>		<b>\$ 27,852,651</b>	<b>\$ 103,312,651</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Concessions	237,714	273,308	202,357	195,000	317,148	317,148	317,148
Parks & Recreation Facilities	5,794,111	5,714,086	6,345,277	5,911,594	5,612,596	5,612,596	5,612,596
Rents and Reimbursements	2,086	5,719	80,000	48,000	0	0	0
	6,033,911	5,993,113	6,627,634	6,154,594	5,929,744	5,929,744	5,929,744
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	0	2,100,000	0	0	0	0	0
Interest Earned	35,282	24,848	35,282	25,000	25,282	25,282	25,282
Other Miscellaneous	174	0	0	0	0	0	0
Sales Miscellaneous	4,899	8,530	17,371	500	8,412	8,412	8,412
	40,355	2,133,378	52,653	25,500	33,694	33,694	33,694
<b>Total External Revenues</b>	<b>6,074,266</b>	<b>8,126,491</b>	<b>6,680,287</b>	<b>6,180,094</b>	<b>5,963,438</b>	<b>5,963,438</b>	<b>5,963,438</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Vehicle Services Fund	0	28,874	0	0	0	0	0
	0	28,874	0	0	0	0	0
<b>Interfund Service Reimbursements</b>							
Parks Bureau	0	0	0	0	13,186	13,186	13,186
Portland International Raceway	0	0	0	0	69,850	69,850	69,850
Portland Parks Trust	0	0	40,000	40,000	40,000	40,000	40,000
	0	0	40,000	40,000	123,036	123,036	123,036
<b>Total Internal Revenues</b>	<b>0</b>	<b>28,874</b>	<b>40,000</b>	<b>40,000</b>	<b>123,036</b>	<b>123,036</b>	<b>123,036</b>
<b>Beginning Fund Balance</b>	<b>816,586</b>	<b>366,603</b>	<b>1,611,487</b>	<b>1,762,442</b>	<b>466,379</b>	<b>466,379</b>	<b>466,379</b>
<b>TOTAL RESOURCES</b>	<b>\$ 6,890,852</b>	<b>\$ 8,521,968</b>	<b>\$ 8,331,774</b>	<b>\$ 7,982,536</b>	<b>\$ 6,552,853</b>	<b>\$ 6,552,853</b>	<b>\$ 6,552,853</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	2,631,477	2,689,302	2,459,754	2,380,000	2,484,809	2,484,809	2,484,809
<b>External Materials and Services</b>	1,858,269	1,667,887	1,510,587	1,420,957	1,487,096	1,487,096	1,487,096
<b>Internal Materials and Services</b>							
Communications Services	15,891	15,983	14,684	0	14,847	14,847	14,847
Information Technology	15,039	14,617	7,960	0	9,743	9,743	9,743
Insurance	71,792	77,870	79,565	0	77,275	77,275	77,275
Printing & Distribution	482	959	909	0	912	912	912
Vehicle Services	105,822	262,128	279,009	843,000	204,358	204,358	204,358
Environmental Svcs - Int	0	60,834	9,997	0	0	0	0
Office of Management & Finance	50,884	52,476	59,737	0	66,005	66,005	66,005
Parking Facilities	2,400	1,800	1,860	0	1,860	1,860	1,860
Parks Bureau	450,715	549,566	423,984	0	260,491	260,491	260,491
Parks Construction	35,286	93,766	95,336	0	0	0	0
Transportation	483	0	0	0	0	0	0
	748,794	1,129,999	973,041	843,000	635,491	635,491	635,491
<b>Capital Outlay</b>	<b>774,170</b>	<b>693,970</b>	<b>1,601,664</b>	<b>1,885,490</b>	<b>408,510</b>	<b>408,510</b>	<b>408,510</b>

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>Equipment Cash Transfers</b>							
Vehicle Operating	108,860	98,183	0	0	0	0	0
	108,860	98,183	0	0	0	0	0
<b>Total Bureau Expenses</b>	6,121,570	6,279,341	6,545,046	6,529,447	5,015,906	5,015,906	5,015,906
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	627,953	466,379	501,995	503,579	503,579
	0	0	627,953	466,379	501,995	503,579	503,579
<b>General Fund Overhead</b>	86,429	88,012	131,604	119,304	132,107	130,523	130,523
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	12,769	12,769	12,769
Golf Revenue Bond	132,500	71,295	800,000	795,000	799,000	799,000	799,000
Pension Debt Redemption Fund	0	0	72,406	72,406	91,076	91,076	91,076
	132,500	71,295	872,406	867,406	902,845	902,845	902,845
<b>Debt Retirement</b>	183,750	320,878	154,765	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	366,603	1,762,442	0	0	0	0	0
	366,603	1,762,442	0	0	0	0	0
<b>Total Fund Requirements</b>	769,282	2,242,627	1,786,728	1,453,089	1,536,947	1,536,947	1,536,947
<b>TOTAL REQUIREMENTS</b>	<b>\$ 6,890,852</b>	<b>\$ 8,521,968</b>	<b>\$ 8,331,774</b>	<b>\$ 7,982,536</b>	<b>\$ 6,552,853</b>	<b>\$ 6,552,853</b>	<b>\$ 6,552,853</b>

## 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.

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	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	0	633,333	0	0	0	0	0
Interest Earned	431	4,438	10,000	6,788	7,500	7,500	7,500
	431	637,771	10,000	6,788	7,500	7,500	7,500
<b>Total External Revenues</b>	431	637,771	10,000	6,788	7,500	7,500	7,500
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Golf Fund	132,500	71,295	800,000	795,000	799,000	799,000	799,000
	132,500	71,295	800,000	795,000	799,000	799,000	799,000
<b>Total Internal Revenues</b>	132,500	71,295	800,000	795,000	799,000	799,000	799,000
<b>Beginning Fund Balance</b>	10,980	2,141	639,500	639,912	635,207	635,207	635,207
<b>TOTAL RESOURCES</b>	<b>\$ 143,911</b>	<b>\$ 711,207</b>	<b>\$ 1,449,500</b>	<b>\$ 1,441,700</b>	<b>\$ 1,441,707</b>	<b>\$ 1,441,707</b>	<b>\$ 1,441,707</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	141,770	71,295	806,500	806,493	806,806	806,806	806,806
<b>Ending Balance</b>							
Unappropriated Ending Balance	2,141	639,912	643,000	635,207	634,901	634,901	634,901
	2,141	639,912	643,000	635,207	634,901	634,901	634,901
<b>Total Fund Requirements</b>	143,911	711,207	1,449,500	1,441,700	1,441,707	1,441,707	1,441,707
<b>TOTAL REQUIREMENTS</b>	<b>\$ 143,911</b>	<b>\$ 711,207</b>	<b>\$ 1,449,500</b>	<b>\$ 1,441,700</b>	<b>\$ 1,441,707</b>	<b>\$ 1,441,707</b>	<b>\$ 1,441,707</b>

## FUND OVERVIEW

The Golf Revenue Bond Redemption 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.

The line of credit was closed in FY 2002-03 and a payment schedule for principal and interest began in FY 2003-04 and is scheduled to be paid off in FY 2012-13.

**Managing Agency** Portland Parks and Recreation



**Golf Revenue Bond Redemption Fund – 353**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Golf System Revenue Bonds, 2000 Series A</b>						
02/01/2000 - Due 02/1	3,600,000					
		2004/05	550,000	2.89%	256,805	806,805
		2005/06	566,000	3.36%	240,910	806,910
		2006/07	585,000	3.83%	221,893	806,893
		2007/08	608,000	4.30%	199,487	807,487
		2008/09	634,000	4.57%	173,343	807,343
		2009/10	663,000	4.84%	144,369	807,369
		2010/11	695,000	4.98%	112,280	807,280
		2011/12	729,000	5.12%	77,669	806,669
		2012/13	767,000	5.26%	40,344	807,344
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 5,797,000</b>		<b>\$ 1,467,100</b>	<b>\$ 7,264,100</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
External Revenues							
Internal Revenues							
Other Cash Transfers							
Parks Construction Fund	0	15,577	0	0	0	0	0
	0	15,577	0	0	0	0	0
<b>Total Internal Revenues</b>	0	15,577	0	0	0	0	0
<b>Beginning Fund Balance</b>	(15,577)	(15,577)	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ (15,577)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>REQUIREMENTS</b>							
Bureau Expenses							
Fund Requirements							
Ending Balance							
Unappropriated Ending Balance	(15,577)	0	0	0	0	0	0
	(15,577)	0	0	0	0	0	0
<b>Total Fund Requirements</b>	(15,577)	0	0	0	0	0	0
<b>TOTAL REQUIREMENTS</b>	<b>\$ (15,577)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

## 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.

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	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	0	850	0	0	0	0	0
Parks & Recreation Facilities	0	1,250	0	0	0	0	0
Public Works/Utility Charge	1,827,377	2,507,002	1,837,660	2,419,999	2,024,200	2,024,200	1,994,680
Rents and Reimbursements	8,575	1,707	29,000	46,000	0	0	0
	1,835,952	2,510,809	1,866,660	2,465,999	2,024,200	2,024,200	1,994,680
<b>Local Sources</b>							
Local Cost Sharing	3,967,678	588,361	11,383,498	950,000	1,320,181	1,320,181	1,320,181
	3,967,678	588,361	11,383,498	950,000	1,320,181	1,320,181	1,320,181
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	500,000	1,084,437	2,250,000	2,250,000	0	0	0
Collection of Assessment	383,378	480,279	0	460,000	300,000	300,000	300,000
Interest Earned	104,170	40,276	0	31,000	25,000	25,000	25,000
Other Miscellaneous	0	8	0	0	0	0	0
Private Grants/Donations	11,000	77,592	275,000	248,000	175,000	175,000	175,000
	998,548	1,682,592	2,525,000	2,989,000	500,000	500,000	500,000
<b>Total External Revenues</b>	<b>6,802,178</b>	<b>4,781,762</b>	<b>15,775,158</b>	<b>6,404,999</b>	<b>3,844,381</b>	<b>3,844,381</b>	<b>3,814,861</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
General Fund	2,143,450	900,000	1,073,676	1,073,676	928,044	1,028,044	1,028,044
Parks Memorial Trust Fund	0	50,000	0	0	0	0	0
Sewage System Operating Fund	0	0	360,000	360,000	0	0	0
	2,143,450	950,000	1,433,676	1,433,676	928,044	1,028,044	1,028,044
<b>Federal Grants Transfers</b>							
	(20,934)	916,001	872,784	575,000	361,608	361,608	361,608
<b>Interfund Service Reimbursements</b>							
Community Development	0	0	0	84,000	0	0	0
Environmental Services	0	103,070	94,500	92,000	47,554	47,554	47,554
Golf Operating Fund	35,286	93,766	95,336	89,000	0	0	0
Housing & Community Development	0	0	85,615	0	0	0	0
Parks Bureau	0	202,232	32,068	31,000	77,890	77,890	77,890
Parks Serial Levy	0	0	600,000	550,000	3,295,000	3,295,000	3,295,000
Planning	0	75,000	29,825	27,000	0	0	0
Portland Parks Trust	101,857	209,939	459,998	420,000	276,148	276,148	276,148
Transportation	0	6,936	0	0	0	0	0
Water Bureau	0	88,222	153,000	340,000	1,000,000	1,000,000	1,000,000
	137,143	779,165	1,550,342	1,633,000	4,696,592	4,696,592	4,696,592
<b>Total Internal Revenues</b>	<b>2,259,659</b>	<b>2,645,166</b>	<b>3,856,802</b>	<b>3,641,676</b>	<b>5,986,244</b>	<b>6,086,244</b>	<b>6,086,244</b>
<b>Beginning Fund Balance</b>	<b>2,343,490</b>	<b>1,713,637</b>	<b>2,392,915</b>	<b>2,392,916</b>	<b>917,826</b>	<b>917,826</b>	<b>947,346</b>
<b>TOTAL RESOURCES</b>	<b>\$ 11,405,327</b>	<b>\$ 9,140,565</b>	<b>\$ 22,024,875</b>	<b>\$ 12,439,591</b>	<b>\$ 10,748,451</b>	<b>\$ 10,848,451</b>	<b>\$ 10,848,451</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
Personal Services	1,016,438	1,080,192	1,347,139	0	1,479,995	1,479,995	1,479,995

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>External Materials and Services</b>	(1,523,314)	734,151	1,425,744	0	457,996	457,996	457,996
<b>Internal Materials and Services</b>							
Communications Services	12,286	29,737	13,009	0	27,509	27,509	27,509
Facilities Services	29	1,255	0	0	0	0	0
Information Technology	11,539	11,215	972	0	42	42	42
Printing & Distribution	10,986	23,685	15,834	0	26,122	26,122	26,122
Vehicle Services	6,553	5,878	8,031	0	6,482	6,482	6,482
Environmental Services	45,319	13,287	0	0	0	0	0
Environmental Svcs - Int	905	0	4,000	0	0	0	0
Neighborhood Involvement	432	1,168	0	0	0	0	0
Office of Management & Finance	9,495	9,916	14,164	0	11,052	11,052	11,052
Parking Facilities	3,360	3,600	3,720	0	3,720	3,720	3,720
Parks Bureau	325,128	569,601	506,307	0	152,880	152,880	152,880
Planning	0	0	27,600	0	0	0	0
Special Appropriations	0	209	2,660	0	0	0	0
Transportation	99,802	316,883	47,000	0	0	0	0
Water Bureau	21,739	0	0	0	0	0	0
	547,573	986,434	643,297	0	227,807	227,807	227,807
<b>Capital Outlay</b>	9,430,000	3,475,957	16,583,057	10,974,923	6,927,947	7,015,147	7,017,947
<b>Total Bureau Expenses</b>	9,470,697	6,276,734	19,999,237	10,974,923	9,093,745	9,180,945	9,183,745
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	1,454,941	0	608,082	621,652	618,852
	0	0	1,454,941	0	608,082	621,652	618,852
<b>General Fund Overhead</b>	137,590	111,588	122,551	106,059	97,517	96,747	96,747
<b>Fund Cash Transfers</b>							
Parks Bond Construction	0	15,577	0	0	0	0	0
General Fund	0	0	0	0	4,118	4,118	4,118
Intermediate Debt Fund	55,346	323,379	407,363	0	893,690	893,690	893,690
Pension Debt Redemption Fund	28,057	20,371	40,783	440,783	51,299	51,299	51,299
	83,403	359,327	448,146	440,783	949,107	949,107	949,107
<b>Ending Balance</b>							
Unappropriated Ending Balance	1,713,637	2,392,916	0	917,826	0	0	0
	1,713,637	2,392,916	0	917,826	0	0	0
<b>Total Fund Requirements</b>	1,934,630	2,863,831	2,025,638	1,464,668	1,654,706	1,667,506	1,664,706
<b>TOTAL REQUIREMENTS</b>	<b>\$ 11,405,327</b>	<b>\$ 9,140,565</b>	<b>\$ 22,024,875</b>	<b>\$ 12,439,591</b>	<b>\$ 10,748,451</b>	<b>\$ 10,848,451</b>	<b>\$ 10,848,451</b>

## 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 plan 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 Parks System Development Charge established in the fall of 1998. A total of \$1,028,044 of General Fund discretionary resources is included in the FY 2004-05 Adopted Budget for six projects.

**Managing Agency**      Portland Parks and Recreation

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	1,042	580	700	3,600	2,387	2,387	2,387
Private Grants/Donations	0	0	0	4,500	0	0	0
	1,042	580	700	8,100	2,387	2,387	2,387
<b>Total External Revenues</b>	<b>1,042</b>	<b>580</b>	<b>700</b>	<b>8,100</b>	<b>2,387</b>	<b>2,387</b>	<b>2,387</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Parks Memorial Trust Fund	28,346	125,000	0	0	0	0	0
	28,346	125,000	0	0	0	0	0
<b>Total Internal Revenues</b>	<b>28,346</b>	<b>125,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>28,804</b>	<b>153,919</b>	<b>153,919</b>	<b>159,117</b>	<b>159,117</b>	<b>159,117</b>
<b>TOTAL RESOURCES</b>	<b>\$ 29,388</b>	<b>\$ 154,384</b>	<b>\$ 154,619</b>	<b>\$ 162,019</b>	<b>\$ 161,504</b>	<b>\$ 161,504</b>	<b>\$ 161,504</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	584	465	700	600	400	400	400
<b>Internal Materials and Services</b>							
Parks Bureau	0	0	0	0	1,200	1,200	1,200
	0	0	0	0	1,200	1,200	1,200
<b>Total Bureau Expenses</b>	<b>584</b>	<b>465</b>	<b>700</b>	<b>600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	74,919	2,302	0	0	0
	0	0	74,919	2,302	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	28,804	153,919	79,000	159,117	159,904	159,904	159,904
	28,804	153,919	79,000	159,117	159,904	159,904	159,904
<b>Total Fund Requirements</b>	<b>28,804</b>	<b>153,919</b>	<b>153,919</b>	<b>161,419</b>	<b>159,904</b>	<b>159,904</b>	<b>159,904</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 29,388</b>	<b>\$ 154,384</b>	<b>\$ 154,619</b>	<b>\$ 162,019</b>	<b>\$ 161,504</b>	<b>\$ 161,504</b>	<b>\$ 161,504</b>
<b>LINE ITEM DETAIL - AU 453</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
539000 Other Commodities External	584	465	700	600	400	400	400
<b>Total External Materials and Services</b>	<b>584</b>	<b>465</b>	<b>700</b>	<b>600</b>	<b>400</b>	<b>400</b>	<b>400</b>
<b>Internal Materials and Services</b>							
559000 Other Fund Services	0	0	0	0	1,200	1,200	1,200
<b>Total Internal Materials and Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>
<b>Total Materials and Services</b>	<b>584</b>	<b>465</b>	<b>700</b>	<b>600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 584</b>	<b>\$ 465</b>	<b>\$ 700</b>	<b>\$ 600</b>	<b>\$ 1,600</b>	<b>\$ 1,600</b>	<b>\$ 1,600</b>

## FUND OVERVIEW

### Summary

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. There are currently four individual endowments in place.

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 increase the trust reserve.

The Parks Maintenance Endowment was established in FY 2002-03. The intent of this endowment is to build up over a number of years an endowment of sufficient size that its interest earnings can contribute to the cost of maintaining the parks system.

The Washington Park Children’s Playground Endowment was established upon completion of this project undertaken by the Portland Rotary Club. In addition to paying for the construction of the project, they also gave \$75,000 as an endowment for ongoing maintenance for this site. Earnings on the \$75,000 are available to contribute toward the maintenance costs incurred by Portland Parks and Recreation.

The Dietz Fountain at Wallace Park Endowment was established in FY 2003-04 upon completion of this project. A gift of \$4,500 was received, with interest earnings available to contribute toward the expected ongoing maintenance of this new feature.

### Managing Agency

Portland Parks and Recreation

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	0	0	8,671,109	8,450,000	8,453,041	8,453,041	8,453,041
Prior Year Property Taxes	0	0	0	0	161,418	161,418	161,418
	0	0	8,671,109	8,450,000	8,614,459	8,614,459	8,614,459
<b>Miscellaneous Revenues</b>							
Interest Earned	0	0	36,880	35,000	41,797	41,797	41,797
	0	0	36,880	35,000	41,797	41,797	41,797
<b>Total External Revenues</b>	0	0	8,707,989	8,485,000	8,656,256	8,656,256	8,656,256
<b>Internal Revenues</b>							
Beginning Fund Balance	0	0	0	0	3,950,000	3,950,000	3,950,000
<b>TOTAL RESOURCES</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,707,989</b>	<b>\$ 8,485,000</b>	<b>\$ 12,606,256</b>	<b>\$ 12,606,256</b>	<b>\$ 12,606,256</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Internal Materials and Services</b>							
Parks Bureau	0	0	4,421,081	4,535,000	4,507,465	4,507,465	4,507,465
Parks Construction	0	0	600,000	0	3,295,000	3,295,000	3,295,000
	0	0	5,021,081	4,535,000	7,802,465	7,802,465	7,802,465
<b>Total Bureau Expenses</b>	0	0	5,021,081	4,535,000	7,802,465	7,802,465	7,802,465
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	3,686,908	3,950,000	4,776,539	4,777,040	4,777,040
	0	0	3,686,908	3,950,000	4,776,539	4,777,040	4,777,040
<b>General Fund Overhead</b>	0	0	0	0	27,252	26,751	26,751
<b>Total Fund Requirements</b>	0	0	3,686,908	3,950,000	4,803,791	4,803,791	4,803,791
<b>TOTAL REQUIREMENTS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,707,989</b>	<b>\$ 8,485,000</b>	<b>\$ 12,606,256</b>	<b>\$ 12,606,256</b>	<b>\$ 12,606,256</b>
<b>LINE ITEM DETAIL – AU 258</b>							
<b>Materials and Services</b>							
<b>Internal Materials and Services</b>							
559000 Other Fund Services	0	0	5,021,081	4,535,000	7,802,465	7,802,465	7,802,465
<b>Total Internal Materials and Services</b>	0	0	5,021,081	4,535,000	7,802,465	7,802,465	7,802,465
<b>Total Materials and Services</b>	0	0	5,021,081	4,535,000	7,802,465	7,802,465	7,802,465
<b>TOTAL Bureau Expenses</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,021,081</b>	<b>\$ 4,535,000</b>	<b>\$ 7,802,465</b>	<b>\$ 7,802,465</b>	<b>\$ 7,802,465</b>



## FUND OVERVIEW

The Parks Local Option Levy was passed by the voters in November 2002 and is estimated to generate approximately \$8.6 million in FY 2004-05 and an average of \$9.1 million per year after property tax compression, delinquency, and discounts over the five-year term of the levy. The services and improvements funded through the levy will address major issues outlined in the *Parks 2020 Vision* plan adopted by Council in July 2001, as well as offset reductions taken in the FY 2002-03 Adopted Budget. The funds are allocated to address the following:

- ◆ Restore \$2.2 million in FY 2002-03 budget cuts
- ◆ Provide access to recreational programs for children, families, and seniors
- ◆ Provide safe places to play
- ◆ Restore, renovate, and continue to maintain the parks system

**Managing Agency**      Portland Parks and Recreation

## CHANGES FROM PRIOR YEAR

Because of slower-than-expected assessed value growth, the Parks Local Option Levy will generate about \$637,000 less in FY 2004-05 than was originally projected. As a result, the service enhancements that were part of the original levy plan - including both enhanced recreation programs and enhanced maintenance levels - will be reduced by 25% from what was originally expected. The restoration of the FY 2002-03 cuts and the capital projects, such as the Wilson Pool renovation, will not be affected by this reduction.

The service enhancements include pass-through grants to local school districts for after-school programs as well as enhanced recreation programs and maintenance activities provided directly by Parks staff. For the pass-through grants, the 25% reduction will take effect in FY 2004-05; for the enhanced services provided directly by Parks staff, the 25% reductions have already taken effect in the FY 2003-04 budget. The only noticeable change between the FY 2003-04 budget and the FY 2004-05 budget will be the reduction of the pass-through grants to school districts. The other enhanced programs will not be cut further, but they will not be allowed to increase in FY 2004-05 to the level that was originally planned.

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Concessions	159,891	120,308	150,000	136,000	125,000	125,000	125,000
Parks & Recreation Facilities	150,001	0	0	0	0	0	0
Rents and Reimbursements	1,039,223	1,282,072	1,200,000	1,058,763	1,272,748	1,272,748	1,272,748
	1,349,115	1,402,380	1,350,000	1,194,763	1,397,748	1,397,748	1,397,748
<b>Miscellaneous Revenues</b>							
Interest Earned	(1,898)	1,628	5,000	600	5,000	5,000	5,000
Other Miscellaneous	23,167	730	0	0	0	0	0
	21,269	2,358	5,000	600	5,000	5,000	5,000
<b>Total External Revenues</b>	<b>1,370,384</b>	<b>1,404,738</b>	<b>1,355,000</b>	<b>1,195,363</b>	<b>1,402,748</b>	<b>1,402,748</b>	<b>1,402,748</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Vehicle Services Fund	0	1,921	0	0	0	0	0
	0	1,921	0	0	0	0	0
<b>Federal Grants Transfers</b>							
	7,599	0	0	0	0	0	0
<b>Interfund Service Reimbursements</b>							
Police Bureau	20,800	0	0	30,000	0	0	0
Portland Parks Trust	20,000	0	0	0	0	0	0
	40,800	0	0	30,000	0	0	0
<b>Total Internal Revenues</b>	<b>48,399</b>	<b>1,921</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>92,321</b>	<b>109,571</b>	<b>86,248</b>	<b>237,485</b>	<b>105,089</b>	<b>105,089</b>	<b>105,089</b>
<b>TOTAL RESOURCES</b>	<b>\$ 1,511,104</b>	<b>\$ 1,516,230</b>	<b>\$ 1,441,248</b>	<b>\$ 1,462,848</b>	<b>\$ 1,507,837</b>	<b>\$ 1,507,837</b>	<b>\$ 1,507,837</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>							
	475,821	507,276	544,167	505,000	539,672	539,672	539,672
<b>External Materials and Services</b>							
	548,899	453,400	337,737	538,595	438,800	438,800	438,800
<b>Internal Materials and Services</b>							
Communications Services	11,241	8,253	15,905	0	12,668	12,668	12,668
Information Technology	2,315	2,251	5,730	0	5,307	5,307	5,307
Insurance	25,506	35,396	36,134	0	29,427	29,427	29,427
Printing & Distribution	347	823	692	0	900	900	900
Vehicle Services	5,035	5,509	5,758	232,000	6,467	6,467	6,467
Environmental Services	55,000	75,000	64,463	0	0	0	0
Environmental Svcs - Int	0	0	0	0	0	0	5,975
Golf Operating	0	0	0	0	69,850	69,850	69,850
Office of Management & Finance	5,179	5,409	6,070	0	7,736	7,736	7,736
Parks Bureau	141,177	134,049	102,843	0	110,865	110,865	110,865
	245,800	266,690	237,595	232,000	243,220	243,220	249,195
<b>Capital Outlay</b>							
	111,871	0	0	43,800	0	0	0
<b>Total Bureau Expenses</b>	<b>1,382,391</b>	<b>1,227,366</b>	<b>1,119,499</b>	<b>1,319,395</b>	<b>1,221,692</b>	<b>1,221,692</b>	<b>1,227,667</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	279,380	0	234,736	235,266	229,291
	0	0	279,380	0	234,736	235,266	229,291
<b>General Fund Overhead</b>	5,512	28,172	28,430	24,425	32,098	31,568	31,568
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	1,778	1,778	1,778
Pension Debt Redemption Fund	0	0	13,939	13,939	17,533	17,533	17,533
	0	0	13,939	13,939	19,311	19,311	19,311
<b>Debt Retirement</b>	13,630	23,207	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	109,571	237,485	0	105,089	0	0	0
	109,571	237,485	0	105,089	0	0	0
<b>Total Fund Requirements</b>	128,713	288,864	321,749	143,453	286,145	286,145	280,170
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,511,104</b>	<b>\$ 1,516,230</b>	<b>\$ 1,441,248</b>	<b>\$ 1,462,848</b>	<b>\$ 1,507,837</b>	<b>\$ 1,507,837</b>	<b>\$ 1,507,837</b>

## FUND OVERVIEW

The Portland International Raceway (PIR) Fund is a separate enterprise fund within Portland Parks and Recreation. It is a self-sustaining operation that manages the world-class road course, motorcross 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

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Concessions	46,211	54,354	45,000	42,000	50,000	50,000	50,000
Miscellaneous	0	0	0	149,998	0	0	0
Parking Fees	162,334	149,439	178,000	162,000	144,000	144,000	144,000
Parks & Recreation Facilities	975,778	912,481	888,941	945,000	910,556	910,556	910,556
Rents and Reimbursements	397,275	436,188	356,400	375,000	384,400	384,400	384,400
	1,581,598	1,552,462	1,468,341	1,673,998	1,488,956	1,488,956	1,488,956
<b>Miscellaneous Revenues</b>							
Collection of Assessment	0	1,553	0	0	0	0	0
Interest Earned	111,743	64,881	75,259	36,000	34,129	34,129	34,129
Other Miscellaneous	1,848	5,505	0	0	5,000	5,000	5,000
Private Grants/Donations	327,799	193,925	110,430	370,000	85,400	85,400	85,400
	441,390	265,864	185,689	406,000	124,529	124,529	124,529
<b>Total External Revenues</b>	<b>2,022,988</b>	<b>1,818,326</b>	<b>1,654,030</b>	<b>2,079,998</b>	<b>1,613,485</b>	<b>1,613,485</b>	<b>1,613,485</b>
<b>Internal Revenues</b>							
<b>Interfund Service Reimbursements</b>							
Parks Bureau	0	88,000	93,000	93,000	98,000	98,000	98,000
Planning	102,954	34,279	0	0	0	0	0
Police Bureau	0	15,000	0	0	0	0	0
Transportation	(783)	27,718	36,478	36,478	0	0	0
	102,171	164,997	129,478	129,478	98,000	98,000	98,000
<b>Total Internal Revenues</b>	<b>102,171</b>	<b>164,997</b>	<b>129,478</b>	<b>129,478</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>
<b>Beginning Fund Balance</b>	<b>3,035,656</b>	<b>2,717,580</b>	<b>2,832,880</b>	<b>2,682,882</b>	<b>2,516,376</b>	<b>2,516,376</b>	<b>2,516,376</b>
<b>TOTAL RESOURCES</b>	<b>\$ 5,160,815</b>	<b>\$ 4,700,903</b>	<b>\$ 4,616,388</b>	<b>\$ 4,892,358</b>	<b>\$ 4,227,861</b>	<b>\$ 4,227,861</b>	<b>\$ 4,227,861</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>	<b>1,550,168</b>	<b>928,782</b>	<b>883,680</b>	<b>805,000</b>	<b>1,010,608</b>	<b>1,010,608</b>	<b>1,010,608</b>
<b>Internal Materials and Services</b>							
Communications Services	372	385	387	0	397	397	397
Printing & Distribution	6,564	794	1,103	0	825	825	825
Vehicle Services	0	235	0	0	0	0	0
Golf Operating	0	0	40,000	0	40,000	40,000	40,000
Neighborhood Involvement	7,700	7,800	8,200	0	8,200	8,200	8,200
Parks Bureau	659,630	693,112	983,882	1,570,982	497,537	497,537	497,537
Parks Construction	101,856	209,938	459,998	0	276,148	276,148	276,148
PIR	20,000	0	0	0	0	0	0
Transportation	28,599	0	0	0	0	0	0
	824,721	912,264	1,493,570	1,570,982	823,107	823,107	823,107
<b>Minor Equipment Transfers</b>							
Printing & Distribution	0	1,975	0	0	0	0	0
	0	1,975	0	0	0	0	0
<b>Total Bureau Expenses</b>	<b>2,374,889</b>	<b>1,843,021</b>	<b>2,377,250</b>	<b>2,375,982</b>	<b>1,833,715</b>	<b>1,833,715</b>	<b>1,833,715</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	2,239,138	0	2,394,146	2,394,146	2,394,146
	0	0	2,239,138	0	2,394,146	2,394,146	2,394,146
<b>Fund Cash Transfers</b>							
General Fund	40,000	0	0	0	0	0	0
Parks Construction	0	50,000	0	0	0	0	0
Parks Endowment	28,346	125,000	0	0	0	0	0
	68,346	175,000	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	2,717,580	2,682,882	0	2,516,376	0	0	0
	2,717,580	2,682,882	0	2,516,376	0	0	0
<b>Total Fund Requirements</b>	<b>2,785,926</b>	<b>2,857,882</b>	<b>2,239,138</b>	<b>2,516,376</b>	<b>2,394,146</b>	<b>2,394,146</b>	<b>2,394,146</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 5,160,815</b>	<b>\$ 4,700,903</b>	<b>\$ 4,616,388</b>	<b>\$ 4,892,358</b>	<b>\$ 4,227,861</b>	<b>\$ 4,227,861</b>	<b>\$ 4,227,861</b>
<b>LINE ITEM DETAIL - AU 450</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
521000 Professional Services	2,900	4,489	0	0	5,000	5,000	5,000
522000 Utilities	2,193	5,518	0	0	4,250	4,250	4,250
523000 Equipment Rental	5,048	4,814	7,150	0	6,800	6,800	6,800
524000 Repair & Maintenance Services	30,911	28,987	92,500	0	104,224	104,224	104,224
528000 Local Match Payments	394,719	168,826	36,108	0	125,000	125,000	125,000
529000 Miscellaneous Services	177,749	169,599	117,700	0	155,733	155,733	155,733
531000 Office Supplies	6,976	11,811	5,700	0	15,300	15,300	15,300
532000 Operating Supplies	266,893	117,215	174,909	805,000	165,676	165,676	165,676
533000 Repair & Maintenance Supplies	4,796	13,525	53,069	0	12,000	12,000	12,000
534000 Minor Equipment & Tools	56,502	93,521	66,800	0	123,950	123,950	123,950
535000 Clothing & Uniforms	48,858	43,977	53,550	0	42,100	42,100	42,100
539000 Other Commodities External	227,278	211,389	230,000	0	195,350	195,350	195,350
541000 Education	11,267	16,751	13,050	0	18,925	18,925	18,925
543000 Out-of-Town Travel	21,112	12,630	19,450	0	12,050	12,050	12,050
544000 Space Rental	420	4,459	0	0	4,000	4,000	4,000
549000 Miscellaneous	292,546	21,271	13,694	0	20,250	20,250	20,250
<b>Total External Materials and Services</b>	<b>1,550,168</b>	<b>928,782</b>	<b>883,680</b>	<b>805,000</b>	<b>1,010,608</b>	<b>1,010,608</b>	<b>1,010,608</b>
<b>Internal Materials and Services</b>							
551000 Vehicle Services	0	235	0	0	0	0	0
552000 Printing & Distribution	6,564	794	1,103	0	825	825	825
554000 Communications Services	372	385	387	0	397	397	397
559000 Other Fund Services	817,785	910,850	1,492,080	1,570,982	821,885	821,885	821,885
<b>Total Internal Materials and Services</b>	<b>824,721</b>	<b>912,264</b>	<b>1,493,570</b>	<b>1,570,982</b>	<b>823,107</b>	<b>823,107</b>	<b>823,107</b>
<b>Total Materials and Services</b>	<b>2,374,889</b>	<b>1,841,046</b>	<b>2,377,250</b>	<b>2,375,982</b>	<b>1,833,715</b>	<b>1,833,715</b>	<b>1,833,715</b>
576000 Minor Equipment Transfers	0	1,975	0	0	0	0	0
<b>TOTAL Bureau Expenses</b>	<b>\$ 2,374,889</b>	<b>\$ 1,843,021</b>	<b>\$ 2,377,250</b>	<b>\$ 2,375,982</b>	<b>\$ 1,833,715</b>	<b>\$ 1,833,715</b>	<b>\$ 1,833,715</b>

## FUND OVERVIEW

The Portland Parks Memorial Trust Funds, consisting of 13 separate subfunds, 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. In addition, the Trust Funds receive property income from leases and permits for the non-park use of park property. Within most of the subfunds (the Youth Trust Fund, which is funded by a golf surcharge, is the main exception), trust fund dollars are used for one-time expenditures such as small capital improvements.

Trust fund expenditures are governed by the purpose for which the money was donated or set aside. Usually, these purposes are narrowly focused on a particular site or type of activity. The broadest category is the property income. By bureau policy, after paying for the property management function and taking care of the income-generating properties themselves, property income is used for one-time expenses that fit one of the following four purposes:

1. The Sponsorship Grant Program, which provides matching grants (formally limited to \$25,000 each, though typically the grants are \$5,000-\$10,000 each) to community groups raising money to make improvements to the parks system;
2. Internal loans for up-front investments that can generate a relatively short payback (three to five years) with cost savings or additional revenue;
3. To "close the gap" for selected capital projects;
4. To pay for planning expenses needed in order to guide capital funding requests.

### FY 2004-05 Budget

The FY 2004-05 Portland Parks Trust Fund's budget includes \$100,000 for the Sponsorship Grant Program, and \$25,000 for equipment replacement for the former Killingsworth Landfill site.

The Youth Trust Fund, which focuses on making recreation opportunities accessible to at-risk youth, is budgeted for \$166,277 in 2004-05, a sharp drop from the previous year. This results from the financial duress in the golf program, which supplies the money for the Youth Trust Fund. For 2004-05, the Youth Trust Fund will continue its transportation program and continue funding two recreation leader positions that serve at-risk youth, but it will discontinue its small grants, both to internal Portland Parks & Recreation programs and to external organizations serving at-risk youth.

### Activities

The Oaks Pioneer Church Trust includes \$17,887 for landscape maintenance. The Forest Park Trust is budgeted to use \$20,000 for matching funds to leverage funds from outside organizations for acquisitions to the park. The Willamette Park Trust has \$42,300 budgeted for parking management services. The PIR-North Portland Trust Fund has \$33,450 budgeted for grants to improve North Portland neighborhoods, with the funding coming from ticket surcharges at noise-varianced events at Portland International Raceway.

Activities in the other trust funds are at approximately the same level as in FY 2003-04 and include:

\$1,000 - SP 4449 Trust

\$208,041 - Columbia South Shore Trails Trust

\$1,000 - Rose Garden Trust

\$697,724 - Recreation Program Trust, a collection of over 60 accounts specific to particular recreation sites, in which the site managers accumulate revenue generated by candy sales or vending machines, forfeited rental deposits, donations toward events at that site, and similar incidental income.

\$25,000 - Parks Operations Trust

\$3,000 - Portland International Raceway Timing Tower Trust

\$100 - Delta Park Trust

**Managing Agency**      Portland Parks and Recreation

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Parking Fees	1,237,146	1,238,048	1,400,000	1,114,142	1,200,000	1,200,000	1,200,000
Rents and Reimbursements	5,258,208	3,938,106	4,605,000	4,350,000	4,371,000	4,371,000	4,371,000
	6,495,354	5,176,154	6,005,000	5,464,142	5,571,000	5,571,000	5,571,000
<b>Local Sources</b>							
Local Cost Sharing	2,140,261	2,193,585	2,155,413	2,155,413	2,117,729	2,117,729	2,117,729
	2,140,261	2,193,585	2,155,413	2,155,413	2,117,729	2,117,729	2,117,729
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	2,150,614	0	0	0	0	0	0
Interest Earned	757,746	271,326	230,358	200,000	170,108	170,108	170,108
Other Miscellaneous	77,805	71,344	68,152	68,152	64,794	64,794	64,794
Refunds	2,634	0	0	0	0	0	0
Sale of Capital Assets	22,624	0	0	0	0	0	0
	3,011,423	342,670	298,510	268,152	234,902	234,902	234,902
<b>Total External Revenues</b>	<b>11,647,038</b>	<b>7,712,409</b>	<b>8,458,923</b>	<b>7,887,707</b>	<b>7,923,631</b>	<b>7,923,631</b>	<b>7,923,631</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	16,643,550	8,164,878	7,566,280	7,652,138	6,508,187	6,508,187	6,508,187
<b>TOTAL RESOURCES</b>	<b>\$ 28,290,588</b>	<b>\$ 15,877,287</b>	<b>\$ 16,025,203</b>	<b>\$ 15,539,845</b>	<b>\$ 14,431,818</b>	<b>\$ 14,431,818</b>	<b>\$ 14,431,818</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>	1,503,374	936,165	2,342,422	1,200,000	912,500	912,500	912,500
<b>Internal Materials and Services</b>							
Communications Services	172	0	0	2,500	0	0	0
Facilities Services	0	0	223,548	223,548	243,537	243,537	239,578
Insurance	0	0	0	0	34,811	34,811	34,811
Printing & Distribution	102	984	1,433	1,431	1,059	1,059	1,059
Office of Management & Finance	312,545	318,813	102,294	92,521	114,668	114,668	114,668
	312,819	319,797	327,275	320,000	394,075	394,075	390,116
<b>Capital Outlay</b>	2,056,239	134,794	850,000	500,000	500,000	500,000	500,000
<b>Total Bureau Expenses</b>	<b>3,872,432</b>	<b>1,390,756</b>	<b>3,519,697</b>	<b>2,020,000</b>	<b>1,806,575</b>	<b>1,806,575</b>	<b>1,802,616</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	5,495,732	0	5,514,854	5,515,956	5,519,915
	0	0	5,495,732	0	5,514,854	5,515,956	5,519,915
<b>General Fund Overhead</b>	390,993	0	28,281	28,281	103,232	102,130	102,130
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	4,719	4,719	4,719
Improvement Bond Int & Sinking	266,178	265,157	266,182	266,182	0	0	0
Pension Debt Redemption Fund	9,830	0	0	1,884	8,327	8,327	8,327
Transportation Operating	0	0	0	0	130,000	130,000	130,000
	276,008	265,157	266,182	268,066	143,046	143,046	143,046



	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Debt Retirement</b>	15,586,277	6,569,236	6,715,311	6,715,311	6,864,111	6,864,111	6,864,111
<b>Ending Balance</b>							
Unappropriated Ending Balance	8,164,878	7,652,138	0	6,508,187	0	0	0
	8,164,878	7,652,138	0	6,508,187	0	0	0
<b>Total Fund Requirements</b>	24,418,156	14,486,531	12,505,506	13,519,845	12,625,243	12,625,243	12,629,202
<b>TOTAL REQUIREMENTS</b>	<b>\$ 28,290,588</b>	<b>\$ 15,877,287</b>	<b>\$ 16,025,203</b>	<b>\$ 15,539,845</b>	<b>\$ 14,431,818</b>	<b>\$ 14,431,818</b>	<b>\$ 14,431,818</b>
<b>LINE ITEM DETAIL - AU 203</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
521000 Professional Services	637,219	570,932	1,400,000	700,000	300,000	300,000	300,000
522000 Utilities	25,348	25,840	27,800	50,000	31,500	31,500	31,500
524000 Repair & Maintenance Services	147,425	31,256	141,500	50,000	162,500	162,500	162,500
525000 Non-Capital Improvement	128,182	0	0	0	0	0	0
529000 Miscellaneous Services	459,606	279,197	461,872	95,500	313,000	313,000	313,000
531000 Office Supplies	432	0	250	500	1,000	1,000	1,000
532000 Operating Supplies	4,974	5,943	7,500	500	1,000	1,000	1,000
534000 Minor Equipment & Tools	4,770	6,765	0	0	0	0	0
535000 Clothing & Uniforms	264	1,624	2,500	3,000	2,000	2,000	2,000
539000 Other Commodities External	730	71	1,000	500	500	500	500
546000 Refunds	49,775	0	0	0	0	0	0
549000 Miscellaneous	44,649	14,537	300,000	300,000	101,000	101,000	101,000
<b>Total External Materials and Services</b>	<b>1,503,374</b>	<b>936,165</b>	<b>2,342,422</b>	<b>1,200,000</b>	<b>912,500</b>	<b>912,500</b>	<b>912,500</b>
<b>Internal Materials and Services</b>							
552000 Printing & Distribution	102	984	1,433	1,431	1,059	1,059	1,059
553000 Facilities Services	0	0	223,548	223,548	243,537	243,537	239,578
554000 Communications Services	172	0	0	2,500	0	0	0
556000 Insurance	0	0	0	0	34,811	34,811	34,811
559000 Other Fund Services	312,545	318,813	102,294	92,521	114,668	114,668	114,668
<b>Total Internal Materials and Services</b>	<b>312,819</b>	<b>319,797</b>	<b>327,275</b>	<b>320,000</b>	<b>394,075</b>	<b>394,075</b>	<b>390,116</b>
<b>Total Materials and Services</b>	<b>1,816,193</b>	<b>1,255,962</b>	<b>2,669,697</b>	<b>1,520,000</b>	<b>1,306,575</b>	<b>1,306,575</b>	<b>1,302,616</b>
<b>Capital Outlay</b>							
562000 Buildings	1,962,556	132,899	850,000	500,000	500,000	500,000	500,000
564000 Capital Equipment	93,683	1,895	0	0	0	0	0
<b>Total Capital Outlay</b>	<b>2,056,239</b>	<b>134,794</b>	<b>850,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 3,872,432</b>	<b>\$ 1,390,756</b>	<b>\$ 3,519,697</b>	<b>\$ 2,020,000</b>	<b>\$ 1,806,575</b>	<b>\$ 1,806,575</b>	<b>\$ 1,802,616</b>

## 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 Rose Quarter facilities and PGE Park.

**Major Programs**

The fund is composed of four major program categories:

1. Memorial Coliseum
2. PGE Park
3. Rose Quarter Parking Operations
4. Other Rose Quarter Project Activities

**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**

The Spectator Facilities Operating Fund includes two specific reserve accounts:

- ◆ Revenue Stabilization Account which is available for catastrophic events (such as an NBA strike or facility shutdown).
- ◆ General Account which is used when operating expenses exceed operating revenues.

**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**

The City owns Civic Stadium (renamed PGE Park), a 19,000 fixed seating, outdoor sports facility located at SW 18th Avenue and SW Morrison Street. The stadium, built in 1926, was in need of substantial repairs in order to correct seismic and other structural deficiencies and to address basic facility needs. In the process of planning for its aging facilities, the City established a goal of substantially renovating and upgrading Civic Stadium to serve as a general purpose, outdoor venue suitable for multiple uses, including professional baseball, collegiate and high school football, professional and amateur soccer, concerts, and other spectator uses. The City formed a public-private partnership and issued \$35 million in bonds to pay for most of the construction work. The private partner paid the remaining portion of the renovation costs and purchased a minor league baseball and soccer team.

**Managing Agency**

Office of Management and Finance, General Services

**CHANGES FROM PRIOR YEAR**

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

**Civic Stadium Redevelopment Project - PGE Park**

The Civic Stadium (now PGE Park) redevelopment project was a public/private effort to renovate Civic Stadium and create a marketable, self-sustaining facility compatible with its surrounding neighborhood. PGE Park opened April 30, 2001. 2004 will be the fourth year of operation for the renovated facility. PGE Park is the home of the Triple-A Portland Beavers and the Portland Timbers professional soccer team. PGE Park is also used for PSU football, high school football, summer concerts and other community activities.

**Memorial Coliseum Reuse Study**

In March 2002, the City of Portland retained the Memorial Coliseum Reuse Team to begin a study to evaluate the potential for adaptive reuse of the Memorial Coliseum. The purpose of the Memorial Coliseum Adaptive Reuse Study was to investigate the feasibility of converting the Coliseum to an alternative public use. The study's first phase, completed in July 2002, evaluated three possible public uses from a list of more than 50 uses suggested through public processes for the Coliseum: Updated Memorial Coliseum, Memorial Athletic and Recreation Center (MARC) and a Covered Amphitheater.

Phase 2 was completed in the summer of 2003. This phase explored in-depth the feasibility of the three public reuse options. Since the completion of the study, the Mayor has begun to reevaluate other reuse options along with the original three. The budget for the Coliseum assumes that it will remain a spectator arena over the course of the plan. Any changes made to the buildings, other than small-scale capital improvements each year, will have a huge impact on the Spectator Facilities Fund.

**Change in Requirements**      Professional services are projected to decrease significantly from previous years due to the completion of the Memorial Coliseum Reuse Study and lower professional costs at PGE Park. In addition, the Spectator Facilities Fund has budgeted a lower amount for miscellaneous services to account for some of the various program costs at PGE Park that have ended.

**Change in Resources**      In April, the Pacific Coast League assumed control of the Portland Beavers and Portland Timbers and entered into a new operating agreement with the City for use of PGE Park. The budget includes the modified financial terms that were part of this new operating agreement. Rose Garden user and parking fees were reduced for FY 2004-05 to account for lower expected attendance at Portland Trailblazer games.

## Spectator Facilities Operating Fund – 160

## DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Limited Tax Revenue Bonds, 1996 Series A</b>						
07/15/1996 - Due 6/1	11,565,000					
		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	6,645,000		3,132,305	9,777,305
<b>Limited Tax Revenue Bonds, 1996 Series B</b>						
07/15/1996 - Due 6/1	2,920,000					
		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	2,070,000		820,718	2,890,718
<b>Arena Limited Tax Bonds, Series 1996</b>						
08/01/1996 - Due 6/1	10,295,000					
		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	7,635,000		4,254,923	11,889,923
<b>Arena Gas Tax Revenue Bonds, 1996 Series A</b>						
09/01/1996 - Due 6/1	12,818,102					
		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
		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

**Spectator Facilities Operating Fund – 160**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		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
		<b>TOTAL</b>	<b>11,563,102</b>		<b>17,690,068</b>	<b>29,253,170</b>
<b>Limited Tax Revenue Bonds, 2001 Series D</b>						
	35,000,000					
		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
		<b>TOTAL</b>	<b>32,660,000</b>		<b>26,210,020</b>	<b>58,870,020</b>
<b>COMBINED DEBT SERVICE</b>						
	72,598,102					
		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
		2021/22	2,790,000		350,700	3,140,700
		2022/23	2,220,000		155,400	2,375,400
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 60,573,102</b>		<b>\$ 52,108,033</b>	<b>\$ 112,681,135</b>



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	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Rents and Reimbursements	547,564	633,705	617,354	636,023	640,000	640,000	640,000
	547,564	633,705	617,354	636,023	640,000	640,000	640,000
<b>Miscellaneous Revenues</b>							
Interest Earned	29,931	15,668	7,500	11,284	23,000	23,000	23,000
	29,931	15,668	7,500	11,284	23,000	23,000	23,000
<b>Total External Revenues</b>	577,495	649,373	624,854	647,307	663,000	663,000	663,000
<b>Internal Revenues</b>							
Beginning Fund Balance	616,682	588,789	734,950	877,105	1,334,268	1,334,268	1,334,268
<b>TOTAL RESOURCES</b>	<b>\$ 1,194,177</b>	<b>\$ 1,238,162</b>	<b>\$ 1,359,804</b>	<b>\$ 1,524,412</b>	<b>\$ 1,997,268</b>	<b>\$ 1,997,268</b>	<b>\$ 1,997,268</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
Personal Services	9,158	15,136	0	2,000	0	0	0
External Materials and Services	889	4,169	40,000	9,200	40,000	40,000	40,000
<b>Internal Materials and Services</b>							
Facilities Services	133,663	326,174	176,664	173,339	186,777	186,777	186,777
Information Technology	1,352	1,315	0	0	0	0	0
Environmental Services	0	0	0	0	8,799	8,799	8,799
Environmental Services	0	0	0	0	3,357	3,357	3,357
Environmental Svcs - Int	5,045	10,709	10,803	1,014	0	0	0
Same Fund Services	3,339	0	0	0	0	0	0
	143,399	338,198	187,467	174,353	198,933	198,933	198,933
Capital Outlay	0	0	325,000	0	325,000	325,000	325,000
<b>Total Bureau Expenses</b>	153,446	357,503	552,467	185,553	563,933	563,933	563,933
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	803,157	0	528,676	528,698	528,698
	0	0	803,157	0	528,676	528,698	528,698
General Fund Overhead	0	3,003	3,661	4,072	3,650	3,628	3,628
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	356	356	356
Pension Debt Redemption Fund	0	0	519	519	653	653	653
Sewage Operating Fund	451,468	0	0	0	900,000	900,000	900,000
	451,468	0	519	519	901,009	901,009	901,009
Debt Retirement	474	551	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	588,789	877,105	0	1,334,268	0	0	0
	588,789	877,105	0	1,334,268	0	0	0
<b>Total Fund Requirements</b>	1,040,731	880,659	807,337	1,338,859	1,433,335	1,433,335	1,433,335
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,194,177</b>	<b>\$ 1,238,162</b>	<b>\$ 1,359,804</b>	<b>\$ 1,524,412</b>	<b>\$ 1,997,268</b>	<b>\$ 1,997,268</b>	<b>\$ 1,997,268</b>

**LINE ITEM DETAIL – AU 150**

<b>Personnel Services</b>								
511000	Full-Time Employees	6,075	9,134	0	2,000	0	0	0
512000	Part-Time Employees	0	2,172	0	0	0	0	0
517000	Benefits	2,183	3,830	0	0	0	0	0
518000	Paid Absence	900	0	0	0	0	0	0
<b>Total Personnel Services</b>		<b>9,158</b>	<b>15,136</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Materials and Services</b>								
<b>External Materials and Services</b>								
521000	Professional Services	0	0	40,000	9,200	40,000	40,000	40,000
529000	Miscellaneous Services	0	1,200	0	0	0	0	0
549000	Miscellaneous	889	2,969	0	0	0	0	0
<b>Total External Materials and Services</b>		<b>889</b>	<b>4,169</b>	<b>40,000</b>	<b>9,200</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Internal Materials and Services</b>								
553000	Facilities Services	133,663	326,174	176,664	173,339	186,777	186,777	186,777
555000	Information Technology	1,352	1,315	0	0	0	0	0
558000	Same Fund Services	3,339	0	0	0	0	0	0
559000	Other Fund Services	5,045	10,709	10,803	1,014	12,156	12,156	12,156
<b>Total Internal Materials and Services</b>		<b>143,399</b>	<b>338,198</b>	<b>187,467</b>	<b>174,353</b>	<b>198,933</b>	<b>198,933</b>	<b>198,933</b>
<b>Total Materials and Services</b>		<b>144,288</b>	<b>342,367</b>	<b>227,467</b>	<b>183,553</b>	<b>238,933</b>	<b>238,933</b>	<b>238,933</b>
<b>Capital Outlay</b>								
567000	Infrastructure	0	0	325,000	0	325,000	325,000	325,000
<b>Total Capital Outlay</b>		<b>0</b>	<b>0</b>	<b>325,000</b>	<b>0</b>	<b>325,000</b>	<b>325,000</b>	<b>325,000</b>
<b>TOTAL Bureau Expenses</b>		<b>\$ 153,446</b>	<b>\$ 357,503</b>	<b>\$ 552,467</b>	<b>\$ 185,553</b>	<b>\$ 563,933</b>	<b>\$ 563,933</b>	<b>\$ 563,933</b>

**FUND OVERVIEW**

The Environmental Remediation Fund (ERF) was established by City Council action in FY 1993-94 to provide funding to remediate 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 1940's. 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 2004-05 Adopted Budget funds property maintenance and management and environmental monitoring of the site as required by the 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 and 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 2004-05 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 2003-04, but is being carried over to FY 2004-05.

**Portland Harbor Remediation**

FY 2002-03 included a \$463,500 cash transfer to the Sewage System Operating Fund to assist in the remediation of Portland Harbor, a designated Superfund site. In FY 2003-04, the budget did not include funding from the Environmental Remediation Fund, pending the results of an analysis of the most appropriate use of ERF funds. The FY 2004-05 Adopted Budget transfers \$900,000 to the Operating Fund to partially fund Portland Harbor remediation efforts.

**Unencumbered  
Beginning Fund  
Balance**

The projected unencumbered beginning fund balance for FY 2004-05 totals \$1,334,268 and is available for capital costs and operating expenses.

**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 \$640,000 is based on lease income from the five 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.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	120,217	64,653	58,600	43,000	56,500	56,500	56,500
Sales Miscellaneous	3,387,326	3,549,881	3,685,080	3,686,764	3,730,735	3,730,735	3,730,735
	3,507,543	3,614,534	3,743,680	3,729,764	3,787,235	3,787,235	3,787,235
<b>Total External Revenues</b>	<b>3,507,543</b>	<b>3,614,534</b>	<b>3,743,680</b>	<b>3,729,764</b>	<b>3,787,235</b>	<b>3,787,235</b>	<b>3,787,235</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Hydropower Renewal & Replacement	149,103	0	0	0	0	0	0
	149,103	0	0	0	0	0	0
<b>Total Internal Revenues</b>	<b>149,103</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>4,361,389</b>	<b>4,323,409</b>	<b>4,244,905</b>	<b>4,240,561</b>	<b>4,288,506</b>	<b>4,288,506</b>	<b>4,288,506</b>
<b>TOTAL RESOURCES</b>	<b>\$ 8,018,035</b>	<b>\$ 7,937,943</b>	<b>\$ 7,988,585</b>	<b>\$ 7,970,325</b>	<b>\$ 8,075,741</b>	<b>\$ 8,075,741</b>	<b>\$ 8,075,741</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>Debt Retirement</b>	3,694,626	3,697,382	3,681,819	3,681,819	3,667,930	3,667,930	3,667,930
<b>Ending Balance</b>							
Unappropriated Ending Balance	4,323,409	4,240,561	1,420,766	1,402,506	1,521,811	1,521,811	1,521,811
Unexpendable Reserve	0	0	2,886,000	2,886,000	2,886,000	2,886,000	2,886,000
	4,323,409	4,240,561	4,306,766	4,288,506	4,407,811	4,407,811	4,407,811
<b>Total Fund Requirements</b>	<b>8,018,035</b>	<b>7,937,943</b>	<b>7,988,585</b>	<b>7,970,325</b>	<b>8,075,741</b>	<b>8,075,741</b>	<b>8,075,741</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 8,018,035</b>	<b>\$ 7,937,943</b>	<b>\$ 7,988,585</b>	<b>\$ 7,970,325</b>	<b>\$ 8,075,741</b>	<b>\$ 8,075,741</b>	<b>\$ 8,075,741</b>

## 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.

<b>Debt Service Reserve</b>	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.
<b>Power Sales Revenue</b>	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.
<b>Cash Transfers</b>	This fund usually receives an annual cash transfer from the Hydropower Renewal and Replacement Fund. That transfer serves to offset a portion of the annual power sale payments that are due from PGE. In FY 2003-04, the interest rates available for re-investment of Fund balances have been very low. Therefore, the FY 2004-05 budget forecasts no excess value in the Hydro Renewal and Replacement Fund to be transferred to the Hydropower Bond Redemption Fund.
<b>Managing Agency</b>	Bureau of Water Works

**Hydropower Bond Redemption Fund – 354**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Hydropower Revenue Bonds, Series 1979</b>						
06/01/1979 - Due 10/1	38,000,000					
		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
		<b>TOTAL</b>	<b>23,525,000</b>		<b>11,873,400</b>	<b>35,398,400</b>
<b>Hydropower Revenue Bonds, Series 1993</b>						
08/01/1993 - Due 10/1	7,980,000					
		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
		<b>TOTAL</b>	<b>2,360,000</b>		<b>233,743</b>	<b>2,593,743</b>
<b>COMBINED DEBT SERVICE</b>						
	45,980,000					
		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
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 25,885,000</b>		<b>\$ 12,107,143</b>	<b>\$ 37,992,143</b>

Adjustment	Principal	FY 2001-02 Adjustment	Interest	Total P+I Budgeted
2003-04 Interest Accrual Adjustment	1,970,000	(32,745)	1,730,675	3,667,930

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	13,068	7,515	6,000	4,500	4,000	4,000	4,000
Other Miscellaneous	416	0	1,000	500	1,000	1,000	1,000
Sales Miscellaneous	500,952	666,543	582,950	583,202	644,282	644,282	644,282
	514,436	674,058	589,950	588,202	649,282	649,282	649,282
<b>Total External Revenues</b>	<b>514,436</b>	<b>674,058</b>	<b>589,950</b>	<b>588,202</b>	<b>649,282</b>	<b>649,282</b>	<b>649,282</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Hydropower Renewal & Replacement	32,230	224,569	272,000	136,900	50,000	50,000	50,000
Vehicle Services Fund	0	961	0	0	0	0	0
	32,230	225,530	272,000	136,900	50,000	50,000	50,000
<b>Interfund Service Reimbursements</b>							
Water Bureau	29,994	29,677	31,000	31,000	40,500	40,500	40,500
	29,994	29,677	31,000	31,000	40,500	40,500	40,500
<b>Total Internal Revenues</b>	<b>62,224</b>	<b>255,207</b>	<b>303,000</b>	<b>167,900</b>	<b>90,500</b>	<b>90,500</b>	<b>90,500</b>
<b>Beginning Fund Balance</b>	<b>317,150</b>	<b>292,588</b>	<b>320,250</b>	<b>360,753</b>	<b>303,091</b>	<b>303,091</b>	<b>303,091</b>
<b>TOTAL RESOURCES</b>	<b>\$ 893,810</b>	<b>\$ 1,221,853</b>	<b>\$ 1,213,200</b>	<b>\$ 1,116,855</b>	<b>\$ 1,042,873</b>	<b>\$ 1,042,873</b>	<b>\$ 1,042,873</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	198,941	203,867	256,958	201,667	253,131	253,131	253,131
<b>External Materials and Services</b>	53,822	242,664	326,126	181,300	119,200	119,200	119,200
<b>Internal Materials and Services</b>							
Communications Services	5,737	5,704	6,263	5,300	5,461	5,461	5,461
Information Technology	2,772	2,695	2,520	2,520	2,696	2,696	2,696
Insurance	32,373	60,429	61,672	61,672	57,061	57,061	57,061
Printing & Distribution	2,233	2,729	3,421	2,900	2,865	2,865	2,865
Vehicle Services	3,211	3,057	4,085	3,500	3,101	3,101	3,101
Office of Management & Finance	30,087	14,590	25,783	25,783	26,671	26,671	26,671
Parking Facilities	1,680	1,800	1,860	1,860	1,860	1,860	1,860
Special Appropriations	0	26	389	389	0	0	0
Water Bureau	64,175	60,172	80,190	70,000	72,776	72,776	72,776
	142,268	151,202	186,183	173,924	172,491	172,491	172,491
<b>Total Bureau Expenses</b>	<b>395,031</b>	<b>597,733</b>	<b>769,267</b>	<b>556,891</b>	<b>544,822</b>	<b>544,822</b>	<b>544,822</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	172,421	0	124,425	125,002	125,002
Compensation Adjustment	0	0	5,250	0	6,100	6,100	6,100
	0	0	177,671	0	130,525	131,102	131,102
<b>General Fund Overhead</b>	<b>47,819</b>	<b>52,836</b>	<b>57,400</b>	<b>54,425</b>	<b>53,933</b>	<b>53,356</b>	<b>53,356</b>
<b>Fund Cash Transfers</b>							
General Fund	150,000	200,000	200,000	200,000	302,446	302,446	302,446

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
Pension Debt Redemption Fund	0	0	8,862	2,448	11,147	11,147	11,147
	150,000	200,000	208,862	202,448	313,593	313,593	313,593
<b>Debt Retirement</b>	8,372	10,531	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	292,588	360,753	0	303,091	0	0	0
	292,588	360,753	0	303,091	0	0	0
<b>Total Fund Requirements</b>	498,779	624,120	443,933	559,964	498,051	498,051	498,051
<b>TOTAL REQUIREMENTS</b>	<b>\$ 893,810</b>	<b>\$ 1,221,853</b>	<b>\$ 1,213,200</b>	<b>\$ 1,116,855</b>	<b>\$ 1,042,873</b>	<b>\$ 1,042,873</b>	<b>\$ 1,042,873</b>

## 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** 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:

### Administration and Project Monitoring Payment

PGE pays the City an annually adjusted 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 2004-05, this amount is projected to be \$553,240.

### Profit Payment for Power Produced

PGE pays the City a second amount that 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 2004-05, this net amount of remaining profit is projected to be \$91,040.

## Cash Transfers

### Hydropower Renewal and Replacement Fund

The FY 2004-05 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 made from this fund.



**General Fund**

The FY 2004-05 budget proposes to transfer \$300,000 from the Hydropower Operating Fund to the General Fund for other City needs.

**Managing Agency**

Bureau of Water Works

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	214,247	126,782	106,500	92,600	111,800	111,800	111,800
Sales Miscellaneous	0	303,183	216,400	256,860	77,400	77,400	77,400
	214,247	429,965	322,900	349,460	189,200	189,200	189,200
<b>Total External Revenues</b>	214,247	429,965	322,900	349,460	189,200	189,200	189,200
<b>Internal Revenues</b>							
<b>Beginning Fund Balance</b>	8,043,488	8,076,402	8,248,185	8,281,798	8,494,358	8,494,358	8,494,358
<b>TOTAL RESOURCES</b>	<b>\$ 8,257,735</b>	<b>\$ 8,506,367</b>	<b>\$ 8,571,085</b>	<b>\$ 8,631,258</b>	<b>\$ 8,683,558</b>	<b>\$ 8,683,558</b>	<b>\$ 8,683,558</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	0	0	8,633,558	8,633,558	8,633,558
	0	0	0	0	8,633,558	8,633,558	8,633,558
<b>Fund Cash Transfers</b>							
Hydro Bond	149,103	0	0	0	0	0	0
Hydropower Operating Fund	32,230	224,569	272,000	136,900	50,000	50,000	50,000
	181,333	224,569	272,000	136,900	50,000	50,000	50,000
<b>Ending Balance</b>							
Unappropriated Ending Balance	8,076,402	8,281,798	8,299,085	8,494,358	0	0	0
	8,076,402	8,281,798	8,299,085	8,494,358	0	0	0
<b>Total Fund Requirements</b>	8,257,735	8,506,367	8,571,085	8,631,258	8,683,558	8,683,558	8,683,558
<b>TOTAL REQUIREMENTS</b>	<b>\$ 8,257,735</b>	<b>\$ 8,506,367</b>	<b>\$ 8,571,085</b>	<b>\$ 8,631,258</b>	<b>\$ 8,683,558</b>	<b>\$ 8,683,558</b>	<b>\$ 8,683,558</b>

## 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 that 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 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 are currently a small amount less than the adjusted reserve requirement called for in PHP's Power Sales Agreement with PGE. Therefore some additional power sale payments are expected to be required from PGE during FY 2004-05.

**Cash Transfers**

**Hydropower Operating Fund**

The FY 2004-05 budget for this fund includes a cash transfer of up to \$50,000 to the Hydropower Operating Fund that 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 a bit lower than the rate of projected annual increase in this fund's maximum cap value. In FY 2004-05, this will result in no excess fund value being available to be transferred from this fund to the Hydropower Bond Redemption Fund. This annual cash transfer 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**

In FY 2003-04 Hydropower had three budget adjustments approved for a total increase of \$222,000. Those adjustments authorized the funding for specific repairs and replacements of equipment at the Portland Hydroelectric Project. The FY 2004-05 budget has not identified any more major repair projects that will require additional funding authorization at this time.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
Miscellaneous Revenues							
Bond and Note Sales	0	41,586,784	0	0	0	0	0
Interest Earned	16,399	12,067	520	4,181	328	328	328
	16,399	41,598,851	520	4,181	328	328	328
<b>Total External Revenues</b>	<b>16,399</b>	<b>41,598,851</b>	<b>520</b>	<b>4,181</b>	<b>328</b>	<b>328</b>	<b>328</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Sewage System Operating Fund	61,406,210	61,441,948	70,752,029	66,792,766	72,607,649	72,607,649	72,607,649
	61,406,210	61,441,948	70,752,029	66,792,766	72,607,649	72,607,649	72,607,649
<b>Total Internal Revenues</b>	<b>61,406,210</b>	<b>61,441,948</b>	<b>70,752,029</b>	<b>66,792,766</b>	<b>72,607,649</b>	<b>72,607,649</b>	<b>72,607,649</b>
<b>Beginning Fund Balance</b>	<b>2,836,593</b>	<b>2,825,416</b>	<b>2,837,425</b>	<b>2,840,172</b>	<b>2,836,550</b>	<b>2,836,550</b>	<b>2,836,550</b>
<b>TOTAL RESOURCES</b>	<b>\$ 64,259,202</b>	<b>\$ 105,866,215</b>	<b>\$ 73,589,974</b>	<b>\$ 69,637,119</b>	<b>\$ 75,444,527</b>	<b>\$ 75,444,527</b>	<b>\$ 75,444,527</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	61,433,786	103,026,043	70,752,549	66,800,569	72,607,977	72,607,977	72,607,977
<b>Ending Balance</b>							
Unappropriated Ending Balance	2,825,416	2,840,172	2,837,425	2,836,550	2,836,550	2,836,550	2,836,550
	2,825,416	2,840,172	2,837,425	2,836,550	2,836,550	2,836,550	2,836,550
<b>Total Fund Requirements</b>	<b>64,259,202</b>	<b>105,866,215</b>	<b>73,589,974</b>	<b>69,637,119</b>	<b>75,444,527</b>	<b>75,444,527</b>	<b>75,444,527</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 64,259,202</b>	<b>\$ 105,866,215</b>	<b>\$ 73,589,974</b>	<b>\$ 69,637,119</b>	<b>\$ 75,444,527</b>	<b>\$ 75,444,527</b>	<b>\$ 75,444,527</b>

## 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 \$72.6 million in FY 2004-05.

**Debt Balance** The total amount of sewer system debt outstanding at the beginning of FY 2004-05 is estimated to be \$637.0 million for senior lien (bonded) debt, and \$251.4 million for junior lien debt.

**Expenditures**

Debt service expenditures will increase to \$72.6 million in the FY 2004-05 Adopted Budget compared to \$70.8 million in the FY 2003-04 Revised Budget, as a result of increases in payments for the Series 2003 revenue bonds.

The debt retirement amount of \$72,607,977 differs from the debt schedules on the following pages as a result of inadvertently including debt service costs of \$501,124 for Sewer System Revenue Refunding Bonds, 1992 Series B, which were retired in October of 2003. The debt retirement budget will be reconciled with the debt schedule at the first budget adjustment process in the fall of 2004.

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 (although no restricted balances are included in this budget). Beginning and ending fund balances are higher than cash balances due to changes made 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
<b>Sewer System Revenue Bonds, 1996 Series A</b>						
11/01/1996 - Due 6/1	110,000,000					
		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	100,720,000		60,297,469	161,017,469
<b>Sewer System Revenue Refunding Bonds, 1997 Series A</b>						
08/15/1997 - Due 6/1	262,500,000					
		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
		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	251,660,000		88,610,600	340,270,600
<b>Sewer System Revenue Bonds, 1998 Series A</b>						
09/15/1998 - Due 6/1	160,000,000					
		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	138,100,000		63,767,213	201,867,213
<b>Sewer System Revenue Bonds, 2000 Series A</b>						
09/01/2000 - Due 8/1	160,000,000					
		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

**Sewage Disposal Debt Redemption Fund – 351**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		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
		<b>TOTAL</b>	<b>146,000,000</b>		<b>130,046,653</b>	<b>276,046,653</b>
<b>Wastewater Financing - Economic Development Loan</b>						
10/08/1997 - Due 12/1	700,000					
		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
		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
		<b>TOTAL</b>	<b>554,504</b>		<b>228,953</b>	<b>783,457</b>
<b>Second Lien Sewer System Revenue Refunding Bonds, 2003 Series A</b>						
04/03/2003 - Due 6/1	88,370,000					
		2004/05	6,590,000	multiple	4,123,988	10,713,988
		2005/06	7,435,000	5.000%	3,871,138	11,306,138
		2006/07	7,815,000	5.000%	3,499,388	11,314,388
		2007/08	8,200,000	4.000%	3,108,638	11,308,638
		2008/09	8,530,000	5.000%	2,780,638	11,310,638
		2009/10	8,955,000	5.000%	2,354,138	11,309,138
		2010/11	2,110,000	5.250%	1,906,388	4,016,388
		2011/12	2,225,000	3.700%	1,795,613	4,020,613
		2012/13	2,305,000	5.250%	1,713,288	4,018,288
		2013/14	2,425,000	5.250%	1,592,275	4,017,275
		2014/15	2,555,000	5.250%	1,464,963	4,019,963
		2015/16	2,690,000	5.250%	1,330,825	4,020,825
		2016/17	2,830,000	5.250%	1,189,600	4,019,600
		2017/18	2,975,000	5.250%	1,041,025	4,016,025
		2018/19	3,135,000	5.250%	884,838	4,019,838
		2019/20	3,300,000	5.250%	720,250	4,020,250
		2020/21	3,470,000	5.000%	547,000	4,017,000
		2021/22	3,645,000	5.000%	373,500	4,018,500
		2022/23	3,825,000	5.000%	191,250	4,016,250
		<b>TOTAL</b>	<b>85,015,000</b>		<b>34,488,738</b>	<b>119,503,738</b>
<b>Second Lien Sewer System Revenue Bonds, 2003 Series B-1 &amp; B-2 (projected)</b>						
06/19/2003 - Due 6/1	150,000,000					
		2004/05		variable	7,620,980	7,620,980
		2005/06		variable	7,291,800	7,291,800
		2006/07		variable	7,656,390	7,656,390

**Sewage Disposal Debt Redemption Fund – 351**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2007/08		variable	7,656,390	7,656,390
		2008/09		variable	7,291,800	7,291,800
		2009/10		variable	8,020,980	8,020,980
		2010/11		variable	7,291,800	7,291,800
		2011/12		variable	8,020,980	8,020,980
		2012/13		variable	7,291,800	7,291,800
		2013/14		variable	7,656,390	7,656,390
		2014/15		variable	7,656,390	7,656,390
		2015/16		variable	7,656,390	7,656,390
		2016/17		variable	7,656,390	7,656,390
		2017/18		variable	7,291,800	7,291,800
		2018/19	7,600,000	variable	7,997,230	15,597,230
		2019/20	7,800,000	variable	6,915,307	14,715,307
		2020/21	8,200,000	variable	6,860,084	15,060,084
		2021/22	61,600,000	variable	6,353,391	67,953,391
		2022/23	64,800,000	variable	3,181,557	67,981,557
		<b>TOTAL</b>	<b>150,000,000</b>		<b>137,367,849</b>	<b>287,367,849</b>
<b>COMBINED DEBT SERVICE</b>	<b>1,204,130,000</b>					
		2004/05	27,224,906		44,881,947	72,106,853
		2005/06	29,040,124		43,233,592	72,273,716
		2006/07	30,605,355		42,036,058	72,641,413
		2007/08	32,915,598		40,401,952	73,317,550
		2008/09	34,505,858		38,457,302	72,963,160
		2009/10	36,236,136		37,451,454	73,687,590
		2010/11	38,526,442		34,900,137	73,426,579
		2011/12	40,471,764		33,685,270	74,157,034
		2012/13	42,482,103		30,947,227	73,429,330
		2013/14	44,617,457		29,166,998	73,784,455
		2014/15	46,832,831		26,961,976	73,794,807
		2015/16	49,148,223		24,647,234	73,795,457
		2016/17	51,658,634		22,129,472	73,788,106
		2017/18	54,409,073		19,017,827	73,426,900
		2018/19	56,635,000		15,934,365	72,569,365
		2019/20	59,720,000		11,975,332	71,695,332
		2020/21	63,150,000		8,879,634	72,029,634
		2021/22	65,245,000		6,726,891	71,971,891
		2022/23	68,625,000		3,372,807	71,997,807
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 872,049,504</b>		<b>\$ 514,807,473</b>	<b>\$1,386,856,977</b>



	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Licenses and Permits</b>							
Construction Permits	101,120	112,136	107,500	113,368	110,604	110,604	110,604
Other Permits	290,712	391,199	309,000	479,316	519,580	519,580	519,580
	391,832	503,335	416,500	592,684	630,184	630,184	630,184
<b>Service Charges and Fees</b>							
Miscellaneous	228,313	127,191	29,000	80,789	29,837	29,837	29,837
Public Works/Utility Charge	156,962,153	157,542,933	171,904,219	174,634,463	184,873,685	184,873,685	184,873,685
Rents and Reimbursements	123,607	108,180	131,376	110,604	135,169	135,169	135,169
	157,314,073	157,778,304	172,064,595	174,825,856	185,038,691	185,038,691	185,038,691
<b>State Sources</b>							
State Cost Sharing	76,116	76,787	0	101,702	0	0	0
	76,116	76,787	0	101,702	0	0	0
<b>Local Sources</b>							
Local Cost Sharing	1,034,145	127,368	683,002	27,315	399,562	399,562	399,562
	1,034,145	127,368	683,002	27,315	399,562	399,562	399,562
<b>Miscellaneous Revenues</b>							
Interest Earned	552,102	621,954	1,921,487	994,499	905,649	905,649	905,649
Other Miscellaneous	24,741	45,755	62,000	64,890	53,501	53,501	53,501
Private Grants/Donations	318,933	100,328	409,620	152,280	667,426	667,426	667,426
Refunds	68,501	3,744,328	72,806	78,091	74,908	74,908	74,908
Sale of Capital Assets	76,900	37,049	0	115,700	0	0	0
Sales Miscellaneous	217,170	139,871	131,850	69,118	158,297	158,297	158,297
	1,258,347	4,689,285	2,597,763	1,474,578	1,859,781	1,859,781	1,859,781
<b>Total External Revenues</b>	<b>160,074,513</b>	<b>163,175,079</b>	<b>175,761,860</b>	<b>177,022,135</b>	<b>187,928,218</b>	<b>187,928,218</b>	<b>187,928,218</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Communication Services Fund	159,314	0	0	0	0	0	0
General Fund	222,000	50,000	0	0	344,851	344,851	362,056
Sewer System Construction Fund	82,866,056	116,904,336	152,892,039	136,537,452	143,999,201	143,999,201	143,999,201
Sewer System Rate Stabilization	5,275,000	0	362,215	362,215	0	0	0
Environmental Remediation Fund	451,468	0	0	0	900,000	900,000	900,000
	88,973,838	116,954,336	153,254,254	136,899,667	145,244,052	145,244,052	145,261,257
<b>Federal Grants Transfers</b>	<b>396,462</b>	<b>891,809</b>	<b>1,170,823</b>	<b>543,540</b>	<b>907,484</b>	<b>907,484</b>	<b>907,484</b>
<b>Interfund Service Reimbursements</b>							
Community Development	45,655	40,011	0	0	0	0	0
Development Services	0	0	0	0	20,000	20,000	20,000
Environmental Remediation	8,384	10,709	10,803	9,856	12,156	12,156	12,156
Environmental Services	0	0	0	0	0	0	0
Environmental Services	0	0	0	0	0	0	0
Facilities Services Fund	24,976	12,295	0	0	0	0	0
Fire Bureau	0	136	0	0	25,000	25,000	25,000
Golf Operating Fund	0	60,834	9,997	26,885	0	0	0
Information Technology Fund	0	0	0	0	14,326	14,326	14,326

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Parks Bureau	87,180	97,391	86,500	87,571	100,000	100,000	100,000
Parks Construction Fund	46,224	13,286	4,000	47,727	0	0	0
Portland International Raceway	55,000	75,000	64,463	64,462	0	0	5,975
Refuse Disposal Fund	38,330	9,063	12,701	5,051	10,433	10,433	10,433
Transportation	568,219	424,105	1,164,575	472,680	892,682	892,682	892,682
Water Bureau	120,452	160,570	96,000	158,365	238,500	238,500	238,500
	994,420	903,400	1,449,039	872,597	1,313,097	1,313,097	1,319,072
<b>Intra-Fund Service Reimbursement</b>	0	0	3,171,457	2,861,074	4,256,043	4,256,043	4,256,043
<b>Total Internal Revenues</b>	90,364,720	118,749,545	159,045,573	141,176,878	151,720,676	151,720,676	151,743,856
<b>Beginning Fund Balance</b>	41,405,699	50,852,966	38,447,844	40,468,073	31,767,013	31,767,013	31,767,013
<b>TOTAL RESOURCES</b>	<b>\$ 291,844,932</b>	<b>\$ 332,777,590</b>	<b>\$ 373,255,277</b>	<b>\$ 358,667,086</b>	<b>\$ 371,415,907</b>	<b>\$ 371,415,907</b>	<b>\$ 371,439,087</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	34,255,519	35,716,563	38,873,472	36,633,348	40,196,740	40,196,740	40,057,405
<b>External Materials and Services</b>	43,296,133	30,049,642	39,135,553	32,577,093	36,290,377	36,290,377	36,068,609
<b>Internal Materials and Services</b>							
Communications Services	1,658,358	753,439	1,403,834	1,364,957	1,678,110	1,678,110	1,678,110
Facilities Services	1,327,896	1,397,626	1,431,974	1,515,431	1,504,380	1,504,380	1,504,380
Information Technology	1,226,307	1,557,254	1,680,362	1,558,576	1,554,669	1,554,669	1,554,669
Insurance	727,489	751,365	862,312	869,112	961,467	961,467	978,672
Printing & Distribution	504,354	493,549	581,490	510,458	547,741	547,741	547,741
Vehicle Services	421,755	389,262	403,129	363,272	400,578	400,578	400,578
City Attorney	179,228	189,217	196,481	196,481	205,469	205,469	205,469
City Auditor	200	200	1,000	17	1,000	1,000	1,000
Bureau Of Development Services	38,821	43,407	43,377	43,377	73,536	73,536	73,536
Commissioner of Public Affairs	6,598	26,389	32,348	40,435	38,649	38,649	38,649
Fire Bureau	10,000	5,000	15,000	0	10,000	10,000	10,000
Government Relations	14,700	14,700	14,700	14,700	17,755	17,755	17,755
Information Technology	497,269	610,549	0	0	0	0	0
Neighborhood Involvement	432,293	464,272	468,882	445,958	388,878	388,878	388,878
Office of Management & Finance	673,293	917,936	1,385,120	1,304,039	1,314,835	1,314,835	823,264
Parking Facilities	57,728	61,777	16,080	18,375	16,080	16,080	16,080
Parks Bureau	809,815	697,693	554,758	554,373	780,381	780,381	780,381
Parks Construction	0	103,070	94,500	113,243	47,554	47,554	47,554
Planning	328,779	412,867	591,300	403,052	0	0	0
Police Bureau	0	2,129	0	0	0	0	0
Special Appropriations	0	4,485	63,415	8,373	0	0	0
Sustainable Development	27,500	36,000	22,500	22,500	247,500	247,500	247,500
Transportation	14,109,013	14,363,358	15,212,704	15,195,316	16,158,639	16,158,639	16,158,639
Utility Billing System	0	0	0	0	0	0	2,326,707
Water Bureau	6,704,562	8,959,421	8,691,501	9,800,778	9,037,658	9,037,658	7,930,587
Same Fund Services	0	0	3,171,457	2,861,074	4,256,043	4,256,043	4,256,043
	29,755,958	32,254,965	36,938,224	37,203,897	39,240,922	39,240,922	39,986,192
<b>Capital Outlay</b>	38,597,239	86,446,041	116,123,509	105,589,547	118,785,512	118,785,512	118,128,154
<b>Equipment Cash Transfers</b>							
Information Technology	0	0	472,500	472,500	0	0	0

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
Printing & Distribution	16,953	41,000	25,000	16,071	25,000	25,000	25,000
	16,953	41,000	497,500	488,571	25,000	25,000	25,000
<b>Minor Equipment Transfers</b>							
Communications Services	0	7,598	0	0	0	0	0
	0	7,598	0	0	0	0	0
<b>Total Bureau Expenses</b>	<b>145,921,802</b>	<b>184,515,809</b>	<b>231,568,258</b>	<b>212,492,456</b>	<b>234,538,551</b>	<b>234,538,551</b>	<b>234,265,360</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	22,294,466	0	19,184,018	19,184,426	19,480,797
Compensation Adjustment	0	0	795,653	0	610,357	610,357	610,357
	0	0	23,090,119	0	19,794,375	19,794,783	20,091,154
<b>General Fund Overhead</b>	<b>1,495,879</b>	<b>2,499,076</b>	<b>2,488,812</b>	<b>2,155,115</b>	<b>2,722,483</b>	<b>2,722,075</b>	<b>2,722,075</b>
<b>Fund Cash Transfers</b>							
General Fund	11,048,119	11,885,708	11,767,433	11,410,824	13,012,943	13,012,943	13,012,943
Information Technology	0	0	900,000	900,000	0	0	0
LID Construction Fund	26,685	35,024	41,095	41,095	45,612	45,612	45,612
Parks Construction	0	0	360,000	360,000	0	0	0
Pension Debt Redemption Fund	0	0	1,156,177	1,156,177	1,454,294	1,454,294	1,454,294
Sewage Disposal Debt	61,406,210	61,441,948	70,752,029	66,792,766	72,607,649	72,607,649	72,607,649
Sewer System Construction	20,000,000	25,000,000	25,000,000	25,000,000	20,300,000	20,300,000	20,300,000
Sewer System Rate Stabilization	0	5,175,000	6,000,000	6,700,000	6,850,000	6,850,000	6,850,000
	92,481,014	103,537,680	115,976,734	112,360,862	114,270,498	114,270,498	114,270,498
<b>Debt Retirement</b>	<b>1,093,271</b>	<b>1,756,952</b>	<b>131,354</b>	<b>(108,360)</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>
<b>Ending Balance</b>							
Unappropriated Ending Balance	50,852,966	40,468,073	0	31,767,013	0	0	0
	50,852,966	40,468,073	0	31,767,013	0	0	0
<b>Total Fund Requirements</b>	<b>145,923,130</b>	<b>148,261,781</b>	<b>141,687,019</b>	<b>146,174,630</b>	<b>136,877,356</b>	<b>136,877,356</b>	<b>137,173,727</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 291,844,932</b>	<b>\$ 332,777,590</b>	<b>\$ 373,255,277</b>	<b>\$ 358,667,086</b>	<b>\$ 371,415,907</b>	<b>\$ 371,415,907</b>	<b>\$ 371,439,087</b>

## 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 2004-05 Adopted Budget is projected to be \$31.8 million, including nearly \$30.1 million of funds withheld from the Sewer Construction Fund to provide cash flow while problems with the Water Bureau's CIS billing system are corrected.

### Rates, Charges, and Interest

*Sewer rate revenues of \$175.5 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 \$184.9 million for FY 2004-05. Sewer rate revenues, budgeted at approximately \$175.5 million, are based on the following assumptions: an average single family residential bill increase of 5.9%, an increase of 0.5% in the number of customer accounts, and a 1.5-2.0% decrease in forecast usage per customer. Connection charge receipts are projected to be \$5.8 million in FY 2004-05. Interest on investments is projected to be \$905,649 for the Adopted Budget.

### Interfund Cash Transfers and Service Reimbursements

Interfund (interbureau) cash transfers are forecast to total approximately \$145.3 million for FY 2004-05. Interfund service reimbursements are budgeted at more than \$1.3 million.

**Internal Revenues:** Major changes compared to the FY 2003-04 Revised Budget include:

- ◆ Transfers from the Sewer System Construction Fund are \$8.9 million lower than such transfers in the current year's revised budget. This reflects a decrease in the bureau's infrastructure expenditures for Westside Combined Sewer Overflow (CSO) Tunnel construction in FY 2004-05.
- ◆ Transfers from the Federal Grants Fund are forecast at \$907,484 versus \$1,170,823 revised appropriation for the current year. The current year's funds will provide resources from a \$1.25 million EPA grant for Innovative Wet Weather projects. FY 2004-05 reflects the continuation of these stormwater abatement activities.
- ◆ Transfers from the General Fund of \$362,056 contribute funding for the City's Endangered Species Act program. The program transferred to BES from the Bureau of Planning to facilitate coordination and enhance operational efficiencies between the ESA and BES' watershed programs. Other City bureaus - Water, Transportation, and Development Services - and the Portland Development Commission contribute another \$384,500 to support the program.

### Requirements

#### Personal Services

Personal Services are budgeted to increase 3.0% over the current year's Revised Budget. The modest increase is due to personnel step increases and the addition of eight FTEs reflecting the transfer of the ESA program. Excluding ESA changes, BES has a net reduction of two FTEs and an overall increase in Personal Services of 1.8%.

Five technical positions were added and five positions, composed primarily of overhead and operating personnel, were cut. Another two FTEs were transferred to the Office of Management and Finance, reflecting the central consolidation of the Customer Information System Billing Implementation project.

*External materials and services have decreased because of CIP shifts from planning and design to construction activities.*

### **Materials and Services**

External Materials and Services are budgeted at \$36.1 million for FY 2004-05, compared to the FY 2003-04 revised appropriation of \$39.1 million. Some of the changes include:

- ◆ Capital Improvement Program (CIP) expenditures are \$3.0 million lower due to the shift of spending from design to capital infrastructure for the West Side Tunnel and Pump Station project.
- ◆ The operating budget reflects increased requirements for outside services for Portland Harbor Superfund remediation efforts, Combined Sewer Overflow facility planning efforts, reimbursable expenses for environmental site assessments, geotechnical services for the CIP program, and the transfer of the Endangered Species Act program from the Bureau of Planning.

Internal Materials and Services' expenditures are budgeted to increase nearly 8.3%, or 5.9% without the internal reimbursements of four internal service providers: Watershed Revegetation Services, Water Pollution Control Laboratory Services, Water Pollution Control Field Monitoring Services, and System Analysis Modeling Services.

For FY 2004-05, cost increases for services from other bureaus are due to increased payments to: ComNet (Communications) for fiber optic installation services for the West Side CSO project; Parks for additional landscaping services; the Water Bureau for the current Customer Information System; the Office of Sustainable Development for the Green Investment Fund; and the Bureau of Maintenance for increased sanitary and stormwater maintenance activities.

### **Capital Outlay**

Capital Outlay is budgeted at \$118.1 million in FY 2004-05 versus about \$116.1 million of FY 2003-04 revised appropriations. This change reflects the bureau's continued infrastructure expenditures associated with the Westside CSO Tunnel and Pump Station project.

### **Cash Transfers**

Cash transfers to other funds are budgeted at \$114.3 million for FY 2004-05. Reasons for the change from FY 2003-04 revised appropriations of \$116.0 million include:

- ◆ Transfers to the Sewer System Construction Fund are budgeted at \$20.3 million in the FY 2004-05 Adopted Budget, a \$4.7 million decrease from the current year revised budget. This decrease is due to continued slow recovery of the water/sewer billing system to collect on past due accounts.
- ◆ Transfers to the Sewer System Debt Redemption Fund are budgeted in FY 2004-05 at \$72.6 million, a \$1.5 million increase due to the revenue bond sale in the Spring of 2003.
- ◆ Transfers to the General Fund for utility license fees are forecast to be \$12.8 million for FY 2004-05, versus \$11.8 million in revised appropriation for the current year. The fee is based on a charge of 7.5% of eligible sewer rate revenues. An additional transfer to the General Fund of \$203,622 is for the purchase of BRASS - the new City budget system.
- ◆ Transfers to the Pension Debt Redemption Fund are budgeted at \$1.5 million, representing the bureau's contribution to additional requirements for employee pension retirement obligations.

- ◆ Transfers to the Rate Stabilization Fund are budgeted at \$6.8 million for FY 2004-05, compared to \$6.0 million in the FY 2003-04 Revised Budget. Anticipated stabilization of the water/sewer billing system and revisions in the bureau's bond covenants resulted in a replenishment of the Rate Stabilization Fund balance after approximately six years of using these balances to provide rate relief.

**Contingency**

General operating contingency is budgeted at \$19.5 million, while the compensation adjustment contingency of \$610,357 was calculated using the 2% increase as directed by the Financial Planning Division of OMF.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Public Works/Utility Charge	22,355	31,319	75,000	40,405	250,000	250,000	250,000
	22,355	31,319	75,000	40,405	250,000	250,000	250,000
<b>Miscellaneous Revenues</b>							
Interest Earned	45,328	28,401	50,000	11,632	25,000	25,000	25,000
Loan Repayments	25,834	15,713	40,000	17,701	25,000	25,000	25,000
	71,162	44,114	90,000	29,333	50,000	50,000	50,000
<b>Total External Revenues</b>	<b>93,517</b>	<b>75,433</b>	<b>165,000</b>	<b>69,738</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	1,552,592	1,619,249	1,665,363	1,668,873	524,241	524,241	524,241
<b>TOTAL RESOURCES</b>	<b>\$ 1,646,109</b>	<b>\$ 1,694,682</b>	<b>\$ 1,830,363</b>	<b>\$ 1,738,611</b>	<b>\$ 824,241</b>	<b>\$ 824,241</b>	<b>\$ 824,241</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	26,860	25,809	76,000	9,370	253,500	253,500	253,500
<b>Total Bureau Expenses</b>	<b>26,860</b>	<b>25,809</b>	<b>76,000</b>	<b>9,370</b>	<b>253,500</b>	<b>253,500</b>	<b>253,500</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	549,363	0	570,741	570,741	570,741
	0	0	549,363	0	570,741	570,741	570,741
<b>Fund Cash Transfers</b>							
Sewer System Safety Net	0	0	1,205,000	1,205,000	0	0	0
	0	0	1,205,000	1,205,000	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	1,619,249	1,668,873	0	524,241	0	0	0
	1,619,249	1,668,873	0	524,241	0	0	0
<b>Total Fund Requirements</b>	<b>1,619,249</b>	<b>1,668,873</b>	<b>1,754,363</b>	<b>1,729,241</b>	<b>570,741</b>	<b>570,741</b>	<b>570,741</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,646,109</b>	<b>\$ 1,694,682</b>	<b>\$ 1,830,363</b>	<b>\$ 1,738,611</b>	<b>\$ 824,241</b>	<b>\$ 824,241</b>	<b>\$ 824,241</b>
<b>LINE ITEM DETAIL – AU 225</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
549000 Miscellaneous	26,860	25,809	76,000	9,370	253,500	253,500	253,500
<b>Total External Materials and Services</b>	<b>26,860</b>	<b>25,809</b>	<b>76,000</b>	<b>9,370</b>	<b>253,500</b>	<b>253,500</b>	<b>253,500</b>
<b>Total Materials and Services</b>	<b>26,860</b>	<b>25,809</b>	<b>76,000</b>	<b>9,370</b>	<b>253,500</b>	<b>253,500</b>	<b>253,500</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 26,860</b>	<b>\$ 25,809</b>	<b>\$ 76,000</b>	<b>\$ 9,370</b>	<b>\$ 253,500</b>	<b>\$ 253,500</b>	<b>\$ 253,500</b>

## FUND OVERVIEW

This fund was established in FY 1992-93 to administer the Private Plumbing Loan program; this program is part of 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, and are used 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 increase from the current year in that the majority of properties left to connect have deferrals that expire before 2005 and will not be renewed. These properties must meet low-income requirements to qualify for a deferral and will probably take advantage of BES's Private Plumbing Loan program to help pay for the onsite cost of connecting to the City sewer.

As of February 2004, just under 249 of the original 43,000 Mid-County properties remain to be connected. Of this amount, about 188 have connection deferrals that will expire before 2005, with the remaining 60 delinquent and facing enforcement action.

**Resources** Revenues for FY 2004-05 include \$250,000 in liens receivable for new private plumbing loans, \$25,000 for repayment of private plumbing loans made in prior years, and \$25,000 for interest on investments.

**Requirements** Expenditures include \$253,500 for new private plumbing loans under the Mid-County Financial Assistance program.



	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Public Works/Utility Charge	816,442	1,034,982	571,104	1,082,687	580,181	580,181	580,181
	816,442	1,034,982	571,104	1,082,687	580,181	580,181	580,181
<b>Local Sources</b>							
Local Cost Sharing	42,298	0	0	0	0	0	0
	42,298	0	0	0	0	0	0
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	0	202,936,961	0	0	150,000,000	150,000,000	150,000,000
Interest Earned	3,273,960	895,090	4,294,269	1,532,846	2,769,489	2,769,489	2,769,489
Refunds	159,850	157,812	0	0	0	0	0
	3,433,810	203,989,863	4,294,269	1,532,846	152,769,489	152,769,489	152,769,489
<b>Total External Revenues</b>	<b>4,292,550</b>	<b>205,024,845</b>	<b>4,865,373</b>	<b>2,615,533</b>	<b>153,349,670</b>	<b>153,349,670</b>	<b>153,349,670</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
LID Construction Fund	0	1,314,777	750,000	0	1,000,000	1,000,000	1,000,000
Sewage System Operating Fund	20,000,000	25,000,000	25,000,000	25,000,000	20,300,000	20,300,000	20,300,000
	20,000,000	26,314,777	25,750,000	25,000,000	21,300,000	21,300,000	21,300,000
<b>Federal Grants Transfers</b>	<b>2,430,936</b>	<b>35,473</b>	<b>456,300</b>	<b>734,567</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Internal Revenues</b>	<b>22,430,936</b>	<b>26,350,250</b>	<b>26,206,300</b>	<b>25,734,567</b>	<b>21,300,000</b>	<b>21,300,000</b>	<b>21,300,000</b>
<b>Beginning Fund Balance</b>	<b>113,031,613</b>	<b>56,868,926</b>	<b>157,995,445</b>	<b>168,371,012</b>	<b>60,130,862</b>	<b>60,130,862</b>	<b>60,130,862</b>
<b>TOTAL RESOURCES</b>	<b>\$ 139,755,099</b>	<b>\$ 288,244,021</b>	<b>\$ 189,067,118</b>	<b>\$ 196,721,112</b>	<b>\$ 234,780,532</b>	<b>\$ 234,780,532</b>	<b>\$ 234,780,532</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	169	2,949,364	0	47,261	0	0	0
<b>Internal Materials and Services</b>							
Printing & Distribution	0	7,700	0	0	0	0	0
	0	7,700	0	0	0	0	0
<b>Total Bureau Expenses</b>	<b>169</b>	<b>2,957,064</b>	<b>0</b>	<b>47,261</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	36,169,541	0	90,780,310	90,780,310	90,780,310
	0	0	36,169,541	0	90,780,310	90,780,310	90,780,310
<b>Fund Cash Transfers</b>							
LID Construction Fund	19,948	11,609	5,538	5,538	1,021	1,021	1,021
Sewage Operating Fund	82,866,056	116,904,336	152,892,039	136,537,451	143,999,201	143,999,201	143,999,201
	82,886,004	116,915,945	152,897,577	136,542,989	144,000,222	144,000,222	144,000,222

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>Ending Balance</b>							
Unappropriated Ending Balance	56,868,926	168,371,012	0	60,130,862	0	0	0
	56,868,926	168,371,012	0	60,130,862	0	0	0
<b>Total Fund Requirements</b>	139,754,930	285,286,957	189,067,118	196,673,851	234,780,532	234,780,532	234,780,532
<b>TOTAL REQUIREMENTS</b>	<b>\$ 139,755,099</b>	<b>\$ 288,244,021</b>	<b>\$ 189,067,118</b>	<b>\$ 196,721,112</b>	<b>\$ 234,780,532</b>	<b>\$ 234,780,532</b>	<b>\$ 234,780,532</b>
<b>LINE ITEM DETAIL – AU 172</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
521000 Professional Services	0	121,800	0	0	0	0	0
529000 Miscellaneous Services	169	987	0	0	0	0	0
549000 Miscellaneous	0	2,826,577	0	47,261	0	0	0
<b>Total External Materials and Services</b>	169	2,949,364	0	47,261	0	0	0
<b>Internal Materials and Services</b>							
552000 Printing & Distribution	0	7,700	0	0	0	0	0
<b>Total Internal Materials and Services</b>	0	7,700	0	0	0	0	0
<b>Total Materials and Services</b>	169	2,957,064	0	47,261	0	0	0
<b>TOTAL Bureau Expenses</b>	<b>\$ 169</b>	<b>\$ 2,957,064</b>	<b>\$ 0</b>	<b>\$ 47,261</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

## 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:

- ◆ The beginning fund balance for the FY 2004-05 Adopted Budget consists primarily of cash from non-bond sources, with the proceeds from the Series 2003 revenue bonds expected to be depleted in FY 2003-04.
- ◆ Transfers of \$20.3 million from the Sewage System Operating Fund represent cash funding of capital improvements from sewer and stormwater rates and other available revenues.
- ◆ Service charges and fees for FY 2004-05 include line and branch charges of about \$342,000 and approximately \$238,000 for engineering permit fees.

- ◆ A \$150 million bond sale is planned to provide resources for the Capital Improvement Program.
- ◆ Interest on investments is budgeted at \$2.8 million, reflecting an estimated beginning balance of \$60.1 million, an estimated \$90.8 million ending fund balance (shown as contingency) to be carried over into the next fiscal year, and an estimated interest earnings rate of 2.5%.
- ◆ Transfers from the LID Construction Fund are proceeds from the sale of special assessment bonds for financed connection and line and branch charges.

### Requirements

*Transfers to the Sewage System Operating Fund to support CIP spending total \$144.0 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 program. These transfers are anticipated to be \$144.0 million in FY 2004-05. Transfers to the LID Construction Fund of about \$1,000,000 support financing services offered to property owners who are assessed costs for installation of sewer systems.

### Contingency

The general operating contingency of \$90.8 million represents bond proceeds and other fund balances that are not required in FY 2004-05 but will be used in the following fiscal year to fund capital improvements.

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	322,954	113,109	552,144	114,338	630,528	630,528	630,528
	322,954	113,109	552,144	114,338	630,528	630,528	630,528
<b>Total External Revenues</b>	<b>322,954</b>	<b>113,109</b>	<b>552,144</b>	<b>114,338</b>	<b>630,528</b>	<b>630,528</b>	<b>630,528</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Sewage System Operating Fund	0	5,175,000	6,000,000	6,700,000	6,850,000	6,850,000	6,850,000
	0	5,175,000	6,000,000	6,700,000	6,850,000	6,850,000	6,850,000
<b>Total Internal Revenues</b>	<b>0</b>	<b>5,175,000</b>	<b>6,000,000</b>	<b>6,700,000</b>	<b>6,850,000</b>	<b>6,850,000</b>	<b>6,850,000</b>
<b>Beginning Fund Balance</b>	<b>7,980,169</b>	<b>3,028,123</b>	<b>9,642,830</b>	<b>8,316,232</b>	<b>14,768,355</b>	<b>14,768,355</b>	<b>14,768,355</b>
<b>TOTAL RESOURCES</b>	<b>\$ 8,303,123</b>	<b>\$ 8,316,232</b>	<b>\$ 16,194,974</b>	<b>\$ 15,130,570</b>	<b>\$ 22,248,883</b>	<b>\$ 22,248,883</b>	<b>\$ 22,248,883</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	15,832,759	0	22,248,883	22,248,883	22,248,883
	0	0	15,832,759	0	22,248,883	22,248,883	22,248,883
<b>Fund Cash Transfers</b>							
Sewage Operating Fund	5,275,000	0	362,215	362,215	0	0	0
	5,275,000	0	362,215	362,215	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	3,028,123	8,316,232	0	14,768,355	0	0	0
	3,028,123	8,316,232	0	14,768,355	0	0	0
<b>Total Fund Requirements</b>	<b>8,303,123</b>	<b>8,316,232</b>	<b>16,194,974</b>	<b>15,130,570</b>	<b>22,248,883</b>	<b>22,248,883</b>	<b>22,248,883</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 8,303,123</b>	<b>\$ 8,316,232</b>	<b>\$ 16,194,974</b>	<b>\$ 15,130,570</b>	<b>\$ 22,248,883</b>	<b>\$ 22,248,883</b>	<b>\$ 22,248,883</b>

## FUND OVERVIEW

The Sewer System Rate Stabilization Fund was created in 1987 to enable the Bureau of Environmental Services 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 Sewage System Operating Fund transfers to this fund to be treated as operating expenses; similarly, transfers to the Sewage System Operating Fund from this fund are treated as operating revenues.

Fund balances were built up through FY 1996-97 and drawn down through FY 2001-02 for purposes of smoothing annual rate increases. Since then and through FY 2009-10, transfers in from the Sewage System Operating Fund will build the fund balance in order to offset future rate increases associated with planned capital construction.

**Managing Agency** Bureau of Environmental Services

**CHANGES FROM PRIOR YEAR**

- Resources** The beginning fund balance for the FY 2004-05 Adopted Budget is estimated to be \$14.8 million. Cash transfers from the Sewage System Operating Fund are budgeted at \$6.9 million, representing a period of rebuilding fund balances. Interest on investment of \$630,528 is predicted to increase from prior years as the fund balance is replenished and interest rates rise to the 2.5% assumed for FY 2004-05.
- Requirements** The estimated ending fund balance (shown as contingency) will reach over \$22 million, up from a low of \$3 million in FY 2001-02, but down from a high of \$29.3 million in FY 1995-96.

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Collection of Assessment	0	3,524	0	0	0	0	0
Interest Earned	(7,072)	592	10,000	0	0	0	4,000
Loan Repayments	66,556	61,749	230,000	0	155,000	155,000	155,000
	59,484	65,865	240,000	0	155,000	155,000	159,000
<b>Total External Revenues</b>	<b>59,484</b>	<b>65,865</b>	<b>240,000</b>	<b>0</b>	<b>155,000</b>	<b>155,000</b>	<b>159,000</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Sewer Revolving Loan	0	0	1,205,000	1,205,000	0	0	0
	0	0	1,205,000	1,205,000	0	0	0
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>1,205,000</b>	<b>1,205,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>996,383</b>	<b>1,055,867</b>	<b>1,104,433</b>	<b>1,121,732</b>	<b>927,258</b>	<b>927,258</b>	<b>927,258</b>
<b>TOTAL RESOURCES</b>	<b>\$ 1,055,867</b>	<b>\$ 1,121,732</b>	<b>\$ 2,549,433</b>	<b>\$ 2,326,732</b>	<b>\$ 1,082,258</b>	<b>\$ 1,082,258</b>	<b>\$ 1,086,258</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	0	0	30,000	1,399,474	0	0	0
<b>Total Bureau Expenses</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>1,399,474</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	1,114,433	0	1,082,258	1,082,258	1,086,258
	0	0	1,114,433	0	1,082,258	1,082,258	1,086,258
<b>Debt Retirement</b>	<b>0</b>	<b>0</b>	<b>1,405,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Balance</b>							
Unappropriated Ending Balance	1,055,867	1,121,732	0	927,258	0	0	0
	1,055,867	1,121,732	0	927,258	0	0	0
<b>Total Fund Requirements</b>	<b>1,055,867</b>	<b>1,121,732</b>	<b>2,519,433</b>	<b>927,258</b>	<b>1,082,258</b>	<b>1,082,258</b>	<b>1,086,258</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,055,867</b>	<b>\$ 1,121,732</b>	<b>\$ 2,549,433</b>	<b>\$ 2,326,732</b>	<b>\$ 1,082,258</b>	<b>\$ 1,082,258</b>	<b>\$ 1,086,258</b>
<b>LINE ITEM DETAIL - AU 221</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
545000 Interest	0	0	30,000	1,399,474	0	0	0
<b>Total External Materials and Services</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>1,399,474</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Materials and Services</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>1,399,474</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 30,000</b>	<b>\$ 1,399,474</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

## 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 (DEQ). Monies in the fund are used to make loans to low-income homeowners 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

In FY 2003-04 the Bureau of Environmental Services paid off outstanding assessment deferral loans granted by the Oregon Department of Environmental Quality as part of the Sewer Safety Net program of the Mid-County Sewer project. The loans financed sanitary sewer line, branch and connection charges incurred by low-income homeowners. The proceeds from DEQ reimbursed construction costs incurred by the Sewer System Construction Fund. In turn, loan repayments from property owners were used to pay off the DEQ loans.

The bureau discontinued use of the DEQ loans in FY 1992-93 due to the high costs of administration and reporting. Since then, BES has financed new assessment deferral loans internally. BES took this step primarily to avoid the continuing administrative costs associated with the remaining 320 loans in the DEQ program. In addition, the buy-out provided the bureau with a portfolio of loans that carried a 5% interest rate, substantially better than the current rate provided by the City Investment Pool. The loans are secured by primary liens on property; the bureau will eventually recoup its costs when the affected properties are sold or ownership is transferred.

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Licenses and Permits</b>							
Other Permits	4,260	3,600	0	3,597	3,600	3,600	3,600
Public Utility Licenses	1,578,275	1,680,902	1,698,889	1,698,889	1,675,061	1,675,061	1,675,061
	1,582,535	1,684,502	1,698,889	1,702,486	1,678,661	1,678,661	1,678,661
<b>Service Charges and Fees</b>							
Miscellaneous	9,158	1,393	0	0	0	0	0
Public Works/Utility Charge	851,771	1,048,388	1,169,918	1,169,918	1,013,065	1,013,065	1,013,065
Rents and Reimbursements	7,239	0	7,239	7,122	7,239	7,239	7,239
	868,168	1,049,781	1,177,157	1,177,040	1,020,304	1,020,304	1,020,304
<b>Local Sources</b>							
Local Cost Sharing	381,640	394,653	305,000	307,828	320,000	320,000	320,000
	381,640	394,653	305,000	307,828	320,000	320,000	320,000
<b>Miscellaneous Revenues</b>							
Interest Earned	141,637	72,729	28,782	28,782	45,411	45,411	45,411
Other Miscellaneous	4,340	4,096	4,500	7,684	4,500	4,500	4,500
Refunds	529	0	0	0	0	0	0
	146,506	76,825	33,282	36,466	49,911	49,911	49,911
<b>Total External Revenues</b>	<b>2,978,849</b>	<b>3,205,761</b>	<b>3,214,328</b>	<b>3,223,820</b>	<b>3,068,876</b>	<b>3,068,876</b>	<b>3,068,876</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Vehicle Services Fund	0	0	11,010	11,010	0	0	0
	0	0	11,010	11,010	0	0	0
<b>Federal Grants Transfers</b>							
	81,535	18,000	22,000	22,000	0	0	0
<b>Interfund Service Reimbursements</b>							
Sustainable Development	0	0	0	0	48,073	48,073	48,073
Water Bureau	0	0	0	0	10,000	10,000	10,000
	0	0	0	0	58,073	58,073	58,073
<b>Total Internal Revenues</b>	<b>81,535</b>	<b>18,000</b>	<b>33,010</b>	<b>33,010</b>	<b>58,073</b>	<b>58,073</b>	<b>58,073</b>
<b>Beginning Fund Balance</b>	<b>3,946,928</b>	<b>3,280,433</b>	<b>2,807,606</b>	<b>3,022,550</b>	<b>2,555,889</b>	<b>2,555,889</b>	<b>2,555,889</b>
<b>TOTAL RESOURCES</b>	<b>\$ 7,007,312</b>	<b>\$ 6,504,194</b>	<b>\$ 6,054,944</b>	<b>\$ 6,279,380</b>	<b>\$ 5,682,838</b>	<b>\$ 5,682,838</b>	<b>\$ 5,682,838</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
Personal Services	706,330	718,977	787,717	750,279	839,217	839,217	839,217
External Materials and Services	1,278,846	1,286,152	1,780,217	1,392,510	1,351,675	1,351,675	1,351,675
<b>Internal Materials and Services</b>							
Communications Services	24,361	16,368	15,692	15,752	17,533	17,533	17,533
Facilities Services	3,689	117	0	0	0	0	0
Information Technology	30,606	26,711	17,347	20,410	19,901	19,901	19,901
Insurance	17,646	15,918	16,257	16,257	13,366	13,366	13,366
Printing & Distribution	86,849	131,040	99,643	136,826	142,929	142,929	142,929
Vehicle Services	3,758	5,100	5,399	2,800	2,245	2,245	2,245



	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
City Auditor	150	0	1,200	1,200	1,200	1,200	1,200
Bureau Of Development Services	0	50,000	0	0	0	0	0
Environmental Services	38,329	9,063	12,701	12,701	10,433	10,433	10,433
Neighborhood Involvement	235,583	29,770	65,364	65,364	64,992	64,992	64,992
Office of Management & Finance	10,358	10,818	11,552	11,552	13,540	13,540	13,540
Parking Facilities	(120)	0	0	0	0	0	0
Special Appropriations	0	52	558	558	0	0	0
Sustainable Development	119,423	231,586	192,510	192,510	223,279	223,279	223,279
Transportation	152,862	3,832	0	0	3,500	3,500	3,500
	723,494	530,375	438,223	475,930	512,918	512,918	512,918
<b>Equipment Cash Transfers</b>							
Vehicle Operating	18,897	0	0	0	0	0	0
	18,897	0	0	0	0	0	0
<b>Total Bureau Expenses</b>	2,727,567	2,535,504	3,006,157	2,618,719	2,703,810	2,703,810	2,703,810
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	1,802,760	0	2,075,090	2,077,512	2,077,512
Compensation Adjustment	0	0	17,693	0	17,624	17,624	17,624
	0	0	1,820,453	0	2,092,714	2,095,136	2,095,136
<b>General Fund Overhead</b>	137,373	153,869	167,244	159,957	129,562	127,140	127,140
<b>Fund Cash Transfers</b>							
Development Services Fund	133,785	143,562	0	0	0	0	0
General Fund	705,215	620,741	1,038,606	938,606	728,470	728,470	728,470
Pension Debt Redemption Fund	0	0	22,484	6,209	28,282	28,282	28,282
	839,000	764,303	1,061,090	944,815	756,752	756,752	756,752
<b>Debt Retirement</b>	22,939	27,968	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	3,280,433	3,022,550	0	2,555,889	0	0	0
	3,280,433	3,022,550	0	2,555,889	0	0	0
<b>Total Fund Requirements</b>	4,279,745	3,968,690	3,048,787	3,660,661	2,979,028	2,979,028	2,979,028
<b>TOTAL REQUIREMENTS</b>	<b>\$ 7,007,312</b>	<b>\$ 6,504,194</b>	<b>\$ 6,054,944</b>	<b>\$ 6,279,380</b>	<b>\$ 5,682,838</b>	<b>\$ 5,682,838</b>	<b>\$ 5,682,838</b>

## 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.

The fund supports the two Office of Sustainable Development (OSD) programs of Solid Waste and Recycling Operations and Training, Outreach, and Education; Office of Neighborhood Involvement (ONI) Residential Illegal Dumping/ Nuisance Abatement program; and the Public Trashcan program.

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

- ◆ Residential franchise fees are set at 5% of total revenues.
- ◆ Commercial tonnage fees are set at \$3.80/ton for garbage disposal.

**Managing Agency** Office of Sustainable Development

## CHANGES FROM PRIOR YEAR

### Beginning Fund Balance

The beginning fund balance for the FY 2004-05 Adopted Budget is just under \$2.6 million, about \$600,000 more than anticipated in the fund's five-year plan. The primary components of that increase are the following.

- ◆ **Food Waste Facility:** For the food waste composting facility, the fund included \$450,000 in the FY 2003-04 Adopted Budget. Spending is anticipated to be about \$100,000 in FY 2003-04, and the difference of \$350,000 will fall to fund balance. The FY 2004-05 Adopted Budget includes \$150,000 of that balance as carryover to complete the food composting facility.
- ◆ **Green Incentive Fund:** The Solid Waste Management Fund supports the Green Incentive Fund within OSD's Technical and Financial Services program. Due to delays in implementation of projects funded by the Incentive Fund, the fund balance will include a carryover cash transfer of \$100,000 in the FY 2004-05 Adopted Budget.

### Requirements

#### Training, Outreach, & Education Program

The Adopted Budget includes a program reduction of \$50,000 in printing, mailing, and postage costs for the Curbsider newsletters and calendar, with the savings to be redirected to the Green Investment Fund.

#### Bulky Waste

The Bulky Waste program will be reduced from \$250,000, as identified in the fund's five-year forecast, to \$100,000 in the FY 2004-05 Adopted Budget. The program will focus on outreach and education efforts to reduce bulky waste.

#### Commercial Recycling Bins and Carts

The Solid Waste and Recycling Operations program includes an additional \$44,000 in the Adopted Budget to purchase commercial compostable bags and food composting carts for businesses.

### Changes in Programs

OSD engaged in a strategic planning process, which led to a general reorganization of the bureau. Two of the reorganized programs are Solid Waste & Recycling Operations and Training, Outreach, & Education.

Staff in Solid Waste & Recycling Operations are responsible for policy development and regulation of the City's solid waste program. The Training, Outreach, & Education group helps the public to make informed decisions about resource conservation and pollution prevention through education, events, material distribution, point-of-purchase contact and partnership development.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Public Works/Utility Charge	1,632,375	1,706,593	1,862,603	1,862,603	121,592	121,592	155,182
	1,632,375	1,706,593	1,862,603	1,862,603	121,592	121,592	155,182
<b>Local Sources</b>							
Local Cost Sharing	110,981	163,078	0	0	0	0	0
	110,981	163,078	0	0	0	0	0
<b>Miscellaneous Revenues</b>							
Interest Earned	3,186	1,870	0	760	0	0	0
	3,186	1,870	0	760	0	0	0
<b>Total External Revenues</b>	<b>1,746,542</b>	<b>1,871,541</b>	<b>1,862,603</b>	<b>1,863,363</b>	<b>121,592</b>	<b>121,592</b>	<b>155,182</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Water Fund	203,585	203,419	203,185	192,260	236,045	236,045	202,455
	203,585	203,419	203,185	192,260	236,045	236,045	202,455
<b>Total Internal Revenues</b>	<b>203,585</b>	<b>203,419</b>	<b>203,185</b>	<b>192,260</b>	<b>236,045</b>	<b>236,045</b>	<b>202,455</b>
<b>Beginning Fund Balance</b>	<b>1,688,089</b>	<b>1,602,365</b>	<b>1,638,676</b>	<b>1,643,140</b>	<b>1,666,913</b>	<b>1,666,913</b>	<b>1,666,913</b>
<b>TOTAL RESOURCES</b>	<b>\$ 3,638,216</b>	<b>\$ 3,677,325</b>	<b>\$ 3,704,464</b>	<b>\$ 3,698,763</b>	<b>\$ 2,024,550</b>	<b>\$ 2,024,550</b>	<b>\$ 2,024,550</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	2,035,851	2,034,185	2,031,850	2,031,850	2,024,550	2,024,550	2,024,550
<b>Ending Balance</b>							
Unappropriated Ending Balance	1,602,365	1,643,140	1,672,614	1,666,913	0	0	0
	1,602,365	1,643,140	1,672,614	1,666,913	0	0	0
<b>Total Fund Requirements</b>	<b>3,638,216</b>	<b>3,677,325</b>	<b>3,704,464</b>	<b>3,698,763</b>	<b>2,024,550</b>	<b>2,024,550</b>	<b>2,024,550</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 3,638,216</b>	<b>\$ 3,677,325</b>	<b>\$ 3,704,464</b>	<b>\$ 3,698,763</b>	<b>\$ 2,024,550</b>	<b>\$ 2,024,550</b>	<b>\$ 2,024,550</b>

## 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 of Portland pays the remaining 10%. Debt service will terminate in August 2004.

**Managing Agency** Bureau of Water Works

**Washington County Supply Bond Redemption Fund – 356**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>General Obligation Water Refund- ing Bonds, 1993 Series C</b>						
11/15/1993 - Due 08/01	15,560,000					
		2004/05	1,980,000	4.50%	44,550	2,024,550
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 1,980,000</b>		<b>\$ 44,550</b>	<b>\$ 2,024,550</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Eamed	8,148	5,742	0	2,143	0	0	0
	8,148	5,742	0	2,143	0	0	0
<b>Total External Revenues</b>	<b>8,148</b>	<b>5,742</b>	<b>0</b>	<b>2,143</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Water Construction Fund	17,988	256,585	611,417	456,396	448,141	446,401	443,161
Water Fund	13,406,914	26,037,673	9,157,458	8,357,492	13,295,847	13,312,479	13,402,120
	13,424,902	26,294,258	9,768,875	8,813,888	13,743,988	13,758,880	13,845,281
<b>Total Internal Revenues</b>	<b>13,424,902</b>	<b>26,294,258</b>	<b>9,768,875</b>	<b>8,813,888</b>	<b>13,743,988</b>	<b>13,758,880</b>	<b>13,845,281</b>
<b>Beginning Fund Balance</b>	<b>5,554</b>	<b>3,705</b>	<b>0</b>	<b>9,449</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$ 13,438,604</b>	<b>\$ 26,303,705</b>	<b>\$ 9,768,875</b>	<b>\$ 8,825,480</b>	<b>\$ 13,743,988</b>	<b>\$ 13,758,880</b>	<b>\$ 13,845,281</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	13,434,899	26,294,256	9,768,875	8,825,480	13,743,988	13,758,880	13,845,281
<b>Ending Balance</b>							
Unappropriated Ending Balance	3,705	9,449	0	0	0	0	0
	3,705	9,449	0	0	0	0	0
<b>Total Fund Requirements</b>	<b>13,438,604</b>	<b>26,303,705</b>	<b>9,768,875</b>	<b>8,825,480</b>	<b>13,743,988</b>	<b>13,758,880</b>	<b>13,845,281</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 13,438,604</b>	<b>\$ 26,303,705</b>	<b>\$ 9,768,875</b>	<b>\$ 8,825,480</b>	<b>\$ 13,743,988</b>	<b>\$ 13,758,880</b>	<b>\$ 13,845,281</b>

## 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 Fund of \$13.4 million. The Water Construction Fund also provides 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
<b>General Obligation Water Refunding Bonds, 2004 Series C</b>						
06/09/2004 - Due 10/1	7,640,000					
		2004/05	100,000	3.00%	192,072	292,072
		2005/06	55,000	3.00%	235,650	290,650
		2006/07	1,405,000	3.00%	234,000	1,639,000
		2007/08	1,450,000	3.00%	191,850	1,641,850
		2008/09	1,495,000	3.00%	148,350	1,643,350
		2009/10	1,545,000	3.20%	103,500	1,648,500
		2010/11	1,590,000	3.40%	54,060	1,644,060
		<b>TOTAL</b>	<b>7,640,000</b>		<b>1,159,482</b>	<b>8,799,482</b>
<b>TOTAL - General Obligation Water Bonds</b>						
	7,640,000					
		2004/05	100,000		192,072	292,072
		2005/06	55,000		235,650	290,650
		2006/07	1,405,000		234,000	1,639,000
		2007/08	1,450,000		191,850	1,641,850
		2008/09	1,495,000		148,350	1,643,350
		2009/10	1,545,000		103,500	1,648,500
		2010/11	1,590,000		54,060	1,644,060
		<b>TOTAL</b>	<b>7,640,000</b>		<b>1,159,482</b>	<b>8,799,482</b>
<b>Water System Revenue Bonds, Series 1995</b>						
11/15/1995 - Due 08/01	20,000,000					
		2004/05	715,000	4.70%	16,803	731,803
		<b>TOTAL</b>	<b>715,000</b>		<b>16,803</b>	<b>731,803</b>
<b>Water System Revenue Bonds, 1997 Series A</b>						
11/15/1997 - Due 08/01	30,000,000					
		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
		<b>TOTAL</b>	<b>25,370,000</b>		<b>11,842,800</b>	<b>37,212,800</b>
<b>Water System Revenue Bonds, 2000 Series A</b>						
03/15/2000 - Due 08/01	35,000,000					
		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

**Water Bond Sinking Fund – 355**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		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
		<b>TOTAL</b>	<b>33,460,000</b>		<b>23,440,104</b>	<b>56,900,104</b>
<b>Water System Revenue Refunding Bonds, 2004 Series A</b>						
05/06/04 - Due 10/1	29,900,000					
		2004/05	1,375,000	2.00%	1,207,325	2,582,325
		2005/06	2,025,000	3.00%	1,325,075	3,350,075
		2006/07	2,100,000	5.00%	1,264,325	3,364,325
		2007/08	2,215,000	5.00%	1,159,325	3,374,325
		2008/09	2,330,000	5.00%	1,048,575	3,378,575
		2009/10	2,445,000	5.00%	932,075	3,377,075
		2010/11	2,570,000	5.00%	809,825	3,379,825
		2011/12	2,705,000	5.00%	681,325	3,386,325
		2012/13	2,830,000	4.50%	546,075	3,376,075
		2013/14	2,965,000	4.50%	418,725	3,383,725
		2014/15	3,100,000	4.50%	285,300	3,385,300
		2015/16	3,240,000	4.50%	145,800	3,385,800
		<b>TOTAL</b>	<b>29,900,000</b>		<b>9,823,750</b>	<b>39,723,750</b>
<b>Water System Revenue Bonds, 2004 Series B</b>						
05/06/04 - Due 10/1	61,900,000					
		2004/05	2,640,000	5.00%	2,618,230	5,258,230
		2005/06	1,940,000	5.00%	2,841,300	4,781,300
		2006/07	2,040,000	5.00%	2,744,300	4,784,300
		2007/08	2,150,000	5.00%	2,642,300	4,792,300
		2008/09	2,260,000	5.00%	2,534,800	4,794,800
		2009/10	2,380,000	5.00%	2,421,800	4,801,800
		2010/11	2,500,000	5.00%	2,302,800	4,802,800
		2011/12	2,630,000	5.00%	2,177,800	4,807,800
		2012/13	2,760,000	5.00%	2,046,300	4,806,300
		2013/14	2,900,000	5.00%	1,908,300	4,808,300
		2014/15	3,040,000	4.00%	1,763,300	4,803,300
		2015/16	3,160,000	4.00%	1,641,700	4,801,700
		2016/17	3,310,000	5.00%	1,515,300	4,825,300
		2017/18	3,480,000	5.00%	1,349,800	4,829,800
		2018/19	3,650,000	4.75%	1,175,800	4,825,800
		2019/20	3,830,000	4.75%	1,002,425	4,832,425
		2020/21	4,010,000	4.50%	820,500	4,830,500
		2021/22	4,190,000	4.50%	640,050	4,830,050
		2022/23	4,400,000	5.00%	451,500	4,851,500
		2023/24	4,630,000	5.00%	231,500	4,861,500
		<b>TOTAL</b>	<b>61,900,000</b>		<b>34,829,805</b>	<b>96,729,805</b>
<b>Projected - Fiscal Year 2004-05 Bond Sale Debt Service</b>						
	16,700,000					
		2004/05		Est	494,100	494,100
					494,100	494,100
<b>TOTAL - Water System Revenue Bonds</b>						
	193,500,000					
		2004/05	6,200,000		7,350,813	13,550,813
		2005/06	5,505,000		7,107,805	12,612,805
		2006/07	5,760,000		6,873,493	12,633,493
		2007/08	6,065,000		6,584,743	12,649,743



**Water Bond Sinking Fund – 355**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2008/09	6,380,000		6,279,243	12,659,243
		2009/10	6,705,000		5,957,993	12,662,993
		2010/11	7,050,000		5,620,243	12,670,243
		2011/12	7,415,000		5,265,243	12,680,243
		2012/13	7,780,000		4,891,218	12,671,218
		2013/14	8,165,000		4,512,203	12,677,203
		2014/15	8,560,000		4,113,725	12,673,725
		2015/16	8,950,000		3,725,975	12,675,975
		2016/17	9,660,000		3,228,738	12,888,738
		2017/18	10,150,000		2,735,075	12,885,075
		2018/19	10,680,000		2,204,031	12,884,031
		2019/20	11,250,000		1,637,675	12,887,675
		2020/21	11,850,000		1,036,100	12,886,100
		2021/22	4,190,000		640,050	4,830,050
		2022/23	4,400,000		451,500	4,851,500
		2023/24	4,630,000		231,500	4,861,500
			151,345,000		80,447,361	231,792,361
<b>Annexed Water Bonds</b>						
		2004/05	2,244	Various	154	2,398
		2005/06	2,155	Various	51	2,206
		<b>TOTAL</b>	<b>4,399</b>		<b>205</b>	<b>4,603</b>
<b>COMBINED DEBT SERVICE</b>						
	201,140,000					
		2004/05	6,302,244		7,543,039	13,845,282
		2005/06	5,562,155		7,343,506	12,905,661
		2006/07	7,165,000		7,107,493	14,272,493
		2007/08	7,515,000		6,776,593	14,291,593
		2008/09	7,875,000		6,427,593	14,302,593
		2009/10	8,250,000		6,061,493	14,311,493
		2010/11	8,640,000		5,674,303	14,314,303
		2011/12	7,415,000		5,265,243	12,680,243
		2012/13	7,780,000		4,891,218	12,671,218
		2013/14	8,165,000		4,512,203	12,677,203
		2014/15	8,560,000		4,113,725	12,673,725
		2015/16	8,950,000		3,725,975	12,675,975
		2016/17	9,660,000		3,228,738	12,888,738
		2017/18	10,150,000		2,735,075	12,885,075
		2018/19	10,680,000		2,204,031	12,884,031
		2019/20	11,250,000		1,637,675	12,887,675
		2020/21	11,850,000		1,036,100	12,886,100
		2021/22	4,190,000		640,050	4,830,050
		2022/23	4,400,000		451,500	4,851,500
		2023/24	4,630,000		231,500	4,861,500
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 158,989,399</b>		<b>\$ 81,607,048</b>	<b>\$ 240,596,447</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Public Works/Utility Charge	3,425,828	2,331,285	2,021,945	2,500,000	2,074,516	2,074,516	2,074,516
	3,425,828	2,331,285	2,021,945	2,500,000	2,074,516	2,074,516	2,074,516
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	6,356,054	18,643,946	49,250,000	39,221,300	16,503,300	16,503,300	16,503,300
Interest Earned	286,527	261,174	671,417	232,000	508,141	506,401	503,161
	6,642,581	18,905,120	49,921,417	39,453,300	17,011,441	17,009,701	17,006,461
<b>Total External Revenues</b>	<b>10,068,409</b>	<b>21,236,405</b>	<b>51,943,362</b>	<b>41,953,300</b>	<b>19,085,957</b>	<b>19,084,217</b>	<b>19,080,977</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Water Fund	10,499,386	15,009,535	14,159,647	13,113,922	19,265,720	18,975,720	18,435,720
	10,499,386	15,009,535	14,159,647	13,113,922	19,265,720	18,975,720	18,435,720
<b>Total Internal Revenues</b>	<b>10,499,386</b>	<b>15,009,535</b>	<b>14,159,647</b>	<b>13,113,922</b>	<b>19,265,720</b>	<b>18,975,720</b>	<b>18,435,720</b>
<b>Beginning Fund Balance</b>	<b>8,035,447</b>	<b>6,814,508</b>	<b>13,333,255</b>	<b>15,939,155</b>	<b>38,142,229</b>	<b>38,142,229</b>	<b>38,142,229</b>
<b>TOTAL RESOURCES</b>	<b>\$ 28,603,242</b>	<b>\$ 43,060,448</b>	<b>\$ 79,436,264</b>	<b>\$ 71,006,377</b>	<b>\$ 76,493,906</b>	<b>\$ 76,202,166</b>	<b>\$ 75,658,926</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	5,853,062	0	6,953,149	6,952,888	6,952,402
	0	0	5,853,062	0	6,953,149	6,952,888	6,952,402
<b>Fund Cash Transfers</b>							
Water Bond Sinking	17,988	256,585	611,417	456,396	448,141	446,401	443,161
Water Fund	21,770,746	26,864,708	38,408,995	32,407,752	45,906,188	45,906,188	45,906,188
	21,788,734	27,121,293	39,020,412	32,864,148	46,354,329	46,352,589	46,349,349
<b>Ending Balance</b>							
Unappropriated Ending Balance	6,814,508	15,939,155	34,562,790	38,142,229	23,186,428	22,896,689	22,357,175
	6,814,508	15,939,155	34,562,790	38,142,229	23,186,428	22,896,689	22,357,175
<b>Total Fund Requirements</b>	<b>28,603,242</b>	<b>43,060,448</b>	<b>79,436,264</b>	<b>71,006,377</b>	<b>76,493,906</b>	<b>76,202,166</b>	<b>75,658,926</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 28,603,242</b>	<b>\$ 43,060,448</b>	<b>\$ 79,436,264</b>	<b>\$ 71,006,377</b>	<b>\$ 76,493,906</b>	<b>\$ 76,202,166</b>	<b>\$ 75,658,926</b>

## 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 \$75.6 million, include the following:

- ◆ \$38.1 million of forecasted beginning fund balance
- ◆ \$18.4 million from the Water Fund
- ◆ \$16.5 million from Open Reservoir bond sale
- ◆ \$2.1 million in system development charges
- ◆ \$0.5 million in interest earnings

**Requirements**

Requirements, which total \$75.6 million, include the following:

- ◆ \$45.9 million transfer to the Water Operating Fund for capital costs
- ◆ \$22.4 million in ending fund balance
- ◆ \$7.0 million in contingency
- ◆ \$0.4 million transfer to the Water Bond Sinking Fund to cover interest earnings on unspent bond proceeds

**Managing Agency**

Bureau of Water Works

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	120,542	119,508	75,000	75,000	75,000	75,000	75,000
Public Works/Utility Charge	69,132,862	63,725,871	72,707,136	73,284,660	75,455,346	75,168,180	75,001,718
Rents and Reimbursements	318,404	317,378	295,000	295,000	302,670	302,670	302,670
	69,571,808	64,162,757	73,077,136	73,654,660	75,833,016	75,545,850	75,379,388
<b>Local Sources</b>							
Local Cost Sharing	11,180	203,712	1,060,239	1,007,879	1,185,985	1,185,998	1,185,998
	11,180	203,712	1,060,239	1,007,879	1,185,985	1,185,998	1,185,998
<b>Miscellaneous Revenues</b>							
Interest Earned	707,863	578,867	124,983	(307,839)	193,481	193,481	193,481
Other Miscellaneous	619,951	10,213,123	0	176,250	0	0	0
Refunds	108,828	41,459	80,000	80,000	82,080	82,080	82,080
Sale of Capital Assets	197,136	157,983	0	53,275	0	0	0
Sales Miscellaneous	91,228	92,953	549,000	549,000	563,274	563,274	563,274
	1,725,006	11,084,385	753,983	550,686	838,835	838,835	838,835
<b>Total External Revenues</b>	<b>71,307,994</b>	<b>75,450,854</b>	<b>74,891,358</b>	<b>75,213,225</b>	<b>77,857,836</b>	<b>77,570,683</b>	<b>77,404,221</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Water Construction Fund	21,770,746	26,864,708	38,408,995	32,407,752	45,906,188	45,906,188	45,906,188
	21,770,746	26,864,708	38,408,995	32,407,752	45,906,188	45,906,188	45,906,188
<b>Federal Grants Transfers</b>							
	(147,398)	774,966	1,062,294	310,701	2,423,468	2,423,468	2,423,468
<b>Interfund Service Reimbursements</b>							
BFRES Facilities GO Bond Const	5,170	0	0	0	0	0	0
Communications Services	12,212	0	0	0	0	0	0
Environmental Services	6,696,090	8,959,422	8,691,501	7,100,000	9,037,658	9,037,658	7,930,587
Environmental Svcs - Internal	8,471	0	0	0	0	0	0
Facilities Services Fund	14,709	39,860	0	0	0	0	0
Fire Bureau	2,214	1,859	2,000	2,000	2,000	2,000	2,000
Housing & Community Development	0	910	0	0	0	0	0
Hydropower Operating Fund	64,175	60,172	80,190	80,190	72,776	72,776	72,776
Parks Construction Fund	21,739	0	0	0	0	0	0
Police Bureau	33,748	14,305	18,000	18,000	18,000	18,000	18,000
Transportation	516,869	224,420	658,500	210,000	206,000	206,000	206,000
Vehicle Services	83,513	85,751	90,000	90,000	0	0	0
	7,458,910	9,386,699	9,540,191	7,500,190	9,336,434	9,336,434	8,229,363
<b>Total Internal Revenues</b>	<b>29,082,258</b>	<b>37,026,373</b>	<b>49,011,480</b>	<b>40,218,643</b>	<b>57,666,090</b>	<b>57,666,090</b>	<b>56,559,019</b>
<b>Beginning Fund Balance</b>	<b>14,744,185</b>	<b>13,746,520</b>	<b>17,593,957</b>	<b>13,685,588</b>	<b>22,337,543</b>	<b>22,337,543</b>	<b>22,337,543</b>
<b>TOTAL RESOURCES</b>	<b>\$ 115,134,437</b>	<b>\$ 126,223,747</b>	<b>\$ 141,496,795</b>	<b>\$ 129,117,456</b>	<b>\$ 157,861,469</b>	<b>\$ 157,574,316</b>	<b>\$ 156,300,783</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
Personal Services	35,152,762	35,274,928	39,332,988	36,873,624	41,527,929	41,527,929	40,181,045
External Materials and Services	21,117,149	12,466,787	23,777,021	16,824,525	28,981,565	28,981,565	27,684,855

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Internal Materials and Services</b>							
Communications Services	1,206,214	1,287,793	1,437,863	1,454,797	1,337,775	1,337,775	1,323,505
Facilities Services	1,624,902	1,769,866	1,640,891	1,640,891	1,548,836	1,548,836	1,490,459
Information Technology	1,540,893	1,679,319	1,832,812	1,832,812	1,892,786	1,892,786	1,855,854
Insurance	907,007	1,130,158	1,131,804	1,131,804	1,122,223	1,122,223	1,122,223
Printing & Distribution	715,485	815,023	841,441	841,441	954,507	954,507	951,207
Vehicle Services	1,569,972	1,635,705	1,757,861	1,757,861	1,954,563	1,954,563	1,954,563
City Attorney	199,360	209,910	215,501	215,501	222,563	222,563	222,563
Bureau Of Development Services	10,677	5,232	5,224	5,224	14,210	14,210	14,210
Commissioner of Public Affairs	0	0	18,430	18,430	35,921	35,921	35,921
Community Development	368,629	376,895	344,000	344,000	0	0	0
Environmental Services	120,453	158,777	96,000	96,000	238,500	238,500	238,500
Environmental Svcs - Int	0	1,793	0	0	0	0	0
Fire Bureau	0	0	75,000	75,000	77,250	77,250	77,250
Government Relations	14,700	14,700	14,700	14,700	17,755	17,755	17,755
Hydropower Operating Fund	29,994	29,677	31,000	31,000	40,500	40,500	40,500
Information Technology	497,269	585,546	0	0	0	0	0
Neighborhood Involvement	5,000	0	0	0	0	0	0
Office of Management & Finance	753,180	851,900	1,258,095	1,162,307	1,173,183	1,173,183	661,302
Parking Facilities	61,842	61,892	63,240	63,240	61,380	61,380	61,380
Parks Bureau	72,758	80,901	68,303	68,303	55,803	55,803	55,803
Parks Construction	0	88,222	153,000	153,000	1,000,000	1,000,000	1,000,000
Planning	195,813	125,000	98,700	98,700	0	0	0
Refuse Disposal	0	0	0	0	10,000	10,000	10,000
Special Appropriations	0	1,773	24,327	24,327	0	0	0
Sustainable Development	72,133	53,500	40,000	40,000	105,000	105,000	105,000
Transportation	1,093,496	1,224,654	1,137,304	1,137,304	1,181,075	1,181,075	1,181,075
Utility Billing System	0	0	0	0	0	0	2,326,708
	11,059,777	12,188,236	12,285,496	12,206,642	13,043,830	13,043,830	14,745,778
<b>Capital Outlay</b>	3,352,993	5,323,787	23,525,729	12,010,843	19,393,779	19,393,779	19,393,779
<b>Equipment Cash Transfers</b>							
Information Technology	0	0	1,372,500	1,023,126	0	0	0
Printing & Distribution	3,000	11,700	20,000	20,000	0	0	0
	3,000	11,700	1,392,500	1,043,126	0	0	0
<b>Minor Equipment Transfers</b>							
Communications Services	0	34,938	7,600	7,600	0	0	0
Printing & Distribution	500	0	0	0	0	0	0
	500	34,938	7,600	7,600	0	0	0
<b>Total Bureau Expenses</b>	70,686,181	65,300,376	100,321,334	78,966,360	102,947,103	102,947,103	102,005,457
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	9,984,872	0	14,053,331	13,677,483	13,819,567
	0	0	9,984,872	0	14,053,331	13,677,483	13,819,567
<b>General Fund Overhead</b>	1,778,621	952,013	1,730,499	1,885,396	2,052,927	2,060,780	2,060,780
<b>Fund Cash Transfers</b>							
General Fund	3,740,457	3,753,739	4,016,308	4,008,885	4,333,276	4,333,276	4,333,276

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
Pension Debt Redemption Fund	0	0	1,200,815	331,638	1,510,441	1,510,441	1,510,441
Washington County Supply	203,585	203,419	203,185	192,260	236,045	236,045	202,455
Water Bond Sinking	13,406,914	26,037,673	9,157,458	8,357,492	13,295,847	13,312,479	13,402,120
Water Construction Fund	10,499,386	15,009,535	14,159,647	13,113,922	19,265,720	18,975,720	18,435,720
	27,850,342	45,004,366	28,737,413	26,004,197	38,641,329	38,367,961	37,884,012
<b>Inventory Increases</b>	0	0	40,000	40,000	40,000	40,000	40,000
<b>Debt Retirement</b>	1,072,773	1,281,404	682,677	(116,040)	126,779	480,989	490,967
<b>Ending Balance</b>							
Unappropriated Ending Balance	13,746,520	13,685,588	0	22,337,543	0	0	0
	13,746,520	13,685,588	0	22,337,543	0	0	0
<b>Total Fund Requirements</b>	44,448,256	60,923,371	41,175,461	50,151,096	54,914,366	54,627,213	54,295,326
<b>TOTAL REQUIREMENTS</b>	<b>\$ 115,134,437</b>	<b>\$ 126,223,747</b>	<b>\$ 141,496,795</b>	<b>\$ 129,117,456</b>	<b>\$ 157,861,469</b>	<b>\$ 157,574,316</b>	<b>\$ 156,300,783</b>

## FUND OVERVIEW

### Description

The Water 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 Fund. The cash flow of this fund determines the need for rate increases.

### Resources

Fund resources of \$156.3 million are from the following sources:

- ◆ \$75.4 million in water sales and other charges
- ◆ \$45.9 million in cash transfers from the Water Construction Fund for capital costs
- ◆ \$22.3 million in beginning fund balance
- ◆ \$8.2 million from City service reimbursements primarily from the Bureau of Environmental Services for sewer billing and collection services
- ◆ \$2.4 million in federal grants transfers
- ◆ \$2.0 million in miscellaneous revenues

### Requirements

Fund requirements of \$156.3 million are for the following expenditures:

- ◆ \$102.0 million for bureau expenses:
  - ◆ \$54.2 million for the operating budget to maintain, operate, support, and manage the water system
  - ◆ \$47.8 million for the Capital Improvement Plan budget for capital maintenance, improvements, security improvements, and expansions to the water system
- ◆ \$54.3 million for fund level requirements:
  - ◆ \$18.4 million for cash transfers to the Water Construction Fund for cash financed capital and capital project reimbursements

- ◆ \$13.8 million in operating contingency
- ◆ \$13.4 million for cash transfers to the Water Bond Sinking Fund to pay debt service
- ◆ \$4.3 million for Utility License Fee
- ◆ \$2.1 million for General Fund Overhead
- ◆ \$1.5 million for PERS pension debt redemption
- ◆ \$0.7 million for miscellaneous expenses

**Managing Agency**

Bureau of Water Works

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	57,638	32,831	19,760	19,760	19,974	19,974	19,974
	57,638	32,831	19,760	19,760	19,974	19,974	19,974
<b>Total External Revenues</b>	57,638	32,831	19,760	19,760	19,974	19,974	19,974
<b>Internal Revenues</b>							
Beginning Fund Balance	1,554,293	1,611,931	1,646,701	1,644,762	1,664,522	1,664,522	1,664,522
<b>TOTAL RESOURCES</b>	<b>\$ 1,611,931</b>	<b>\$ 1,644,762</b>	<b>\$ 1,666,461</b>	<b>\$ 1,664,522</b>	<b>\$ 1,684,496</b>	<b>\$ 1,684,496</b>	<b>\$ 1,684,496</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>Ending Balance</b>							
Unappropriated Ending Balance	1,611,931	1,644,762	1,666,461	1,664,522	1,684,496	1,684,496	1,684,496
	1,611,931	1,644,762	1,666,461	1,664,522	1,684,496	1,684,496	1,684,496
<b>Total Fund Requirements</b>	1,611,931	1,644,762	1,666,461	1,664,522	1,684,496	1,684,496	1,684,496
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,611,931</b>	<b>\$ 1,644,762</b>	<b>\$ 1,666,461</b>	<b>\$ 1,664,522</b>	<b>\$ 1,684,496</b>	<b>\$ 1,684,496</b>	<b>\$ 1,684,496</b>

## FUND OVERVIEW

The Water Growth Impact Charge 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. In 1995, wholesale contributions were suspended with the deletion of the growth section in the wholesale agreements.

**Managing Agency** Bureau of Water Works



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	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	6,837,722	6,890,556	6,913,254	6,464,673	6,086,560	6,086,560	6,086,560
Prior Year Property Taxes	193,501	180,494	150,000	130,000	130,000	130,000	130,000
	<u>7,031,223</u>	<u>7,071,050</u>	<u>7,063,254</u>	<u>6,594,673</u>	<u>6,216,560</u>	<u>6,216,560</u>	<u>6,216,560</u>
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	0	13,755,100	0	0	0	0	0
Interest Earned	99,954	74,297	66,914	46,914	30,772	30,772	30,772
	<u>99,954</u>	<u>13,829,397</u>	<u>66,914</u>	<u>46,914</u>	<u>30,772</u>	<u>30,772</u>	<u>30,772</u>
<b>Total External Revenues</b>	<u>7,131,177</u>	<u>20,900,447</u>	<u>7,130,168</u>	<u>6,641,587</u>	<u>6,247,332</u>	<u>6,247,332</u>	<u>6,247,332</u>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Special Revenue and Finance	0	12,487	0	0	0	0	0
	<u>0</u>	<u>12,487</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Internal Revenues</b>	<u>0</u>	<u>12,487</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Beginning Fund Balance</b>	703,369	625,891	1,350,000	1,620,689	1,350,000	1,350,000	1,350,000
<b>TOTAL RESOURCES</b>	<b>\$ 7,834,546</b>	<b>\$ 21,538,825</b>	<b>\$ 8,480,168</b>	<b>\$ 8,262,276</b>	<b>\$ 7,597,332</b>	<b>\$ 7,597,332</b>	<b>\$ 7,597,332</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	7,208,655	19,918,136	7,130,168	6,912,276	6,247,332	6,247,332	6,247,332
<b>Ending Balance</b>							
Unappropriated Ending Balance	625,891	1,620,689	0	0	0	0	0
Unexpendable Reserve	0	0	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
	<u>625,891</u>	<u>1,620,689</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>
<b>Total Fund Requirements</b>	<u>7,834,546</u>	<u>21,538,825</u>	<u>8,480,168</u>	<u>8,262,276</u>	<u>7,597,332</u>	<u>7,597,332</u>	<u>7,597,332</u>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 7,834,546</b>	<b>\$ 21,538,825</b>	<b>\$ 8,480,168</b>	<b>\$ 8,262,276</b>	<b>\$ 7,597,332</b>	<b>\$ 7,597,332</b>	<b>\$ 7,597,332</b>

## 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 districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services

**Airport Way Debt Service Fund – 307**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Urban Renewal &amp; Redevelopment Bonds, 2000 Series A</b>						
06/01/2000 - Due 6/15	51,000,000					
		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
		<b>TOTAL</b>	<b>49,485,000</b>		<b>31,191,945</b>	<b>80,676,945</b>
<b>Urban Renewal &amp; Redevelopment Bonds, 2002 Series A</b>						
10/01/2002 - Due 6/15	13,500,000					
		2004/05	1,105,000	2.50%	397,625	1,502,625
		2005/06	1,620,000	5.00%	370,000	1,990,000
		2006/07	1,700,000	3.00%	289,000	1,989,000
		2007/08	1,755,000	3.50%	238,000	1,993,000
		2008/09	1,815,000	3.50%	176,575	1,991,575
		2009/10	3,230,000	3.50%	113,050	3,343,050
		<b>TOTAL</b>	<b>11,225,000</b>		<b>1,584,250</b>	<b>12,809,250</b>
<b>Estimated - Excess for Debt Service</b>						
	595,914					
		2004/05	595,714	variable	200	595,914
			595,714		200	595,914
<b>COMBINED DEBT SERVICE</b>						
	65,095,914					
		2004/05	3,015,714		3,231,618	6,247,332
		2005/06	2,500,000		3,138,043	5,638,043
		2006/07	2,625,000		3,013,043	5,638,043
		2007/08	2,720,000		2,914,868	5,634,868
		2008/09	2,830,000		2,800,368	5,630,368
		2009/10	4,300,000		2,682,305	6,982,305
		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
		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
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 61,305,714</b>		<b>\$ 32,776,395</b>	<b>\$ 94,082,109</b>

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Collection of Assessment	1,270	226	1,000	450	500	500	500
Interest Earned	3,913	1,994	2,000	1,620	1,750	1,750	1,750
	<u>5,183</u>	<u>2,220</u>	<u>3,000</u>	<u>2,070</u>	<u>2,250</u>	<u>2,250</u>	<u>2,250</u>
<b>Total External Revenues</b>	<b>5,183</b>	<b>2,220</b>	<b>3,000</b>	<b>2,070</b>	<b>2,250</b>	<b>2,250</b>	<b>2,250</b>
<b>Internal Revenues</b>							
<b>Beginning Fund Balance</b>	<b>52,898</b>	<b>58,081</b>	<b>60,321</b>	<b>60,091</b>	<b>61,829</b>	<b>61,829</b>	<b>61,829</b>
<b>TOTAL RESOURCES</b>	<b>\$ 58,081</b>	<b>\$ 60,301</b>	<b>\$ 63,321</b>	<b>\$ 62,161</b>	<b>\$ 64,079</b>	<b>\$ 64,079</b>	<b>\$ 64,079</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	63,112	61,829	63,810	63,806	63,806
	<u>0</u>	<u>0</u>	<u>63,112</u>	<u>61,829</u>	<u>63,810</u>	<u>63,806</u>	<u>63,806</u>
<b>General Fund Overhead</b>	<b>0</b>	<b>210</b>	<b>209</b>	<b>332</b>	<b>269</b>	<b>273</b>	<b>273</b>
<b>Ending Balance</b>							
Unappropriated Ending Balance	58,081	60,091	0	0	0	0	0
	<u>58,081</u>	<u>60,091</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Requirements</b>	<b>58,081</b>	<b>60,301</b>	<b>63,321</b>	<b>62,161</b>	<b>64,079</b>	<b>64,079</b>	<b>64,079</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 58,081</b>	<b>\$ 60,301</b>	<b>\$ 63,321</b>	<b>\$ 62,161</b>	<b>\$ 64,079</b>	<b>\$ 64,079</b>	<b>\$ 64,079</b>

## 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 receivable.

**Managing Agency**      Office of the City Auditor

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Collection of Assessment	5,144,372	4,850,306	2,926,480	3,818,996	3,106,546	3,106,546	3,106,546
Interest Earned	1,858,914	1,968,290	2,983,633	2,307,969	2,661,374	2,661,374	2,661,374
	7,003,286	6,818,596	5,910,113	6,126,965	5,767,920	5,767,920	5,767,920
<b>Total External Revenues</b>	7,003,286	6,818,596	5,910,113	6,126,965	5,767,920	5,767,920	5,767,920
<b>Internal Revenues</b>							
<b>Beginning Fund Balance</b>	6,068,451	7,579,734	9,013,314	10,553,093	10,104,701	10,104,701	10,104,701
<b>TOTAL RESOURCES</b>	<b>\$ 13,071,737</b>	<b>\$ 14,398,330</b>	<b>\$ 14,923,427</b>	<b>\$ 16,680,058</b>	<b>\$ 15,872,621</b>	<b>\$ 15,872,621</b>	<b>\$ 15,872,621</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>Debt Retirement</b>	5,492,003	3,845,237	5,334,821	6,575,357	4,624,992	4,624,992	4,624,992
<b>Ending Balance</b>							
Unappropriated Ending Balance	7,579,734	10,553,093	9,588,606	10,104,701	11,247,629	11,247,629	11,247,629
	7,579,734	10,553,093	9,588,606	10,104,701	11,247,629	11,247,629	11,247,629
<b>Total Fund Requirements</b>	13,071,737	14,398,330	14,923,427	16,680,058	15,872,621	15,872,621	15,872,621
<b>TOTAL REQUIREMENTS</b>	<b>\$ 13,071,737</b>	<b>\$ 14,398,330</b>	<b>\$ 14,923,427</b>	<b>\$ 16,680,058</b>	<b>\$ 15,872,621</b>	<b>\$ 15,872,621</b>	<b>\$ 15,872,621</b>

## 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 Services

**Bancroft Bond Fund – 311**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Limited Tax Improvement Bonds, 1994 Series A</b>						
05/01/1994 - Due 6/1	6,925,000					
		2004/05			25,875	25,875
		2005/06			25,875	25,875
		2006/07			25,875	25,875
		2007/08			25,875	25,875
		2008/09			25,875	25,875
		2009/10			25,875	25,875
		2010/11			25,875	25,875
		2011/12			25,875	25,875
		2012/13			25,875	25,875
		2013/14	450,000	5.75%	25,875	475,875
		TOTAL	450,000		258,750	708,750
<b>Limited Tax Improvement Bonds, 1995 Series A</b>						
05/01/1994 - Due 6/1	6,210,000					
		2004/05			13,650	13,650
		2005/06			13,650	13,650
		2006/07			13,650	13,650
		2007/08			13,650	13,650
		2008/09			13,650	13,650
		2009/10			13,650	13,650
		2010/11			13,650	13,650
		2011/12			13,650	13,650
		2012/13			13,650	13,650
		2013/14			13,650	13,650
		2014/15	260,000	5.25%	13,650	273,650
		TOTAL	260,000		150,150	410,150
<b>Limited Tax Improvement Bonds, 1996 Series A</b>						
06/01/1996 - Due 6/1	7,525,000					
		2004/05			76,590	76,590
		2005/06			76,590	76,590
		2006/07			76,590	76,590
		2007/08			76,590	76,590
		2008/09			76,590	76,590
		2009/10			76,590	76,590
		2010/11			76,590	76,590
		2011/12			76,590	76,590
		2012/13			76,590	76,590
		2013/14			76,590	76,590
		2014/15			76,590	76,590
		2015/16	1,380,000	5.55%	76,590	1,456,590
		TOTAL	1,380,000		919,080	2,299,080
<b>Limited Tax Improvement Bonds, 1998 Series A</b>						
03/01/1998 - Due 6/1	8,460,000					
		2004/05			56,063	56,063
		2005/06			56,063	56,063
		2006/07			56,063	56,063
		2007/08			56,063	56,063
		2008/09			56,063	56,063
		2009/10			56,063	56,063
		2010/11			56,063	56,063
		2011/12			56,063	56,063
		2012/13			56,063	56,063
		2013/14			56,063	56,063
		2014/15			56,063	56,063
		2015/16			56,063	56,063

**Bancroft Bond Fund – 311**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2016/17			56,063	56,063
		2017/18	1,150,000	4.88%	56,063	1,206,063
		TOTAL	1,150,000		784,882	1,934,882
<b>Limited Tax Improvement Bonds, 1999 Series A</b>						
04/01/1999 - Due 6/1	8,685,000					
		2004/05			149,663	149,663
		2005/06			149,663	149,663
		2006/07			149,663	149,663
		2007/08			149,663	149,663
		2008/09			149,663	149,663
		2009/10			149,663	149,663
		2010/11			149,663	149,663
		2011/12			149,663	149,663
		2012/13			149,663	149,663
		2013/14			149,663	149,663
		2014/15			149,663	149,663
		2015/16			149,663	149,663
		2016/17			149,663	149,663
		2017/18			149,663	149,663
		2018/19	3,070,000	4.88%	149,663	3,219,663
		TOTAL	3,070,000		2,244,945	5,314,945
<b>Limited Tax Improvement Bonds, 2003 Series A</b>						
05/22/2003 - Due 6/1	21,430,000					
		2004/05	1,045,000	3.00%	678,743	1,723,743
		2005/06	1,070,000	3.00%	647,393	1,717,393
		2006/07	1,100,000	3.00%	615,293	1,715,293
		2007/08	1,065,000	3.25%	582,293	1,647,293
		2008/09			547,680	547,680
		2009/10			547,680	547,680
		2010/11			547,680	547,680
		2011/12			547,680	547,680
		2012/13	2,700,000	3.40%	547,680	3,247,680
		2013/14			455,880	455,880
		2014/15			455,880	455,880
		2015/16			455,880	455,880
		2016/17			455,880	455,880
		2017/18			455,880	455,880
		2018/19			455,880	455,880
		2019/20			455,880	455,880
		2020/21			455,880	455,880
		2021/22			455,880	455,880
		2022/23	10,480,000	4.35%	455,880	10,935,880
		TOTAL	17,460,000		9,820,920	27,280,920
<b>Projected - Improvement Bond, 2004 Series</b>						
NA	NA					
		2004/05	285,000		407,843	692,843
		TOTAL	285,000		407,843	692,843
<b>Proposed Calls</b>						
		2004/05	1,886,565		-	1,886,565
		TOTAL	1,886,565			1,886,565
<b>COMBINED DEBT SERVICE</b>						
	59,235,000					
		2004/05	3,216,565		1,408,427	4,624,992
		2005/06	1,070,000		969,234	2,039,234



**Bancroft Bond Fund – 311**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2006/07	1,100,000		937,134	2,037,134
		2007/08	1,065,000		904,134	1,969,134
		2008/09	-		869,521	869,521
		2009/10	-		869,521	869,521
		2010/11	-		869,521	869,521
		2011/12	-		869,521	869,521
		2012/13	2,700,000		869,521	3,569,521
		2013/14	450,000		777,721	1,227,721
		2014/15	260,000		751,846	1,011,846
		2015/16	1,380,000		738,196	2,118,196
		2016/17	-		661,606	661,606
		2017/18	1,150,000		661,606	1,811,606
		2018/19	3,070,000		605,543	3,675,543
		2019/20	-		455,880	455,880
		2020/21	-		455,880	455,880
		2021/22	-		455,880	455,880
		2022/23	10,480,000		455,880	10,935,880
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 25,941,565</b>		<b>\$ 14,586,570</b>	<b>\$ 40,528,135</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Licenses and Permits</b>							
Public Utility Licenses	854,284	887,987	831,013	897,905	973,510	973,510	973,510
	854,284	887,987	831,013	897,905	973,510	973,510	973,510
<b>Miscellaneous Revenues</b>							
Interest Earned	102,574	61,958	92,801	23,200	26,000	26,000	26,000
Other Miscellaneous	2,163,533	1,835,649	1,831,110	1,904,354	1,965,070	1,965,070	1,965,070
	2,266,107	1,897,607	1,923,911	1,927,554	1,991,070	1,991,070	1,991,070
<b>Total External Revenues</b>	<b>3,120,391</b>	<b>2,785,594</b>	<b>2,754,924</b>	<b>2,825,459</b>	<b>2,964,580</b>	<b>2,964,580</b>	<b>2,964,580</b>
<b>Internal Revenues</b>							
<b>Interfund Service Reimbursements</b>							
Cable Commission	243,102	219,005	244,738	244,738	248,292	248,292	248,292
	243,102	219,005	244,738	244,738	248,292	248,292	248,292
<b>Total Internal Revenues</b>	<b>243,102</b>	<b>219,005</b>	<b>244,738</b>	<b>244,738</b>	<b>248,292</b>	<b>248,292</b>	<b>248,292</b>
<b>Beginning Fund Balance</b>	<b>2,384,689</b>	<b>2,965,146</b>	<b>2,959,636</b>	<b>2,357,680</b>	<b>2,528,274</b>	<b>2,528,274</b>	<b>2,528,274</b>
<b>TOTAL RESOURCES</b>	<b>\$ 5,748,182</b>	<b>\$ 5,969,745</b>	<b>\$ 5,959,298</b>	<b>\$ 5,427,877</b>	<b>\$ 5,741,146</b>	<b>\$ 5,741,146</b>	<b>\$ 5,741,146</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	2,070,397	2,855,667	2,385,085	2,385,085	2,824,855	2,824,855	2,825,017
<b>Internal Materials and Services</b>							
Communications Services	4,299	3,647	5,165	0	3,909	3,909	3,909
Facilities Services	16,550	22,550	22,255	0	21,957	21,957	21,957
Information Technology	11,639	11,631	8,831	0	6,254	6,254	6,254
Insurance	10,906	14,322	14,624	0	9,140	9,140	9,140
Printing & Distribution	8,229	7,561	10,699	0	9,649	9,649	9,649
Vehicle Services	147	277	321	375,511	312	312	312
City Attorney	9,166	4,509	7,500	0	9,200	9,200	9,200
Cable Communication	363,346	298,558	306,116	0	317,383	317,383	317,383
	424,282	363,055	375,511	375,511	377,804	377,804	377,804
<b>Total Bureau Expenses</b>	<b>2,494,679</b>	<b>3,218,722</b>	<b>2,760,596</b>	<b>2,760,596</b>	<b>3,202,659</b>	<b>3,202,659</b>	<b>3,202,821</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	812,319	0	601,580	601,742	601,580
	0	0	812,319	0	601,580	601,742	601,580
<b>General Fund Overhead</b>	<b>7,377</b>	<b>7,645</b>	<b>14,259</b>	<b>14,259</b>	<b>13,666</b>	<b>13,504</b>	<b>13,504</b>
<b>Fund Cash Transfers</b>							
Communication Services	280,980	219,948	124,748	124,748	0	0	0
General Fund	0	165,750	0	0	1,340	1,340	1,340
	280,980	385,698	124,748	124,748	1,340	1,340	1,340

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>Ending Balance</b>							
Unappropriated Ending Balance	2,965,146	2,357,680	2,247,376	2,528,274	1,921,901	1,921,901	1,921,901
	2,965,146	2,357,680	2,247,376	2,528,274	1,921,901	1,921,901	1,921,901
<b>Total Fund Requirements</b>	3,253,503	2,751,023	3,198,702	2,667,281	2,538,487	2,538,487	2,538,325
<b>TOTAL REQUIREMENTS</b>	<b>\$ 5,748,182</b>	<b>\$ 5,969,745</b>	<b>\$ 5,959,298</b>	<b>\$ 5,427,877</b>	<b>\$ 5,741,146</b>	<b>\$ 5,741,146</b>	<b>\$ 5,741,146</b>
<b>LINE ITEM DETAIL – AU 304</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
521000 Professional Services	1,305,006	1,985,117	1,614,804	2,385,085	1,934,131	1,934,131	1,934,131
524000 Repair & Maintenance Services	0	241	0	0	0	0	0
529000 Miscellaneous Services	744,515	852,428	752,277	0	866,829	866,829	866,829
531000 Office Supplies	167	852	600	0	900	900	900
532000 Operating Supplies	7,563	2,479	3,800	0	3,800	3,800	3,800
541000 Education	4,114	2,425	2,000	0	1,800	1,800	1,800
542000 Local Travel	0	0	300	0	300	300	300
543000 Out-of-Town Travel	4,069	2,871	4,000	0	3,900	3,900	3,900
549000 Miscellaneous	4,963	9,254	7,304	0	13,195	13,195	13,357
<b>Total External Materials and Services</b>	<b>2,070,397</b>	<b>2,855,667</b>	<b>2,385,085</b>	<b>2,385,085</b>	<b>2,824,855</b>	<b>2,824,855</b>	<b>2,825,017</b>
<b>Internal Materials and Services</b>							
551000 Vehicle Services	147	277	321	375,511	312	312	312
552000 Printing & Distribution	8,229	7,561	10,699	0	9,649	9,649	9,649
553000 Facilities Services	16,550	22,550	22,255	0	21,957	21,957	21,957
554000 Communications Services	4,299	3,647	5,165	0	3,909	3,909	3,909
555000 Information Technology	11,639	11,631	8,831	0	6,254	6,254	6,254
556000 Insurance	10,906	14,322	14,624	0	9,140	9,140	9,140
559000 Other Fund Services	372,512	303,067	313,616	0	326,583	326,583	326,583
<b>Total Internal Materials and Services</b>	<b>424,282</b>	<b>363,055</b>	<b>375,511</b>	<b>375,511</b>	<b>377,804</b>	<b>377,804</b>	<b>377,804</b>
<b>Total Materials and Services</b>	<b>2,494,679</b>	<b>3,218,722</b>	<b>2,760,596</b>	<b>2,760,596</b>	<b>3,202,659</b>	<b>3,202,659</b>	<b>3,202,821</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 2,494,679</b>	<b>\$ 3,218,722</b>	<b>\$ 2,760,596</b>	<b>\$ 2,760,596</b>	<b>\$ 3,202,659</b>	<b>\$ 3,202,659</b>	<b>\$ 3,202,821</b>

## 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 primary sources of revenue are a beginning balance of \$2,528,274, including \$1.3 million carried over and reserved for grants awarded in prior years, an interagency agreement with the Cable Office for \$248,292 representing the City of Portland's 67% share of the MHCRC operating budget, and cable franchise fees of \$973,510. In addition, \$1,965,070 in PEG revenues will support the PEG capital grant program.

**Expenditures**

The PEG capital grants are budgeted at \$1.8 million in the FY 2004-05 Adopted Budget and represent the majority of Cable Fund expenditures. These grants consist of \$850,000 in Community Access Capital grants and \$972,330 in Access Corporation Capital grants to the public cable access organizations, Portland Community Media (PCM) and Multnomah County TV (MCTV).

The MHCRC operating budget is \$374,498, down 0.4% from FY 2003-04. Personal services expense for the MHCRC is budgeted within the Office of Cable Communications and Franchise Management. Funds to support staff positions 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 in the FY 2004-05 Adopted Budget are 3% higher compared to the fiscal year 2003-04 revised revenue projection. The PEG budget for Community Access Capital grants in FY 2004-05 is \$850,000, compared to \$750,000 in FY 2003-04.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	3,855,871	3,875,596	4,176,739	3,890,268	4,087,237	4,087,237	4,087,237
Prior Year Property Taxes	114,902	97,818	85,000	65,000	65,000	65,000	65,000
	<u>3,970,773</u>	<u>3,973,414</u>	<u>4,261,739</u>	<u>3,955,268</u>	<u>4,152,237</u>	<u>4,152,237</u>	<u>4,152,237</u>
<b>Miscellaneous Revenues</b>							
Interest Earned	61,050	37,300	48,443	18,443	20,554	20,554	20,554
Other Miscellaneous	12	0	0	0	0	0	0
	<u>61,062</u>	<u>37,300</u>	<u>48,443</u>	<u>18,443</u>	<u>20,554</u>	<u>20,554</u>	<u>20,554</u>
<b>Total External Revenues</b>	<b>4,031,835</b>	<b>4,010,714</b>	<b>4,310,182</b>	<b>3,973,711</b>	<b>4,172,791</b>	<b>4,172,791</b>	<b>4,172,791</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	158,295	99,995	0	158,778	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ 4,190,130</b>	<b>\$ 4,110,709</b>	<b>\$ 4,310,182</b>	<b>\$ 4,132,489</b>	<b>\$ 4,172,791</b>	<b>\$ 4,172,791</b>	<b>\$ 4,172,791</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	4,090,135	3,951,931	4,310,182	4,132,489	4,172,791	4,172,791	4,172,791
<b>Ending Balance</b>							
Unappropriated Ending Balance	99,995	158,778	0	0	0	0	0
	<u>99,995</u>	<u>158,778</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Requirements</b>	<b>4,190,130</b>	<b>4,110,709</b>	<b>4,310,182</b>	<b>4,132,489</b>	<b>4,172,791</b>	<b>4,172,791</b>	<b>4,172,791</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 4,190,130</b>	<b>\$ 4,110,709</b>	<b>\$ 4,310,182</b>	<b>\$ 4,132,489</b>	<b>\$ 4,172,791</b>	<b>\$ 4,172,791</b>	<b>\$ 4,172,791</b>

**FUND OVERVIEW**

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Central Eastside 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 improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services

**Central Eastside Industrial District Debt Fund – 310**

**DEBT REDEMPTION SCHEDULE**

<b>Bond Description</b>	<b>Amount Issued</b>	<b>Fiscal Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P+I</b>
<b>Estimated - Short Term Debt</b>	3,739,748					
		2004/05	3,739,748	variable	433,043	4,172,791
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 3,739,748</b>		<b>\$ 433,043</b>	<b>\$ 4,172,791</b>

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	0	0	8,977,866	8,977,866	8,725,335	8,725,335	8,725,335
Prior Year Property Taxes	0	0	0	0	166,737	166,737	166,737
	0	0	8,977,866	8,977,866	8,892,072	8,892,072	8,892,072
<b>Miscellaneous Revenues</b>							
Interest Earned	0	0	34,000	30,378	18,277	18,277	18,277
	0	0	34,000	30,378	18,277	18,277	18,277
<b>Total External Revenues</b>	<b>0</b>	<b>0</b>	<b>9,011,866</b>	<b>9,008,244</b>	<b>8,910,349</b>	<b>8,910,349</b>	<b>8,910,349</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
General Fund	0	10,000	0	0	0	0	0
Housing Investment Fund	0	0	1,045,000	1,045,000	0	0	0
	0	10,000	1,045,000	1,045,000	0	0	0
<b>Total Internal Revenues</b>	<b>0</b>	<b>10,000</b>	<b>1,045,000</b>	<b>1,045,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,622</b>	<b>177,724</b>	<b>177,724</b>	<b>177,724</b>
<b>TOTAL RESOURCES</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 10,056,866</b>	<b>\$ 10,056,866</b>	<b>\$ 9,088,073</b>	<b>\$ 9,088,073</b>	<b>\$ 9,088,073</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	0	0	8,286,242	8,286,242	8,000,000	8,000,000	8,000,000
<b>Internal Materials and Services</b>							
Commissioner of Public Affairs	0	6,378	83,758	83,758	354,996	354,996	354,996
Community Development	0	0	80,000	80,000	40,000	40,000	40,000
	0	6,378	163,758	163,758	394,996	394,996	394,996
<b>Total Bureau Expenses</b>	<b>0</b>	<b>6,378</b>	<b>8,450,000</b>	<b>8,450,000</b>	<b>8,394,996</b>	<b>8,394,996</b>	<b>8,394,996</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	555,335	377,611	668,077	668,077	668,077
	0	0	555,335	377,611	668,077	668,077	668,077
<b>General Fund Overhead</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>Fund Cash Transfers</b>							
Housing Investment	0	0	1,051,531	1,051,531	0	0	0
	0	0	1,051,531	1,051,531	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	0	3,622	0	177,724	0	0	0
	0	3,622	0	177,724	0	0	0
<b>Total Fund Requirements</b>	<b>0</b>	<b>3,622</b>	<b>1,606,866</b>	<b>1,606,866</b>	<b>693,077</b>	<b>693,077</b>	<b>693,077</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 10,056,866</b>	<b>\$ 10,056,866</b>	<b>\$ 9,088,073</b>	<b>\$ 9,088,073</b>	<b>\$ 9,088,073</b>

## FUND OVERVIEW

The Children's Investment Fund was established in the City of Portland's financial system in FY 2002-03 to account for the revenues and expenditures related to the Children's Levy, approved by Portland-area voters in November 2002. Decisions on expenditures within the Children's Investment Fund are made by a five-person committee and approved by City Council. All allocations must be made in a way that keeps faith with the levy as approved by voters.

**Managing Agency**      Office of the Commissioner of Public Affairs



	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
Lodging Taxes	2,081,707	2,138,002	2,140,903	2,211,173	2,253,606	2,253,606	2,253,606
Miscellaneous Revenues							
Interest Earned	10,918	5,922	15,900	3,000	4,000	4,000	4,000
	10,918	5,922	15,900	3,000	4,000	4,000	4,000
<b>Total External Revenues</b>	<b>2,092,625</b>	<b>2,143,924</b>	<b>2,156,803</b>	<b>2,214,173</b>	<b>2,257,606</b>	<b>2,257,606</b>	<b>2,257,606</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	134,592	147,352	250,350	143,824	170,897	170,897	170,897
<b>TOTAL RESOURCES</b>	<b>\$ 2,227,217</b>	<b>\$ 2,291,276</b>	<b>\$ 2,407,153</b>	<b>\$ 2,357,997</b>	<b>\$ 2,428,503</b>	<b>\$ 2,428,503</b>	<b>\$ 2,428,503</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
External Materials and Services	2,022,744	2,072,887	2,168,738	2,126,846	2,358,883	2,358,883	2,358,883
Internal Materials and Services							
Business Licenses	56,850	68,499	60,254	60,254	61,700	61,700	61,700
	56,850	68,499	60,254	60,254	61,700	61,700	61,700
<b>Total Bureau Expenses</b>	<b>2,079,594</b>	<b>2,141,386</b>	<b>2,228,992</b>	<b>2,187,100</b>	<b>2,420,583</b>	<b>2,420,583</b>	<b>2,420,583</b>
<b>Fund Requirements</b>							
General Operating Contingency							
General Operating Contingency	0	0	0	0	0	98	98
	0	0	0	0	0	98	98
General Fund Overhead	271	6,066	7,264	0	7,006	6,908	6,908
Fund Cash Transfers							
General Fund	0	0	0	0	914	914	914
	0	0	0	0	914	914	914
Ending Balance							
Unappropriated Ending Balance	147,352	143,824	170,897	170,897	0	0	0
	147,352	143,824	170,897	170,897	0	0	0
<b>Total Fund Requirements</b>	<b>147,623</b>	<b>149,890</b>	<b>178,161</b>	<b>170,897</b>	<b>7,920</b>	<b>7,920</b>	<b>7,920</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 2,227,217</b>	<b>\$ 2,291,276</b>	<b>\$ 2,407,153</b>	<b>\$ 2,357,997</b>	<b>\$ 2,428,503</b>	<b>\$ 2,428,503</b>	<b>\$ 2,428,503</b>
<b>LINE ITEM DETAIL - AU 255</b>							
<b>Materials and Services</b>							
External Materials and Services							
549000 Miscellaneous	2,022,744	2,072,887	2,168,738	2,126,846	2,358,883	2,358,883	2,358,883
<b>Total External Materials and Services</b>	<b>2,022,744</b>	<b>2,072,887</b>	<b>2,168,738</b>	<b>2,126,846</b>	<b>2,358,883</b>	<b>2,358,883</b>	<b>2,358,883</b>
Internal Materials and Services							
559000 Other Fund Services	56,850	68,499	60,254	60,254	61,700	61,700	61,700
<b>Total Internal Materials and Services</b>	<b>56,850</b>	<b>68,499</b>	<b>60,254</b>	<b>60,254</b>	<b>61,700</b>	<b>61,700</b>	<b>61,700</b>
<b>Total Materials and Services</b>	<b>2,079,594</b>	<b>2,141,386</b>	<b>2,228,992</b>	<b>2,187,100</b>	<b>2,420,583</b>	<b>2,420,583</b>	<b>2,420,583</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 2,079,594</b>	<b>\$ 2,141,386</b>	<b>\$ 2,228,992</b>	<b>\$ 2,187,100</b>	<b>\$ 2,420,583</b>	<b>\$ 2,420,583</b>	<b>\$ 2,420,583</b>

## FUND OVERVIEW

The Convention and Tourism Fund is funded by a 1% transient lodgings tax from hotels and motels. Expenditures from this fund are authorized for 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, administers the collection of the taxes, and charges the fund an administrative fee.

**Managing Agency**      Bureau of Licenses

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	5,927,012	6,307,262	6,295,950	6,416,025	6,457,589	6,457,589	6,457,589
Prior Year Property Taxes	174,355	157,838	143,366	103,366	103,366	103,366	103,366
	<u>6,101,367</u>	<u>6,465,100</u>	<u>6,439,316</u>	<u>6,519,391</u>	<u>6,560,955</u>	<u>6,560,955</u>	<u>6,560,955</u>
<b>Miscellaneous Revenues</b>							
Interest Earned	150,759	109,462	42,498	17,498	31,965	31,965	31,965
	<u>150,759</u>	<u>109,462</u>	<u>42,498</u>	<u>17,498</u>	<u>31,965</u>	<u>31,965</u>	<u>31,965</u>
<b>Total External Revenues</b>	<u>6,252,126</u>	<u>6,574,562</u>	<u>6,481,814</u>	<u>6,536,889</u>	<u>6,592,920</u>	<u>6,592,920</u>	<u>6,592,920</u>
<b>Internal Revenues</b>							
Beginning Fund Balance	2,225,976	3,174,472	0	245,234	0	0	0
<b>TOTAL RESOURCES</b>	<u>\$ 8,478,102</u>	<u>\$ 9,749,034</u>	<u>\$ 6,481,814</u>	<u>\$ 6,782,123</u>	<u>\$ 6,592,920</u>	<u>\$ 6,592,920</u>	<u>\$ 6,592,920</u>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	5,303,630	9,503,800	6,481,814	6,782,123	6,592,920	6,592,920	6,592,920
<b>Ending Balance</b>							
Unappropriated Ending Balance	3,174,472	245,234	0	0	0	0	0
	<u>3,174,472</u>	<u>245,234</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Requirements</b>	<u>8,478,102</u>	<u>9,749,034</u>	<u>6,481,814</u>	<u>6,782,123</u>	<u>6,592,920</u>	<u>6,592,920</u>	<u>6,592,920</u>
<b>TOTAL REQUIREMENTS</b>	<u>\$ 8,478,102</u>	<u>\$ 9,749,034</u>	<u>\$ 6,481,814</u>	<u>\$ 6,782,123</u>	<u>\$ 6,592,920</u>	<u>\$ 6,592,920</u>	<u>\$ 6,592,920</u>

**FUND OVERVIEW**

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Convention Center 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 improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services

Convention Center Area Debt Service Fund – 312

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Urban Renewal &amp; Redevelopment Bonds, 2000 Series A</b>						
08/01/2000 - Due 6/15	32,900,000					
		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
		<b>TOTAL</b>	<b>32,900,000</b>		<b>24,505,410</b>	<b>57,405,410</b>
<b>Urban Renewal &amp; Redevelopment Bonds, 2000 Series B</b>						
08/01/2000 - Due 6/15	16,480,000					
		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
		<b>TOTAL</b>	<b>16,480,000</b>		<b>9,041,993</b>	<b>25,521,993</b>
<b>Estimated - Du Jour and Line of Credit</b>						
	3,349,100					
		2004/05	3,228,619	variable	260,900	3,489,519
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 3,228,619</b>		<b>\$ 260,900</b>	<b>\$ 3,489,519</b>
<b>COMBINED DEBT SERVICE</b>						
	52,729,100					
		2004/05	3,228,619		3,364,300	6,592,919
		2005/06	-		3,103,400	3,103,400
		2006/07	-		3,103,400	3,103,400
		2007/08	-		3,103,400	3,103,400
		2008/09	2,775,000		3,103,400	5,878,400
		2009/10	2,980,000		2,896,663	5,876,663
		2010/11	3,205,000		2,673,163	5,878,163
		2011/12	3,445,000		2,429,583	5,874,583
		2012/13	3,710,000		2,166,040	5,876,040
		2013/14	3,995,000		1,880,370	5,875,370
		2014/15	4,230,000		1,647,008	5,877,008
		2015/16	4,470,000		1,405,718	5,875,718
		2016/17	4,725,000		1,149,705	5,874,705
		2017/18	4,995,000		880,555	5,875,555
		2018/19	5,280,000		595,250	5,875,250
		2019/20	5,570,000		306,350	5,876,350
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 52,608,619</b>		<b>\$ 33,808,303</b>	<b>\$ 86,416,922</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Licenses and Permits</b>							
Construction Permits	17,256,078	18,994,833	20,131,115	20,643,000	21,342,000	21,342,000	21,342,000
Other Permits	275,003	309,925	343,000	345,000	337,000	337,000	337,000
	17,531,081	19,304,758	20,474,115	20,988,000	21,679,000	21,679,000	21,679,000
<b>Service Charges and Fees</b>							
Inspection Fees	1,098,992	1,388,026	1,475,000	1,860,000	1,635,000	1,635,000	1,635,000
Miscellaneous	3,630,796	3,954,010	4,053,000	4,117,000	4,963,000	4,963,000	5,058,032
	4,729,788	5,342,036	5,528,000	5,977,000	6,598,000	6,598,000	6,693,032
<b>Miscellaneous Revenues</b>							
Collection of Assessment	1,941,060	1,900,738	525,000	537,000	547,000	547,000	547,000
Interest Earned	494,266	447,111	156,000	123,000	117,000	117,000	117,000
	2,435,326	2,347,849	681,000	660,000	664,000	664,000	664,000
<b>Total External Revenues</b>	<b>24,696,195</b>	<b>26,994,643</b>	<b>26,683,115</b>	<b>27,625,000</b>	<b>28,941,000</b>	<b>28,941,000</b>	<b>29,036,032</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
General Fund	3,329,443	2,129,886	1,143,072	1,143,072	1,153,361	1,153,361	1,153,361
General Reserve Fund	0	454,000	0	0	0	0	0
Housing & Community Development	53,461	34,484	0	0	0	0	0
Refuse Disposal Fund	133,785	143,562	0	0	0	0	0
Vehicle Services Fund	0	82,200	0	0	0	0	0
	3,516,689	2,844,132	1,143,072	1,143,072	1,153,361	1,153,361	1,153,361
<b>Interfund Service Reimbursements</b>							
Environmental Services	38,821	43,407	43,377	43,377	73,536	73,536	73,536
Fire Bureau	21,354	20,926	20,898	20,898	31,741	31,741	31,741
Housing & Community Development	261,679	127,105	0	0	0	0	0
Neighborhood Involvement	0	0	151,000	50,000	14,161	14,161	14,161
Sustainable Development	13,326	0	0	0	0	0	0
Parks Bureau	6,338	6,232	6,224	6,224	5,770	5,770	5,770
Planning	2,353	6,000	0	0	0	0	0
Refuse Disposal Fund	0	50,000	0	0	0	0	0
Transportation	42,707	46,807	41,795	41,795	69,283	69,283	69,283
Water Bureau	10,677	5,232	5,224	5,224	14,210	14,210	14,210
	397,255	305,709	268,518	167,518	208,701	208,701	208,701
<b>Total Internal Revenues</b>	<b>3,913,944</b>	<b>3,149,841</b>	<b>1,411,590</b>	<b>1,310,590</b>	<b>1,362,062</b>	<b>1,362,062</b>	<b>1,362,062</b>
<b>Beginning Fund Balance</b>	<b>3,824,967</b>	<b>4,043,065</b>	<b>4,519,070</b>	<b>5,042,870</b>	<b>5,135,261</b>	<b>5,135,261</b>	<b>5,135,261</b>
<b>TOTAL RESOURCES</b>	<b>\$ 32,435,106</b>	<b>\$ 34,187,549</b>	<b>\$ 32,613,775</b>	<b>\$ 33,978,460</b>	<b>\$ 35,438,323</b>	<b>\$ 35,438,323</b>	<b>\$ 35,533,355</b>

<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	20,038,051	20,906,303	21,165,375	20,368,000	21,543,780	21,543,780	22,062,765
<b>External Materials and Services</b>	1,525,630	1,568,026	1,832,507	1,154,822	1,510,409	1,510,409	1,510,409
<b>Internal Materials and Services</b>							
Communications Services	409,830	392,409	392,882	385,000	380,621	380,621	382,934

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Facilities Services	2,251,630	2,223,988	2,121,066	2,075,968	2,138,992	2,138,992	2,138,992
Information Technology	688,349	597,925	831,442	843,000	1,250,967	1,250,967	884,207
Insurance	668,418	524,200	490,308	490,308	597,541	597,541	597,541
Printing & Distribution	494,139	487,250	522,480	481,000	495,418	495,418	495,418
Vehicle Services	303,516	280,619	286,975	272,000	306,778	306,778	306,778
City Auditor	113,542	110,067	59,066	59,066	22,626	22,626	22,626
Environmental Services	0	0	0	0	20,000	20,000	20,000
Information Technology	179,017	215,711	0	0	0	0	0
Office of Management & Finance	269,101	281,011	289,136	289,136	304,547	304,547	304,547
Planning	128,504	25,000	47,500	47,500	27,500	27,500	27,500
Special Appropriations	0	2,321	33,295	2,500	0	0	0
Transportation	284,600	293,628	288,380	288,380	299,912	299,912	299,912
	5,790,646	5,434,129	5,362,530	5,233,858	5,844,902	5,844,902	5,480,455
<b>Capital Outlay</b>	0	14,348	12,063	12,063	12,389	12,389	12,389
<b>Equipment Cash Transfers</b>							
Printing & Distribution	0	0	2,000	2,000	0	0	0
Vehicle Operating	0	7,426	0	0	0	0	0
	0	7,426	2,000	2,000	0	0	0
<b>Total Bureau Expenses</b>	27,354,327	27,930,232	28,374,475	26,770,743	28,911,480	28,911,480	29,066,018
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	1,656,720	0	1,751,716	1,763,195	1,703,689
Compensation Adjustment	0	0	482,401	0	442,125	442,125	442,125
	0	0	2,139,121	0	2,193,841	2,205,320	2,145,814
<b>General Fund Overhead</b>	630,048	821,144	920,424	1,198,440	1,075,351	1,063,872	1,063,872
<b>Fund Cash Transfers</b>							
General Fund	0	0	27,000	27,000	67,478	67,478	67,478
General Reserve Fund	0	0	730,360	730,360	0	0	0
Pension Debt Redemption Fund	407,666	393,303	422,395	116,656	531,309	531,309	531,309
	407,666	393,303	1,179,755	874,016	598,787	598,787	598,787
<b>Ending Balance</b>							
Unappropriated Ending Balance	4,043,065	5,042,870	0	5,135,261	2,658,864	2,658,864	2,658,864
	4,043,065	5,042,870	0	5,135,261	2,658,864	2,658,864	2,658,864
<b>Total Fund Requirements</b>	5,080,779	6,257,317	4,239,300	7,207,717	6,526,843	6,526,843	6,467,337
<b>TOTAL REQUIREMENTS</b>	<b>\$ 32,435,106</b>	<b>\$ 34,187,549</b>	<b>\$ 32,613,775</b>	<b>\$ 33,978,460</b>	<b>\$ 35,438,323</b>	<b>\$ 35,438,323</b>	<b>\$ 35,533,355</b>

## FUND OVERVIEW

### Operating Fund

The Development Services Fund accounts for all revenues and expenditures related to activities and services provided by the Bureau of Development Services.

In FY 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. These programs became self-sufficient in the FY 1990-91 budget year.

In FY 1999-00, the Land Use Review Division of the Bureau of Planning was merged with the Bureau of Buildings to create the Office of Planning and Development Review. In 2002, the bureau's name was changed to the present Bureau of Development Services (BDS). In FY 2003-04, the housing, nuisance abatement, and noise control programs were moved from BDS to the Office of Neighborhood Involvement.

**Revenues**

Revenues include construction and land use permit fees, inspection fees, and collections of penalties and liens. These categories account for over \$29 million (95%) of BDS's resources. The City's General Fund will provide \$1.2 million (4%) of the bureau's funding, which is targeted for the Land Use Services program. The balance of the resources (1%) comes from other City bureaus for services provided to them by BDS.

The bureau's 2004-09 five-year financial plan forecasts sufficient revenues and reserves in the Building/Mechanical and Site Development programs, but shortfalls in the remaining programs. Consequently, FY 2004-05 budgeted revenues include proposed fee increases for those programs.

**Expenditures**

Expenditures include the bureau's costs for personal services, external materials and services, and services provided by other City bureaus to BDS. The FY 2004-05 budget for these expenditures increased 2% over the FY 2003-04 amounts. Fund-level expenditures include the bureau's share of the City's General Fund overhead, Pension Obligation Bond Debt Service and the Citywide BRASS budgeting project. In FY 2003-04, fund-level transfers to the General Fund included a one-time transfer of Neighborhood Inspections Program reserves to the Office of Neighborhood Involvement.

**Managing Agency**

Bureau of Development Services

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	0	651,105	906,329	1,009,584	1,263,723	1,263,723	1,263,723
Prior Year Property Taxes	0	0	0	7,000	7,000	7,000	7,000
	0	651,105	906,329	1,016,584	1,270,723	1,270,723	1,270,723
<b>Miscellaneous Revenues</b>							
Interest Earned	0	4,590	6,118	3,118	6,255	6,255	6,255
	0	4,590	6,118	3,118	6,255	6,255	6,255
<b>Total External Revenues</b>	0	655,695	912,447	1,019,702	1,276,978	1,276,978	1,276,978
<b>Internal Revenues</b>							
Beginning Fund Balance	0	0	0	22,440	0	0	0
<b>TOTAL RESOURCES</b>	\$ 0	\$ 655,695	\$ 912,447	\$ 1,042,142	\$ 1,276,978	\$ 1,276,978	\$ 1,276,978
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	0	633,255	912,447	1,042,142	1,276,978	1,276,978	1,276,978
<b>Ending Balance</b>							
Unappropriated Ending Balance	0	22,440	0	0	0	0	0
	0	22,440	0	0	0	0	0
<b>Total Fund Requirements</b>	0	655,695	912,447	1,042,142	1,276,978	1,276,978	1,276,978
<b>TOTAL REQUIREMENTS</b>	\$ 0	\$ 655,695	\$ 912,447	\$ 1,042,142	\$ 1,276,978	\$ 1,276,978	\$ 1,276,978

## FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Gateway 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 improvements in this district.

The Portland Development Commission (PDC) serves as the City's agent for developing and managing urban renewal districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services



**Gateway URA Debt Redemption Fund – 315**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Estimated - Short Term Debt</b>	Variable	2004/05	1,094,678	variable	182,300	1,276,978
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 1,094,678</b>		<b>\$ 182,300</b>	<b>\$ 1,276,978</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Federal Sources</b>							
Federal Grants	3,944,157	2,252,986	15,017,145	7,211,000	5,421,189	5,421,189	5,421,189
	3,944,157	2,252,986	15,017,145	7,211,000	5,421,189	5,421,189	5,421,189
<b>Miscellaneous Revenues</b>							
Loan Repayments	281,919	440,877	250,000	200,000	250,000	250,000	250,000
	281,919	440,877	250,000	200,000	250,000	250,000	250,000
<b>Total External Revenues</b>	<b>4,226,076</b>	<b>2,693,863</b>	<b>15,267,145</b>	<b>7,411,000</b>	<b>5,671,189</b>	<b>5,671,189</b>	<b>5,671,189</b>
<b>Internal Revenues</b>							
<b>TOTAL RESOURCES</b>	<b>\$ 4,226,076</b>	<b>\$ 2,693,863</b>	<b>\$ 15,267,145</b>	<b>\$ 7,411,000</b>	<b>\$ 5,671,189</b>	<b>\$ 5,671,189</b>	<b>\$ 5,671,189</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	3,836,089	2,301,636	14,826,040	7,000,000	5,237,255	5,237,255	5,237,255
<b>Internal Materials and Services</b>							
Community Development	325,664	392,227	441,105	411,000	433,934	433,934	433,934
GF Revenues / Balance	64,323	0	0	0	0	0	0
	389,987	392,227	441,105	411,000	433,934	433,934	433,934
<b>Total Bureau Expenses</b>	<b>4,226,076</b>	<b>2,693,863</b>	<b>15,267,145</b>	<b>7,411,000</b>	<b>5,671,189</b>	<b>5,671,189</b>	<b>5,671,189</b>
<b>Fund Requirements</b>							
<b>Total Fund Requirements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 4,226,076</b>	<b>\$ 2,693,863</b>	<b>\$ 15,267,145</b>	<b>\$ 7,411,000</b>	<b>\$ 5,671,189</b>	<b>\$ 5,671,189</b>	<b>\$ 5,671,189</b>
<b>LINE ITEM DETAIL - AU 537</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
529000 Miscellaneous Services	3,836,089	2,301,636	14,826,040	7,000,000	5,237,255	5,237,255	5,237,255
<b>Total External Materials and Services</b>	<b>3,836,089</b>	<b>2,301,636</b>	<b>14,826,040</b>	<b>7,000,000</b>	<b>5,237,255</b>	<b>5,237,255</b>	<b>5,237,255</b>
<b>Internal Materials and Services</b>							
559000 Other Fund Services	389,987	392,227	441,105	411,000	433,934	433,934	433,934
<b>Total Internal Materials and Services</b>	<b>389,987</b>	<b>392,227</b>	<b>441,105</b>	<b>411,000</b>	<b>433,934</b>	<b>433,934</b>	<b>433,934</b>
<b>Total Materials and Services</b>	<b>4,226,076</b>	<b>2,693,863</b>	<b>15,267,145</b>	<b>7,411,000</b>	<b>5,671,189</b>	<b>5,671,189</b>	<b>5,671,189</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 4,226,076</b>	<b>\$ 2,693,863</b>	<b>\$ 15,267,145</b>	<b>\$ 7,411,000</b>	<b>\$ 5,671,189</b>	<b>\$ 5,671,189</b>	<b>\$ 5,671,189</b>

## 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 consists of the City of Portland, the City of Gresham, and Multnomah County. 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 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 2004-05 is \$4,850,456, a decrease of \$17,765 (0.4%) from the FY 2003-04 entitlement.

**Program Income**

It is estimated that HOME program income will be \$250,000, the same as in FY 2003-04.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	0	12,671	18,000	18,000	0	0	0
	0	12,671	18,000	18,000	0	0	0
<b>Federal Sources</b>							
Federal Grants	8,761,339	6,803,353	23,931,613	16,301,621	14,325,000	14,325,000	14,325,000
	8,761,339	6,803,353	23,931,613	16,301,621	14,325,000	14,325,000	14,325,000
<b>Miscellaneous Revenues</b>							
Collection of Assessment	89,361	61,210	85,000	75,000	50,000	50,000	50,000
Interest Earned	102,442	53,443	0	0	0	0	0
Loan Repayments	7,678,465	6,009,611	2,100,000	2,000,000	2,100,000	2,100,000	2,100,000
	7,870,268	6,124,264	2,185,000	2,075,000	2,150,000	2,150,000	2,150,000
<b>Total External Revenues</b>	<b>16,631,607</b>	<b>12,940,288</b>	<b>26,134,613</b>	<b>18,394,621</b>	<b>16,475,000</b>	<b>16,475,000</b>	<b>16,475,000</b>
<b>Internal Revenues</b>							
<b>TOTAL RESOURCES</b>	<b>\$ 16,631,607</b>	<b>\$ 12,940,288</b>	<b>\$ 26,134,613</b>	<b>\$ 18,394,621</b>	<b>\$ 16,475,000</b>	<b>\$ 16,475,000</b>	<b>\$ 16,475,000</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	14,105,953	10,264,508	22,665,696	15,637,752	14,108,846	14,159,846	14,159,846
<b>Internal Materials and Services</b>							
Bureau Of Development Services	261,679	127,105	0	0	0	0	0
Community Development	1,269,481	1,440,018	1,565,334	2,481,869	1,585,368	1,585,368	1,585,368
LID Construction Fund	81,629	66,270	1,033,730	0	0	0	0
Neighborhood Involvement	105,284	146,109	187,302	0	76,984	25,984	25,984
Office of Management & Finance	48,596	36,433	44,000	0	44,000	44,000	44,000
Parks Bureau	2,329	5,671	25,000	0	0	0	0
Parks Construction	0	0	85,615	0	0	0	0
Planning	122,025	494,602	99,100	0	8,395	8,395	8,395
Police Bureau	65,610	74,626	72,756	0	36,378	36,378	36,378
Transportation	348,100	73,268	23,967	0	300,000	300,000	300,000
Water Bureau	0	910	0	0	0	0	0
	2,304,733	2,465,012	3,136,804	2,481,869	2,051,125	2,000,125	2,000,125
<b>Total Bureau Expenses</b>	<b>16,410,686</b>	<b>12,729,520</b>	<b>25,802,500</b>	<b>18,119,621</b>	<b>16,159,971</b>	<b>16,159,971</b>	<b>16,159,971</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	49,513	0	49,513	49,513	49,513
	0	0	49,513	0	49,513	49,513	49,513
<b>Fund Cash Transfers</b>							
Development Services Fund	53,461	34,484	0	0	0	0	0
General Fund	131,445	156,829	231,495	275,000	243,835	243,835	243,835

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Transportation Operating	36,015	19,455	51,105	0	21,681	21,681	21,681
	220,921	210,768	282,600	275,000	265,516	265,516	265,516
<b>Total Fund Requirements</b>	220,921	210,768	332,113	275,000	315,029	315,029	315,029
<b>TOTAL REQUIREMENTS</b>	<b>\$ 16,631,607</b>	<b>\$ 12,940,288</b>	<b>\$ 26,134,613</b>	<b>\$ 18,394,621</b>	<b>\$ 16,475,000</b>	<b>\$ 16,475,000</b>	<b>\$ 16,475,000</b>
<b>LINE ITEM DETAIL – AU 532</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
529000 Miscellaneous Services	14,105,953	10,264,508	22,665,696	15,637,752	14,108,846	14,159,846	14,159,846
<b>Total External Materials and Services</b>	14,105,953	10,264,508	22,665,696	15,637,752	14,108,846	14,159,846	14,159,846
<b>Internal Materials and Services</b>							
559000 Other Fund Services	2,304,733	2,465,012	3,136,804	2,481,869	2,051,125	2,000,125	2,000,125
<b>Total Internal Materials and Services</b>	2,304,733	2,465,012	3,136,804	2,481,869	2,051,125	2,000,125	2,000,125
<b>Total Materials and Services</b>	16,410,686	12,729,520	25,802,500	18,119,621	16,159,971	16,159,971	16,159,971
<b>TOTAL Bureau Expenses</b>	<b>\$ 16,410,686</b>	<b>\$ 12,729,520</b>	<b>\$ 25,802,500</b>	<b>\$ 18,119,621</b>	<b>\$ 16,159,971</b>	<b>\$ 16,159,971</b>	<b>\$ 16,159,971</b>

## 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 (HUD), 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** **Increase in Entitlement**
- The Community Development Block Grant entitlement for FY 2004-05 is \$12,105,000, a decrease of \$271,000 (2.2%) from FY 2003-04.

**Program Income****Decrease in Program Income**

Program income from the Portland Development Commission, received primarily from loan repayments, is estimated in the FY 2004-05 Proposed Budget at \$2.1 million, the same as in FY 03-04.

Program income received from other sources is projected to decrease due to estimated declines in interest payments from float activities as well as lien repayments. HCDC contributions from Gresham & Multnomah County have been moved into the General Fund to reflect them as separate CDBG grant income and to properly reflect them in the HUD Single Audit.

**Carryover****Changes in Carryover**

Obligated carryover (funds tied to specific continuing projects) include amounts for:

- ◆ Street improvement projects for housing activities
- ◆ The CDBG portion of match for the Housing Authority of Portland HOPE VI grant
- ◆ Economic Opportunity RFP

The total amount of obligated carryover is budgeted at \$2,220,000, an increase of \$833,980 from FY 2003-04.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	412,925	48,000	63,000	12,000	15,000	15,000	15,000
Rents and Reimbursements	200,935	59,836	154,000	0	285,250	285,250	285,250
	613,860	107,836	217,000	12,000	300,250	300,250	300,250
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	4,536,000	0	17,385,000	0	16,475,250	16,475,250	16,475,250
Interest Earned	196,320	80,272	89,979	25,000	25,000	25,000	25,000
Sale of Capital Assets	2,816,000	6,408,252	5,874,000	685,562	4,000,000	4,000,000	4,000,000
	7,548,320	6,488,524	23,348,979	710,562	20,500,250	20,500,250	20,500,250
<b>Total External Revenues</b>	<b>8,162,180</b>	<b>6,596,360</b>	<b>23,565,979</b>	<b>722,562</b>	<b>20,800,500</b>	<b>20,800,500</b>	<b>20,800,500</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Children's Investment Fund	0	0	1,051,531	0	0	0	0
General Fund	485,068	55,652	495,757	0	492,716	492,716	492,716
	485,068	55,652	1,547,288	0	492,716	492,716	492,716
<b>Total Internal Revenues</b>	<b>485,068</b>	<b>55,652</b>	<b>1,547,288</b>	<b>0</b>	<b>492,716</b>	<b>492,716</b>	<b>492,716</b>
<b>Beginning Fund Balance</b>	<b>5,719,955</b>	<b>4,299,491</b>	<b>4,215,239</b>	<b>3,158,419</b>	<b>2,766,208</b>	<b>2,766,208</b>	<b>2,766,208</b>
<b>TOTAL RESOURCES</b>	<b>\$ 14,367,203</b>	<b>\$ 10,951,503</b>	<b>\$ 29,328,506</b>	<b>\$ 3,880,981</b>	<b>\$ 24,059,424</b>	<b>\$ 24,059,424</b>	<b>\$ 24,059,424</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>							
	3,340	0	0	0	0	0	0
<b>External Materials and Services</b>							
	7,047,763	1,296,209	10,294,650	1,114,773	18,282,966	18,282,966	18,282,966
<b>Internal Materials and Services</b>							
Community Development	0	0	31,000	0	0	0	0
	0	0	31,000	0	0	0	0
<b>Capital Outlay</b>							
	0	0	12,000,000	0	0	0	0
<b>Total Bureau Expenses</b>	<b>7,051,103</b>	<b>1,296,209</b>	<b>22,325,650</b>	<b>1,114,773</b>	<b>18,282,966</b>	<b>18,282,966</b>	<b>18,282,966</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	83,856	0	1,491,208	1,491,208	1,491,208
	0	0	83,856	0	1,491,208	1,491,208	1,491,208
<b>Fund Cash Transfers</b>							
Children's Investment Fund	0	0	1,045,000	0	0	0	0
Intermediate Debt Fund	3,016,609	6,496,859	4,854,000	0	4,285,250	4,285,250	4,285,250
Pension Debt Redemption Fund	0	16	0	0	0	0	0
	3,016,609	6,496,875	5,899,000	0	4,285,250	4,285,250	4,285,250
<b>Debt Retirement</b>	<b>0</b>	<b>0</b>	<b>1,020,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Ending Balance</b>							
Unappropriated Ending Balance	4,299,491	3,158,419	0	2,766,208	0	0	0
	4,299,491	3,158,419	0	2,766,208	0	0	0
<b>Total Fund Requirements</b>	7,316,100	9,655,294	7,002,856	2,766,208	5,776,458	5,776,458	5,776,458
<b>TOTAL REQUIREMENTS</b>	<b>\$ 14,367,203</b>	<b>\$ 10,951,503</b>	<b>\$ 29,328,506</b>	<b>\$ 3,880,981</b>	<b>\$ 24,059,424</b>	<b>\$ 24,059,424</b>	<b>\$ 24,059,424</b>
<b>LINE ITEM DETAIL - AU 292</b>							
<b>Personnel Services</b>							
511000 Full-Time Employees	2,305	0	0	0	0	0	0
517000 Benefits	1,035	0	0	0	0	0	0
<b>Total Personnel Services</b>	3,340	0	0	0	0	0	0
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
521000 Professional Services	1,559	0	0	0	0	0	0
529000 Miscellaneous Services	7,039,441	1,286,061	9,955,650	1,114,523	18,107,716	18,107,716	18,107,716
549000 Miscellaneous	6,763	10,148	339,000	250	175,250	175,250	175,250
<b>Total External Materials and Services</b>	7,047,763	1,296,209	10,294,650	1,114,773	18,282,966	18,282,966	18,282,966
<b>Internal Materials and Services</b>							
559000 Other Fund Services	0	0	31,000	0	0	0	0
<b>Total Internal Materials and Services</b>	0	0	31,000	0	0	0	0
<b>Total Materials and Services</b>	7,047,763	1,296,209	10,325,650	1,114,773	18,282,966	18,282,966	18,282,966
<b>Capital Outlay</b>							
562000 Buildings	0	0	12,000,000	0	0	0	0
<b>Total Capital Outlay</b>	0	0	12,000,000	0	0	0	0
<b>TOTAL Bureau Expenses</b>	<b>\$ 7,051,103</b>	<b>\$ 1,296,209</b>	<b>\$ 22,325,650</b>	<b>\$ 1,114,773</b>	<b>\$ 18,282,966</b>	<b>\$ 18,282,966</b>	<b>\$ 18,282,966</b>

## 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 the City Lights Housing program.

An annual ongoing commitment of City General Fund resources to the HIF is allocated by the Bureau of Housing and Community Development (BHCD) 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 HIF is the Preservation Line of Credit. This is a \$10.5 million revolving 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.



The City Lights Housing program is designed to stimulate production of new housing units that are not currently being built due to market financial constraints. The program is a source of low-interest rate borrowing authority in the amount of \$25 million 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.

**History of the HIF**

In FY 1994-95, the City Council allocated \$4 million over a two-year period to establish the HIF. This amount was increased by \$2.4 million in General Fund resources in FY 1995-96 for a total commitment of \$6.4 million. In FY 1996-97, the City Council transferred administrative responsibility for the HIF 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 the City Council added another \$1.0 million. 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, the City Council assigned BHCD the responsibility for allocating any new General Fund resources in the HIF, appropriating another \$4,350,000 of one-time General Fund resources. In FY 2001-02, Council authorized an ongoing appropriation of \$500,000 of General Fund resources.

**Managing Agency** Office of Management and Finance, Financial Services

**CHANGES FROM PRIOR YEAR**

**General Fund support** The FY 2004-05 current appropriation level budget for General Fund resources to the Housing Investment Fund of \$505,350 was reduced by \$12,634 (2.5%), per City Council direction for all General Fund-supported programs. The result is a Proposed Budget of \$492,716. BHCD has allocated these funds to support homeless programs.

**Smart Growth** The Smart Growth program has allocated \$500,000 in potential land acquisition costs for FY 2004-05.

**Preservation Line of Credit - revolving** In FY 2004-05, the Preservation Line of Credit program is projected to spend \$4.0 million in acquisitions. The \$1.8 million of General Fund reserve has been re-programmed. \$800,000 of the reserve will be matched with CDBG funds for a program targeted to housing for people that are homeless. The remaining \$1,000,000 will be split over two years to fund the Transitions to Housing Program.

**City Lights** The City Lights Housing program will fund its first project (Headwaters/Tryon Creek) in FY 2004-05. Approximately \$11 million in revenue bond sales are anticipated in support of this project, which will be owned by the City of Portland.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	1,056,560	1,940,850	2,794,350	2,800,668	3,497,931	3,497,931	3,497,931
Prior Year Property Taxes	0	13,453	15,000	20,000	20,000	20,000	20,000
	<u>1,056,560</u>	<u>1,954,303</u>	<u>2,809,350</u>	<u>2,820,668</u>	<u>3,517,931</u>	<u>3,517,931</u>	<u>3,517,931</u>
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	0	0	0	0	2,920,830	2,920,830	2,920,830
Interest Earned	9,606	11,233	18,862	18,862	19,349	19,349	19,349
	<u>9,606</u>	<u>11,233</u>	<u>18,862</u>	<u>18,862</u>	<u>2,940,179</u>	<u>2,940,179</u>	<u>2,940,179</u>
<b>Total External Revenues</b>	<u>1,066,166</u>	<u>1,965,536</u>	<u>2,828,212</u>	<u>2,839,530</u>	<u>6,458,110</u>	<u>6,458,110</u>	<u>6,458,110</u>
<b>Internal Revenues</b>							
Beginning Fund Balance	0	21,056	0	36,470	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ 1,066,166</b>	<b>\$ 1,986,592</b>	<b>\$ 2,828,212</b>	<b>\$ 2,876,000</b>	<b>\$ 6,458,110</b>	<b>\$ 6,458,110</b>	<b>\$ 6,458,110</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	1,045,110	1,950,122	2,828,212	2,876,000	3,537,280	3,537,280	3,537,280
<b>Ending Balance</b>							
Unappropriated Ending Balance	21,056	36,470	0	0	0	0	0
Unexpendable Reserve	0	0	0	0	2,920,830	2,920,830	2,920,830
	<u>21,056</u>	<u>36,470</u>	<u>0</u>	<u>0</u>	<u>2,920,830</u>	<u>2,920,830</u>	<u>2,920,830</u>
<b>Total Fund Requirements</b>	<u>1,066,166</u>	<u>1,986,592</u>	<u>2,828,212</u>	<u>2,876,000</u>	<u>6,458,110</u>	<u>6,458,110</u>	<u>6,458,110</u>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,066,166</b>	<b>\$ 1,986,592</b>	<b>\$ 2,828,212</b>	<b>\$ 2,876,000</b>	<b>\$ 6,458,110</b>	<b>\$ 6,458,110</b>	<b>\$ 6,458,110</b>

## 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 districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services

**Interstate Corridor Debt Service Fund – 304**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
Estimated - Short Term Debt	3,527,708					
		2004/05	3,527,708	variable	9,572	3,537,280
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 3,527,708</b>		<b>\$ 9,572</b>	<b>\$ 3,537,280</b>

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	2,609,513	3,310,859	3,993,817	4,027,644	4,656,434	4,656,434	4,656,434
Prior Year Property Taxes	42,080	56,665	20,000	40,000	40,000	40,000	40,000
	2,651,593	3,367,524	4,013,817	4,067,644	4,696,434	4,696,434	4,696,434
<b>Miscellaneous Revenues</b>							
Interest Earned	41,600	19,435	26,958	16,958	23,247	23,247	23,247
	41,600	19,435	26,958	16,958	23,247	23,247	23,247
<b>Total External Revenues</b>	<b>2,693,193</b>	<b>3,386,959</b>	<b>4,040,775</b>	<b>4,084,602</b>	<b>4,719,681</b>	<b>4,719,681</b>	<b>4,719,681</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	114,554	77,435	0	94,400	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ 2,807,747</b>	<b>\$ 3,464,394</b>	<b>\$ 4,040,775</b>	<b>\$ 4,179,002</b>	<b>\$ 4,719,681</b>	<b>\$ 4,719,681</b>	<b>\$ 4,719,681</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	2,730,312	3,369,994	4,040,775	4,179,002	4,719,681	4,719,681	4,719,681
<b>Ending Balance</b>							
Unappropriated Ending Balance	77,435	94,400	0	0	0	0	0
	77,435	94,400	0	0	0	0	0
<b>Total Fund Requirements</b>	<b>2,807,747</b>	<b>3,464,394</b>	<b>4,040,775</b>	<b>4,179,002</b>	<b>4,719,681</b>	<b>4,719,681</b>	<b>4,719,681</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 2,807,747</b>	<b>\$ 3,464,394</b>	<b>\$ 4,040,775</b>	<b>\$ 4,179,002</b>	<b>\$ 4,719,681</b>	<b>\$ 4,719,681</b>	<b>\$ 4,719,681</b>

## 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 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 districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services

**Lents Town Center Urban Renewal Area Debt Redemption Fund – 309 BT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Estimated - Short Term Debt</b>	4,462,447					
		2004/05	4,462,447	variable	257,234	4,719,681
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 4,462,447</b>		<b>\$ 257,234</b>	<b>\$ 4,719,681</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	1,582,732	4,427,284	1,253,020	1,465,000	1,458,020	1,458,020	1,458,020
	1,582,732	4,427,284	1,253,020	1,465,000	1,458,020	1,458,020	1,458,020
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	3,447,798	34,606,356	10,542,718	590,000	19,844,960	19,844,960	19,844,960
Collection of Assessment	6,440,098	4,574,538	200,000	200,000	400,000	400,000	400,000
Interest Earned	325,454	500,384	200,000	110,000	125,000	125,000	125,000
Other Miscellaneous	525	(2,171)	0	0	0	0	0
Refunds	10,362	0	0	0	0	0	0
	10,224,237	39,679,107	10,942,718	900,000	20,369,960	20,369,960	20,369,960
<b>Total External Revenues</b>	<b>11,806,969</b>	<b>44,106,391</b>	<b>12,195,738</b>	<b>2,365,000</b>	<b>21,827,980</b>	<b>21,827,980</b>	<b>21,827,980</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Sewage System Operating Fund	26,685	35,024	41,095	41,095	45,612	45,612	45,612
Sewer System Construction Fund	19,948	11,609	5,538	5,538	1,021	1,021	1,021
Transportation Operating Fund	6,366	3,695	1,770	1,770	326	326	326
	52,999	50,328	48,403	48,403	46,959	46,959	46,959
<b>Interfund Service Reimbursements</b>							
Housing & Community Development	81,629	66,270	1,033,730	325,000	0	0	0
	81,629	66,270	1,033,730	325,000	0	0	0
<b>Total Internal Revenues</b>	<b>134,628</b>	<b>116,598</b>	<b>1,082,133</b>	<b>373,403</b>	<b>46,959</b>	<b>46,959</b>	<b>46,959</b>
<b>Beginning Fund Balance</b>	<b>1,198,250</b>	<b>899,247</b>	<b>992,544</b>	<b>2,174,264</b>	<b>2,394,313</b>	<b>2,394,313</b>	<b>2,394,313</b>
<b>TOTAL RESOURCES</b>	<b>\$ 13,139,847</b>	<b>\$ 45,122,236</b>	<b>\$ 14,270,415</b>	<b>\$ 4,912,667</b>	<b>\$ 24,269,252</b>	<b>\$ 24,269,252</b>	<b>\$ 24,269,252</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	2,789	92,102	75,000	75,000	100,000	100,000	100,000
<b>Internal Materials and Services</b>							
City Auditor	932,225	1,494,948	1,376,481	1,250,000	1,383,524	1,383,524	1,383,524
Office of Management & Finance	50,872	47,644	60,404	60,404	57,807	57,807	57,807
Transportation	2,127,028	13,915,736	3,933,005	200,000	15,624,960	15,624,960	15,624,960
	3,110,125	15,458,328	5,369,890	1,510,404	17,066,291	17,066,291	17,066,291
<b>Capital Outlay</b>	<b>853,601</b>	<b>0</b>	<b>3,793,443</b>	<b>715,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Bureau Expenses</b>	<b>3,966,515</b>	<b>15,550,430</b>	<b>9,238,333</b>	<b>2,300,404</b>	<b>17,166,291</b>	<b>17,166,291</b>	<b>17,166,291</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	787,024	2,394,313	2,328,549	2,329,886	2,329,886
	0	0	787,024	2,394,313	2,328,549	2,329,886	2,329,886
<b>General Fund Overhead</b>	<b>135,037</b>	<b>12,589</b>	<b>56,680</b>	<b>(2,370)</b>	<b>81,314</b>	<b>79,977</b>	<b>79,977</b>
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	5,201	5,201	5,201
Pension Debt Redemption Fund	24,307	19,870	30,128	8,320	37,897	37,897	37,897

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Sewer System Construction	0	1,314,777	750,000	0	1,000,000	1,000,000	1,000,000
	24,307	1,334,647	780,128	8,320	1,043,098	1,043,098	1,043,098
<b>Debt Retirement</b>	8,114,741	26,050,306	3,408,250	212,000	3,650,000	3,650,000	3,650,000
<b>Ending Balance</b>							
Unappropriated Ending Balance	899,247	2,174,264	0	0	0	0	0
	899,247	2,174,264	0	0	0	0	0
<b>Total Fund Requirements</b>	9,173,332	29,571,806	5,032,082	2,612,263	7,102,961	7,102,961	7,102,961
<b>TOTAL REQUIREMENTS</b>	<b>\$ 13,139,847</b>	<b>\$ 45,122,236</b>	<b>\$ 14,270,415</b>	<b>\$ 4,912,667</b>	<b>\$ 24,269,252</b>	<b>\$ 24,269,252</b>	<b>\$ 24,269,252</b>
<b>LINE ITEM DETAIL - AU 742</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
521000 Professional Services	0	124	0	0	0	0	0
549000 Miscellaneous	2,789	91,978	75,000	75,000	100,000	100,000	100,000
<b>Total External Materials and Services</b>	2,789	92,102	75,000	75,000	100,000	100,000	100,000
<b>Internal Materials and Services</b>							
559000 Other Fund Services	3,110,125	15,458,328	5,369,890	1,510,404	17,066,291	17,066,291	17,066,291
<b>Total Internal Materials and Services</b>	3,110,125	15,458,328	5,369,890	1,510,404	17,066,291	17,066,291	17,066,291
<b>Total Materials and Services</b>	3,112,914	15,550,430	5,444,890	1,585,404	17,166,291	17,166,291	17,166,291
<b>Capital Outlay</b>							
563000 Improvements	853,601	0	3,793,443	715,000	0	0	0
<b>Total Capital Outlay</b>	853,601	0	3,793,443	715,000	0	0	0
<b>TOTAL Bureau Expenses</b>	<b>\$ 3,966,515</b>	<b>\$ 15,550,430</b>	<b>\$ 9,238,333</b>	<b>\$ 2,300,404</b>	<b>\$ 17,166,291</b>	<b>\$ 17,166,291</b>	<b>\$ 17,166,291</b>

## 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 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. It is anticipated that activity will increase significantly in the coming fiscal years with the commencement of several projects in the South Waterfront District. 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 system development charges to pay for city infrastructure.

**Managing Agency** Office of the City Auditor

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	280,755	1,166,611	1,307,159	1,371,854	1,525,587	1,525,587	1,525,587
Prior Year Property Taxes	1,715	4,391	0	15,000	15,000	15,000	15,000
	282,470	1,171,002	1,307,159	1,386,854	1,540,587	1,540,587	1,540,587
<b>Miscellaneous Revenues</b>							
Interest Earned	4,748	7,151	8,823	8,823	7,552	7,552	7,552
	4,748	7,151	8,823	8,823	7,552	7,552	7,552
<b>Total External Revenues</b>	<b>287,218</b>	<b>1,178,153</b>	<b>1,315,982</b>	<b>1,395,677</b>	<b>1,548,139</b>	<b>1,548,139</b>	<b>1,548,139</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	18,039	20,502	0	28,423	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ 305,257</b>	<b>\$ 1,198,655</b>	<b>\$ 1,315,982</b>	<b>\$ 1,424,100</b>	<b>\$ 1,548,139</b>	<b>\$ 1,548,139</b>	<b>\$ 1,548,139</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	284,755	1,170,232	1,315,982	1,424,100	1,548,139	1,548,139	1,548,139
<b>Ending Balance</b>							
Unappropriated Ending Balance	20,502	28,423	0	0	0	0	0
	20,502	28,423	0	0	0	0	0
<b>Total Fund Requirements</b>	<b>305,257</b>	<b>1,198,655</b>	<b>1,315,982</b>	<b>1,424,100</b>	<b>1,548,139</b>	<b>1,548,139</b>	<b>1,548,139</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 305,257</b>	<b>\$ 1,198,655</b>	<b>\$ 1,315,982</b>	<b>\$ 1,424,100</b>	<b>\$ 1,548,139</b>	<b>\$ 1,548,139</b>	<b>\$ 1,548,139</b>

## 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 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 districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services



**North Macadam Urban Renewal Area Debt Redemption Fund – 313 DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Estimated - Short Term Debt</b>	Variable	2004/05	1,136,827	variable	411,312	1,548,139
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 1,136,827</b>		<b>\$ 411,312</b>	<b>\$ 1,548,139</b>

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Licenses and Permits</b>							
Business Licenses	3,560,664	4,133,917	4,203,884	4,393,400	4,650,263	4,650,263	4,650,263
	3,560,664	4,133,917	4,203,884	4,393,400	4,650,263	4,650,263	4,650,263
<b>Miscellaneous Revenues</b>							
Interest Eamed	13,406	8,797	8,750	6,600	6,600	6,600	6,600
	13,406	8,797	8,750	6,600	6,600	6,600	6,600
<b>Total External Revenues</b>	<b>3,574,070</b>	<b>4,142,714</b>	<b>4,212,634</b>	<b>4,400,000</b>	<b>4,656,863</b>	<b>4,656,863</b>	<b>4,656,863</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	74,527	8,138	181,800	7,337	7,337	7,337	7,337
<b>TOTAL RESOURCES</b>	<b>\$ 3,648,597</b>	<b>\$ 4,150,852</b>	<b>\$ 4,394,434</b>	<b>\$ 4,407,337</b>	<b>\$ 4,664,200</b>	<b>\$ 4,664,200</b>	<b>\$ 4,664,200</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
External Materials and Services	3,640,459	4,143,515	4,394,434	4,400,000	4,656,863	4,656,863	4,656,863
<b>Total Bureau Expenses</b>	<b>3,640,459</b>	<b>4,143,515</b>	<b>4,394,434</b>	<b>4,400,000</b>	<b>4,656,863</b>	<b>4,656,863</b>	<b>4,656,863</b>
<b>Fund Requirements</b>							
<b>Ending Balance</b>							
Unappropriated Ending Balance	8,138	7,337	0	7,337	7,337	7,337	7,337
	8,138	7,337	0	7,337	7,337	7,337	7,337
<b>Total Fund Requirements</b>	<b>8,138</b>	<b>7,337</b>	<b>0</b>	<b>7,337</b>	<b>7,337</b>	<b>7,337</b>	<b>7,337</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 3,648,597</b>	<b>\$ 4,150,852</b>	<b>\$ 4,394,434</b>	<b>\$ 4,407,337</b>	<b>\$ 4,664,200</b>	<b>\$ 4,664,200</b>	<b>\$ 4,664,200</b>
<b>LINE ITEM DETAIL – AU 249</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
521000 Professional Services	3,640,459	4,143,515	4,212,634	4,400,000	4,656,863	4,656,863	4,656,863
529000 Miscellaneous Services	0	0	181,800	0	0	0	0
<b>Total External Materials and Services</b>	<b>3,640,459</b>	<b>4,143,515</b>	<b>4,394,434</b>	<b>4,400,000</b>	<b>4,656,863</b>	<b>4,656,863</b>	<b>4,656,863</b>
<b>Total Materials and Services</b>	<b>3,640,459</b>	<b>4,143,515</b>	<b>4,394,434</b>	<b>4,400,000</b>	<b>4,656,863</b>	<b>4,656,863</b>	<b>4,656,863</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 3,640,459</b>	<b>\$ 4,143,515</b>	<b>\$ 4,394,434</b>	<b>\$ 4,400,000</b>	<b>\$ 4,656,863</b>	<b>\$ 4,656,863</b>	<b>\$ 4,656,863</b>

## FUND OVERVIEW

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

The purpose of the program 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 Portland Downtown Services, Inc. and the Portland Business Alliance. 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**

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:

- ◆ Value of improvement
- ◆ Square feet of the sum of improvements and land square footage
- ◆ Elevator capacity

**Services**

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:

- ◆ Enhanced security
- ◆ Sidewalk and graffiti cleaning
- ◆ Business recruitment, retention, and marketing services in the central business district

The Lloyd Business Improvement District provides fewer, but similar services for the Lloyd District.

**Managing Agency**

Bureau of Licenses

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	5,658,049	6,696,249	7,876,755	8,970,118	9,822,170	9,822,170	9,822,170
Prior Year Property Taxes	59,207	101,921	326,163	126,163	130,000	130,000	130,000
	5,717,256	6,798,170	8,202,918	9,096,281	9,952,170	9,952,170	9,952,170
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	0	28,484,950	0	0	0	0	0
Interest Eamed	64,154	51,154	53,168	103,168	101,991	101,991	101,991
	64,154	28,536,104	53,168	103,168	101,991	101,991	101,991
<b>Total External Revenues</b>	<b>5,781,410</b>	<b>35,334,274</b>	<b>8,256,086</b>	<b>9,199,449</b>	<b>10,054,161</b>	<b>10,054,161</b>	<b>10,054,161</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	159,913	512,122	0	7,608,040	4,734,950	4,734,950	4,734,950
<b>TOTAL RESOURCES</b>	<b>\$ 5,941,323</b>	<b>\$ 35,846,396</b>	<b>\$ 8,256,086</b>	<b>\$ 16,807,489</b>	<b>\$ 14,789,111</b>	<b>\$ 14,789,111</b>	<b>\$ 14,789,111</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	5,429,201	28,238,356	8,256,086	12,072,539	10,054,161	10,054,161	10,054,161
<b>Ending Balance</b>							
Unappropriated Ending Balance	512,122	7,608,040	0	0	0	0	0
Unexpendable Reserve	0	0	0	4,734,950	4,734,950	4,734,950	4,734,950
	512,122	7,608,040	0	4,734,950	4,734,950	4,734,950	4,734,950
<b>Total Fund Requirements</b>	<b>5,941,323</b>	<b>35,846,396</b>	<b>8,256,086</b>	<b>16,807,489</b>	<b>14,789,111</b>	<b>14,789,111</b>	<b>14,789,111</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 5,941,323</b>	<b>\$ 35,846,396</b>	<b>\$ 8,256,086</b>	<b>\$ 16,807,489</b>	<b>\$ 14,789,111</b>	<b>\$ 14,789,111</b>	<b>\$ 14,789,111</b>

## 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 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 districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services

**River District Urban Renewal Area Debt Redemption Fund – 301 DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Urban Renewal &amp; Redevelopment Bonds, 2003 Series A (Tax-Exempt)</b>						
06/26/2003 - Due 06/15	33,180,000					
		2004/05	-		1,617,405	1,617,405
		2005/06	-		1,617,405	1,617,405
		2006/07	-		1,617,405	1,617,405
		2007/08	-		1,617,405	1,617,405
		2008/09	-		1,617,405	1,617,405
		2009/10	-		1,617,405	1,617,405
		2010/11	-		1,617,405	1,617,405
		2011/12	-		1,617,405	1,617,405
		2012/13	-		1,617,405	1,617,405
		2013/14	-		1,617,405	1,617,405
		2014/15	2,435,000	multiple	1,617,405	4,052,405
		2015/16	3,225,000	multiple	1,508,693	4,733,693
		2016/17	3,385,000	5.00%	1,349,845	4,734,845
		2017/18	3,550,000	multiple	1,180,595	4,730,595
		2018/19	3,725,000	5.00%	1,006,200	4,731,200
		2019/20	3,915,000	5.00%	819,950	4,734,950
		2020/21	4,110,000	5.00%	624,200	4,734,200
		2021/22	4,315,000	multiple	418,700	4,733,700
		2022/23	4,520,000	multiple	212,100	4,732,100
		<b>TOTAL</b>	<b>33,180,000</b>		<b>24,911,738</b>	<b>58,091,738</b>
<b>Urban Renewal &amp; Redevelopment Bonds, 2003 Series B (Taxable)</b>						
06/26/2003 - Due 06/15	28,760,000					
		2004/05	2,305,000	1.48%	811,042	3,116,042
		2005/06	2,340,000	1.80%	776,928	3,116,928
		2006/07	2,380,000	2.23%	734,808	3,114,808
		2007/08	2,435,000	2.63%	681,734	3,116,734
		2008/09	2,495,000	2.94%	617,693	3,112,693
		2009/10	2,570,000	3.35%	544,340	3,114,340
		2010/11	2,655,000	3.60%	458,245	3,113,245
		2011/12	2,750,000	3.80%	362,665	3,112,665
		2012/13	2,855,000	3.92%	258,165	3,113,165
		2013/14	2,970,000	4.02%	146,249	3,116,249
		2014/15	655,000	4.10%	26,855	681,855
		<b>TOTAL</b>	<b>26,410,000</b>		<b>5,418,722</b>	<b>31,828,722</b>
<b>Estimated - Du Jour and Line of Credit</b>						
	5,319,221					
		2004/05	5,319,221	variable	1,493	5,320,714
			5,319,221		1,493	5,320,714
<b>COMBINED DEBT SERVICE</b>						
	67,259,221					
		2004/05	7,624,221		2,429,940	10,054,161
		2005/06	2,340,000		2,394,333	4,734,333
		2006/07	2,380,000		2,352,213	4,732,213
		2007/08	2,435,000		2,299,139	4,734,139
		2008/09	2,495,000		2,235,098	4,730,098
		2009/10	2,570,000		2,161,745	4,731,745
		2010/11	2,655,000		2,075,650	4,730,650
		2011/12	2,750,000		1,980,070	4,730,070
		2012/13	2,855,000		1,875,570	4,730,570
		2013/14	2,970,000		1,763,654	4,733,654
		2014/15	3,090,000		1,644,260	4,734,260
		2015/16	3,225,000		1,508,693	4,733,693
		2016/17	3,385,000		1,349,845	4,734,845
		2017/18	3,550,000		1,180,595	4,730,595

**River District Urban Renewal Area Debt Redemption Fund – 301 DEBT REDEMPTION SCHEDULE**

<b>Bond Description</b>	<b>Amount Issued</b>	<b>Fiscal Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P+I</b>
		2018/19	3,725,000		1,006,200	4,731,200
		2019/20	3,915,000		819,950	4,734,950
		2020/21	4,110,000		624,200	4,734,200
		2021/22	4,315,000		418,700	4,733,700
		2022/23	4,520,000		212,100	4,732,100
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 64,909,221</b>		<b>\$ 30,331,953</b>	<b>\$ 95,241,174</b>

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	6,130,658	6,416,966	6,407,274	6,529,415	6,553,277	6,553,277	6,553,277
Prior Year Property Taxes	173,902	157,508	120,221	120,221	120,221	120,221	120,221
	6,304,560	6,574,474	6,527,495	6,649,636	6,673,498	6,673,498	6,673,498
<b>Miscellaneous Revenues</b>							
Interest Earned	119,111	57,947	43,249	43,249	33,034	33,034	33,034
	119,111	57,947	43,249	43,249	33,034	33,034	33,034
<b>Total External Revenues</b>	<b>6,423,671</b>	<b>6,632,421</b>	<b>6,570,744</b>	<b>6,692,885</b>	<b>6,706,532</b>	<b>6,706,532</b>	<b>6,706,532</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	1,444,798	773,072	0	801,509	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ 7,868,469</b>	<b>\$ 7,405,493</b>	<b>\$ 6,570,744</b>	<b>\$ 7,494,394</b>	<b>\$ 6,706,532</b>	<b>\$ 6,706,532</b>	<b>\$ 6,706,532</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	7,095,397	6,603,984	6,570,744	7,494,394	6,706,532	6,706,532	6,706,532
<b>Ending Balance</b>							
Unappropriated Ending Balance	773,072	801,509	0	0	0	0	0
	773,072	801,509	0	0	0	0	0
<b>Total Fund Requirements</b>	<b>7,868,469</b>	<b>7,405,493</b>	<b>6,570,744</b>	<b>7,494,394</b>	<b>6,706,532</b>	<b>6,706,532</b>	<b>6,706,532</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 7,868,469</b>	<b>\$ 7,405,493</b>	<b>\$ 6,570,744</b>	<b>\$ 7,494,394</b>	<b>\$ 6,706,532</b>	<b>\$ 6,706,532</b>	<b>\$ 6,706,532</b>

## 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 districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services

South Park Renewal Debt Service Fund – 306

DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Urban Renewal &amp; Redevelopment Bonds, 2000 Series A (Tax-Exempt)</b>						
10/15/2000 - Due 06/15	23,325,000					
		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
		<b>TOTAL</b>	<b>23,325,000</b>		<b>17,097,438</b>	<b>40,422,438</b>
<b>Urban Renewal &amp; Redevelopment Bonds, 2000 Series B (Taxable)</b>						
10/15/2000 - Due 06/15	16,560,000					
		2004/05	885,000	6.79%	964,100	1,849,100
		2005/06	945,000	6.84%	904,008	1,849,008
		2006/07	1,595,000	6.94%	839,370	2,434,370
		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
		<b>TOTAL</b>	<b>13,580,000</b>		<b>5,075,250</b>	<b>18,655,250</b>
<b>Estimated - Du Jour and Line of Credit</b>						
	3,526,455					
		2004/05	3,526,455	variable	1,004	3,527,459
			3,526,455		1,004	3,527,459
<b>COMBINED DEBT SERVICE</b>						
	48,036,455					
		2004/05	4,411,455		2,295,076	6,706,531
		2005/06	945,000		2,233,981	3,178,981
		2006/07	1,595,000		2,169,343	3,764,343
		2007/08	1,710,000		2,058,650	3,768,650
		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
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 40,431,455</b>		<b>\$ 22,173,692</b>	<b>\$ 62,605,147</b>



	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Current Property Taxes	12,715,982	13,322,624	13,343,110	13,477,896	13,455,381	13,455,381	13,455,381
Prior Year Property Taxes	372,451	337,821	225,000	225,000	225,000	225,000	225,000
	<u>13,088,433</u>	<u>13,660,445</u>	<u>13,568,110</u>	<u>13,702,896</u>	<u>13,680,381</u>	<u>13,680,381</u>	<u>13,680,381</u>
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	0	16,940,040	0	0	0	0	0
Interest Earned	290,959	174,320	90,066	90,066	93,739	93,739	93,739
	<u>290,959</u>	<u>17,114,360</u>	<u>90,066</u>	<u>90,066</u>	<u>93,739</u>	<u>93,739</u>	<u>93,739</u>
<b>Total External Revenues</b>	<b>13,379,392</b>	<b>30,774,805</b>	<b>13,658,176</b>	<b>13,792,962</b>	<b>13,774,120</b>	<b>13,774,120</b>	<b>13,774,120</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Parking Facilities Fund	690,000	690,000	343,776	343,776	0	0	0
Special Revenue and Finance	0	10,599	0	0	0	0	0
	<u>690,000</u>	<u>700,599</u>	<u>343,776</u>	<u>343,776</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Internal Revenues</b>	<b>690,000</b>	<b>700,599</b>	<b>343,776</b>	<b>343,776</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>4,281,606</b>	<b>4,092,466</b>	<b>1,681,000</b>	<b>3,674,775</b>	<b>1,681,500</b>	<b>1,681,500</b>	<b>1,681,500</b>
<b>TOTAL RESOURCES</b>	<b>\$ 18,350,998</b>	<b>\$ 35,567,870</b>	<b>\$ 15,682,952</b>	<b>\$ 17,811,513</b>	<b>\$ 15,455,620</b>	<b>\$ 15,455,620</b>	<b>\$ 15,455,620</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	11,400	7,262	0	0	0	0	0
<b>Total Bureau Expenses</b>	<b>11,400</b>	<b>7,262</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Requirements</b>							
<b>Debt Retirement</b>							
	14,247,132	31,885,833	14,001,952	16,130,013	13,774,120	13,774,120	13,774,120
<b>Ending Balance</b>							
Unappropriated Ending Balance	4,092,466	3,674,775	0	0	1,681,500	1,681,500	1,681,500
Unexpendable Reserve	0	0	1,681,000	1,681,500	0	0	0
	<u>4,092,466</u>	<u>3,674,775</u>	<u>1,681,000</u>	<u>1,681,500</u>	<u>1,681,500</u>	<u>1,681,500</u>	<u>1,681,500</u>
<b>Total Fund Requirements</b>	<b>18,339,598</b>	<b>35,560,608</b>	<b>15,682,952</b>	<b>17,811,513</b>	<b>15,455,620</b>	<b>15,455,620</b>	<b>15,455,620</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 18,350,998</b>	<b>\$ 35,567,870</b>	<b>\$ 15,682,952</b>	<b>\$ 17,811,513</b>	<b>\$ 15,455,620</b>	<b>\$ 15,455,620</b>	<b>\$ 15,455,620</b>
<b>LINE ITEM DETAIL - AU 281</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
549000 Miscellaneous	11,400	7,262	0	0	0	0	0
<b>Total External Materials and Services</b>	<b>11,400</b>	<b>7,262</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Materials and Services</b>	<b>11,400</b>	<b>7,262</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 11,400</b>	<b>\$ 7,262</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**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 districts, which 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 funds.

**Managing Agency** Office of Management and Finance, Financial Services

**Waterfront Renewal Bond Sinking Fund – 303**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Urban Renewal &amp; Redevelopment Bonds, 2000 Series A</b>						
10/15/2000 - Due 6/15	33,060,000					
		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
		<b>TOTAL</b>	<b>33,060,000</b>		<b>24,638,085</b>	<b>57,698,085</b>
<b>Urban Renewal &amp; Redevelopment Bonds, 2000 Series B</b>						
10/15/2000 - Due 6/15	24,970,000					
		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
		<b>TOTAL</b>	<b>21,715,000</b>		<b>9,051,567</b>	<b>30,766,567</b>
<b>Urban Renewal &amp; Redevelopment Bonds, 2002 Series A (AMT)</b>						
09/15/02 - Due 06/01	3,765,000					
		2004/05	670,000	3.00%	73,500	743,500
		2005/06	690,000	3.00%	53,400	743,400
		2006/07	1,090,000	3.00%	32,700	1,122,700
		2007/08	-		-	-
		<b>TOTAL</b>	<b>2,450,000</b>		<b>159,600</b>	<b>2,609,600</b>
<b>Urban Renewal &amp; Redevelopment Bonds, 2002 Series B (Non-AMT)</b>						
09/15/02 - Due 06/01	13,050,000					
		2004/05	1,900,000	3.00%	294,875	2,194,875
		2005/06	1,960,000	3.00%	237,875	2,197,875
		2006/07	2,020,000	3.00%	179,075	2,199,075
		2007/08	3,385,000	3.50%	118,475	3,503,475
		<b>TOTAL</b>	<b>9,265,000</b>		<b>830,300</b>	<b>10,095,300</b>
<b>Estimated - FY 2004, Du Jour</b>						
	5,861,676					
		2004/05	5,861,676	Variable	1,700	5,863,376
		<b>TOTAL</b>	<b>5,861,676</b>		<b>1,700</b>	<b>5,863,376</b>
<b>COMBINED DEBT SERVICE</b>						
	80,706,676					
		2004/05	9,991,676		3,782,443	13,774,119
		2005/06	4,315,000		3,598,499	7,913,499
		2006/07	4,885,000		3,405,946	8,290,946

**Waterfront Renewal Bond Sinking Fund – 303**

**DEBT REDEMPTION SCHEDULE**

<b>Bond Description</b>	<b>Amount Issued</b>	<b>Fiscal Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P+I</b>
		2007/08	5,285,000		3,190,348	8,475,348
		2008/09	1,635,000		2,939,063	4,574,063
		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
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 72,351,676</b>		<b>\$ 34,681,252</b>	<b>\$ 107,032,928</b>

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	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	(102)	88	0	0	0	0	0
	(102)	88	0	0	0	0	0
<b>Total External Revenues</b>	(102)	88	0	0	0	0	0
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Spectator Facilities Operating	266,178	265,157	266,182	266,182	0	0	0
Transportation Operating Fund	525,782	647,982	1,650,527	1,650,527	1,922,782	1,922,782	1,922,782
	791,960	913,139	1,916,709	1,916,709	1,922,782	1,922,782	1,922,782
<b>Total Internal Revenues</b>	791,960	913,139	1,916,709	1,916,709	1,922,782	1,922,782	1,922,782
<b>Beginning Fund Balance</b>	494	549	0	617	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ 792,352</b>	<b>\$ 913,776</b>	<b>\$ 1,916,709</b>	<b>\$ 1,917,326</b>	<b>\$ 1,922,782</b>	<b>\$ 1,922,782</b>	<b>\$ 1,922,782</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	791,803	913,159	1,916,709	1,916,709	1,922,782	1,922,782	1,922,782
<b>Ending Balance</b>							
Unappropriated Ending Balance	549	617	0	617	0	0	0
	549	617	0	617	0	0	0
<b>Total Fund Requirements</b>	792,352	913,776	1,916,709	1,917,326	1,922,782	1,922,782	1,922,782
<b>TOTAL REQUIREMENTS</b>	<b>\$ 792,352</b>	<b>\$ 913,776</b>	<b>\$ 1,916,709</b>	<b>\$ 1,917,326</b>	<b>\$ 1,922,782</b>	<b>\$ 1,922,782</b>	<b>\$ 1,922,782</b>

**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. 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
<b>Gas Tax Revenue Bonds, 1996 Series A</b>						
09/01/1996 - Due 6/1	6,580,000					
		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
		<b>TOTAL</b>	<b>4,710,000</b>		<b>1,922,603</b>	<b>6,632,603</b>
<b>Gas Tax Revenue Bonds, 1998 Series A</b>						
06/01/1998 - Due 6/1	3,070,000					
		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
		<b>TOTAL</b>	<b>2,410,000</b>		<b>962,800</b>	<b>9,942,580</b>
<b>Estimated - Line of Credit</b>						
	Variable					
		2004/05	974,064	variable	150,000	1,124,064
^rowtype=total_1			974,064		150,000	1,124,064
<b>COMBINED DEBT SERVICE</b>						
	9,650,000					
		2004/05	1,394,064		528,718	1,922,782
		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
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 8,094,064</b>		<b>\$ 3,035,403</b>	<b>\$ 11,129,467</b>



	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	727,016	0	0	0	0	0	0
Interest Earned	30	0	0	0	0	0	0
	<u>727,046</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total External Revenues</b>	<b>727,046</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Parking Facilities Fund	369,817	0	0	0	0	0	0
	<u>369,817</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Internal Revenues</b>	<b>369,817</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>415,307</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$ 1,512,170</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	1,512,169	0	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	1	0	0	0	0	0	0
	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Requirements</b>	<b>1,512,170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,512,170</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**FUND OVERVIEW**

This fund was used to achieve a proper matching of revenues and expenditures related to financing the construction of the Morrison Park East (Third & Alder) parking facility. The fund accounted for resources derived from fees charged for parking and retail space rental, and the allocation thereof, to pay principal and interest on the bonds. These bonds were refunded in August of 2001 with proceeds of the Parking System Revenue Refunding Bonds, 2001 Series A, and this fund has been closed.

The refunding bonds are now paid from the Parking Facilities Debt Redemption Fund.

**Managing Agency**      Office of Management and Finance, Financial Services and Business Operations

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	284,098	0	0	0	0	0	0
Interest Earned	221	0	0	0	0	0	0
	<u>284,319</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total External Revenues</b>	<b>284,319</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Parking Facilities Fund	317,933	0	0	0	0	0	0
	<u>317,933</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Internal Revenues</b>	<b>317,933</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>356,871</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$ 959,123</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	959,123	0	0	0	0	0	0
<b>Total Fund Requirements</b>	<b>959,123</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 959,123</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

## FUND OVERVIEW

This fund was used to achieve a proper matching of revenues and expenditures related to financing the construction of the Morrison Park West (Tenth & Yamhill) parking facility. The fund was used to account for resources derived from fees charged for parking and retail space rental, and the allocation thereof, to pay principal and interest on the bonds. These bonds were refunded in August of 2001 with proceeds of the Parking System Revenue Refunding Bonds, 2001 Series A, and this fund has been closed.

The refunding bonds are now paid from the Parking Facilities Debt Redemption Fund.

### Managing Agency

Office of Management and Finance, Financial Services and Business Operations

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	5,207,940	0	0	0	0	0	0
Interest Earned	21	0	0	0	0	0	0
	<u>5,207,961</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total External Revenues</b>	<b>5,207,961</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Parking Facilities Fund	491,852	0	0	0	0	0	0
	<u>491,852</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Internal Revenues</b>	<b>491,852</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>6,451</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$ 5,706,264</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	5,706,264	0	0	0	0	0	0
<b>Total Fund Requirements</b>	<b>5,706,264</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 5,706,264</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**FUND OVERVIEW**

This fund was used to achieve a proper matching of revenues and expenditures related to financing and refinancing of the Old Town (Front & Davis) parking facility. The fund accounted for resources derived from fees charged for parking and retail space rental, and the allocation thereof, to pay principal and interest on the bonds. These bonds were refunded in August of 2001 with proceeds of the Parking System Revenue Refunding Bonds, 2001 Series A, and this fund has been closed.

The refunding bonds are now paid from the Parking Facilities Debt Redemption Fund.

The Portland Public Heliport is located on the top level of this parking facility.

**Managing Agency** Office of Management and Finance, Financial Services and Business Operations

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	3,900,000	0	0	0	0	0	0
Interest Earned	2,451	1,934	0	0	0	0	0
Other Miscellaneous	0	10	0	0	0	0	0
	3,902,451	1,944	0	0	0	0	0
<b>Total External Revenues</b>	<b>3,902,451</b>	<b>1,944</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Parking Facilities Fund	2,423,082	3,634,708	3,735,279	3,735,279	3,490,176	3,490,176	3,490,176
	2,423,082	3,634,708	3,735,279	3,735,279	3,490,176	3,490,176	3,490,176
<b>Total Internal Revenues</b>	<b>2,423,082</b>	<b>3,634,708</b>	<b>3,735,279</b>	<b>3,735,279</b>	<b>3,490,176</b>	<b>3,490,176</b>	<b>3,490,176</b>
<b>Beginning Fund Balance</b>	<b>2,369</b>	<b>3,320</b>	<b>1,947</b>	<b>1,947</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$ 6,327,902</b>	<b>\$ 3,639,972</b>	<b>\$ 3,737,226</b>	<b>\$ 3,737,226</b>	<b>\$ 3,490,176</b>	<b>\$ 3,490,176</b>	<b>\$ 3,490,176</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	6,324,582	3,638,025	3,737,226	3,737,226	3,490,176	3,490,176	3,490,176
<b>Ending Balance</b>							
Unappropriated Ending Balance	3,320	1,947	0	0	0	0	0
	3,320	1,947	0	0	0	0	0
<b>Total Fund Requirements</b>	<b>6,327,902</b>	<b>3,639,972</b>	<b>3,737,226</b>	<b>3,737,226</b>	<b>3,490,176</b>	<b>3,490,176</b>	<b>3,490,176</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 6,327,902</b>	<b>\$ 3,639,972</b>	<b>\$ 3,737,226</b>	<b>\$ 3,737,226</b>	<b>\$ 3,490,176</b>	<b>\$ 3,490,176</b>	<b>\$ 3,490,176</b>

## 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 accounts for resources derived from parking facilities, and the allocation thereof, to pay principal and interest on bonded indebtedness associated with financing these improvements.

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.

### Managing Agency

Office of Management and Finance, Financial Services and Business Operations

**Parking Facilities Debt Redemption Fund – 360**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Limited Tax Revenue Bonds, 1999</b>						
<b>Series A (Central City Streetcar)</b>						
04/15/1999 - Due 04/01	29,160,000					
		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
		<b>TOTAL</b>	<b>26,620,000</b>		<b>15,214,475</b>	<b>41,834,475</b>
<b>Parking System Revenue Refunding Bonds, 2001 Series A</b>						
08/15/2001 - Due 04/01	10,200,000					
		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
		<b>TOTAL</b>	<b>7,020,000</b>		<b>1,288,850</b>	<b>8,308,850</b>
<b>COMBINED DEBT SERVICE</b>						
	39,360,000					
		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
		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

**Parking Facilities Debt Redemption Fund – 360**

**DEBT REDEMPTION SCHEDULE**

<b>Bond Description</b>	<b>Amount Issued</b>	<b>Fiscal Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P+i</b>
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 33,640,000</b>		<b>\$ 16,503,325</b>	<b>\$ 50,143,325</b>

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Parking Fees	8,703,133	7,766,659	7,656,581	7,595,574	7,513,513	7,513,513	7,513,513
Rents and Reimbursements	1,078,240	1,069,167	776,221	779,000	784,982	784,982	784,982
	9,781,373	8,835,826	8,432,802	8,374,574	8,298,495	8,298,495	8,298,495
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	147,028	0	0	0	0	0	0
Interest Earned	267,931	127,097	18,250	44,000	22,342	22,342	22,342
Other Miscellaneous	681	9,343	0	0	0	0	0
	415,640	136,440	18,250	44,000	22,342	22,342	22,342
<b>Total External Revenues</b>	<b>10,197,013</b>	<b>8,972,266</b>	<b>8,451,052</b>	<b>8,418,574</b>	<b>8,320,837</b>	<b>8,320,837</b>	<b>8,320,837</b>
<b>Internal Revenues</b>							
<b>Interfund Service Reimbursements</b>							
Commissioner of Public Utilities	1,680	1,800	0	0	0	0	0
Communications Services	10,080	4,154	3,720	3,600	3,720	3,720	3,720
Environmental Services	57,728	60,046	16,080	24,600	16,080	16,080	16,080
Environmental Svcs - Internal	0	1,731	0	1,800	0	0	0
Facilities Services Fund	160,756	165,597	171,147	169,063	159,329	159,329	159,329
Golf Operating Fund	2,400	1,800	1,860	1,800	1,860	1,860	1,860
Hydropower Operating Fund	1,680	1,800	1,860	1,800	1,860	1,860	1,860
Insurance & Claims Fund	3,810	3,600	3,720	3,600	3,720	3,720	3,720
Management & Finance	1,680	1,108	1,860	0	1,860	1,860	1,860
Neighborhood Involvement	0	0	0	3,600	0	0	0
Parks Bureau	25,731	26,515	26,040	23,954	24,180	24,180	24,180
Parks Construction Fund	3,360	3,600	3,720	3,600	3,720	3,720	3,720
Police Bureau	316,625	336,596	347,820	343,173	357,120	357,120	357,120
Printing & Distribution	6,720	7,200	7,440	7,200	7,440	7,440	7,440
Refuse Disposal Fund	(120)	0	0	0	0	0	0
Transportation	96,175	89,233	35,830	35,500	39,600	39,600	39,600
Water Bureau	61,842	61,892	63,240	59,399	61,380	61,380	61,380
Workers Compensation Fund	3,810	3,600	3,720	3,600	3,720	3,720	3,720
	753,957	770,272	688,057	686,289	685,589	685,589	685,589
<b>Total Internal Revenues</b>	<b>753,957</b>	<b>770,272</b>	<b>688,057</b>	<b>686,289</b>	<b>685,589</b>	<b>685,589</b>	<b>685,589</b>
<b>Beginning Fund Balance</b>	<b>5,991,322</b>	<b>5,783,798</b>	<b>3,423,498</b>	<b>3,444,363</b>	<b>1,996,324</b>	<b>1,996,324</b>	<b>1,996,324</b>
<b>TOTAL RESOURCES</b>	<b>\$ 16,942,292</b>	<b>\$ 15,526,336</b>	<b>\$ 12,562,607</b>	<b>\$ 12,549,226</b>	<b>\$ 11,002,750</b>	<b>\$ 11,002,750</b>	<b>\$ 11,002,750</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	3,550,903	3,654,033	2,633,315	2,607,290	2,610,279	2,610,279	2,610,279
<b>Internal Materials and Services</b>							
Communications Services	16,266	16,601	16,647	16,890	17,049	17,049	17,049
Facilities Services	1,360,776	1,966,071	3,130,597	2,345,190	1,907,046	1,907,046	1,907,046
Information Technology	5,220	5,228	234	1,084	92	92	92
Insurance	45,197	81,732	83,404	83,404	68,286	68,286	68,286
Printing & Distribution	2,572	582	1,713	0	636	636	636

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Office of Management & Finance	313,992	328,040	282,358	282,358	260,471	260,471	260,471
Sustainable Development	1,782	2,323	0	0	0	0	0
	1,745,805	2,400,577	3,514,953	2,728,926	2,253,580	2,253,580	2,253,580
Capital Outlay	0	12,000	28,000	26,500	0	0	0
<b>Total Bureau Expenses</b>	<b>5,296,708</b>	<b>6,066,610</b>	<b>6,176,268</b>	<b>5,362,716</b>	<b>4,863,859</b>	<b>4,863,859</b>	<b>4,863,859</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	490,588	0	1,525,693	1,526,872	1,526,872
	0	0	490,588	0	1,525,693	1,526,872	1,526,872
<b>General Fund Overhead</b>	<b>65,929</b>	<b>116,241</b>	<b>108,622</b>	<b>103,057</b>	<b>102,757</b>	<b>101,578</b>	<b>101,578</b>
<b>Fund Cash Transfers</b>							
Downtown Parking Bond	2,423,082	3,634,708	3,735,279	3,735,279	3,490,176	3,490,176	3,490,176
General Fund	196,130	202,014	308,074	308,074	320,265	320,265	320,265
Morrison Park East Bond	369,817	0	0	0	0	0	0
Morrison Park West Bond	317,933	0	0	0	0	0	0
Old Town Parking Bond	491,852	0	0	0	0	0	0
Transportation Operating	1,341,684	1,389,000	1,400,000	700,000	700,000	700,000	700,000
Waterfront Renewal Bond	690,000	690,000	343,776	343,776	0	0	0
	5,830,498	5,915,722	5,787,129	5,087,129	4,510,441	4,510,441	4,510,441
<b>Debt Retirement</b>	<b>(34,641)</b>	<b>(16,600)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Balance</b>							
Unappropriated Ending Balance	5,783,798	3,444,363	0	1,996,324	0	0	0
	5,783,798	3,444,363	0	1,996,324	0	0	0
<b>Total Fund Requirements</b>	<b>11,645,584</b>	<b>9,459,726</b>	<b>6,386,339</b>	<b>7,186,510</b>	<b>6,138,891</b>	<b>6,138,891</b>	<b>6,138,891</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 16,942,292</b>	<b>\$ 15,526,336</b>	<b>\$ 12,562,607</b>	<b>\$ 12,549,226</b>	<b>\$ 11,002,750</b>	<b>\$ 11,002,750</b>	<b>\$ 11,002,750</b>

**LINE ITEM DETAIL - AU 712****Materials and Services****External Materials and Services**

521000 Professional Services	1,184,268	1,247,992	477,093	422,794	457,324	457,324	457,324
522000 Utilities	465	(517)	690	715	1,098	1,098	1,098
524000 Repair & Maintenance Services	661,013	655,165	519,358	554,800	533,102	533,102	533,102
529000 Miscellaneous Services	1,220,648	1,251,310	1,368,414	1,314,321	1,289,890	1,289,890	1,289,890
532000 Operating Supplies	49,415	27,273	0	40,000	60,000	60,000	60,000
534000 Minor Equipment & Tools	0	1,630	0	0	0	0	0
549000 Miscellaneous	435,094	471,180	267,760	274,660	268,865	268,865	268,865
<b>Total External Materials and Services</b>	<b>3,550,903</b>	<b>3,654,033</b>	<b>2,633,315</b>	<b>2,607,290</b>	<b>2,610,279</b>	<b>2,610,279</b>	<b>2,610,279</b>

**Internal Materials and Services**

552000 Printing & Distribution	2,572	582	1,713	0	636	636	636
553000 Facilities Services	1,360,776	1,966,071	3,130,597	2,345,190	1,907,046	1,907,046	1,907,046
554000 Communications Services	16,266	16,601	16,647	16,890	17,049	17,049	17,049
555000 Information Technology	5,220	5,228	234	1,084	92	92	92
556000 Insurance	45,197	81,732	83,404	83,404	68,286	68,286	68,286



559000 Other Fund Services	315,774	330,363	282,358	282,358	260,471	260,471	260,471
<b>Total Internal Materials and Services</b>	<b>1,745,805</b>	<b>2,400,577</b>	<b>3,514,953</b>	<b>2,728,926</b>	<b>2,253,580</b>	<b>2,253,580</b>	<b>2,253,580</b>
<b>Total Materials and Services</b>	<b>5,296,708</b>	<b>6,054,610</b>	<b>6,148,268</b>	<b>5,336,216</b>	<b>4,863,859</b>	<b>4,863,859</b>	<b>4,863,859</b>
<b>Capital Outlay</b>							
564000 Capital Equipment	0	12,000	28,000	26,500	0	0	0
<b>Total Capital Outlay</b>	<b>0</b>	<b>12,000</b>	<b>28,000</b>	<b>26,500</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 5,296,708</b>	<b>\$ 6,066,610</b>	<b>\$ 6,176,268</b>	<b>\$ 5,362,716</b>	<b>\$ 4,863,859</b>	<b>\$ 4,863,859</b>	<b>\$ 4,863,859</b>

**FUND OVERVIEW**

**Smart Park Garage System**

The Parking Facilities Fund supports the operation and maintenance of the 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 to enhance economic vitality and encourage businesses to locate and remain in the heart of the city.

These downtown garage facilities house 3,825 parking spaces and 71,803 square feet of commercial space. The facilities include the following garages: Third & Alder, Fourth & Yamhill, Naito & Davis, Tenth & Yamhill, O’Bryant Square, and First & Jefferson.

**Transportation Program Support**

A portion of the fund’s revenues supports programs in the City of Portland’s Office 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’s Bureau of General Services manages the Parking Facilities Fund, providing oversight of contractors hired to manage the garage system’s day-to-day operations. The Bureau of General Services and the Office of Management and Finance, in cooperation with the Portland Office of Transportation (PDOT) and the Portland Development Commission, provide policy direction for the parking system and make decisions regarding the garage system’s business and public policy goals.

**Managing Agency**

Office of Management and Finance, Bureau of General Services

**CHANGES FROM PRIOR YEAR**

**Revenues down due to recession**

The continuing economic recession, combined with an increased supply of parking spaces downtown, has significantly reduced parking revenues over the past 2-1/2 years. Rental revenues from the commercial spaces in the parking facilities have also dropped to some degree, because as retail spaces become vacant, it has become difficult to find new tenants to fill them in the current economic climate.

**Fund balance declining**

As a result of declining revenues, the fund has needed to use an increasing amount of the fund balance to cover operating costs plus the significant fund obligations, which include annual payments for parking facility construction debt; an annual operating transfer to PDOT; and the large annual debt payment for the Downtown Streetcar construction, a General Obligation debt, which has increased each year since 1999 to nearly \$2.1 million per year for another 20 years beginning in FY 2004-05. The FY 2003-04 fund balance is projected to be \$1,996,000 an approximately \$3.5 million drop from the unreserved fund balance at the end of FY 2000-01.

**Operating costs reduced**

Projected FY 2003-04 cost savings of \$300,000, resulting from the new garage management contract that began July 2003, have mitigated net losses somewhat. Also beginning in FY 2003-04, the fund was no longer responsible for the total City contribution toward marketing of downtown, saving the fund approximately \$550,000. Fund management has also postponed several major maintenance projects due to the weak revenue situation. Management hopes to achieve some additional savings with a new Attendant/Revenue Services contract, which will be competitively bid and take effect in August 2004.

**Investigation of measures to enhance revenues and net income**

For FY 2004-05, management estimates parking revenues will increase a little over 1% above projected FY 2003-04 levels and then improve by approximately 1.5% each of the following four years. These modest increases are based on expected growth in parking activity and would not restore revenues to their pre-recession level. To enhance revenues, management is considering a number of parking operations and practice changes for implementation by the end of FY 2004-05. This includes working with the downtown stakeholders in reviewing the parking rates and structure, as well as service levels and maintenance needs. This year will also see implementation of the pilot phase of the SmartCard program.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Other Miscellaneous	0	0	45,000	0	205,000	205,000	205,000
	0	0	45,000	0	205,000	205,000	205,000
<b>Total External Revenues</b>	<b>0</b>	<b>0</b>	<b>45,000</b>	<b>0</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
General Fund	0	0	0	205,000	0	0	0
	0	0	0	205,000	0	0	0
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>205,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 45,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	0	0	45,000	205,000	205,000	205,000	155,000
<b>Total Bureau Expenses</b>	<b>0</b>	<b>0</b>	<b>45,000</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>	<b>155,000</b>
<b>Fund Requirements</b>							
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	0	0	50,000
	0	0	0	0	0	0	50,000
<b>Total Fund Requirements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 45,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>
<b>LINE ITEM DETAIL – AU 318</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
549000 Miscellaneous	0	0	45,000	205,000	205,000	205,000	155,000
<b>Total External Materials and Services</b>	<b>0</b>	<b>0</b>	<b>45,000</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>	<b>155,000</b>
<b>Total Materials and Services</b>	<b>0</b>	<b>0</b>	<b>45,000</b>	<b>205,000</b>	<b>205,000</b>	<b>205,000</b>	<b>155,000</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 45,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 155,000</b>

## FUND OVERVIEW

The Private for Hire Transportation Safety Fund was created to provide a grant program for the purchase of cameras for Portland area taxi cabs. This fund was established by Ordinance #177794 passed by Council August 6, 2003. This fund will monitor the purchase and replacement of cameras for taxi cabs and the repayment of the original grant from the General Fund. The source of revenue for this fund comes from an increase in taxicab and limited passenger transportation fees. Not less than 85% of revenues allocated to the fund shall be used to reduce the debt on the loan.

**Managing Agency** Bureau of Licenses

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Property Taxes</b>							
Prior Year Property Taxes	224	300	0	56	0	0	0
	224	300	0	56	0	0	0
<b>Licenses and Permits</b>							
Construction Permits	965,555	825,817	698,838	836,342	957,844	957,844	957,844
Other Permits	64,184	56,233	72,763	43,658	62,800	62,800	62,800
	1,029,739	882,050	771,601	880,000	1,020,644	1,020,644	1,020,644
<b>Service Charges and Fees</b>							
Inspection Fees	210,949	219,983	200,000	200,000	0	0	0
Miscellaneous	769,572	493,853	1,032,695	516,348	1,241,339	1,241,339	1,241,339
Parking Fees	12,308,913	12,614,733	15,965,920	12,965,920	13,666,901	13,666,901	13,666,901
Parks & Recreation Facilities	25	25	0	0	0	0	0
Public Works/Utility Charge	4,237,818	5,186,956	3,451,758	4,218,105	5,442,018	5,442,018	5,442,018
Rents and Reimbursements	981	1,962	0	0	0	0	0
	17,528,258	18,517,512	20,650,373	17,900,373	20,350,258	20,350,258	20,350,258
<b>State Sources</b>							
State Cost Sharing	1,061,276	1,116,189	2,613,558	1,613,558	11,639,741	11,639,741	11,639,741
State Grants	0	873,253	0	0	0	0	0
State Shared Revenue	22,027,438	21,801,228	21,573,000	22,573,000	26,583,273	26,583,273	26,583,273
	23,088,714	23,790,670	24,186,558	24,186,558	38,223,014	38,223,014	38,223,014
<b>Local Sources</b>							
Local Cost Sharing	15,089,792	8,949,070	21,344,801	12,344,801	17,622,318	17,622,318	17,622,318
Multnomah County Cost Sharing	20,857,687	21,454,923	21,241,000	23,641,000	21,985,786	21,985,786	21,985,786
	35,947,479	30,403,993	42,585,801	35,985,801	39,608,104	39,608,104	39,608,104
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	5,608,512	798,620	4,192,500	0	1,434,088	1,434,088	1,434,088
Collection of Assessment	1,156,848	907,899	1,700,000	1,000,000	1,400,000	1,400,000	1,400,000
Interest Earned	225,504	257,825	300,000	240,000	200,000	200,000	200,000
Other Miscellaneous	1,064,020	501,715	1,000,100	1,154,116	1,000,600	1,000,600	1,000,600
Private Grants/Donations	1,085,003	257,385	2,611,000	101,000	289,000	289,000	289,000
Refunds	57,687	31,385	5,000	0	5,000	5,000	5,000
Sale of Capital Assets	0	0	0	0	2,800,000	2,800,000	2,800,000
Sales Miscellaneous	114,344	431,400	55,000	650,000	60,000	60,000	60,000
	9,311,918	3,186,229	9,863,600	3,145,116	7,188,688	7,188,688	7,188,688
<b>Total External Revenues</b>	<b>86,906,332</b>	<b>76,780,754</b>	<b>98,057,933</b>	<b>82,097,904</b>	<b>106,390,708</b>	<b>106,390,708</b>	<b>106,390,708</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
General Fund	6,526,974	6,480,151	4,654,217	3,955,201	7,891,039	7,891,039	7,891,039
Housing & Community Development	36,015	19,455	51,105	51,105	21,681	21,681	21,681
Information Technology Fund	0	0	0	0	306,527	306,527	306,527
Parking Facilities Fund	1,341,684	1,389,000	1,400,000	700,000	700,000	700,000	700,000
Spectator Facilities Operating	0	0	0	0	130,000	130,000	130,000

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Vehicle Services Fund	0	883,789	0	0	0	0	0
	7,904,673	8,772,395	6,105,322	4,706,306	9,049,247	9,049,247	9,049,247
<b>Federal Grants Transfers</b>	3,385,065	4,156,991	11,029,434	4,678,974	4,195,853	4,195,853	4,195,853
<b>Interfund Service Reimbursements</b>							
BFRES Facilities GO Bond Const	161,893	112,537	0	13,621	0	0	0
Communications Services	0	3,897	0	4,033	0	0	0
Development Services	284,600	293,628	288,380	288,380	299,912	299,912	299,912
Emergency Communications	0	0	0	1,903	0	0	0
Environmental Services	14,109,015	14,363,359	15,208,394	15,208,394	16,156,639	16,156,639	16,156,639
Environmental Services	0	0	0	0	2,000	2,000	2,000
Environmental Svcs - Internal	0	0	4,310	4,310	0	0	0
Facilities Services Fund	28,000	71,372	0	19,452	0	0	0
Golf Operating Fund	483	0	0	0	0	0	0
Housing & Community Development	348,100	73,268	23,967	23,967	300,000	300,000	300,000
Information Technology Fund	134,383	133,884	142,000	142,000	158,282	158,282	158,282
LID Construction Fund	2,127,028	13,915,737	3,933,005	1,297,892	15,624,960	15,624,960	15,624,960
Parks Bureau	23,505	51,863	20,000	20,000	20,000	20,000	20,000
Parks Construction Fund	99,804	316,884	47,000	47,000	0	0	0
Planning	1,989	122,677	0	0	0	0	0
Police Bureau	60,200	17,280	0	8,646	0	0	0
Portland Parks Trust	28,600	0	0	0	0	0	0
Refuse Disposal Fund	152,862	3,832	0	4,550	3,500	3,500	3,500
Vehicle Services	0	24,384	5,000	105,000	5,000	5,000	5,000
Water Bureau	1,093,493	1,224,653	1,137,304	1,057,693	1,181,075	1,181,075	1,181,075
	18,653,955	30,729,255	20,809,360	18,246,841	33,751,368	33,751,368	33,751,368
<b>Total Internal Revenues</b>	29,943,693	43,658,641	37,944,116	27,632,121	46,996,468	46,996,468	46,996,468
<b>Beginning Fund Balance</b>	13,169,296	16,652,458	12,516,489	18,622,597	18,499,012	18,499,012	18,499,012
<b>TOTAL RESOURCES</b>	<b>\$ 130,019,321</b>	<b>\$ 137,091,853</b>	<b>\$ 148,518,538</b>	<b>\$ 128,352,622</b>	<b>\$ 171,886,188</b>	<b>\$ 171,886,188</b>	<b>\$ 171,886,188</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	48,505,093	49,164,412	53,694,645	52,834,718	54,823,206	54,823,206	54,621,470
<b>External Materials and Services</b>	26,958,961	35,386,342	28,220,773	23,879,465	38,794,486	38,794,486	38,996,222
<b>Internal Materials and Services</b>							
Communications Services	929,543	1,019,239	963,381	963,381	996,216	996,216	996,216
Facilities Services	1,812,921	2,056,495	1,984,772	1,984,772	2,031,081	2,031,081	2,031,081
Information Technology	1,718,669	1,837,043	2,315,718	2,315,718	2,506,207	2,506,207	2,506,207
Insurance	1,740,017	1,559,413	1,507,459	1,507,459	1,741,316	1,741,316	1,741,316
Printing & Distribution	387,186	346,941	435,930	339,796	359,031	359,031	359,031
Vehicle Services	6,626,800	6,650,274	6,952,796	7,700,000	7,186,891	7,186,891	7,186,891
City Attorney	91,167	102,820	111,350	111,350	121,228	121,228	121,228
Bureau Of Development Services	42,707	46,807	41,795	41,795	69,283	69,283	69,283
Commissioner of Public Utilities	0	0	16,000	16,000	0	0	0
Environmental Services	504,050	373,126	1,164,575	681,950	892,682	892,682	892,682
Environmental Svcs - Int	64,173	50,983	0	1,638	0	0	0
General Services	0	0	0	0	0	0	0
Government Relations	13,990	13,990	13,990	13,990	13,990	13,990	13,990

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Information Technology	477,728	647,371	0	0	0	0	0
Neighborhood Involvement	0	0	7,500	7,500	20,000	20,000	20,000
Office of Management & Finance	721,093	724,988	790,105	790,105	842,316	842,316	842,316
Parking Facilities	96,176	89,234	35,830	35,830	39,600	39,600	39,600
Parks Bureau	719,130	161,079	247,740	130,000	392,299	392,299	392,299
Parks Construction	0	6,936	0	0	0	0	0
Planning	195,813	214,414	247,278	247,278	12,000	12,000	12,000
Police Bureau	305,157	292,796	444,200	444,200	701,200	701,200	701,200
Portland Parks Trust	(783)	27,718	36,478	36,478	0	0	0
Purchases	0	0	0	0	0	0	0
Special Appropriations	0	2,920	41,534	41,534	0	0	0
Sustainable Development	21,245	29,565	20,450	20,450	20,770	20,770	20,770
Water Bureau	516,871	224,421	658,500	390,900	206,000	206,000	206,000
	16,983,653	16,478,573	18,037,381	17,822,124	18,152,110	18,152,110	18,152,110
<b>Capital Outlay</b>	16,756,219	12,815,471	31,316,924	8,428,288	42,031,284	42,031,284	42,031,284
<b>Equipment Cash Transfers</b>							
Vehicle Operating	262,997	385,308	415,024	515,838	0	0	0
	262,997	385,308	415,024	515,838	0	0	0
<b>Minor Equipment Transfers</b>							
Communications Services	14,820	39,543	0	3,200	0	0	0
Printing & Distribution	0	3,850	2,500	2,500	0	0	0
	14,820	43,393	2,500	5,700	0	0	0
<b>Total Bureau Expenses</b>	109,481,743	114,273,499	131,687,247	103,486,133	153,801,086	153,801,086	153,801,086
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	8,642,399	0	9,157,017	9,178,439	9,178,439
Prior Years Encumbered	0	0	519,746	0	1,000,000	1,000,000	1,000,000
Compensation Adjustment	0	0	1,100,000	0	1,100,000	1,100,000	1,100,000
	0	0	10,262,145	0	11,257,017	11,278,439	11,278,439
<b>General Fund Overhead</b>	1,944,153	2,186,515	2,690,003	2,588,334	2,758,652	2,737,230	2,737,230
<b>Fund Cash Transfers</b>							
Improvement Bond Int & Sinking	525,782	647,982	1,650,527	1,650,527	1,922,782	1,922,782	1,922,782
Information Technology	0	0	500,000	500,000	0	0	0
LID Construction Fund	6,366	3,695	1,770	1,770	326	326	326
Pension Debt Redemption Fund	1,408,819	1,357,565	1,626,846	1,626,846	2,046,325	2,046,325	2,046,325
	1,940,967	2,009,242	3,779,143	3,779,143	3,969,433	3,969,433	3,969,433
<b>Inventory Increases</b>	0	0	100,000	0	100,000	100,000	100,000
<b>Ending Balance</b>							
Unappropriated Ending Balance	16,652,458	18,622,597	0	18,499,012	0	0	0
	16,652,458	18,622,597	0	18,499,012	0	0	0
<b>Total Fund Requirements</b>	20,537,578	22,818,354	16,831,291	24,866,489	18,085,102	18,085,102	18,085,102
<b>TOTAL REQUIREMENTS</b>	\$ 130,019,321	\$ 137,091,853	\$ 148,518,538	\$ 128,352,622	\$ 171,886,188	\$ 171,886,188	\$ 171,886,188

## 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's 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

## CHANGES FROM PRIOR YEAR

The major change comes from the State Legislature passing the Oregon Transportation Investment Act (OTIA) III. This brought an increase of \$5.8 million in gas tax revenue for FY 04-05. Fortunately, this offset a \$1.5 million decrease in Parking related revenues in FY 04-05, a \$1.0 million reduction in the General Fund transfer taken in FY 03-04 and funding deficit of \$1.4 million identified in last year's Financial Plan. A funding amount of \$1.9 million is used to partially restore cuts made in FY 02-03.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Eamed	23,692	13,495	25,000	7,500	8,000	8,000	8,000
	23,692	13,495	25,000	7,500	8,000	8,000	8,000
<b>Total External Revenues</b>	23,692	13,495	25,000	7,500	8,000	8,000	8,000
<b>Internal Revenues</b>							
Beginning Fund Balance	638,890	662,582	677,582	676,077	683,577	683,577	683,577
<b>TOTAL RESOURCES</b>	<b>\$ 662,582</b>	<b>\$ 676,077</b>	<b>\$ 702,582</b>	<b>\$ 683,577</b>	<b>\$ 691,577</b>	<b>\$ 691,577</b>	<b>\$ 691,577</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	702,582	0	691,577	691,577	691,577
	0	0	702,582	0	691,577	691,577	691,577
<b>Ending Balance</b>							
Unappropriated Ending Balance	662,582	676,077	0	683,577	0	0	0
	662,582	676,077	0	683,577	0	0	0
<b>Total Fund Requirements</b>	662,582	676,077	702,582	683,577	691,577	691,577	691,577
<b>TOTAL REQUIREMENTS</b>	<b>\$ 662,582</b>	<b>\$ 676,077</b>	<b>\$ 702,582</b>	<b>\$ 683,577</b>	<b>\$ 691,577</b>	<b>\$ 691,577</b>	<b>\$ 691,577</b>

## 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.

*Same funding level as current fiscal year*

Due to revenue shortfalls, the Reserve Fund is budgeted at roughly 1% of discretionary appropriations of the FY 2004-05 Adopted Budget.

### Managing Agency

Office of Transportation



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	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Licenses and Permits</b>							
Business Licenses	0	0	13,000,000	13,000,000	8,704,736	8,704,736	8,704,736
	0	0	13,000,000	13,000,000	8,704,736	8,704,736	8,704,736
<b>Total External Revenues</b>	<b>0</b>	<b>0</b>	<b>13,000,000</b>	<b>13,000,000</b>	<b>8,704,736</b>	<b>8,704,736</b>	<b>8,704,736</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
General Fund	0	0	0	4,309,059	0	0	0
	0	0	0	4,309,059	0	0	0
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,309,059</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,000,000</b>	<b>\$ 17,309,059</b>	<b>\$ 8,704,736</b>	<b>\$ 8,704,736</b>	<b>\$ 8,704,736</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
Business Licenses	0	0	0	4,309,059	8,398,334	8,398,334	8,398,334
	0	0	304,594	304,594	304,736	304,736	304,736
<b>Total Bureau Expenses</b>	<b>0</b>	<b>0</b>	<b>304,594</b>	<b>4,613,653</b>	<b>8,703,070</b>	<b>8,703,070</b>	<b>8,703,070</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	0	0	0	31	31
	0	0	0	0	0	31	31
<b>General Fund Overhead</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,666</b>	<b>1,635</b>	<b>1,635</b>
<b>Fund Cash Transfers</b>							
Intermediate Debt Fund	0	0	12,695,406	12,695,406	0	0	0
	0	0	12,695,406	12,695,406	0	0	0
<b>Total Fund Requirements</b>	<b>0</b>	<b>0</b>	<b>12,695,406</b>	<b>12,695,406</b>	<b>1,666</b>	<b>1,666</b>	<b>1,666</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,000,000</b>	<b>\$ 17,309,059</b>	<b>\$ 8,704,736</b>	<b>\$ 8,704,736</b>	<b>\$ 8,704,736</b>

## FUND OVERVIEW

The Business License Surcharge Fund was created to provide funding for schools in Portland over a four-year period ending in FY 2005-06. Each year the Director of the Bureau of Licenses determines the surcharge rate. For FY 2002-03 and 2003-04, the fund collected revenue from the surcharge and transferred cash to the Governmental Bond Redemption Fund to pay principal and interest on the financing for \$18.6 million that was used to keep schools open during FY 2002-03. The surcharge is expected to generate an additional \$13 million for Portland schools over three years.

**Managing Agency** Bureau of Licenses

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	23,365	2,553	0	0	0	0	0
	23,365	2,553	0	0	0	0	0
<b>Total External Revenues</b>	23,365	2,553	0	0	0	0	0
<b>Internal Revenues</b>							
<b>Beginning Fund Balance</b>							
	91,172	65,617	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ 114,537</b>	<b>\$ 68,170</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
<b>Fund Cash Transfers</b>							
Intermediate Debt Fund	48,920	68,170	0	0	0	0	0
	48,920	68,170	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	65,617	0	0	0	0	0	0
	65,617	0	0	0	0	0	0
<b>Total Fund Requirements</b>	114,537	68,170	0	0	0	0	0
<b>TOTAL REQUIREMENTS</b>	<b>\$ 114,537</b>	<b>\$ 68,170</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0</b>

**FUND OVERVIEW**

The Capital Improvement Fund previously served 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, were recorded in this fund and then distributed to the appropriate agency.

This fund was 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 Services

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	1,822,227	2,091,901	2,910,997	3,168,000	3,138,458	3,138,458	3,138,458
Rents and Reimbursements	79,059	90,210	85,521	88,760	89,652	89,652	89,652
	1,901,286	2,182,111	2,996,518	3,256,760	3,228,110	3,228,110	3,228,110
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	7,840,283	2,666,169	0	0	0	0	0
Interest Earned	382,763	255,376	300,000	120,000	120,000	120,000	120,000
Other Miscellaneous	5,043	72,129	2,000	2,000	2,000	2,000	2,000
Refunds	0	0	0	235,905	0	0	0
Sales Miscellaneous	115,662	137,570	16,240	16,240	2,000	2,000	2,000
	8,343,751	3,131,244	318,240	374,145	124,000	124,000	124,000
<b>Total External Revenues</b>	<b>10,245,037</b>	<b>5,313,355</b>	<b>3,314,758</b>	<b>3,630,905</b>	<b>3,352,110</b>	<b>3,352,110</b>	<b>3,352,110</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Cable Fund	280,980	219,948	124,748	124,748	0	0	0
General Fund	0	257,950	250,000	250,000	350,000	350,000	350,000
Vehicle Services Fund	0	12,434	0	0	0	0	0
	280,980	490,332	374,748	374,748	350,000	350,000	350,000
<b>Federal Grants Transfers</b>							
	0	22,157	0	0	0	0	0
<b>Interfund Service Reimbursements</b>							
City Attorney	50,929	46,829	46,714	46,402	47,403	47,403	47,403
City Auditor	67,013	63,030	64,751	66,439	64,846	64,846	64,846
BFRES Facilities GO Bond Const	18,646	76,398	231,000	44,212	225,000	225,000	225,000
Cable Commission	4,459	4,153	4,095	3,765	4,447	4,447	4,447
Cable Commission/Access	4,299	3,647	5,165	3,330	3,909	3,909	3,909
Commissioner of Public Affairs	9,291	9,138	8,972	8,847	9,501	9,501	9,501
Commissioner of Public Safety	8,386	8,254	6,641	9,504	9,420	9,420	9,420
Commissioner of Public Utilities	9,612	9,667	9,395	8,710	8,965	8,965	8,965
Commissioner of Public Works	8,848	8,866	9,313	8,354	8,830	8,830	8,830
Community Development	18,660	20,395	21,428	23,797	22,933	22,933	22,933
Development Services	409,832	392,409	392,882	395,874	380,621	380,621	382,934
Emergency Communications	389,471	443,750	408,264	414,168	365,830	365,830	365,830
Emergency Management	0	0	29,640	17,906	57,927	57,927	57,927
Environmental Services	1,611,844	703,683	1,360,045	1,362,934	1,628,672	1,628,672	1,628,672
Environmental Services	0	0	0	0	20,866	20,866	20,866
Environmental Svcs - Internal	46,512	49,753	43,789	50,081	28,572	28,572	28,572
Facilities Services Fund	592,230	316,662	485,513	415,542	486,952	486,952	486,952
Fire Bureau	946,535	1,042,035	914,522	1,029,616	955,862	955,862	955,862
FPD&R	14,583	32,989	17,441	17,712	17,767	17,767	17,767
Golf Operating Fund	15,891	15,984	14,684	15,438	14,847	14,847	14,847
Government Relations	11,183	19,666	11,789	22,499	24,005	24,005	24,005
Health Insurance	8,343	8,756	9,136	7,608	7,784	7,784	7,784
Hydropower Operating Fund	5,737	5,704	6,263	5,319	5,461	5,461	5,461
Information Technology Fund	139,712	130,339	113,898	201,410	199,226	199,226	196,913

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
Insurance & Claims Fund	11,472	10,521	12,088	10,368	14,506	14,506	14,506
Management & Finance	175,935	174,004	157,562	164,592	160,246	160,246	160,246
Mayor	24,032	22,903	23,408	23,651	23,719	23,719	23,719
Neighborhood Involvement	70,507	65,070	92,093	96,126	90,196	90,196	90,196
Sustainable Development	23,302	14,830	13,314	13,115	13,239	13,239	13,239
Parking Facilities Fund	16,267	16,600	16,647	16,684	17,049	17,049	17,049
Parks Bureau	513,168	492,305	508,873	532,017	490,490	490,490	490,490
Parks Construction Fund	12,287	29,737	13,009	37,228	27,509	27,509	27,509
Planning	62,595	61,320	71,571	62,182	51,643	51,643	51,643
Police Bureau	2,994,987	3,143,203	3,530,535	3,437,949	3,363,793	3,363,793	3,363,793
Portland International Raceway	11,241	8,253	15,905	10,473	12,668	12,668	12,668
Portland Parks Trust	372	385	387	387	397	397	397
Printing & Distribution	29,955	30,444	33,256	31,941	32,908	32,908	32,908
Refuse Disposal Fund	24,361	16,366	15,692	17,448	17,533	17,533	17,533
Revenue	52,888	56,960	58,849	87,150	80,113	80,113	80,113
Spectator Facilities Operating	172	0	0	1,110	0	0	0
Transportation	929,542	1,019,241	963,381	983,975	996,216	996,216	996,216
Utility Billing System	0	0	0	0	0	0	14,270
Vehicle Services	35,916	37,743	41,073	56,366	48,072	48,072	48,072
Water Bureau	1,206,213	1,287,790	1,437,863	1,355,618	1,337,775	1,337,775	1,323,505
Workers Compensation Fund	11,186	10,485	11,838	10,720	14,096	14,096	14,096
	10,598,414	9,910,267	11,232,684	11,128,567	11,391,814	11,391,814	11,391,814
<b>Equipment Cash Transfers</b>							
Police Bureau	0	360,452	270,262	0	0	0	0
	0	360,452	270,262	0	0	0	0
<b>Minor Equipment and Tools</b>							
Emergency Communications	0	21,439	0	0	0	0	0
Transportation	14,820	39,543	0	3,200	0	0	0
Environmental Services	0	7,598	0	0	0	0	0
Fire Bureau	9,619	14,337	0	16,500	0	0	0
Parks Bureau	0	7,096	0	0	0	0	0
Police Bureau	165,645	0	235,200	500,000	0	0	0
Water Bureau	0	34,938	7,600	7,600	0	0	0
	190,084	124,951	242,800	527,300	0	0	0
<b>Total Internal Revenues</b>	11,069,478	10,908,159	12,120,494	12,030,615	11,741,814	11,741,814	11,741,814
<b>Beginning Fund Balance</b>	8,625,489	14,140,609	8,779,809	8,775,281	7,834,255	7,834,255	7,834,255
<b>TOTAL RESOURCES</b>	<b>\$ 29,940,004</b>	<b>\$ 30,362,123</b>	<b>\$ 24,215,061</b>	<b>\$ 24,436,801</b>	<b>\$ 22,928,179</b>	<b>\$ 22,928,179</b>	<b>\$ 22,928,179</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
Personal Services	2,856,527	3,260,792	3,417,245	2,900,000	3,382,249	3,382,249	3,382,064
External Materials and Services	8,155,578	11,649,407	8,727,458	9,127,839	7,185,982	7,185,982	7,185,982
<b>Internal Materials and Services</b>							
Facilities Services	425,201	388,182	413,472	447,472	473,254	473,254	473,254
Information Technology	106,450	159,472	219,504	219,504	150,986	150,986	150,986
Insurance	60,438	81,650	83,408	83,408	99,343	99,343	99,343

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Printing & Distribution	10,363	7,995	13,482	13,482	7,162	7,162	7,162
Vehicle Services	53,475	58,813	64,430	64,030	66,215	66,215	66,215
Cable Communication	0	0	10,000	10,000	10,000	10,000	10,000
Office of Management & Finance	392,456	397,376	373,731	373,731	399,546	399,546	399,546
Parking Facilities	10,080	4,153	3,720	3,720	3,720	3,720	3,720
Parks Bureau	594	1,969	0	0	0	0	0
Special Appropriations	0	130	1,931	1,931	0	0	0
Transportation	0	3,897	0	0	0	0	0
Water Bureau	12,212	0	0	0	0	0	0
	1,071,269	1,103,637	1,183,678	1,217,278	1,210,226	1,210,226	1,210,226
<b>Capital Outlay</b>	2,600,115	1,669,779	1,478,502	2,014,994	565,000	565,000	565,000
<b>Equipment Cash Transfers</b>							
Facilities Services	40,000	0	0	0	0	0	0
Printing & Distribution	1,000	0	0	0	0	0	0
Vehicle Operating	27,669	(3,823)	33,973	33,973	0	0	0
	68,669	(3,823)	33,973	33,973	0	0	0
<b>Total Bureau Expenses</b>	14,752,158	17,679,792	14,840,856	15,294,084	12,343,457	12,343,457	12,343,272
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	8,029,604	0	8,458,136	8,453,563	8,453,748
Compensation Adjustment	0	0	78,850	0	73,291	73,291	73,291
	0	0	8,108,454	0	8,531,427	8,526,854	8,527,039
<b>General Fund Overhead</b>	258,237	393,561	445,342	539,623	447,427	452,000	452,000
<b>Fund Cash Transfers</b>							
Facilities Services	0	0	1,603	0	0	0	0
General Fund	33,300	10,000	0	0	25,816	25,816	25,816
Pension Debt Redemption Fund	0	0	71,246	21,279	89,617	89,617	89,617
Sewage Operating Fund	159,314	0	0	0	0	0	0
	192,614	10,000	72,849	21,279	115,433	115,433	115,433
<b>Debt Retirement</b>	596,386	3,503,489	747,560	747,560	1,490,435	1,490,435	1,490,435
<b>Ending Balance</b>							
Unappropriated Ending Balance	14,140,609	8,775,281	0	7,834,255	0	0	0
	14,140,609	8,775,281	0	7,834,255	0	0	0
<b>Total Fund Requirements</b>	15,187,846	12,682,331	9,374,205	9,142,717	10,584,722	10,584,722	10,584,907
<b>TOTAL REQUIREMENTS</b>	<b>\$ 29,940,004</b>	<b>\$ 30,362,123</b>	<b>\$ 24,215,061</b>	<b>\$ 24,436,801</b>	<b>\$ 22,928,179</b>	<b>\$ 22,928,179</b>	<b>\$ 22,928,179</b>

**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 Fund – 707**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Limited Tax Revenue Bonds, 2002 Series A (Communication's Portion Only)</b>						
04/01/2002 - Due 2/1	7,795,000					
		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
		<b>TOTAL</b>	<b>7,795,000</b>		<b>1,734,900</b>	<b>9,529,900</b>
<b>Limited Tax Revenue Refunding Bonds, 2003 Series A (Communication's Portion Only)</b>						
01/15/2003 - Due 4/1	2,635,000					
		2004/05	240,000	2.00%	75,850	315,850
		2005/06	245,000	2.00%	71,050	316,050
		2006/07	250,000	2.50%	66,150	316,150
		2007/08	260,000	2.75%	59,900	319,900
		2008/09	265,000	3.25%	52,750	317,750
		2009/10	270,000	3.50%	44,138	314,138
		2010/11	285,000	3.75%	34,688	319,688
		2011/12	295,000	4.00%	24,000	319,000
		2012/13	305,000	4.00%	12,200	317,200
		<b>TOTAL</b>	<b>2,415,000</b>		<b>440,725</b>	<b>2,855,725</b>
<b>Limited Tax Revenue Refunding Bonds, 2004 Series A (Communication Portion Only)</b>						
06/01/1996 - Due 6/1	624,000					
		2004/05	44,000	2.00%	31,571	75,571
		2005/06	48,000	2.00%	25,800	73,800
		2006/07	66,000	5.00%	24,840	90,840
		2007/08	68,000	5.00%	21,540	89,540
		2008/09	72,000	5.00%	18,140	90,140
		2009/10	75,000	5.00%	14,540	89,540
		2010/11	79,000	5.00%	10,790	89,790
		2011/12	84,000	5.00%	6,840	90,840
		2012/13	88,000	3.00%	2,640	90,640
		<b>TOTAL</b>	<b>624,000</b>		<b>156,701</b>	<b>780,701</b>
<b>COMBINED DEBT SERVICE</b>						
	5,121,462					
		2004/05	1,044,000		446,434	1,490,434
		2005/06	1,108,000		405,463	1,513,463
		2006/07	1,191,000		367,003	1,558,003
		2007/08	1,263,000		320,265	1,583,265
		2008/09	1,207,000		269,978	1,476,978
		2009/10	1,285,000		218,615	1,503,615
		2010/11	1,374,000		163,115	1,537,115
		2011/12	1,459,000		103,028	1,562,028
		2012/13	903,000		38,428	941,428
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 10,834,000</b>		<b>\$ 2,332,326</b>	<b>\$ 13,166,326</b>

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	38,427	41,743	0	0	0	0	0
Parking Fees	254,275	217,894	18,729	18,729	18,729	18,729	18,729
Rents and Reimbursements	1,524,591	1,588,784	1,547,236	1,547,236	1,479,619	1,479,619	1,479,619
	1,817,293	1,848,421	1,565,965	1,565,965	1,498,348	1,498,348	1,498,348
<b>State Sources</b>							
State Cost Sharing	159,917	160,698	156,012	156,012	173,243	173,243	173,243
	159,917	160,698	156,012	156,012	173,243	173,243	173,243
<b>Local Sources</b>							
Local Cost Sharing	2,931,862	830,865	862,358	862,358	202,005	202,005	212,830
Multnomah County Cost Sharing	701,329	743,771	755,884	755,884	760,187	760,187	760,187
	3,633,191	1,574,636	1,618,242	1,618,242	962,192	962,192	973,017
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	221,501	17,722,741	0	0	0	0	0
Interest Earned	358,162	258,122	96,983	96,983	93,056	93,056	93,056
Other Miscellaneous	284,912	31,342	0	0	0	0	0
	864,575	18,012,205	96,983	96,983	93,056	93,056	93,056
<b>Total External Revenues</b>	<b>6,474,976</b>	<b>21,595,960</b>	<b>3,437,202</b>	<b>3,437,202</b>	<b>2,726,839</b>	<b>2,726,839</b>	<b>2,737,664</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
BFRES Facilities Bond Const Fund	36,000	0	0	0	0	0	0
Communication Services Fund	0	0	1,603	1,603	0	0	0
General Fund	3,409,050	2,796,150	2,897,234	2,897,234	2,773,660	2,773,660	2,773,660
Vehicle Services Fund	0	10,586	0	0	0	0	0
	3,445,050	2,806,736	2,898,837	2,898,837	2,773,660	2,773,660	2,773,660
<b>Federal Grants Transfers</b>							
	0	0	0	0	0	0	103,225
<b>Interfund Service Reimbursements</b>							
City Attorney	195,322	200,188	200,591	200,591	215,019	215,019	215,019
City Auditor	358,980	364,225	366,964	366,964	385,401	385,401	385,401
BFRES Facilities GO Bond Const	1,541,343	1,086,883	2,020,000	2,120,000	1,746,397	1,746,397	1,718,536
Cable Commission	19,150	14,856	14,726	14,726	14,529	14,529	14,529
Cable Commission/Access	16,550	22,550	22,255	22,255	21,957	21,957	21,957
Commissioner of Public Affairs	53,346	54,848	55,654	55,654	59,645	59,645	59,645
Commissioner of Public Safety	49,674	51,490	51,585	51,585	55,306	55,306	55,306
Commissioner of Public Utilities	53,056	55,317	54,895	54,895	58,868	58,868	58,868
Commissioner of Public Works	49,416	51,036	51,058	51,058	54,751	54,751	54,751
Communications Services	425,201	388,182	413,472	413,472	473,254	473,254	473,254
Community Development	1,909	1,588	2,183	2,183	2,205	2,205	2,205
Development Services	2,251,631	2,223,987	2,121,066	2,121,066	2,138,992	2,138,992	2,138,992
Emergency Communications	276,533	315,598	281,756	281,756	387,933	387,933	387,933
Emergency Management	0	715	86,313	86,313	145,645	145,645	145,645
Environmental Remediation	133,663	326,174	176,664	176,664	186,777	186,777	186,777
Environmental Services	1,320,467	1,380,015	1,423,013	1,423,013	1,494,982	1,494,982	1,494,982

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Environmental Svcs - Internal	7,426	17,613	8,961	8,961	9,398	9,398	9,398
Fire Bureau	45,240	52,739	5,012	5,012	5,310	5,310	5,310
FPD&R	65	12	0	0	0	0	0
Government Relations	27,432	28,340	28,524	28,524	30,583	30,583	30,583
Health Insurance	14,231	27,430	27,483	27,483	27,656	27,656	27,656
Information Technology Fund	554,094	510,076	474,074	474,074	605,858	605,858	605,858
Insurance & Claims Fund	50,763	43,835	46,323	46,323	67,842	67,842	67,842
Management & Finance	916,927	906,778	848,554	848,554	809,907	809,907	809,907
Mayor	115,972	117,794	117,662	117,662	126,133	126,133	126,133
Neighborhood Involvement	112,160	107,065	218,765	218,765	242,239	242,239	139,149
Sustainable Development	10,558	1,616	4,128	4,128	3,727	3,727	3,727
Parking Facilities Fund	1,360,775	1,966,070	3,130,597	3,230,597	1,907,046	1,907,046	1,907,046
Parks Bureau	400,623	396,936	402,082	402,082	400,385	400,385	400,385
Parks Construction Fund	.29	1,255	0	0	0	0	0
Planning	552,495	549,529	543,680	543,680	548,241	548,241	548,241
Police Bureau	5,007,817	5,034,719	5,367,957	5,441,820	5,488,088	5,488,088	5,488,088
Printing & Distribution	182,617	181,658	203,651	202,151	191,460	191,460	191,460
Public Safety Capital	0	0	0	0	237,000	237,000	237,000
Purchases	(313)	150	0	0	0	0	0
Refuse Disposal Fund	3,688	117	0	0	0	0	0
Revenue	293,301	288,231	287,051	1,577,861	460,774	460,774	7,905
Special Appropriations	5,880	0	0	0	0	0	0
Spectator Facilities Operating	0	0	223,548	223,548	243,537	243,537	239,578
Transportation	1,812,919	2,056,496	1,984,772	1,984,772	2,031,081	2,031,081	2,031,081
Utility Billing System	0	0	0	0	0	0	58,377
Vehicle Services	1,367,734	569,595	532,200	532,200	574,440	574,440	574,440
Water Bureau	1,624,904	1,769,864	1,640,891	1,640,891	1,548,836	1,548,836	1,490,459
Workers Compensation Fund	51,964	43,237	51,331	51,331	73,127	73,127	73,127
	21,265,542	21,208,807	23,489,441	25,052,614	23,074,329	23,074,329	22,486,550
<b>Equipment Cash Transfers</b>							
Communications Services	40,000	0	0	0	0	0	0
Emergency Communications	500,000	0	0	0	0	0	0
Fire Facilities Bond Constrctn	2,481,664	0	300,000	300,000	0	0	0
Police Bureau	37,996	0	0	0	0	0	0
Public Safety Capital Fund	732,023	0	0	0	0	0	0
	3,791,683	0	300,000	300,000	0	0	0
<b>Intra-Fund Service Reimbursement</b>	0	0	0	0	163,316	163,316	173,477
<b>Total Internal Revenues</b>	28,502,275	24,015,543	26,688,278	28,251,451	26,011,305	26,011,305	25,536,912
<b>Beginning Fund Balance</b>	7,926,010	10,870,175	10,940,295	10,922,430	6,813,637	6,813,637	6,813,637
<b>TOTAL RESOURCES</b>	<b>\$ 42,903,261</b>	<b>\$ 56,481,678</b>	<b>\$ 41,065,775</b>	<b>\$ 42,611,083</b>	<b>\$ 35,551,781</b>	<b>\$ 35,551,781</b>	<b>\$ 35,088,213</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
Personal Services	2,497,793	2,645,903	2,961,542	2,597,299	2,960,908	2,960,908	2,879,729
External Materials and Services	11,312,759	12,496,019	18,807,849	19,650,578	15,088,727	15,088,727	14,726,563
Internal Materials and Services							
Communications Services	592,232	316,661	485,513	482,463	486,952	486,952	486,952

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Information Technology	51,847	59,597	75,643	75,643	104,297	104,297	104,297
Insurance	117,147	199,360	203,522	203,522	196,326	196,326	196,326
Printing & Distribution	41,069	44,714	54,095	54,095	44,790	44,790	44,790
Vehicle Services	50,589	50,586	60,895	60,895	55,744	55,744	55,744
Environmental Services	24,977	12,295	0	0	0	0	0
General Services	0	0	0	0	0	0	0
Office of Management & Finance	577,212	634,777	615,772	615,772	653,962	653,962	653,962
Parking Facilities	160,756	165,597	171,147	171,147	159,329	159,329	159,329
Parks Bureau	88,740	104,566	97,638	97,638	98,018	98,018	98,018
Special Appropriations	0	26	172	172	0	0	0
Sustainable Development	6,545	8,737	17,586	17,586	13,429	13,429	13,429
Transportation	28,001	71,371	0	0	0	0	0
Water Bureau	14,709	39,860	0	0	0	0	0
Same Fund Services	0	0	0	0	163,316	163,316	173,477
	1,753,824	1,708,147	1,781,983	1,778,933	1,976,163	1,976,163	1,986,324
<b>Capital Outlay</b>	5,432,466	21,872	299,000	299,000	0	0	0
<b>Equipment Cash Transfers</b>							
Printing & Distribution	0	2,343	0	0	0	0	0
	0	2,343	0	0	0	0	0
<b>Total Bureau Expenses</b>	20,996,842	16,874,284	23,850,374	24,325,810	20,025,798	20,025,798	19,592,616
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	6,027,086	0	4,125,955	4,050,740	4,028,784
Compensation Adjustment	0	0	66,403	0	64,040	64,040	55,610
	0	0	6,093,489	0	4,189,995	4,114,780	4,084,394
<b>General Fund Overhead</b>	937,088	995,706	1,108,561	1,510,383	1,458,451	1,533,666	1,533,666
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	23,480	23,480	23,480
Pension Debt Redemption Fund	0	0	71,975	19,877	90,534	90,534	90,534
	0	0	71,975	19,877	114,014	114,014	114,014
<b>Debt Retirement</b>	10,099,156	27,689,258	9,941,376	9,941,376	9,763,523	9,763,523	9,763,523
<b>Ending Balance</b>							
Unappropriated Ending Balance	10,870,175	10,922,430	0	6,813,637	0	0	0
	10,870,175	10,922,430	0	6,813,637	0	0	0
<b>Total Fund Requirements</b>	21,906,419	39,607,394	17,215,401	18,285,273	15,525,983	15,525,983	15,495,597
<b>TOTAL REQUIREMENTS</b>	<b>\$ 42,903,261</b>	<b>\$ 56,481,678</b>	<b>\$ 41,065,775</b>	<b>\$ 42,611,083</b>	<b>\$ 35,551,781</b>	<b>\$ 35,551,781</b>	<b>\$ 35,088,213</b>

## 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
<b>Limited Tax Revenue Bonds, 1998 Series A (Facilities Portion Only)</b>						
04/15/1998 - Due 6/1	28,900,000					
		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	23,480,000		9,520,240	33,000,240
<b>Limited Tax Revenue Bonds, 1999 Series B (Facilities Portion Only)</b>						
04/15/1998 - Due 6/1	2,935,000					
		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	1,465,000		159,675	1,624,675
<b>Limited Tax Revenue Bonds, 2002 Series A (Facilities Portion Only)</b>						
04/1/2002 - Due 2/1	220,000					
		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	180,000		37,600	217,600
<b>Limited Tax Revenue Refunding Bonds, 2003 Series A (Facilities Portion Only)</b>						
01/15/2003 - Due 4/1	17,550,000					
		2004/05	4,125,000	2.00%	322,713	4,447,713
		2005/06	2,770,000	2.00%	240,213	3,010,213
		2006/07	2,815,000	2.50%	184,813	2,999,813
		2007/08	2,885,000	2.75%	114,438	2,999,438
		2008/09	515,000	3.25%	35,100	550,100
		2009/10	110,000	3.50%	18,363	128,363
		2010/11	115,000	3.75%	14,513	129,513
		2011/12	125,000	4.00%	10,200	135,200
		2012/13	130,000	4.00%	5,200	135,200
		TOTAL	13,590,000		945,550	14,535,550
<b>Limited Tax Revenue Refunding Bonds, 2004 Series A (Facilities Portion Only)</b>						
03/25/2004 - Due 6/1	21,096,000					
		2004/05	596,000	2.00%	1,016,673	1,612,673
		2005/06	777,000	2.00%	847,240	1,624,240
		2006/07	1,589,000	5.00%	831,700	2,420,700

**Facilities Services Fund – 704**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
		2007/08	1,667,000	5.00%	752,250	2,419,250
		2008/09	1,753,000	5.00%	668,900	2,421,900
		2009/10	1,840,000	5.00%	581,250	2,421,250
		2010/11	1,926,000	5.00%	489,250	2,415,250
		2011/12	2,026,000	5.00%	392,950	2,418,950
		2012/13	2,132,000	3.00%	291,650	2,423,650
		2013/14	2,190,000	3.20%	227,690	2,417,690
		2014/15	2,260,000	3.35%	157,610	2,417,610
		2015/16	2,340,000	3.50%	81,900	2,421,900
		<b>TOTAL</b>	<b>21,096,000</b>		<b>6,339,063</b>	<b>27,435,063</b>
<b>COMBINED DEBT SERVICE</b>	70,701,000					
		2004/05	6,406,000		2,553,000	8,959,000
		2005/06	5,307,000		2,222,223	7,529,223
		2006/07	6,249,000		2,070,523	8,319,523
		2007/08	6,057,000		1,835,298	7,892,298
		2008/09	3,753,000		1,603,810	5,356,810
		2009/10	3,505,000		1,431,138	4,936,138
		2010/11	3,666,000		1,262,253	4,928,253
		2011/12	3,856,000		1,083,715	4,939,715
		2012/13	4,022,000		893,970	4,915,970
		2013/14	4,040,000		737,690	4,777,690
		2014/15	4,200,000		575,110	4,775,110
		2015/16	4,370,000		402,400	4,772,400
		2016/17	2,140,000		219,000	2,359,000
		2017/18	2,240,000		112,000	2,352,000
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 59,811,000</b>		<b>\$ 17,002,128</b>	<b>\$ 76,813,128</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Federal Sources</b>							
Federal Grants	14,933,407	14,048,188	29,995,104	29,995,104	14,677,290	14,677,290	14,822,517
Unaccrued Prior Years Grants	229,854	705,967	0	0	0	0	0
	15,163,261	14,754,155	29,995,104	29,995,104	14,677,290	14,677,290	14,822,517
<b>State Sources</b>							
State Grants	243,570	136,585	818,084	818,084	30,000	30,000	30,000
	243,570	136,585	818,084	818,084	30,000	30,000	30,000
<b>Miscellaneous Revenues</b>							
Interest Earned	99,201	21,088	0	0	0	0	0
Private Grants/ Donations	224,169	196,155	2,334,169	2,334,169	1,824,379	1,824,379	1,824,379
	323,370	217,243	2,334,169	2,334,169	1,824,379	1,824,379	1,824,379
<b>Total External Revenues</b>	<b>15,730,201</b>	<b>15,107,983</b>	<b>33,147,357</b>	<b>33,147,357</b>	<b>16,531,669</b>	<b>16,531,669</b>	<b>16,676,896</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	0	422,430	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ 15,730,201</b>	<b>\$ 15,530,413</b>	<b>\$ 33,147,357</b>	<b>\$ 33,147,357</b>	<b>\$ 16,531,669</b>	<b>\$ 16,531,669</b>	<b>\$ 16,676,896</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
External Materials and Services	46,342	11,320	625,000	625,000	0	0	0
<b>Total Bureau Expenses</b>	<b>46,342</b>	<b>11,320</b>	<b>625,000</b>	<b>625,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Requirements</b>							
<b>Federal Grants Transfers</b>							
Bureau of Planning	10,495	56,279	76,721	76,721	0	0	0
Community Development	2,943,085	3,162,989	8,750,992	8,750,992	3,072,745	3,072,745	3,114,747
Environmental Services	133,767	742,941	1,019,889	1,019,889	850,779	850,779	850,779
Environmental Svcs - Internal	262,695	148,868	150,934	150,934	56,705	56,705	56,705
Facilities Services	0	0	0	0	0	0	103,225
Fire Bureau	195,992	620,244	275,822	275,822	0	0	0
Neighborhood Involvement	67,900	103,562	128,409	128,409	0	0	0
Office of Emergency Management	0	0	181,463	181,463	94,625	94,625	94,625
Sustainable Development	257,011	218,886	1,747,355	1,747,355	1,539,490	1,539,490	1,539,490
OMF - Communications Svcs	0	22,157	0	0	0	0	0
Parks Bureau	260,209	250,741	302,641	302,641	9,800	9,800	9,800
Parks Construction	(20,934)	916,001	872,784	872,784	361,608	361,608	361,608
Police Bureau	5,657,151	4,271,849	6,445,319	6,445,319	3,239,550	3,239,550	3,239,550
PIR	7,599	0	0	0	0	0	0
Public Safety Capital Fund	0	0	0	0	687,046	687,046	687,046
Refuse Disposal	81,535	18,000	22,000	22,000	0	0	0
Revenue	0	12,941	0	0	0	0	0
Sewage Construction Operating	2,430,936	35,473	456,300	456,300	0	0	0
Special Appropriations	128,927	0	0	0	0	0	0
Transportation	3,385,063	4,156,994	11,029,434	11,029,434	4,195,853	4,195,853	4,195,853



	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Water Bureau	(147,398)	774,966	1,062,294	1,062,294	2,423,468	2,423,468	2,423,468
	15,654,033	15,512,891	32,522,357	32,522,357	16,531,669	16,531,669	16,676,896
<b>Fund Cash Transfers</b>							
General Fund	29,826	6,202	0	0	0	0	0
	29,826	6,202	0	0	0	0	0
<b>Total Fund Requirements</b>	15,683,859	15,519,093	32,522,357	32,522,357	16,531,669	16,531,669	16,676,896
<b>TOTAL REQUIREMENTS</b>	<b>\$ 15,730,201</b>	<b>\$ 15,530,413</b>	<b>\$ 33,147,357</b>	<b>\$ 33,147,357</b>	<b>\$ 16,531,669</b>	<b>\$ 16,531,669</b>	<b>\$ 16,676,896</b>
<b>LINE ITEM DETAIL - AU 245</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
529000 Miscellaneous Services	46,342	11,320	625,000	625,000	0	0	0
<b>Total External Materials and Services</b>	46,342	11,320	625,000	625,000	0	0	0
<b>Total Materials and Services</b>	46,342	11,320	625,000	625,000	0	0	0
<b>TOTAL Bureau Expenses</b>	<b>\$ 46,342</b>	<b>\$ 11,320</b>	<b>\$ 625,000</b>	<b>\$ 625,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

## 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 Federal Grants 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 Services

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	2,250,000	0	144,000	170,313	0	0	100,000
Interest Earned	(324)	59	0	0	0	0	0
Other Miscellaneous	0	0	65,625	65,625	1,332,822	1,332,822	1,332,822
	2,249,676	59	209,625	235,938	1,332,822	1,332,822	1,432,822
<b>Total External Revenues</b>	<b>2,249,676</b>	<b>59</b>	<b>209,625</b>	<b>235,938</b>	<b>1,332,822</b>	<b>1,332,822</b>	<b>1,432,822</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Capital Improvement Fund	48,920	68,170	0	0	0	0	0
General Fund	3,696,379	2,675,093	7,720,483	7,720,483	2,140,873	2,140,873	2,140,873
Housing Investment Fund	3,016,609	6,496,859	4,854,000	4,854,000	4,285,250	4,285,250	4,285,250
Parks Construction Fund	55,346	323,379	407,363	407,363	893,690	893,690	893,690
Special Revenue and Finance	0	10,289	0	1,000	0	0	0
TR/ Bus Lic Surcharge	0	0	12,695,406	14,360,406	0	0	0
	6,817,254	9,573,790	25,677,252	27,343,252	7,319,813	7,319,813	7,319,813
<b>Interfund Service Reimbursements</b>							
Parks Bureau	29,140	30,384	12,097	12,097	12,097	12,097	12,097
	29,140	30,384	12,097	12,097	12,097	12,097	12,097
<b>Total Internal Revenues</b>	<b>6,846,394</b>	<b>9,604,174</b>	<b>25,689,349</b>	<b>27,355,349</b>	<b>7,331,910</b>	<b>7,331,910</b>	<b>7,331,910</b>
<b>Beginning Fund Balance</b>	<b>52,474</b>	<b>52,150</b>	<b>0</b>	<b>7,209</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$ 9,148,544</b>	<b>\$ 9,656,383</b>	<b>\$ 25,898,974</b>	<b>\$ 27,598,496</b>	<b>\$ 8,664,732</b>	<b>\$ 8,664,732</b>	<b>\$ 8,764,732</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>	1,403	2,504	4,000	30,313	5,250	5,250	5,250
<b>Total Bureau Expenses</b>	1,403	2,504	4,000	30,313	5,250	5,250	5,250
<b>Fund Requirements</b>							
<b>Debt Retirement</b>	9,094,991	9,646,670	25,894,974	27,568,183	8,659,482	8,659,482	8,759,482
<b>Ending Balance</b>							
Unappropriated Ending Balance	52,150	7,209	0	0	0	0	0
	52,150	7,209	0	0	0	0	0
<b>Total Fund Requirements</b>	<b>9,147,141</b>	<b>9,653,879</b>	<b>25,894,974</b>	<b>27,568,183</b>	<b>8,659,482</b>	<b>8,659,482</b>	<b>8,759,482</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 9,148,544</b>	<b>\$ 9,656,383</b>	<b>\$ 25,898,974</b>	<b>\$ 27,598,496</b>	<b>\$ 8,664,732</b>	<b>\$ 8,664,732</b>	<b>\$ 8,764,732</b>
<b>LINE ITEM DETAIL - AU 782</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
549000 Miscellaneous	1,403	2,504	4,000	30,313	5,250	5,250	5,250
<b>Total External Materials and Services</b>	1,403	2,504	4,000	30,313	5,250	5,250	5,250
<b>Total Materials and Services</b>	1,403	2,504	4,000	30,313	5,250	5,250	5,250
<b>TOTAL Bureau Expenses</b>	<b>\$ 1,403</b>	<b>\$ 2,504</b>	<b>\$ 4,000</b>	<b>\$ 30,313</b>	<b>\$ 5,250</b>	<b>\$ 5,250</b>	<b>\$ 5,250</b>

## 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 lines of credit for housing preservation and funding for education, Children’s Receiving Center, and PDC technology improvements. In addition to the lines of credit, this fund also matches revenues with debt service on bonds issued to takeout lines of credit previously issued to finance projects including the Clark Center, East Permanent Housing Facility, and Parks system development charge backed improvements.

**Managing Agency**

Office of Management and Finance, Financial Services

**Governmental Bond Redemption Fund – 702**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>State of Oregon Energy Loan - Multnomah Arts Center</b>						
	100,902					
		2004/05	10,063	7.50%	2,034	12,097
		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
		<b>TOTAL</b>	<b>39,759</b>		<b>4,855</b>	<b>44,614</b>
<b>Limited Tax Revenue Bonds, 1998 Series B (General Fund Portion Only)</b>						
06/15/1998 - Due 6/1	8,499,490					
		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
		<b>TOTAL</b>	<b>2,195,000</b>		<b>860,073</b>	<b>3,055,073</b>
<b>Limited Tax Revenue Bonds, 1999 Series B (General Fund Portion Only)</b>						
11/01/1999 - Due 4/1	10,135,000					
		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
		<b>TOTAL</b>	<b>5,755,000</b>		<b>2,688,135</b>	<b>8,443,135</b>
<b>Limited Tax Revenue Bonds, 2002 Series A (Parks SDC &amp; Streetcar Portion Only)</b>						
4/01/2002 - Due 2/1	3,305,000					
		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

**Governmental Bond Redemption Fund – 702**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		TOTAL	2,340,000		361,963	2,701,963
<b>Limited Tax Revenue Bonds, 2004 Series A (Parks SDC Portion Only)</b>						
3/25/2004 - Due 6/1	3,420,000					
		2004/05	420,000	2.00%	171,465	591,465
		2005/06	450,000	2.00%	136,500	586,500
		2006/07	460,000	5.00%	127,500	587,500
		2007/08	485,000	5.00%	104,500	589,500
		2008/09	510,000	5.00%	80,250	590,250
		2009/10	535,000	5.00%	54,750	589,750
		2010/11	560,000	5.00%	28,000	588,000
		TOTAL	3,420,000		702,965	4,122,965
<b>TOTAL - Limited Tax Revenue Bonds</b>						
	25,359,490					
		2004/05	2,115,000		689,563	2,804,563
		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
<b>TOTAL LIMITED TAX REVENUE</b>			10,710,000		4,081,635	14,791,635
<b>Housing Preservation Projected Short-term Line of Credit Repayment</b>						
		2004/05	4,000,000	Variable	140,000	4,140,000
		TOTAL	4,000,000		140,000	4,140,000
<b>City Lights Projected Short-term Line of Credit Repayment</b>						
		2004/05	0		140,000	140,000
<b>Children's Receiving Center Projected Short-term Line of Credit Repayment</b>						
		2004/05	200,281		29,719	230,000
		TOTAL	200,281		29,719	230,000
<b>PDC Technology Improvements Projected Short-term Line of Credit Repayment</b>						
		2004/05	1,132,255		200,567	1,332,822
		TOTAL	1,132,255		200,567	1,332,822
<b>Streetcar Extension Projected Short-term Line of Credit Repayment</b>						
		2004/05	0		100,000	100,000

**Governmental Bond Redemption Fund – 702**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
		TOTAL	0		100,000	100,000
<b>COMBINED DEBT SERVICE</b>	26,344,402					
		2004/05	7,457,599		1,301,883	8,759,482
		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
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 16,082,295</b>		<b>\$ 4,696,776</b>	<b>\$ 20,779,071</b>

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Health Care Charges	29,998,680	25,600,769	29,176,537	26,358,395	30,031,151	30,031,151	22,893,431
	29,998,680	25,600,769	29,176,537	26,358,395	30,031,151	30,031,151	22,893,431
<b>Miscellaneous Revenues</b>							
Interest Earned	983,978	482,716	211,695	227,616	179,274	179,274	168,359
Other Miscellaneous	3,062,434	2,153,107	735,947	2,289,078	2,208,974	2,208,974	1,868,447
	4,046,412	2,635,823	947,642	2,516,694	2,388,248	2,388,248	2,036,806
<b>Total External Revenues</b>	<b>34,045,092</b>	<b>28,236,592</b>	<b>30,124,179</b>	<b>28,875,089</b>	<b>32,419,399</b>	<b>32,419,399</b>	<b>24,930,237</b>
<b>Internal Revenues</b>							
<b>Interfund Service Reimbursements</b>							
PPA Health Insurance	0	0	0	0	0	0	276,312
	0	0	0	0	0	0	276,312
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>276,312</b>
<b>Beginning Fund Balance</b>	<b>28,063,182</b>	<b>23,007,392</b>	<b>20,391,169</b>	<b>20,391,169</b>	<b>15,256,279</b>	<b>15,262,306</b>	<b>14,866,200</b>
<b>TOTAL RESOURCES</b>	<b>\$ 62,108,274</b>	<b>\$ 51,243,984</b>	<b>\$ 50,515,348</b>	<b>\$ 49,266,258</b>	<b>\$ 47,675,678</b>	<b>\$ 47,681,705</b>	<b>\$ 40,072,749</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	375,569	447,857	467,942	478,000	480,654	480,654	480,654
<b>External Materials and Services</b>	38,128,027	29,622,921	32,193,068	32,264,022	35,297,683	35,297,683	28,190,013
<b>Internal Materials and Services</b>							
Communications Services	8,343	8,756	9,136	9,136	7,784	7,784	7,784
Facilities Services	14,231	27,431	27,483	27,483	27,656	27,656	27,656
Information Technology	139,418	163,786	376,556	376,556	228,119	228,119	228,119
Insurance	6,202	5,988	6,117	6,117	8,000	8,000	8,000
Printing & Distribution	28,790	37,436	34,709	34,709	39,800	39,800	39,800
Vehicle Services	91	53	214	214	208	208	208
City Attorney	142,671	100,697	99,986	99,987	122,721	122,721	122,721
Office of Management & Finance	70,427	149,812	171,952	171,952	77,214	77,214	77,214
	410,173	493,959	726,153	726,154	511,502	511,502	511,502
<b>Equipment Cash Transfers</b>							
Printing & Distribution	0	8,975	0	0	0	0	0
	0	8,975	0	0	0	0	0
<b>Total Bureau Expenses</b>	<b>38,913,769</b>	<b>30,573,712</b>	<b>33,387,163</b>	<b>33,468,176</b>	<b>36,289,839</b>	<b>36,289,839</b>	<b>29,182,169</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	16,575,856	0	11,085,783	11,095,531	10,647,613
Compensation Adjustment	0	0	10,526	0	12,013	12,013	12,013
	0	0	16,586,382	0	11,097,796	11,107,544	10,659,626
<b>General Fund Overhead</b>	<b>174,237</b>	<b>263,040</b>	<b>266,157</b>	<b>266,157</b>	<b>242,064</b>	<b>238,343</b>	<b>184,975</b>
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	29,168	29,168	29,168

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
General Reserve Fund	0	0	262,281	262,281	0	0	0
Pension Debt Redemption Fund	0	0	13,365	13,365	16,811	16,811	16,811
	0	0	275,646	275,646	45,979	45,979	45,979
<b>Debt Retirement</b>	12,876	16,063	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	23,007,392	20,391,169	0	15,256,279	0	0	0
	23,007,392	20,391,169	0	15,256,279	0	0	0
<b>Total Fund Requirements</b>	23,194,505	20,670,272	17,128,185	15,798,082	11,385,839	11,391,866	10,890,580
<b>TOTAL REQUIREMENTS</b>	<b>\$ 62,108,274</b>	<b>\$ 51,243,984</b>	<b>\$ 50,515,348</b>	<b>\$ 49,266,258</b>	<b>\$ 47,675,678</b>	<b>\$ 47,681,705</b>	<b>\$ 40,072,749</b>

## FUND OVERVIEW

### Fund Purpose

The Health Insurance Fund pays medical claims for non-Portland Police Association City employees, dependents, retirees, and other participants in the City's self-insured medical plans.

### Expenditures

Health Insurance 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. The City's Benefits administration staff and related materials and services are also budgeted within the fund.

### Reserves

The Health Insurance Fund reserve must be sufficient to cover reserves for large claims (those exceeding \$100,000 in a plan year) and Incurred But Not Reported (IBNR) claims. The IBNR reserve is 9.6% of total expected claims and 4.0% of prescription drug claims in a plan year. In FY 2004-05, the IBNR and large claims reserves are \$2.18 million and \$1.43 million, respectively. All interest accrued to the fund is dedicated to meeting fund obligations.

### Managing Agency

Office of Management and Finance, Human Resources

## CHANGES FROM PRIOR YEAR

### FY 2004-05 Assumptions

The medical claim trend inflation rate is projected to be 15.6%. While the general prescription drug trend is approximately 16.0%, the City's experience reflects a lower trend of approximately 9.0%. This medical rate of medical inflation is commensurate with regional experience. The medical component of the CPI continues to run higher than the general CPI for wage earners.



*Ongoing benefits plan redesign will be critical to ensuring that prudent reserve levels are maintained.*

The City redesigned the City's Health Benefit Plan to save City resources and to maintain prudent IBNR and large claims reserve levels through FY 2004-05. In support of this effort, the City has:

- ◆ Increased the growth rate of the employer contribution to health benefits costs based on the increase in the Portland area medical CPI-W. (The range is from a minimum of 2% to a maximum of 10%.)
- ◆ Negotiated plan design with nearly all City bargaining units to achieve a 25% savings in the self-insured plan and a 9.1% savings in the insured plans. An analysis of these plan revisions indicates that the efforts were successful.
- ◆ Negotiated an employee premium share that was implemented in FY 2004-05.

Beginning in FY 2002-03, employees of the DCTU, Recreation Employees, Bureau of Emergency Communications (BOEC), and City of Portland Professional Employees Association (COPPEA) bargaining units, as well as non-represented employees, began participating in the redesigned benefits plans noted above. All bargaining units, except the Portland Police Association (PPA), will be on the new plan as of July 1, 2004. The interest arbitration between the City and the PPA on benefits plan structure was concluded in June 2004 with PPA prevailing. PPA employees will move to CityNet, a new modified benefits plan specifically set up for the PPA members. City-paid premium fees in support of CityNet have been mapped to the PPA Health Insurance Fund (Fund 721) to fund claims expense requirements. This has resulted in a decrease of \$6.54 million in total requirements in Fund 701, and an increase of \$8.1 million in total requirements for Fund 721.

Due to the transfer of requirements to the PPA Health Insurance Fund, Health Insurance Fund claims expenditures are projected to decline from \$30.0 million in FY 2003-04 to \$25.2 million in FY 2004-05. The difference between health care charges (revenue) and medical claims (expenditures) is currently being subsidized through a draw down in Health Insurance Fund reserves. In FY 2004-05, the draw on Health Insurance Fund reserves is expected to be \$3.1 million, and as a result, contingency less the IBNR and large claims reserves is expected to decline to \$7,037,878.

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Local Sources</b>							
Local Cost Sharing	199,534	254,937	225,711	228,660	193,701	193,701	193,701
	199,534	254,937	225,711	228,660	193,701	193,701	193,701
<b>Miscellaneous Revenues</b>							
Interest Earned	201,593	88,095	120,000	54,953	50,000	50,000	50,000
Other Miscellaneous	46,813	17,355	1,000	6,716	5,000	5,000	5,000
	248,406	105,450	121,000	61,669	55,000	55,000	55,000
<b>Total External Revenues</b>	<b>447,940</b>	<b>360,387</b>	<b>346,711</b>	<b>290,329</b>	<b>248,701</b>	<b>248,701</b>	<b>248,701</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
General Fund	388,252	474,900	674,378	618,616	1,086,145	1,086,145	1,086,145
Sewage System Operating Fund	0	0	900,000	900,000	0	0	0
Transportation Operating Fund	0	0	500,000	500,000	0	0	0
Water Fund	0	0	900,000	900,000	0	0	0
	388,252	474,900	2,974,378	2,918,616	1,086,145	1,086,145	1,086,145
<b>Interfund Service Reimbursements</b>							
City Attorney	39,853	38,734	75,843	76,977	82,082	82,082	82,082
City Auditor	379,100	467,345	239,611	261,801	241,316	241,316	241,316
Cable Commission	8,742	9,755	7,424	8,248	6,262	6,262	6,262
Cable Commission/Access	11,639	11,632	8,831	8,974	6,254	6,254	6,254
Commissioner of Public Affairs	20,504	14,886	13,173	14,794	15,105	15,105	15,105
Commissioner of Public Safety	25,618	19,813	11,471	12,354	12,365	12,365	12,365
Commissioner of Public Utilities	21,238	15,491	13,670	13,593	13,964	13,964	13,964
Commissioner of Public Works	23,011	17,267	14,478	16,496	15,943	15,943	15,943
Communications Services	106,450	159,472	219,504	135,469	150,986	150,986	150,986
Community Development	164,493	106,552	162,243	87,376	98,169	98,169	98,169
Development Services	867,366	813,636	831,442	987,247	1,250,967	1,250,967	884,207
Emergency Communications	1,505,216	1,573,063	1,233,883	1,268,261	1,348,067	1,348,067	1,348,067
Emergency Management	0	0	100,000	56,936	17,465	17,465	17,465
Environmental Remediation	1,352	1,315	0	0	0	0	0
Environmental Services	1,723,576	2,167,803	1,680,362	1,602,037	1,554,669	1,554,669	1,554,669
Facilities Services Fund	51,847	59,596	75,643	104,840	104,297	104,297	104,297
Fire Bureau	750,677	1,185,820	1,090,200	1,105,940	1,033,148	1,033,148	1,033,148
FPD&R	13,525	11,133	12,422	11,440	11,683	11,683	11,683
Golf Operating Fund	15,039	14,617	7,960	9,958	9,743	9,743	9,743
Government Relations	40,034	31,572	15,885	14,529	17,836	17,836	17,836
Health Insurance	139,418	163,786	376,556	344,288	228,119	228,119	228,119
Hydropower Operating Fund	2,772	2,695	2,520	2,520	2,696	2,696	2,696
Insurance & Claims Fund	26,876	24,633	24,238	13,825	87,580	87,580	87,580
Management & Finance	761,016	1,929,658	3,261,434	2,907,426	3,365,430	3,365,430	3,065,430
Mayor	72,209	68,232	42,721	52,940	63,103	63,103	63,103
Neighborhood Involvement	73,630	66,988	76,202	123,988	117,976	117,976	117,976
Sustainable Development	24,681	22,955	31,733	35,115	31,645	31,645	31,645
Parking Facilities Fund	5,221	5,227	234	234	92	92	92

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Parks Bureau	801,099	830,286	663,086	602,227	687,866	687,866	687,866
Parks Construction Fund	11,539	11,215	972	972	42	42	42
Planning	227,428	222,066	145,074	138,413	133,127	133,127	133,127
Police Bureau	1,906,332	1,935,711	2,238,117	2,229,449	2,534,786	2,534,786	2,534,786
Portland International Raceway	2,315	2,251	5,730	5,729	5,307	5,307	5,307
Printing & Distribution	255,742	119,548	157,572	108,366	134,729	134,729	134,729
Public Safety Capital	1,813	1,763	0	0	0	0	0
Refuse Disposal Fund	30,605	26,711	17,347	21,353	19,901	19,901	19,901
Revenue	234,485	257,638	176,785	225,383	181,611	181,611	181,611
Transportation	2,215,938	2,484,414	2,315,718	2,494,393	2,506,207	2,506,207	2,506,207
Utility Billing System	0	0	0	0	0	0	336,932
Vehicle Services	38,733	39,780	77,329	92,523	83,424	83,424	83,424
Water Bureau	2,038,162	2,264,865	1,832,812	1,990,228	1,892,786	1,892,786	1,855,854
Workers Compensation Fund	26,778	24,535	24,970	14,823	88,440	88,440	88,440
	14,666,072	17,224,459	17,285,195	17,201,465	18,155,188	18,155,188	17,788,428
<b>Equipment Cash Transfers</b>							
Environmental Services	0	0	472,500	0	0	0	0
Environmental Services	0	0	0	472,500	0	0	0
Water Bureau	0	0	0	472,500	0	0	0
Water Bureau	0	0	472,500	0	0	0	0
	0	0	945,000	945,000	0	0	0
<b>Total Internal Revenues</b>	15,054,324	17,699,359	21,204,573	21,065,081	19,241,333	19,241,333	18,874,573
<b>Beginning Fund Balance</b>	7,749,211	5,000,989	4,986,691	4,987,040	4,247,144	4,247,144	4,247,144
<b>TOTAL RESOURCES</b>	<b>\$ 23,251,475</b>	<b>\$ 23,060,735</b>	<b>\$ 26,537,975</b>	<b>\$ 26,342,450</b>	<b>\$ 23,737,178</b>	<b>\$ 23,737,178</b>	<b>\$ 23,370,418</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	10,837,222	11,480,409	12,111,773	12,051,126	12,867,136	12,867,136	12,724,936
<b>External Materials and Services</b>	4,546,755	3,601,797	5,859,962	6,571,329	2,930,934	2,930,934	2,910,872
<b>Internal Materials and Services</b>							
Communications Services	139,711	130,339	113,898	181,828	199,226	199,226	196,913
Facilities Services	554,093	510,076	474,074	442,245	605,858	605,858	605,858
Insurance	47,150	45,524	46,498	46,498	169,559	169,559	169,559
Printing & Distribution	10,497	9,526	11,360	9,673	9,263	9,263	9,263
Vehicle Services	488	1,099	1,498	5,388	5,597	5,597	5,597
Environmental Services	0	0	0	0	14,326	14,326	14,326
Fire Bureau	0	0	0	0	10,014	10,014	10,014
Office of Management & Finance	97,323	474,113	499,210	499,210	558,914	558,914	558,914
Parks Bureau	0	0	0	0	11,208	11,208	11,208
Police Bureau	0	0	0	0	16,237	16,237	16,237
Special Appropriations	0	2,686	39,345	39,345	0	0	0
Transportation	134,383	133,883	142,000	142,000	158,282	158,282	158,282
	983,645	1,307,246	1,327,883	1,366,187	1,758,484	1,758,484	1,756,171
<b>Capital Outlay</b>	495,937	58,651	1,375,000	420,000	491,280	491,280	491,280

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Minor Equipment Transfers</b>							
Printing & Distribution	3,000	0	0	0	0	0	0
	3,000	0	0	0	0	0	0
<b>Total Bureau Expenses</b>	16,866,559	16,448,103	20,674,618	20,408,642	18,047,834	18,047,834	17,883,259
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	3,658,511	0	2,998,248	2,992,221	2,790,036
Compensation Adjustment	0	0	507,144	0	239,136	239,136	239,136
	0	0	4,165,655	0	3,237,384	3,231,357	3,029,172
<b>General Fund Overhead</b>	215,116	452,805	420,200	503,097	399,815	405,842	405,842
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	34,379	34,379	34,379
Pension Debt Redemption Fund	0	0	129,777	35,842	163,239	163,239	163,239
Transportation Operating	0	0	0	0	306,527	306,527	306,527
	0	0	129,777	35,842	504,145	504,145	504,145
<b>Debt Retirement</b>	1,168,811	1,172,787	1,147,725	1,147,725	1,548,000	1,548,000	1,548,000
<b>Ending Balance</b>							
Unappropriated Ending Balance	5,000,989	4,987,040	0	4,247,144	0	0	0
	5,000,989	4,987,040	0	4,247,144	0	0	0
<b>Total Fund Requirements</b>	6,384,916	6,612,632	5,863,357	5,933,808	5,689,344	5,689,344	5,487,159
<b>TOTAL REQUIREMENTS</b>	<b>\$ 23,251,475</b>	<b>\$ 23,060,735</b>	<b>\$ 26,537,975</b>	<b>\$ 26,342,450</b>	<b>\$ 23,737,178</b>	<b>\$ 23,737,178</b>	<b>\$ 23,370,418</b>

## FUND OVERVIEW

The Information Technology Fund provides information technology support through its three primary programs, Bureau Administration, Operations, and Strategic Technology, to all City bureaus and agencies as well as to some non-City agencies. Fund activities are carried out by the Bureau of Technology Services within the Office of Management and Finance.

### Revenues

The fund's major source of revenue is service reimbursement transfers from City bureaus, with limited funding coming from non-City agencies. The fund also receives resources from the General Fund in support of the Corporate Geographic Information Systems (GIS) program.

### Managing Agency

Office of Management and Finance, Technology Services

# Information Technology Fund – 711

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
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<b>Limited Tax Revenue Bonds, 1999</b>						
<b>Series B (Information Systems</b>						
<b>Portion Only)</b>						
04/15/1998 - Due 6/1	5,560,000					
		2004/05	1,450,000	5.50%	98,000	1,548,000
		2005/06	365,000	5.00%	18,250	383,250
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 1,815,000</b>		<b>\$ 116,250</b>	<b>\$ 1,931,250</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	420,869	279,839	181,450	190,743	226,369	226,369	226,369
Other Miscellaneous	56,719	133,709	5,000	106,660	109,541	109,541	109,541
	477,588	413,548	186,450	297,403	335,910	335,910	335,910
<b>Total External Revenues</b>	<b>477,588</b>	<b>413,548</b>	<b>186,450</b>	<b>297,403</b>	<b>335,910</b>	<b>335,910</b>	<b>335,910</b>
<b>Internal Revenues</b>							
<b>Interfund Service Reimbursements</b>							
City Attorney	42,516	35,137	35,856	35,856	38,287	38,287	38,287
City Auditor	40,960	33,980	34,676	34,676	42,916	42,916	42,916
Cable Commission	5,499	6,708	6,846	6,846	2,304	2,304	2,304
Cable Commission/Access	8,248	10,063	10,268	10,268	3,456	3,456	3,456
Commissioner of Public Affairs	7,791	5,561	5,675	5,675	5,562	5,562	5,562
Commissioner of Public Safety	7,559	6,505	6,638	6,638	2,664	2,664	2,664
Commissioner of Public Utilities	6,970	6,078	6,203	6,203	4,708	4,708	4,708
Commissioner of Public Works	8,135	6,463	6,595	6,595	5,036	5,036	5,036
Communications Services	39,336	42,771	43,646	43,646	49,218	49,218	49,218
Community Development	16,933	16,646	16,986	16,986	17,715	17,715	17,715
Development Services	549,960	328,545	307,077	307,077	249,334	249,334	249,334
Emergency Communications	215,919	92,646	94,541	94,541	90,803	90,803	90,803
Emergency Management	0	0	0	0	5,212	5,212	5,212
Environmental Services	581,947	453,706	566,826	566,826	676,314	676,314	684,069
Facilities Services Fund	99,664	161,894	165,206	165,206	156,704	156,704	156,704
Fire Bureau	468,165	285,267	319,166	319,166	475,796	475,796	475,796
Golf Operating Fund	40,846	31,732	32,381	32,381	31,346	31,346	31,346
Government Relations	6,210	5,273	5,381	5,381	7,395	7,395	7,395
Health Insurance	3,935	3,495	3,567	3,567	4,081	4,081	4,081
Hydropower Operating Fund	29,850	57,277	58,449	58,449	53,854	53,854	53,854
Information Technology Fund	29,914	26,567	27,111	27,111	86,476	86,476	86,476
Management & Finance	93,508	81,539	83,207	83,207	114,944	114,944	114,944
Mayor	17,868	12,505	12,761	12,761	10,295	10,295	10,295
Neighborhood Involvement	30,663	28,587	57,362	57,362	27,122	27,122	27,122
Sustainable Development	8,324	9,517	9,711	9,711	5,073	5,073	5,073
Parking Facilities Fund	45,196	81,731	83,404	83,404	68,286	68,286	68,286
Parks Bureau	374,895	301,457	308,577	308,577	387,071	387,071	387,071
Planning	133,290	234,015	238,803	238,803	56,213	56,213	48,458
Police Bureau	2,755,230	2,994,370	3,093,903	3,093,903	2,724,984	2,724,984	2,724,984
Portland International Raceway	21,206	29,739	30,348	30,348	21,492	21,492	21,492
Printing & Distribution	26,964	25,089	25,602	25,602	21,510	21,510	21,510
Refuse Disposal Fund	13,919	9,718	9,917	9,917	5,072	5,072	5,072
Revenue	33,065	27,845	30,246	30,246	28,533	28,533	28,533
Spectator Facilities Operating	0	0	0	0	34,811	34,811	34,811
Transportation	1,151,142	739,473	686,665	686,665	688,367	688,367	688,367
Vehicle Services	61,966	58,064	59,252	59,252	57,333	57,333	57,333
Water Bureau	524,766	686,984	682,770	682,770	530,021	530,021	530,021

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Workers Compensation Fund	5,592	4,966	5,068	5,068	6,121	6,121	6,121
	7,507,951	6,941,913	7,170,690	7,170,690	6,796,429	6,796,429	6,796,429
Intra-Fund Service Reimbursement	0	0	5,068	5,068	10,194	10,194	10,194
<b>Total Internal Revenues</b>	<b>7,507,951</b>	<b>6,941,913</b>	<b>7,175,758</b>	<b>7,175,758</b>	<b>6,806,623</b>	<b>6,806,623</b>	<b>6,806,623</b>
<b>Beginning Fund Balance</b>	<b>11,134,404</b>	<b>13,713,146</b>	<b>15,663,836</b>	<b>15,850,107</b>	<b>16,579,479</b>	<b>16,579,479</b>	<b>16,579,479</b>
<b>TOTAL RESOURCES</b>	<b>\$ 19,119,943</b>	<b>\$ 21,068,607</b>	<b>\$ 23,026,044</b>	<b>\$ 23,323,268</b>	<b>\$ 23,722,012</b>	<b>\$ 23,722,012</b>	<b>\$ 23,722,012</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
Personal Services	743,211	631,851	628,174	628,174	868,850	868,850	868,850
External Materials and Services	3,012,923	2,837,679	4,728,114	4,262,553	4,330,782	4,330,782	4,356,960
<b>Internal Materials and Services</b>							
Communications Services	11,472	10,521	12,088	12,088	14,506	14,506	14,506
Facilities Services	50,763	43,835	46,323	46,323	67,842	67,842	67,842
Information Technology	26,876	24,633	24,238	24,238	87,580	87,580	87,580
Insurance	3,222	3,544	8,692	8,692	5,225	5,225	5,225
Printing & Distribution	13,451	14,113	14,648	14,648	13,585	13,585	13,585
Vehicle Services	2,125	2,801	2,678	2,678	2,600	2,600	2,600
City Attorney	1,032,036	1,135,069	1,156,121	1,156,121	1,178,023	1,178,023	1,178,023
Office of Management & Finance	350,702	304,388	408,608	408,608	82,166	82,166	82,166
Parking Facilities	3,810	3,600	3,720	3,720	3,720	3,720	3,720
Police Bureau	2,675	0	0	0	0	0	0
Same Fund Services	0	0	0	0	10,194	10,194	10,194
	1,497,132	1,542,504	1,677,116	1,677,116	1,465,441	1,465,441	1,465,441
<b>Total Bureau Expenses</b>	<b>5,253,266</b>	<b>5,012,034</b>	<b>7,033,404</b>	<b>6,567,843</b>	<b>6,665,073</b>	<b>6,665,073</b>	<b>6,691,251</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	15,744,134	0	16,860,472	16,862,756	16,836,578
Compensation Adjustment	0	0	16,962	0	17,538	17,538	17,538
	0	0	15,761,096	0	16,878,010	16,880,294	16,854,116
<b>General Fund Overhead</b>	<b>124,306</b>	<b>169,842</b>	<b>199,961</b>	<b>167,224</b>	<b>131,997</b>	<b>129,713</b>	<b>129,713</b>
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	7,205	7,205	7,205
Pension Debt Redemption Fund	29,225	0	31,583	8,722	39,727	39,727	39,727
	29,225	0	31,583	8,722	46,932	46,932	46,932
<b>Debt Retirement</b>	<b>0</b>	<b>36,624</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Balance</b>							
Unappropriated Ending Balance	13,713,146	15,850,107	0	16,579,479	0	0	0
	13,713,146	15,850,107	0	16,579,479	0	0	0
<b>Total Fund Requirements</b>	<b>13,866,677</b>	<b>16,056,573</b>	<b>15,992,640</b>	<b>16,755,425</b>	<b>17,056,939</b>	<b>17,056,939</b>	<b>17,030,761</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 19,119,943</b>	<b>\$ 21,068,607</b>	<b>\$ 23,026,044</b>	<b>\$ 23,323,268</b>	<b>\$ 23,722,012</b>	<b>\$ 23,722,012</b>	<b>\$ 23,722,012</b>

**LINE ITEM DETAIL - AU 572**

<b>Personnel Services</b>							
511000 Full-Time Employees	497,107	398,032	477,383	477,383	662,178	662,178	662,178

512000	Part-Time Employees	0	7,824	0	0	0	0	0
517000	Benefits	166,891	162,376	150,791	150,791	206,672	206,672	206,672
518000	Paid Absence	79,213	63,619	0	0	0	0	0
<b>Total Personnel Services</b>		<b>743,211</b>	<b>631,851</b>	<b>628,174</b>	<b>628,174</b>	<b>868,850</b>	<b>868,850</b>	<b>868,850</b>
<b>Materials and Services</b>								
<b>External Materials and Services</b>								
521000	Professional Services	524,571	245,007	170,346	123,346	123,922	123,922	123,922
524000	Repair & Maintenance Services	707	1,728	2,853	2,853	2,930	2,930	4,380
529000	Miscellaneous Services	2,446,694	2,559,889	4,519,482	4,097,146	4,167,541	4,167,541	4,172,603
531000	Office Supplies	3,956	4,438	6,980	6,980	7,168	7,168	10,842
534000	Minor Equipment & Tools	9,019	1,357	7,662	11,437	7,869	7,869	11,764
539000	Other Commodities External	8	0	0	0	0	0	0
541000	Education	3,885	1,871	4,766	4,766	4,895	4,895	7,058
542000	Local Travel	2,666	1,768	5,049	5,049	5,185	5,185	5,344
543000	Out-of-Town Travel	1,366	0	3,839	3,839	3,943	3,943	5,287
549000	Miscellaneous	20,051	21,621	7,137	7,137	7,329	7,329	15,760
<b>Total External Materials and Services</b>		<b>3,012,923</b>	<b>2,837,679</b>	<b>4,728,114</b>	<b>4,262,553</b>	<b>4,330,782</b>	<b>4,330,782</b>	<b>4,356,960</b>
<b>Internal Materials and Services</b>								
551000	Vehicle Services	2,125	2,801	2,678	2,678	2,600	2,600	2,600
552000	Printing & Distribution	13,451	14,113	14,648	14,648	13,585	13,585	13,585
553000	Facilities Services	50,763	43,835	46,323	46,323	67,842	67,842	67,842
554000	Communications Services	11,472	10,521	12,088	12,088	14,506	14,506	14,506
555000	Information Technology	26,876	24,633	24,238	24,238	87,580	87,580	87,580
556000	Insurance	3,222	3,544	8,692	8,692	5,225	5,225	5,225
558000	Same Fund Services	0	0	0	0	10,194	10,194	10,194
559000	Other Fund Services	1,389,223	1,443,057	1,568,449	1,568,449	1,263,909	1,263,909	1,263,909
<b>Total Internal Materials and Services</b>		<b>1,497,132</b>	<b>1,542,504</b>	<b>1,677,116</b>	<b>1,677,116</b>	<b>1,465,441</b>	<b>1,465,441</b>	<b>1,465,441</b>
<b>Total Materials and Services</b>		<b>4,510,055</b>	<b>4,380,183</b>	<b>6,405,230</b>	<b>5,939,669</b>	<b>5,796,223</b>	<b>5,796,223</b>	<b>5,822,401</b>
<b>TOTAL Bureau Expenses</b>		<b>\$ 5,253,266</b>	<b>\$ 5,012,034</b>	<b>\$ 7,033,404</b>	<b>\$ 6,567,843</b>	<b>\$ 6,665,073</b>	<b>\$ 6,665,073</b>	<b>\$ 6,691,251</b>

## FUND OVERVIEW

The Insurance and Claims Operating 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.

*Actuarial claims projections are the primary driver of the fund's expenditures.*

Fund expenditures are primarily for claims payments, which are budgeted at \$4,140,000 for FY 2004-05. Projected claims are based upon an independent actuarial study for the period ending June 30, 2003. The interagency agreements for Insurance and Claims are decreasing by 5.14% for the City as a whole in FY 2004-05, as compared to FY 2003-04.

The reserve requirement assumed in the FY 2004-05 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 the fund earns interest on fund balances. The liability reserve requirement is forecast to be \$10,611,000, pursuant to the budget year-end (June 30, 2005) actuarial estimate at slightly over the discounted 60% confidence level.



Managing Agency      Office of Management and Finance, General Services

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	835,993	391,860	219,244	219,244	92,001	92,001	92,001
Other Miscellaneous	211,463	255,564	242,898	67,083	305,528	305,528	305,528
	1,047,456	647,424	462,142	286,327	397,529	397,529	397,529
<b>Total External Revenues</b>	<b>1,047,456</b>	<b>647,424</b>	<b>462,142</b>	<b>286,327</b>	<b>397,529</b>	<b>397,529</b>	<b>397,529</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Development Services	407,666	393,303	422,395	116,656	531,309	531,309	531,309
Communication Services Fund	0	0	71,246	19,676	89,617	89,617	89,617
Emergency Communications Fund	81,866	74,627	84,164	23,244	105,866	105,866	105,866
Facilities Services Fund	0	0	71,975	19,877	90,534	90,534	90,534
General Fund	2,928,143	2,882,702	3,320,937	1,417,168	4,177,232	4,177,232	4,177,232
Golf Fund	0	0	72,406	19,997	91,076	91,076	91,076
Health Insurance Fund	0	0	13,365	3,691	16,811	16,811	16,811
Housing Investment Fund	0	16	0	0	0	0	0
Hydropower Operating Fund	0	0	8,862	2,448	11,147	11,147	11,147
Information Technology Fund	0	0	129,777	35,842	163,239	163,239	163,239
Insurance & Claims Fund	0	0	31,583	8,722	39,727	39,727	39,727
LID Construction Fund	24,307	19,870	30,128	8,320	37,897	37,897	37,897
Parks Construction Fund	28,057	20,371	40,783	11,263	51,299	51,299	51,299
Portland International Raceway	0	0	13,939	3,850	17,533	17,533	17,533
Printing & Distribution	0	0	57,317	15,830	72,096	72,096	72,096
Public Safety Capital Fund	0	230	6,620	0	0	0	0
Refuse Disposal Fund	0	0	22,484	6,209	28,282	28,282	28,282
Sewage System Operating Fund	0	0	1,156,177	319,309	1,454,294	1,454,294	1,454,294
Spectator Facilities Operating	9,830	0	0	1,828	8,327	8,327	8,327
Environmental Remediation Fund	0	0	519	143	653	653	653
FPD&R Fund	0	0	18,032	4,980	22,682	22,682	22,682
Transportation Operating Fund	1,408,819	1,357,565	1,626,846	449,298	2,046,325	2,046,325	2,046,325
Vehicle Services Fund	0	0	169,138	46,712	212,749	212,749	212,749
Water Fund	0	0	1,200,815	331,638	1,510,441	1,510,441	1,510,441
Workers Compensation Fund	0	0	29,542	8,159	37,160	37,160	37,160
	4,888,688	4,748,684	8,599,050	2,874,860	10,816,296	10,816,296	10,816,296
<b>Total Internal Revenues</b>	<b>4,888,688</b>	<b>4,748,684</b>	<b>8,599,050</b>	<b>2,874,860</b>	<b>10,816,296</b>	<b>10,816,296</b>	<b>10,816,296</b>
<b>Beginning Fund Balance</b>	<b>22,759,376</b>	<b>18,828,087</b>	<b>15,241,789</b>	<b>15,515,027</b>	<b>7,031,527</b>	<b>7,031,527</b>	<b>7,031,527</b>
<b>TOTAL RESOURCES</b>	<b>\$ 28,695,520</b>	<b>\$ 24,224,195</b>	<b>\$ 24,302,981</b>	<b>\$ 18,676,214</b>	<b>\$ 18,245,352</b>	<b>\$ 18,245,352</b>	<b>\$ 18,245,352</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	445,312	408,432	411,713	411,713	412,313	412,313	412,313
<b>Internal Materials and Services</b>							
Office of Management & Finance	0	75,000	110,921	110,921	109,992	109,992	109,992
	0	75,000	110,921	110,921	109,992	109,992	109,992
<b>Total Bureau Expenses</b>	<b>445,312</b>	<b>483,432</b>	<b>522,634</b>	<b>522,634</b>	<b>522,305</b>	<b>522,305</b>	<b>522,305</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>Fund Requirements</b>							
<b>Fund Cash Transfers</b>							
General Fund	0	0	500,000	500,000	0	0	0
	0	0	500,000	500,000	0	0	0
<b>Debt Retirement</b>	9,422,121	8,225,736	12,330,533	10,622,053	12,714,833	12,714,833	12,714,833
<b>Ending Balance</b>							
Unappropriated Ending Balance	18,828,087	15,515,027	0	0	0	0	0
Unexpendable Reserve	0	0	10,949,814	7,031,527	5,008,214	5,008,214	5,008,214
	18,828,087	15,515,027	10,949,814	7,031,527	5,008,214	5,008,214	5,008,214
<b>Total Fund Requirements</b>	28,250,208	23,740,763	23,780,347	18,153,580	17,723,047	17,723,047	17,723,047
<b>TOTAL REQUIREMENTS</b>	<b>\$ 28,695,520</b>	<b>\$ 24,224,195</b>	<b>\$ 24,302,981</b>	<b>\$ 18,676,214</b>	<b>\$ 18,245,352</b>	<b>\$ 18,245,352</b>	<b>\$ 18,245,352</b>
<b>LINE ITEM DETAIL - AU 283</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
549000 Miscellaneous	445,312	408,432	411,713	411,713	412,313	412,313	412,313
<b>Total External Materials and Services</b>	445,312	408,432	411,713	411,713	412,313	412,313	412,313
<b>Internal Materials and Services</b>							
559000 Other Fund Services	0	75,000	110,921	110,921	109,992	109,992	109,992
<b>Total Internal Materials and Services</b>	0	75,000	110,921	110,921	109,992	109,992	109,992
<b>Total Materials and Services</b>	445,312	483,432	522,634	522,634	522,305	522,305	522,305
<b>TOTAL Bureau Expenses</b>	<b>\$ 445,312</b>	<b>\$ 483,432</b>	<b>\$ 522,634</b>	<b>\$ 522,634</b>	<b>\$ 522,305</b>	<b>\$ 522,305</b>	<b>\$ 522,305</b>

## 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 Services

**Pension Debt Redemption Fund – 305**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Limited Tax Pension Obligation</b>						
<b>Revenue Bonds, 1999 Series C</b>						
11/10/1999 - Due 6/1	150,848,346					
		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
		<b>TOTAL</b>	<b>150,848,346</b>		<b>403,620,315</b>	<b>554,468,661</b>
<b>Limited Tax Pension Obligation</b>						
<b>Revenue Bonds, 1999 Series D &amp; E</b>						
<b>Periodic Auction Reset Securities (PARS)</b>						
11/10/1999 - Due 6/1	150,000,000					
		2004/05	0	variable	4,211,551	4,211,551
		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
		<b>TOTAL</b>	<b>150,000,000</b>		<b>120,222,426</b>	<b>270,222,426</b>
<b>COMBINED DEBT SERVICE</b>						
	300,848,346					
		2004/05	0		12,714,833	12,714,833
		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	3,775,000		17,863,526	26,638,526

**Pension Debt Redemption Fund – 305**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		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
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 300,848,346</b>		<b>\$ 523,842,741</b>	<b>\$ 824,691,087</b>

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
Service Charges and Fees							
Health Care Charges	0	0	0	0	0	0	7,775,006
	0	0	0	0	0	0	7,775,006
Miscellaneous Revenues							
Other Miscellaneous	0	0	0	0	0	0	369,589
	0	0	0	0	0	0	369,589
<b>Total External Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,144,595</b>
<b>Internal Revenues</b>							
<b>TOTAL RESOURCES</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,144,595</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
External Materials and Services	0	0	0	0	0	0	6,722,931
Internal Materials and Services							
Health Insurance	0	0	0	0	0	0	276,312
	0	0	0	0	0	0	276,312
<b>Total Bureau Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,999,243</b>
<b>Fund Requirements</b>							
General Operating Contingency	0	0	0	0	0	0	1,091,984
General Operating Contingency	0	0	0	0	0	0	1,091,984
General Fund Overhead	0	0	0	0	0	0	53,368
<b>Total Fund Requirements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,145,352</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,144,595</b>

## FUND OVERVIEW

### Fund Purpose

The Portland Police Association (PPA) Health Insurance Fund is administered by the Office of Management and Finance, Bureau of Human Resources. The fund is new in FY 2004-05 and is intended to pay medical claims for PPA City employees, dependents, retirees, and other participants' self-insured medical plans associated with the group.

### Expenditures

PPA Health Insurance 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 budgeted within the Health Fund. The PPA Health Insurance Fund reimburses the Health Insurance Fund for benefits administration services.

**Reserves** The fund reserve must be sufficient to cover reserves for large claims (those exceeding \$100,000 in a plan year) and Incurred But Not Reported (IBNR) claims. The IBNR reserve requirement is 9.6% of total expected medical claims and 4.0% of prescription drug claims in a plan year. An IBNR of \$511,731 is incorporated in the PPA self-insured rates. Stop Loss insurance for the PPA Health Fund has been purchased to provide \$526,554 large claims coverage for the plan year. Total revenue received by the PPA Health Fund is expected to exceed total requirements by approximately \$54,000.

**Managing Agency** Office of Management and Finance, Human Resources

**CHANGES FROM PRIOR YEAR**

**FY 2004-05 Assumptions** Fund 721 is a newly created fund in support of the PPA members' CityNet health benefits plan, which has \$8.1 million in resources and requirements. \$6.5 million of the \$8.1 million resources needed is offset by a \$6.5 million reduction in resources and requirements to the City's Health Insurance Fund, Fund 701, that reflects the transfer of PPA members to the CityNet Health plan. The \$1.6 million difference between resources redirected from Fund 701 and the \$8.1 million requirements will be supported by reductions taken in programs supported by the General Fund.

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	261,389	279,859	278,963	151,379	308,244	308,244	308,244
	261,389	279,859	278,963	151,379	308,244	308,244	308,244
<b>State Sources</b>							
State Cost Sharing	274,419	296,769	283,210	228,000	214,273	214,273	214,273
	274,419	296,769	283,210	228,000	214,273	214,273	214,273
<b>Local Sources</b>							
Local Cost Sharing	205,168	174,068	232,572	268,000	198,019	198,019	198,019
Multnomah County Cost Sharing	637,425	539,311	560,917	533,000	584,810	584,810	584,810
	842,593	713,379	793,489	801,000	782,829	782,829	782,829
<b>Miscellaneous Revenues</b>							
Interest Earned	30,330	17,738	14,400	9,820	9,060	9,060	9,060
Other Miscellaneous	47	2,216	7,085	3,000	2,000	2,000	2,000
	30,377	19,954	21,485	12,820	11,060	11,060	11,060
<b>Total External Revenues</b>	<b>1,408,778</b>	<b>1,309,961</b>	<b>1,377,147</b>	<b>1,193,199</b>	<b>1,316,406</b>	<b>1,316,406</b>	<b>1,316,406</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
General Fund	35,080	0	0	0	0	0	0
Vehicle Services Fund	0	4,510	0	0	0	0	0
	35,080	4,510	0	0	0	0	0
<b>Interfund Service Reimbursements</b>							
City Attorney	47,935	44,739	57,643	61,075	59,106	59,106	59,106
City Auditor	127,202	143,010	125,051	125,050	138,861	138,861	138,861
Cable Commission	1,723	2,525	2,780	2,095	4,629	4,629	4,629
Cable Commission/Access	8,228	7,559	10,699	5,905	9,649	9,649	9,649
Commissioner of Public Affairs	5,584	4,126	6,073	6,150	6,399	6,399	6,399
Commissioner of Public Safety	3,154	3,083	4,465	3,600	4,430	4,430	4,430
Commissioner of Public Utilities	6,434	8,146	9,467	5,310	8,729	8,729	8,729
Commissioner of Public Works	3,506	5,441	4,340	3,775	5,703	5,703	5,703
Communications Services	10,361	7,994	13,482	6,735	7,162	7,162	7,162
Community Development	27,376	38,632	42,790	37,845	43,204	43,204	43,204
Development Services	494,133	487,242	522,480	487,750	495,418	495,418	495,418
Emergency Communications	17,354	18,907	33,986	14,920	18,349	18,349	18,349
Emergency Management	0	0	32,610	49,294	3,982	3,982	3,982
Environmental Services	502,514	486,650	576,306	584,150	538,724	538,724	538,724
Environmental Services	0	0	0	0	1,696	1,696	1,696
Environmental Services	0	0	0	0	3,000	3,000	3,000
Environmental Svcs - Internal	1,833	6,891	5,184	6,180	4,321	4,321	4,321
Facilities Services Fund	41,070	44,714	54,095	32,100	44,790	44,790	44,790
Fire Bureau	132,358	137,069	153,274	100,000	144,785	144,785	144,785
FPD&R	36,166	45,077	39,830	37,700	46,508	46,508	46,508
Golf Operating Fund	483	959	909	420	912	912	912
Government Relations	2,770	3,276	3,777	3,050	3,294	3,294	3,294



	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Health Insurance	28,790	37,435	34,709	55,100	39,800	39,800	39,800
Hydropower Operating Fund	2,233	2,729	3,421	2,830	2,865	2,865	2,865
Information Technology Fund	10,498	9,526	11,360	9,675	9,263	9,263	9,263
Insurance & Claims Fund	13,451	14,113	14,648	14,350	13,585	13,585	13,585
Management & Finance	262,104	286,084	331,609	237,500	270,123	270,123	270,123
Mayor	11,959	11,991	20,161	12,920	12,333	12,333	12,333
Neighborhood Involvement	73,642	60,735	98,362	88,000	80,374	80,374	80,374
Sustainable Development	20,250	15,856	42,092	25,315	29,406	29,406	29,406
Parking Facilities Fund	2,572	582	1,713	1,700	636	636	636
Parks Bureau	590,754	583,070	753,394	548,600	668,054	668,054	668,054
Parks Construction Fund	10,986	23,686	15,834	23,885	26,122	26,122	26,122
Planning	171,318	107,593	140,434	97,360	102,433	102,433	102,433
Police Bureau	518,328	559,613	586,130	618,600	636,560	636,560	636,560
Portland International Raceway	347	822	692	685	900	900	900
Portland Parks Trust	6,563	794	1,103	936	825	825	825
Refuse Disposal Fund	86,848	131,040	99,643	138,900	142,929	142,929	142,929
Revenue	69,169	100,191	164,445	131,060	157,919	157,919	157,919
Sewage Construction Fund	0	7,700	0	0	0	0	0
Special Appropriations	12,303	13,420	0	0	0	0	0
Spectator Facilities Operating	102	984	1,433	1,433	1,059	1,059	1,059
Transportation	387,177	346,936	435,930	330,000	359,031	359,031	359,031
Utility Billing System	0	0	0	0	0	0	3,300
Vehicle Services	20,027	21,392	24,694	17,060	24,064	24,064	24,064
Water Bureau	715,483	815,019	841,441	951,200	954,507	954,507	951,207
Workers Compensation Fund	8,758	9,527	12,949	10,710	11,003	11,003	11,003
	<b>4,493,846</b>	<b>4,656,878</b>	<b>5,335,438</b>	<b>4,890,923</b>	<b>5,137,442</b>	<b>5,137,442</b>	<b>5,137,442</b>
<b>Equipment Cash Transfers</b>							
City Attorney	1,250	3,000	0	0	0	0	0
City Auditor	9,050	4,800	0	0	0	0	0
Communications Services	1,000	0	0	0	0	0	0
Development Services	0	0	2,000	2,000	0	0	0
Emergency Management	0	0	9,200	9,200	0	0	0
Environmental Services	16,953	41,000	25,000	25,000	25,000	25,000	25,000
Facilities Services Fund	0	2,343	0	0	0	0	0
Fire Bureau	3,850	450	0	0	0	0	0
Health Insurance Fund	0	8,975	0	0	0	0	0
Insurance & Claims	0	0	0	3,775	0	0	0
Management & Finance	6,350	12,957	0	0	0	0	0
Neighborhood Involvement	0	2,761	0	0	0	0	0
Sustainable Development	6,500	0	0	0	0	0	0
Parks Bureau	4,750	1,486	0	0	0	0	0
Police Bureau	57,500	42,380	0	1,500	0	0	0
Water Bureau	3,000	11,700	20,000	20,000	0	0	0
Workers Compensation	0	0	0	3,775	0	0	0
	<b>110,203</b>	<b>131,852</b>	<b>56,200</b>	<b>65,250</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>Minor Equipment and Tools</b>							
Transportation	0	3,850	2,500	2,500	0	0	0

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
City Auditor	3,800	0	0	0	0	0	0
Fire Bureau	3,600	0	0	0	0	0	0
Management & Finance	0	0	1,500	1,500	0	0	0
Park's Trust	0	1,975	0	450	0	0	0
Parks Bureau	500	0	0	0	0	0	0
Police Bureau	0	3,575	0	0	0	0	0
Technical Services	3,000	0	0	0	0	0	0
Water Bureau	500	0	0	0	0	0	0
	11,400	9,400	4,000	4,450	0	0	0
<b>Total Internal Revenues</b>	4,650,529	4,802,640	5,395,638	4,960,623	5,162,442	5,162,442	5,162,442
<b>Beginning Fund Balance</b>	959,230	861,395	741,276	858,648	840,700	840,700	840,700
<b>TOTAL RESOURCES</b>	<b>\$ 7,018,537</b>	<b>\$ 6,973,996</b>	<b>\$ 7,514,061</b>	<b>\$ 7,012,470</b>	<b>\$ 7,319,548</b>	<b>\$ 7,319,548</b>	<b>\$ 7,319,548</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	1,771,696	1,664,662	1,672,248	1,622,000	1,686,203	1,686,203	1,686,203
<b>External Materials and Services</b>	3,116,215	3,079,575	3,553,973	3,269,001	3,407,830	3,407,830	3,407,830
<b>Internal Materials and Services</b>							
Communications Services	29,955	30,444	33,256	28,850	32,908	32,908	32,908
Facilities Services	182,617	181,658	203,651	203,000	191,460	191,460	191,460
Information Technology	255,742	119,548	157,572	114,134	134,729	134,729	134,729
Insurance	42,022	47,010	48,021	48,021	46,312	46,312	46,312
Vehicle Services	24,772	23,912	31,799	20,000	28,160	28,160	28,160
Office of Management & Finance	188,124	186,745	165,135	165,135	181,376	181,376	181,376
Parking Facilities	6,720	7,200	7,440	7,200	7,440	7,440	7,440
	729,952	596,517	646,874	586,340	622,385	622,385	622,385
<b>Capital Outlay</b>	265,317	238,274	453,200	205,000	333,312	333,312	333,312
<b>Total Bureau Expenses</b>	5,883,180	5,579,028	6,326,295	5,682,341	6,049,730	6,049,730	6,049,730
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	731,008	0	864,886	859,664	859,664
Compensation Adjustment	0	0	38,709	0	29,719	29,719	29,719
	0	0	769,717	0	894,605	889,383	889,383
<b>General Fund Overhead</b>	209,384	251,651	360,732	408,436	292,928	298,150	298,150
<b>Fund Cash Transfers</b>							
General Fund	0	213,867	0	0	10,189	10,189	10,189
Pension Debt Redemption Fund	0	0	57,317	0	72,096	72,096	72,096
	0	213,867	57,317	0	82,285	82,285	82,285
<b>Debt Retirement</b>	64,578	70,802	0	80,993	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	861,395	858,648	0	840,700	0	0	0
	861,395	858,648	0	840,700	0	0	0
<b>Total Fund Requirements</b>	1,135,357	1,394,968	1,187,766	1,330,129	1,269,818	1,269,818	1,269,818
<b>TOTAL REQUIREMENTS</b>	<b>\$ 7,018,537</b>	<b>\$ 6,973,996</b>	<b>\$ 7,514,061</b>	<b>\$ 7,012,470</b>	<b>\$ 7,319,548</b>	<b>\$ 7,319,548</b>	<b>\$ 7,319,548</b>

## 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, digital printing and pre-press services, variable data printing, microfilming, reprographics and blueprinting, the purchase and maintenance of copy machines, Citywide paper procurement and management, U.S. mail processing, inserting, addressing, and delivery of U.S. and 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 approximately \$5.14 million in FY 2004-05. Revenues from non-City governmental agencies are projected at \$1.3 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

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	35,539,016	87,611,438	154,654,027	119,138,557	73,176,828	73,176,828	73,176,828
Interest Earned	37,080	29,533	0	0	0	0	0
	35,576,096	87,640,971	154,654,027	119,138,557	73,176,828	73,176,828	73,176,828
<b>Total External Revenues</b>	<b>35,576,096</b>	<b>87,640,971</b>	<b>154,654,027</b>	<b>119,138,557</b>	<b>73,176,828</b>	<b>73,176,828</b>	<b>73,176,828</b>
<b>Internal Revenues</b>							
Beginning Fund Balance	1,156,679	862,033	27,000	375,534	0	0	0
<b>TOTAL RESOURCES</b>	<b>\$ 36,732,775</b>	<b>\$ 88,503,004</b>	<b>\$ 154,681,027</b>	<b>\$ 119,514,091</b>	<b>\$ 73,176,828</b>	<b>\$ 73,176,828</b>	<b>\$ 73,176,828</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>External Materials and Services</b>							
	35,841,615	87,094,095	154,674,027	119,506,091	73,176,828	73,176,828	73,176,828
<b>Internal Materials and Services</b>							
Special Appropriations	0	1,000,000	0	0	0	0	0
	0	1,000,000	0	0	0	0	0
<b>Total Bureau Expenses</b>	<b>35,841,615</b>	<b>88,094,095</b>	<b>154,674,027</b>	<b>119,506,091</b>	<b>73,176,828</b>	<b>73,176,828</b>	<b>73,176,828</b>
<b>Fund Requirements</b>							
<b>Fund Cash Transfers</b>							
Airport Way Debt Service	0	12,487	0	0	0	0	0
Bond Debt Interest & Sinking Fnd	19,994	0	0	0	0	0	0
Intermediate Debt Fund	0	10,289	0	1,000	0	0	0
Special Projects Debt Redemption	9,133	0	7,000	7,000	0	0	0
Waterfront Renewal Bond	0	10,599	0	0	0	0	0
	29,127	33,375	7,000	8,000	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	862,033	375,534	0	0	0	0	0
	862,033	375,534	0	0	0	0	0
<b>Total Fund Requirements</b>	<b>891,160</b>	<b>408,909</b>	<b>7,000</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 36,732,775</b>	<b>\$ 88,503,004</b>	<b>\$ 154,681,027</b>	<b>\$ 119,514,091</b>	<b>\$ 73,176,828</b>	<b>\$ 73,176,828</b>	<b>\$ 73,176,828</b>
<b>LINE ITEM DETAIL - AU 238</b>							
<b>Materials and Services</b>							
<b>External Materials and Services</b>							
529000 Miscellaneous Services	35,676,361	85,192,494	152,370,145	116,796,696	71,581,330	71,581,330	71,581,330
549000 Miscellaneous	165,254	1,901,601	2,303,882	2,709,395	1,595,498	1,595,498	1,595,498
<b>Total External Materials and Services</b>	<b>35,841,615</b>	<b>87,094,095</b>	<b>154,674,027</b>	<b>119,506,091</b>	<b>73,176,828</b>	<b>73,176,828</b>	<b>73,176,828</b>
<b>Internal Materials and Services</b>							
559000 Other Fund Services	0	1,000,000	0	0	0	0	0
<b>Total Internal Materials and Services</b>	<b>0</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Materials and Services</b>	<b>35,841,615</b>	<b>88,094,095</b>	<b>154,674,027</b>	<b>119,506,091</b>	<b>73,176,828</b>	<b>73,176,828</b>	<b>73,176,828</b>
<b>TOTAL Bureau Expenses</b>	<b>\$ 35,841,615</b>	<b>\$ 88,094,095</b>	<b>\$ 154,674,027</b>	<b>\$ 119,506,091</b>	<b>\$ 73,176,828</b>	<b>\$ 73,176,828</b>	<b>\$ 73,176,828</b>

## 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. Since 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 the City and a transfer is made to PDC.

**Managing Agency** Office of Management and Finance, Financial Services

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Bond and Note Sales	0	33,694,258	0	0	0	0	0
Interest Earned	175,639	55,288	18,590	12,590	2,681	2,681	2,681
Other Miscellaneous	4,215,595	5,553,084	4,669,893	4,669,893	5,152,843	5,152,843	5,152,843
	4,391,234	39,302,630	4,688,483	4,682,483	5,155,524	5,155,524	5,155,524
<b>Total External Revenues</b>	<b>4,391,234</b>	<b>39,302,630</b>	<b>4,688,483</b>	<b>4,682,483</b>	<b>5,155,524</b>	<b>5,155,524</b>	<b>5,155,524</b>
<b>Internal Revenues</b>							
<b>Other Cash Transfers</b>							
Special Revenue and Finance	9,133	0	7,000	7,000	0	0	0
	9,133	0	7,000	7,000	0	0	0
<b>Total Internal Revenues</b>	<b>9,133</b>	<b>0</b>	<b>7,000</b>	<b>7,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>5,074,383</b>	<b>3,594,512</b>	<b>1,484,952</b>	<b>1,506,192</b>	<b>536,282</b>	<b>536,282</b>	<b>536,282</b>
<b>TOTAL RESOURCES</b>	<b>\$ 9,474,750</b>	<b>\$ 42,897,142</b>	<b>\$ 6,180,435</b>	<b>\$ 6,195,675</b>	<b>\$ 5,691,806</b>	<b>\$ 5,691,806</b>	<b>\$ 5,691,806</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Fund Requirements</b>							
Debt Retirement	5,880,238	41,390,950	5,659,393	5,659,393	5,691,806	5,691,806	5,691,806
<b>Ending Balance</b>							
Unappropriated Ending Balance	3,594,512	1,506,192	521,042	536,282	0	0	0
	3,594,512	1,506,192	521,042	536,282	0	0	0
<b>Total Fund Requirements</b>	<b>9,474,750</b>	<b>42,897,142</b>	<b>6,180,435</b>	<b>6,195,675</b>	<b>5,691,806</b>	<b>5,691,806</b>	<b>5,691,806</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 9,474,750</b>	<b>\$ 42,897,142</b>	<b>\$ 6,180,435</b>	<b>\$ 6,195,675</b>	<b>\$ 5,691,806</b>	<b>\$ 5,691,806</b>	<b>\$ 5,691,806</b>

## 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 improvements to the Portland Center for Performing Arts (PCPA), 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 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 in FY 2004-05 the Interstate MAX interim financing will be replaced with long term debt issued for the Interstate Corridor Urban Renewal Area.

**Managing Agency** Office of Management and Finance, Financial Services

**Special Projects Debt Redemption Fund – 314**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
<b>Limited Tax Revenue Bonds, 2002</b>						
<b>Series B</b>						
09/15/2002 - Due 12/15/04	32,750,000					
		2004/05	32,750,000	3.00%	491,250	33,241,250
		TOTAL	32,750,000		491,250	33,241,250
<b>Limited Tax Revenue Bonds, 2001</b>						
<b>Series A</b>						
02/01/2001 - Due 6/1	81,940,000					
		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	81,630,000		84,038,463	165,668,463
<b>Limited Tax Revenue Bonds, 2001</b>						
<b>Series B</b>						
02/13/2001 - Due 6/1	18,058,888					
		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
		2021/22	802,172	5.36%	1,672,828	2,475,000
		TOTAL	18,058,888		21,416,112	39,475,000
<b>Limited Tax Revenue Bonds, 2001</b>						
<b>Series C</b>						
05/01/2001 - Due 6/1	2,100,000					

**Special Projects Debt Redemption Fund – 314**

**DEBT REDEMPTION SCHEDULE**

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		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
		<b>TOTAL</b>	<b>1,900,000</b>		<b>960,370</b>	<b>2,860,370</b>
<b>COMBINED DEBT SERVICE</b>	<b>132,748,888</b>					
		2004/05	33,630,000		4,759,543	38,389,543
		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
<b>TOTAL FUND DEBT SERVICE</b>			<b>\$ 134,338,888</b>		<b>\$ 106,906,194</b>	<b>\$ 241,245,083</b>



	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Service Charges and Fees</b>							
Miscellaneous	80,173	57,950	30,000	50,000	30,000	30,000	30,000
Public Works/Utility Charge	17,398	0	0	0	0	0	0
	97,571	57,950	30,000	50,000	30,000	30,000	30,000
<b>Miscellaneous Revenues</b>							
Interest Earned	682,838	353,728	196,000	196,000	180,000	180,000	180,000
Other Miscellaneous	82,725	100,875	1,000	75,000	1,000	1,000	1,000
Refunds	18,484	1,859	0	0	0	0	0
Sale of Capital Assets	1,041,153	334,647	1,229,942	722,135	400,000	400,000	400,000
Sales Miscellaneous	1,798	7,511	1,000	2,200	1,000	1,000	1,000
	1,826,998	798,620	1,427,942	995,335	582,000	582,000	582,000
<b>Total External Revenues</b>	<b>1,924,569</b>	<b>856,570</b>	<b>1,457,942</b>	<b>1,045,335</b>	<b>612,000</b>	<b>612,000</b>	<b>612,000</b>
<b>Internal Revenues</b>							
<b>Interfund Service Reimbursements</b>							
City Attorney	2,603	3,164	4,285	4,000	3,640	3,640	3,640
City Auditor	2,267	3,021	2,460	2,000	2,288	2,288	2,288
Cable Commission	31	91	428	400	208	208	208
Cable Commission/Access	147	277	321	300	312	312	312
Commissioner of Public Affairs	133	10	321	300	208	208	208
Commissioner of Public Safety	316	31	0	0	0	0	0
Commissioner of Public Works	608	752	1,040	1,000	832	832	832
Communications Services	53,474	58,813	64,430	64,000	66,215	66,215	66,215
Community Development	2,584	1,258	5,886	5,500	2,600	2,600	2,600
Development Services	303,516	280,618	286,975	285,000	306,778	306,778	306,778
Emergency Communications	4,848	4,600	7,632	7,500	2,473	2,473	2,473
Emergency Management	0	0	3,226	3,000	3,101	3,101	3,101
Environmental Services	381,175	355,566	369,664	365,000	369,742	369,742	369,742
Environmental Services	0	0	0	0	12,594	12,594	12,594
Environmental Svcs - Internal	40,589	33,700	33,465	32,000	18,242	18,242	18,242
Facilities Services Fund	50,590	50,586	60,895	60,000	55,744	55,744	55,744
Fire Bureau	549,186	563,414	650,925	650,000	640,285	640,285	640,285
Golf Operating Fund	105,823	262,128	279,009	275,000	204,358	204,358	204,358
Government Relations	372	14,540	520	500	13,000	13,000	13,000
Health Insurance	91	53	214	200	208	208	208
Hydropower Operating Fund	3,211	3,057	4,085	4,000	3,101	3,101	3,101
Information Technology Fund	488	1,099	1,498	1,300	5,597	5,597	5,597
Insurance & Claims Fund	2,125	2,801	2,678	2,500	2,600	2,600	2,600
Management & Finance	9,492	10,237	16,952	16,000	12,480	12,480	12,480
Mayor	1,834	397	931	900	416	416	416
Neighborhood Involvement	2,879	3,694	46,794	40,000	45,335	45,335	45,335
Sustainable Development	584	39	0	0	0	0	0
Parks Bureau	1,342,812	1,303,793	1,418,380	1,400,000	1,399,061	1,399,061	1,399,061
Parks Construction Fund	6,553	5,878	8,031	8,000	6,482	6,482	6,482
Planning	9,308	7,779	9,854	9,800	8,070	8,070	8,070
Police Bureau	5,196,379	5,526,615	5,838,433	5,700,000	6,103,531	6,103,531	6,103,531

	Actual FY 2001-02	Actual FY 2002-03	Revised FY 2003-04	Yr End Est. FY 2003-04	Proposed FY 2004-05	Approved FY 2004-05	Adopted FY 2004-05
Portland International Raceway	5,035	5,509	5,758	5,000	6,467	6,467	6,467
Portland Parks Trust	0	235	0	0	0	0	0
Printing & Distribution	24,771	23,914	31,799	31,000	28,160	28,160	28,160
Refuse Disposal Fund	3,757	5,100	5,399	5,000	2,245	2,245	2,245
Special Appropriations	15	0	0	0	0	0	0
Transportation	6,626,798	6,650,274	6,952,796	6,630,747	7,186,891	7,186,891	7,186,891
Water Bureau	1,569,949	1,635,690	1,757,697	1,600,000	1,954,563	1,954,563	1,954,563
Workers Compensation Fund	1,150	767	2,678	2,500	1,040	1,040	1,040
	16,305,493	16,819,500	17,875,459	17,212,447	18,468,867	18,468,867	18,468,867
<b>Equipment Cash Transfers</b>							
Communications Services	27,669	(3,823)	33,973	34,000	0	0	0
Development Services	0	7,426	0	0	0	0	0
Fire Bureau	0	7,964	0	50,000	0	0	0
Golf Operating Fund	108,860	98,183	0	0	0	0	0
Parks Bureau	243,702	42,440	121,545	150,000	0	0	0
Police Bureau	430,855	306,591	11,607	100,000	0	0	0
Solid Waste Management	18,897	0	0	0	0	0	0
Transportation	262,997	385,308	415,024	600,000	0	0	0
	1,092,980	844,089	582,149	934,000	0	0	0
<b>Intra-Fund Service Reimbursement</b>	0	0	0	0	159,970	159,970	159,970
<b>Total Internal Revenues</b>	17,398,473	17,663,589	18,457,608	18,146,447	18,628,837	18,628,837	18,628,837
<b>Beginning Fund Balance</b>	18,439,649	19,227,326	18,997,272	18,886,971	12,661,005	12,661,005	12,661,005
<b>TOTAL RESOURCES</b>	<b>\$ 37,762,691</b>	<b>\$ 37,747,485</b>	<b>\$ 38,912,822</b>	<b>\$ 38,078,753</b>	<b>\$ 31,901,842</b>	<b>\$ 31,901,842</b>	<b>\$ 31,901,842</b>

**REQUIREMENTS****Bureau Expenses****Personal Services****External Materials and Services****Internal Materials and Services**

## Communications Services

## Facilities Services

## Information Technology

## Insurance

## Printing &amp; Distribution

## Office of Management &amp; Finance

## Sustainable Development

## Transportation

## Water Bureau

## Same Fund Services

**Capital Outlay****Total Bureau Expenses****Fund Requirements****General Operating Contingency**

## General Operating Contingency

Personal Services	5,061,754	4,917,705	5,704,114	5,157,065	5,517,915	5,517,915	5,511,630
External Materials and Services	6,455,424	6,289,825	6,921,214	6,751,214	7,129,531	7,129,531	7,129,531
Internal Materials and Services							
Communications Services	35,916	37,743	41,073	41,073	48,072	48,072	48,072
Facilities Services	1,367,735	569,596	532,200	532,200	574,440	574,440	574,440
Information Technology	38,733	39,780	77,329	107,329	83,424	83,424	83,424
Insurance	238,464	220,808	225,689	225,689	143,744	143,744	143,744
Printing & Distribution	20,025	21,393	24,694	24,694	24,064	24,064	24,064
Office of Management & Finance	342,817	347,476	371,863	371,863	396,473	396,473	396,473
Sustainable Development	6,811	10,366	330	330	1,166	1,166	1,166
Transportation	0	24,384	5,000	145,000	5,000	5,000	5,000
Water Bureau	83,513	85,751	90,000	90,000	0	0	0
Same Fund Services	0	0	0	0	159,970	159,970	159,970
	2,134,014	1,357,297	1,368,178	1,538,178	1,436,353	1,436,353	1,436,353
<b>Capital Outlay</b>	4,081,078	3,175,474	8,925,135	8,925,135	5,487,953	5,487,953	5,487,953
<b>Total Bureau Expenses</b>	17,732,270	15,740,301	22,918,641	22,371,592	19,571,752	19,571,752	19,565,467
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	18,897	0	6,378,391	1,970,399	11,197,827	11,196,410	11,202,695

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
Compensation Adjustment	0	0	135,302	0	103,637	103,637	103,637
	18,897	0	6,513,693	1,970,399	11,301,464	11,300,047	11,306,332
<b>General Fund Overhead</b>	572,479	559,066	869,753	869,753	786,475	787,892	787,892
<b>Fund Cash Transfers</b>							
Communication Services	0	12,434	0	0	0	0	0
Development Services Fund	0	82,200	0	0	0	0	0
Emergency Communications	0	1,633	0	0	0	0	0
Facilities Services	0	10,586	0	0	0	0	0
General Fund	0	1,405,804	25,856	25,856	29,402	29,402	29,402
Golf Fund	0	28,874	0	0	0	0	0
Hydropower Operating Fund	0	961	0	0	0	0	0
Pension Debt Redemption Fund	0	0	169,138	169,138	212,749	212,749	212,749
Portland International Raceway	0	1,921	0	0	0	0	0
Printing & Distribution	0	4,510	0	0	0	0	0
Refuse Disposal Fund	0	0	11,010	11,010	0	0	0
Transportation Operating	0	883,789	0	0	0	0	0
	0	2,432,712	206,004	206,004	242,151	242,151	242,151
<b>Debt Retirement</b>	244,832	201,953	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	19,227,326	18,886,971	8,404,731	12,661,005	0	0	0
	19,227,326	18,886,971	8,404,731	12,661,005	0	0	0
<b>Total Fund Requirements</b>	20,063,534	22,080,702	15,994,181	15,707,161	12,330,090	12,330,090	12,336,375
<b>TOTAL REQUIREMENTS</b>	<b>\$ 37,762,691</b>	<b>\$ 37,747,485</b>	<b>\$ 38,912,822</b>	<b>\$ 38,078,753</b>	<b>\$ 31,901,842</b>	<b>\$ 31,901,842</b>	<b>\$ 31,901,842</b>

## FUND OVERVIEW

The Vehicle Services Operating Fund accounts for the revenues and expenses associated with CityFleet’s (formally known as Vehicle Services) operations. CityFleet 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 replaced vehicles continues to grow. 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

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>RESOURCES</b>							
<b>External Revenues</b>							
<b>Miscellaneous Revenues</b>							
Interest Earned	478,939	262,875	146,636	149,620	156,858	156,858	156,858
Other Miscellaneous	164,717	157,785	164,048	158,820	167,582	167,582	167,582
	643,656	420,660	310,684	308,440	324,440	324,440	324,440
<b>Total External Revenues</b>	<b>643,656</b>	<b>420,660</b>	<b>310,684</b>	<b>308,440</b>	<b>324,440</b>	<b>324,440</b>	<b>324,440</b>
<b>Internal Revenues</b>							
<b>Interfund Service Reimbursements</b>							
City Attorney	25,845	32,183	32,913	32,913	57,181	57,181	57,181
City Auditor	24,708	33,333	34,089	34,089	62,592	62,592	62,592
Cable Commission	1,772	2,839	2,904	2,904	3,789	3,789	3,789
Cable Commission/Access	2,658	4,259	4,356	4,356	5,684	5,684	5,684
Commissioner of Public Affairs	5,330	6,146	6,286	6,286	9,188	9,188	9,188
Commissioner of Public Safety	5,039	7,032	7,192	7,192	4,002	4,002	4,002
Commissioner of Public Utilities	4,793	6,739	6,892	6,892	7,808	7,808	7,808
Commissioner of Public Works	5,613	7,115	7,276	7,276	8,250	8,250	8,250
Communications Services	21,102	38,879	39,762	39,762	50,125	50,125	50,125
Community Development	10,897	16,951	17,336	17,336	27,826	27,826	27,826
Development Services	118,458	195,655	183,231	183,231	348,207	348,207	348,207
Emergency Communications	88,508	134,900	137,960	137,960	137,296	137,296	137,296
Emergency Management	0	0	0	0	8,688	8,688	8,688
Environmental Services	145,542	297,659	295,486	295,486	285,153	285,153	294,603
Facilities Services Fund	17,482	37,466	38,316	38,316	39,622	39,622	39,622
Fire Bureau	269,331	349,420	359,904	359,904	200,873	200,873	200,873
Golf Operating Fund	30,946	46,138	47,184	47,184	45,929	45,929	45,929
Government Relations	4,290	5,536	5,661	5,661	7,134	7,134	7,134
Health Insurance	2,267	2,493	2,550	2,550	3,919	3,919	3,919
Hydropower Operating Fund	2,523	3,152	3,223	3,223	3,207	3,207	3,207
Information Technology Fund	17,236	18,957	19,387	19,387	83,083	83,083	83,083
Insurance & Claims Fund	3,222	3,544	3,624	3,624	5,225	5,225	5,225
Management & Finance	64,857	76,336	78,068	78,068	110,205	110,205	110,205
Mayor	10,257	12,731	13,020	13,020	16,717	16,717	16,717
Neighborhood Involvement	21,717	30,641	48,198	48,198	43,759	43,759	43,759
Sustainable Development	5,702	10,334	10,569	10,569	8,294	8,294	8,294
Parks Bureau	333,012	501,955	518,837	518,837	551,385	551,385	551,385
Planning	23,150	34,134	34,908	34,908	67,977	67,977	58,527
Police Bureau	321,329	315,705	327,129	327,129	442,696	442,696	442,696
Portland International Raceway	4,300	5,657	5,786	5,786	7,935	7,935	7,935
Printing & Distribution	15,058	21,922	22,419	22,419	24,802	24,802	24,802
Refuse Disposal Fund	3,726	6,200	6,340	6,340	8,294	8,294	8,294
Revenue	18,467	33,265	36,208	36,208	39,103	39,103	39,103
Transportation	588,876	819,940	820,794	820,794	1,052,949	1,052,949	1,052,949
Vehicle Services	176,497	162,744	166,437	166,437	86,411	86,411	86,411
Water Bureau	382,241	443,174	449,034	449,034	592,202	592,202	592,202
	2,776,751	3,725,134	3,793,279	3,793,279	4,457,510	4,457,510	4,457,510

	Actual FY 2001–02	Actual FY 2002–03	Revised FY 2003–04	Yr End Est. FY 2003–04	Proposed FY 2004–05	Approved FY 2004–05	Adopted FY 2004–05
<b>Intra-Fund Service Reimbursement</b>	0	0	3,624	3,624	10,630	10,630	10,630
<b>Total Internal Revenues</b>	2,776,751	3,725,134	3,796,903	3,796,903	4,468,140	4,468,140	4,468,140
<b>Beginning Fund Balance</b>	13,048,399	13,050,954	12,068,907	13,155,985	11,992,976	11,992,976	11,992,976
<b>TOTAL RESOURCES</b>	<b>\$ 16,468,806</b>	<b>\$ 17,196,748</b>	<b>\$ 16,176,494</b>	<b>\$ 17,261,328</b>	<b>\$ 16,785,556</b>	<b>\$ 16,785,556</b>	<b>\$ 16,785,556</b>
<b>REQUIREMENTS</b>							
<b>Bureau Expenses</b>							
<b>Personal Services</b>	789,402	653,711	714,915	714,915	874,901	874,901	874,901
<b>External Materials and Services</b>	1,810,379	2,543,749	3,865,514	3,553,559	3,836,445	3,836,445	3,862,624
<b>Internal Materials and Services</b>							
Communications Services	11,186	10,484	11,838	11,838	14,096	14,096	14,096
Facilities Services	51,963	43,237	51,331	51,331	73,127	73,127	73,127
Information Technology	26,778	24,535	24,970	24,970	88,440	88,440	88,440
Insurance	5,592	4,966	8,692	8,692	6,121	6,121	6,121
Printing & Distribution	8,758	9,528	12,949	12,949	11,003	11,003	11,003
Vehicle Services	1,150	767	2,678	2,678	1,040	1,040	1,040
City Attorney	214,432	221,348	270,100	270,100	296,877	296,877	296,877
Office of Management & Finance	350,701	304,388	408,607	408,607	82,167	82,167	82,167
Parking Facilities	3,810	3,600	3,720	3,720	3,720	3,720	3,720
Same Fund Services	0	0	0	0	10,630	10,630	10,630
	674,370	622,853	794,885	794,885	587,221	587,221	587,221
<b>Total Bureau Expenses</b>	<b>3,274,151</b>	<b>3,820,313</b>	<b>5,375,314</b>	<b>5,063,359</b>	<b>5,298,567</b>	<b>5,298,567</b>	<b>5,324,746</b>
<b>Fund Requirements</b>							
<b>General Operating Contingency</b>							
General Operating Contingency	0	0	10,540,775	0	11,271,534	11,273,007	11,246,828
Compensation Adjustment	0	0	19,303	0	17,625	17,625	17,625
	0	0	10,560,078	0	11,289,159	11,290,632	11,264,453
<b>General Fund Overhead</b>	114,426	184,798	211,560	196,834	154,912	153,439	153,439
<b>Fund Cash Transfers</b>							
General Fund	0	0	0	0	5,758	5,758	5,758
Pension Debt Redemption Fund	29,275	0	29,542	8,159	37,160	37,160	37,160
	29,275	0	29,542	8,159	42,918	42,918	42,918
<b>Debt Retirement</b>	0	35,652	0	0	0	0	0
<b>Ending Balance</b>							
Unappropriated Ending Balance	13,050,954	13,155,985	0	11,992,976	0	0	0
	13,050,954	13,155,985	0	11,992,976	0	0	0
<b>Total Fund Requirements</b>	<b>13,194,655</b>	<b>13,376,435</b>	<b>10,801,180</b>	<b>12,197,969</b>	<b>11,486,989</b>	<b>11,486,989</b>	<b>11,460,810</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 16,468,806</b>	<b>\$ 17,196,748</b>	<b>\$ 16,176,494</b>	<b>\$ 17,261,328</b>	<b>\$ 16,785,556</b>	<b>\$ 16,785,556</b>	<b>\$ 16,785,556</b>

**LINE ITEM DETAIL – AU 577**

**Personnel Services**

511000 Full-Time Employees	513,887	406,404	542,216	542,216	674,013	674,013	674,013
512000 Part-Time Employees	0	10,296	0	0	0	0	0
515000 Premium Pay	50	150	0	0	0	0	0
517000 Benefits	194,517	165,859	172,699	172,699	200,888	200,888	200,888

518000	Paid Absence	80,948	71,002	0	0	0	0	0
<b>Total Personnel Services</b>		<b>789,402</b>	<b>653,711</b>	<b>714,915</b>	<b>714,915</b>	<b>874,901</b>	<b>874,901</b>	<b>874,901</b>
<b>Materials and Services</b>								
<b>External Materials and Services</b>								
521000	Professional Services	188,491	274,547	209,487	209,487	212,740	212,740	212,740
524000	Repair & Maintenance Services	475	2,120	2,853	2,853	2,930	2,930	4,380
529000	Miscellaneous Services	1,556,457	2,216,389	3,583,174	3,267,444	3,548,885	3,548,885	3,553,947
531000	Office Supplies	3,980	4,465	6,980	6,980	7,168	7,168	10,842
534000	Minor Equipment & Tools	7,358	1,781	7,662	11,437	7,869	7,869	11,764
541000	Education	7,337	4,007	4,766	4,766	4,895	4,895	7,058
542000	Local Travel	2,263	2,143	5,049	5,049	5,185	5,185	5,345
543000	Out-of-Town Travel	2,906	1,728	3,839	3,839	3,943	3,943	5,287
549000	Miscellaneous	41,112	36,569	41,704	41,704	42,830	42,830	51,261
<b>Total External Materials and Services</b>		<b>1,810,379</b>	<b>2,543,749</b>	<b>3,865,514</b>	<b>3,553,559</b>	<b>3,836,445</b>	<b>3,836,445</b>	<b>3,862,624</b>
<b>Internal Materials and Services</b>								
551000	Vehicle Services	1,150	767	2,678	2,678	1,040	1,040	1,040
552000	Printing & Distribution	8,758	9,528	12,949	12,949	11,003	11,003	11,003
553000	Facilities Services	51,963	43,237	51,331	51,331	73,127	73,127	73,127
554000	Communications Services	11,186	10,484	11,838	11,838	14,096	14,096	14,096
555000	Information Technology	26,778	24,535	24,970	24,970	88,440	88,440	88,440
556000	Insurance	5,592	4,966	8,692	8,692	6,121	6,121	6,121
558000	Same Fund Services	0	0	0	0	10,630	10,630	10,630
559000	Other Fund Services	568,943	529,336	682,427	682,427	382,764	382,764	382,764
<b>Total Internal Materials and Services</b>		<b>674,370</b>	<b>622,853</b>	<b>794,885</b>	<b>794,885</b>	<b>587,221</b>	<b>587,221</b>	<b>587,221</b>
<b>Total Materials and Services</b>		<b>2,484,749</b>	<b>3,166,602</b>	<b>4,660,399</b>	<b>4,348,444</b>	<b>4,423,666</b>	<b>4,423,666</b>	<b>4,449,845</b>
<b>TOTAL Bureau Expenses</b>		<b>\$ 3,274,151</b>	<b>\$ 3,820,313</b>	<b>\$ 5,375,314</b>	<b>\$ 5,063,359</b>	<b>\$ 5,298,567</b>	<b>\$ 5,298,567</b>	<b>\$ 5,324,746</b>

## FUND OVERVIEW

The Workers' Compensation Operating 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 \$3,041,000 for FY 2004-05. Projected claims are based upon an independent actuarial study for the period ending June 30, 2003. Interagency agreements for Workers' Compensation Citywide are increasing by 17.7% in FY 2004-05 over FY 2003-04.

The reserve requirement assumed in the FY 2004-05 Adopted 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 \$13,503,000, pursuant to the budget year-end (June 30, 2005) actuarial estimate at the discounted 75% confidence level.

**Managing Agency**

Office of Management and Finance, General Services

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# Office of Management & Finance

## Current 5-Year Financial Forecast

### General Fund-City Of Portland

As Of... 02-Jul-2004 *Previous Forecast*..... 21-Apr-2004

Current Outlook

#### Council's Adopted Budget Unchanged Compared To Mayor's Proposed Budget

Item	Mayor's Proposed	Council's Adopted	Difference vs. Previous
<b>Council Discretionary Available FY2004-05.....</b>	\$287,824,703	\$291,874,703	\$4,050,000
<b>Requirements:</b>			
Capital Set-Aside.....	\$1,813,044	\$1,813,044	\$0
Council Set-Asides.....	\$29,237,747	\$33,117,955	\$3,880,209
One-Time Bureaus	\$2,535,979	\$2,778,784	\$242,805
<b>Bureaus &amp; Programs.....</b>	<b>\$254,237,934</b>	<b>\$254,164,919</b>	<b>(\$73,015)</b>
<b>CAL Requirements..</b>	<b>\$287,824,704</b>	<b>\$291,874,703</b>	<b>\$4,049,999</b>
<b>Resources Less CAL</b>	(\$0)	(\$0)	\$0
<b>Programs FY04-05.....</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Available One-Time...	\$0	\$0	\$0
<b>Programs FY05-06.....</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Available One-Time.....	\$0	\$215,480	\$215,480

#### Adopted Budget Balanced At Lower CAL Levels

- ◆ *The revised resource forecast for FY2004-05 is up \$4.05 million on technical adjustments to ending balance (for carryover of Police retro payments) and a \$50,000 increase in transfers into the General Fund.*
- ◆ *Council's Adopted Budget increases one-time by about \$242,800 and reduces bureau programs net by about \$73,015 compared to the proposed budget. Bureau current appropriation levels (CAL) are about \$2.0 million lower than forecast last December: \$254.2 million versus \$256.2 million. Thus, Council's budget process pared back bureau on-going programs by \$2 million in order to bring the budget and resources and requirements into balance.*
- ◆ *An arbitrator's award of the Portland Police Association's last best offer late in May is currently estimated to increase Police Bureau CAL by about \$4.8 million. Council is now scheduled to spend the first few weeks of July in deliberations to rebalance the Adopted Budget. This will require service area reductions in order to accommodate the PPA award.*

#### Police Arbitration Award Adversely Impacts Adopted

An interest arbitration with Portland's Police Association (PPA) concluded in May. The arbitrator awarded the Portland Police Association's (PPA) last best offer (LBO). The PPA award means that Council faces a new gap which will require rebalancing the Council's Adopted Budget over the course of the first few weeks in July.

ITEM	Est. Cost
Retro 1% FY03	\$621,506
<b>FY2004-05</b>	
1% above CPI	\$1,285,190
Death leave	\$7,622
Out of class pay	\$95,326
On-Call, 100FTE	\$2,177,056
Health benefits	\$1,229,323
<b>On-Going (*)</b>	<b>\$4,794,517</b>

(\*)Net of "Retro 1% FY03"  
PPA's LBO is estimated to initially increase on-going costs by \$4.794 million. There will also be about \$621,500 of added one-time costs. Out-year costs will be higher as sworn personnel go into a separate more expensive health benefits plan, 95% City paid, and receive on-call pay at one-sixth the hourly wage.

Some Key Forecast Assumptions	<b>M50 Assess. Value \$1000....</b>	\$35,910,103	<b>State Cigarette &amp; Liquor</b>	
	<b>FY2003-04 M50 Tax Base....</b>	\$164,360,541	<b>Tax Revenues To City.....</b>	\$9,702,997
	<b>M50 Compression Loss.....</b>	(\$6,791,274)	<b>CPI-W Increase (2nd Half '02</b>	
	<b>Est. Tax Base Imposed.....</b>	\$157,569,268	<b>To 2nd Half '03, for COLAs)(*).</b>	<b>2.0%</b>
	<b>Delinquency/Discount(%)...</b>	-5.7%	<b>Measure 50 FPD&amp;R Levy.....</b>	\$86,522,327
	<b>Delinquency/Discount (\$)...</b>	(\$8,981,448)	<b>Beginning General Fund</b>	
	<b>FY04 Tax Base Revenues....</b>	\$148,587,819	<b>FY2004-05 Balance.....</b>	\$14,965,294
	<b>County M50 Levy.....</b>	\$186,281,401	<b>Estimated Urban Renewal Di-</b>	
	<b>Library-Local Option.....</b>	\$32,380,729	<b>vide-The-Taxes (10 Districts)..</b>	<b>\$51,944,622</b>
	<b>Total-County Levies.....</b>	<b>\$218,662,130</b>	<b>Current Forecast: FY2004-05 to FY2008-09</b>	

**Forecast FY2004-05 resources are revised up by about \$4.050 million compared to the previous April forecast done in conjunction with the Mayor's Proposed Budget.** This increase is due solely to two technical adjustments. First, beginning fund balance is increased \$4 million in order to accommodate retroactive Police wage and salary payments for FY2002-03 and FY2003-04. Second, there was a small \$50,000 increase in transfers into the General Fund associated with a loan repayment. Beyond these two changes, the revenue forecast is unchanged compared to last April. Actual FY2003-04 revenues through late May suggests that the FY2004-05 revenue forecast, as a whole, remains consistent with recent data and experience. Transient lodging taxes were stronger during late FY2003-04, but franchise fees weakened. These differences will tend to offset each other during FY2004-05. Multnomah County has published no new information on taxable assessed value growth or trends: the property tax revenue forecast remains unchanged. Adopted Budget beginning balance for FY2004-05 appears to be consistent with current year-end forecasts. As usual, the actual ending balance available for carryover into FY2004-05 depends on year-end spending strength.

<b>Revenue Forecast RECAP-First Year Budget, FY2004-05</b>			
<b>General Fund Revenue Category</b>	<b>FY2004-05</b>		
	<b>Proposed</b>	<b>Adopted</b>	<b>Difference</b>
<b>Property Taxes.....</b>	<b>\$153,173,082</b>	<b>\$153,173,082</b>	<b>\$0</b>
<b>Transient Lodgings.....</b>	<b>\$10,811,022</b>	<b>\$10,811,022</b>	<b>\$0</b>
<b>Business Licenses.....</b>	<b>\$39,274,397</b>	<b>\$39,274,397</b>	<b>\$0</b>
<b>Utility License/Franchise....</b>	<b>\$57,822,158</b>	<b>\$57,822,158</b>	<b>\$0</b>
<b>State Revenues.....</b>	<b>\$9,702,997</b>	<b>\$9,702,997</b>	<b>\$0</b>
<b>Interest Income.....</b>	<b>\$755,533</b>	<b>\$755,533</b>	<b>\$0</b>
<b>Transfers IN.....</b>	<b>\$824,151</b>	<b>\$874,151</b>	<b>\$50,000</b>
<b>Miscellaneous.....</b>	<b>\$4,496,069</b>	<b>\$4,496,069</b>	<b>\$0</b>
<b>Revenue Forecast.....</b>	<b>\$276,859,409</b>	<b>\$276,909,409</b>	<b>\$50,000</b>
<b>Beginning FUND Balance...</b>	<b>\$10,965,294</b>	<b>\$14,965,294</b>	<b>\$4,000,000</b>
<b>Forecast Resources.....</b>	<b>\$287,824,703</b>	<b>\$291,874,703</b>	<b>\$4,050,000</b>
<b>% Change In Revenues.....</b>		<b>0.02%</b>	
<b>% Change In Resources.....</b>		<b>1.41%</b>	

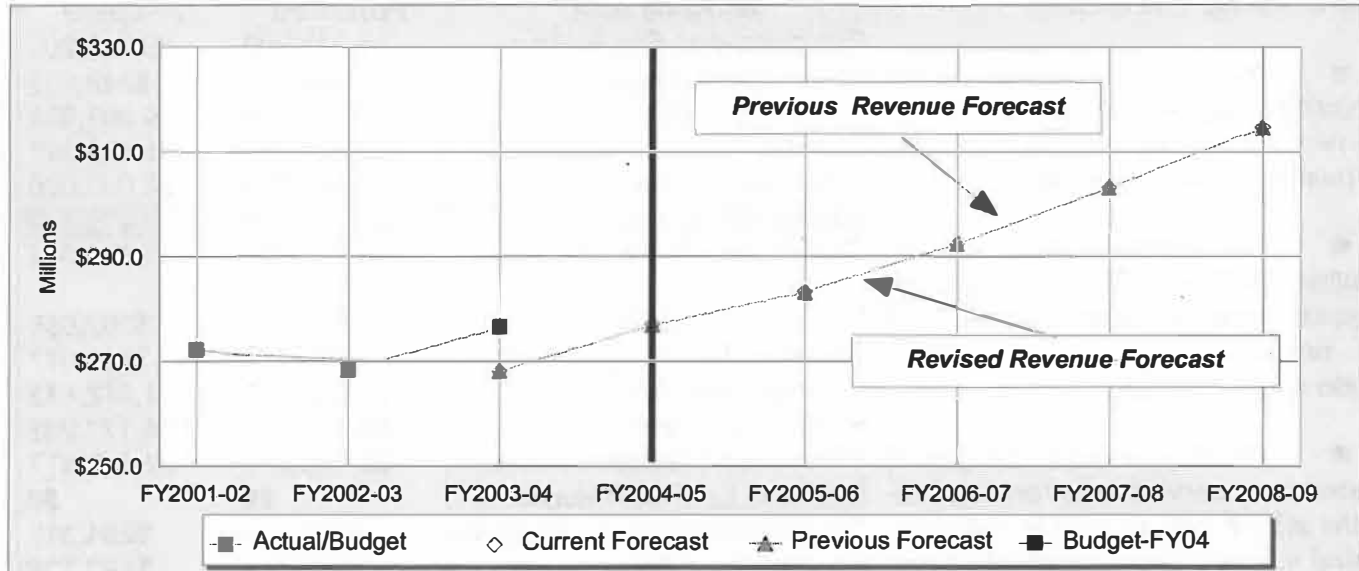
**A key revenue forecast assumption is a "Measure 50" General Fund tax base levy of \$164.36 million.** This is unchanged compared to December. The forecast calls for 2.5% assessed value growth; under the so-called 3% minimum. This assumes that slower growth the last two years was due to systemic factors that are likely to be repeated. It is now apparent that the recession has negatively impacted commercial and industrial assessed and real market values. New construction outside of urban renewal districts is slow. During recessions, under this system, property tax revenue growth slows down. In addition, large increases in both urban renewal collections and the FPD&R Levy appear to have increased compression by at least two full percentage points. FPD&R or urban renewal increases beyond the current forecast may result in added compression and could reduce actual revenues below current forecasts. The forecast assumes that property tax revenues continue to be generated under DOR's new Shilo-Inn tax rules for urban renewal collections.

<b>Revenue Forecast ASSUMPTIONS</b>	
<b>Revenue Category</b>	<b>FY2004-05</b>
<b>CITY Property Tax Levies.....</b>	
<b>Measure 50 Taxbase Levy.....</b>	<b>\$164,360,541</b>
<b>Local Option &amp; UR Collections</b>	<b>\$96,247,121</b>
<b>Measure 50 F&amp;PD&amp;R Levy(*)....</b>	<b>\$86,522,327</b>
<b>FPD&amp;R. General Fund Total.</b>	<b>\$347,129,989</b>
<b>MULTNOMAH County Levies</b>	
<b>Measure 50 Levy Authority.....</b>	<b>\$186,281,401</b>
<b>Local Option Levv (Library).....</b>	<b>\$32,380,729</b>
<b>Mult. County Levy Total.....</b>	<b>\$218,662,130</b>
<b>M50 Assessed Value Growth....</b>	<b>2.8%</b>
<b>Percent of FY2004-05 Levies</b>	
<b>Not Received First Year.....</b>	<b>-5.7%</b>
<b>Measure 50 Compression.....</b>	<b>-4.1%</b>
<b>Est. Portland Population.....</b>	<b>548,662</b>
<b>GDP Growth (Economy.Com)....</b>	<b>0.8%</b>
<b>Revenue Sharing (State).....</b>	<b>\$9,702,997</b>

(\*) Certified to county assessors.

**THE BOTTOM LINE: The forecast shows General Fund resources are not much changed compared to last April. Council's Adopted Budget closes a previously identified gap between available resources and requirements. An arbitrator's award of the PPA's "last best offer," handed down in late May is estimated to increase Police Bureau costs by about \$4.8 million. Council will spend the first few weeks of July rebalancing the Adopted Budget for this increase in on-going Police Bureau costs.**

**Current Mayor's Proposed 5-Year REVENUE Forecast  
General Fund Financial Model**



**Figure 1-Current General Fund 5-Year Revenue Forecast**

A key forecast assumption is a national economy that continues to recover from recession, as well as a recovering local economy. The Pacific Northwest however continues to be slow to recover from recession. Metro-area and Oregon unemployment rates remain among the highest in the nation.

Figure 1 summarizes the 5 year revenue forecast off of the FY2003-04 base. Revenue growth remains critically dependent on assessed value growth. Revenue growth is forecast to average 2.6 percent over the next five years. The recession translated into a dip in revenues because of a sharp downturn in "cyclical" revenues such as business licenses and transient lodging taxes. Property taxes, under new Shilo Inn calculations rules are growing more slowly.

Estimated FY2004-05 General Fund current allocation level (CAL) costs are \$254.164 million, versus last April's \$254.237 million for FY2004-05 bureau CAL requirements. Bureaus' CAL targets are reduced about \$73,015 million, net, compared to the Mayor's Proposed Budget. Adopted Budget CAL levels are \$2 million below last December's estimate, indicating that Council's budget process successfully brought appropriation levels in line with resource availability.

Estimated Current Allocation Level Forecast Assumptions	
	FY2004-05
<b>FY2004-05 CAL Cost</b>	
Previous CAL Forecast.....	\$254,237,934
Current CAL Forecast.....	\$254,164,919
Difference In CAL Estimates.....	(\$73,015)
<b>General Inflation Rates.....</b>	
GDP Price Deflator.....	1.2%
CPI-W% (Dec.'02-Dec.'03)..(*)...	2.0%
Benefits CAP Escalation.....	2.2%
Producer Price Index.....	3.8%
CPI-Energy.....	1.2%
<b>External M&amp;S.....</b>	
General-Overall.....	1.8%
Energy-Electricity.....	6.0%
Energy-Gas.....	6.0%
Sewer.....	8.9%
Water.....	4.0%
Utilities-Overall.....	6.2%
<b>Internal M&amp;S.....</b>	
General-Overall.....	1.8%
Risk/Workers' Comp.....	2.6%
<b>Wage &amp; Salary % Increase.....</b>	
Public Safety.....	2.0%
All Other.....	2.0%

(\*) COLA defaults to 2%, actual CPI-W increase was 1.5%.

This financial forecast continues to benefit, like previous forecasts from slower CAL growth. This results from lower inflation in the Portland area overall as measured by the local CPI-W price index over the last couple of years. The actual December 2002 to December 2003 CPI-W increase as published by the Bureau of Labor Statistics was 1.5%. Medical care inflation was 2.2% for the last twelve months.

– **COUNCIL set-asides, FY2004-05, as currently adopted are shown in the table at the right as follows:**

- The business license refund set-aside is zeroed out consistent with the new accounting method employed for business license revenues.

- The General Fund's cash position continues to be stable and the forecast continues to assume the fund will not have to issue tax anticipation notes (TANS).

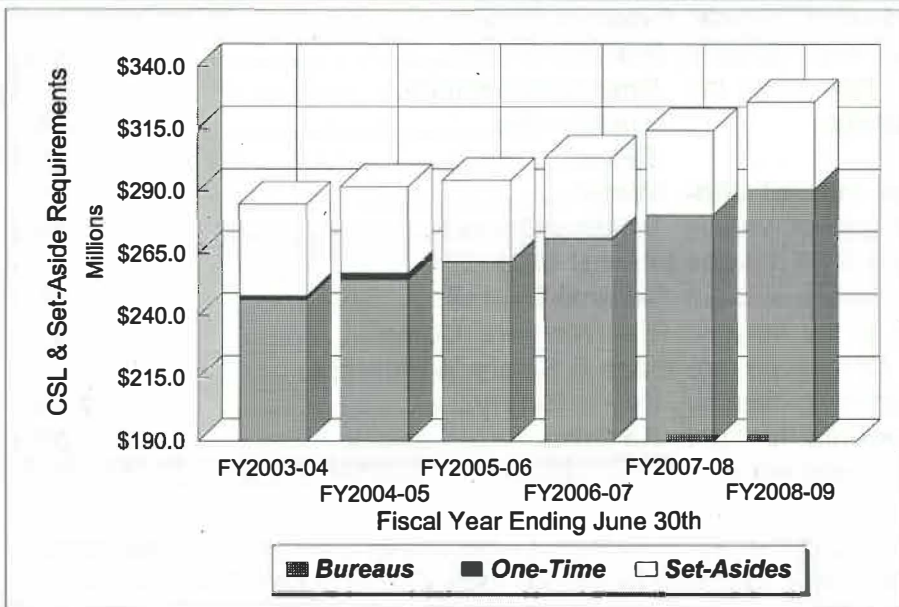
- The capital set-aside (net of related debt service requirements) remains at \$1.8 million net of \$1 million included in Fire's target. Capital related "Other Debt Service" totals about \$2.1 million for FY2004-05.

- The compensation set-aside is revised to \$9.3 million and assumes a 2.0% COLA, plus medical benefits inflation of 2.2%. This set-aside also includes \$500,000 for possible Police overtime that may be required for dignitary protection in the fall. The set-aside reflects last year's Fire contract and includes a \$4 million carryover for Police retro-payments for FY2002-03 and FY2003-04. This carryover is insufficient to cover PPA costs in excess of the City's offer.

Forecast Council Set-Asides		
Set-Aside Item	Forecast FY2004-05	
	Proposed	Adopted
Compensation Set-Aside.....	\$5,313,203	\$9,313,203
ESA(*) Set-Aside/Planning.....	\$366,087	\$348,882
Street Light O&M.....	\$4,991,039	\$4,991,039
General Fund Contingency.....	\$1,593,689	\$1,473,899
Unforeseen & Inventory.....	\$2,000,000	\$2,000,000
<b>Subtotal-Contingency</b>	<b>\$3,593,689</b>	<b>\$3,473,899</b>
<b>Capital Set-Aside (**)</b> .....	<b>\$1,813,044</b>	<b>\$1,813,044</b>
ESA Set-Aside/BES.....	\$344,851	\$362,056
Transfer, 1900 Bldg. Offset.....	\$866,677	\$866,677
City Hall Debt Service.....	\$1,612,673	\$1,612,673
POBS Debt Service.....	\$4,177,232	\$4,177,232
Other Debt Service.....	\$2,140,873	\$2,140,873
Business License Refunds.....	\$0	\$0
City Hall Maintenance Reserve	\$294,310	\$294,310
Housing Trust Fund.....	\$492,716	\$492,716
TANS Borrowing-Interest	\$0	\$0
Transfer to Reserves.....	\$1,594,692	\$1,594,692
CIPs O&M Set-Aside.....	\$669,704	\$669,704
Economic Develop. Fund.....	\$2,350,000	\$2,350,000
BIT Transfers.....	\$430,001	\$430,000
Miscellaneous Transfers.....	\$0	\$0
<b>Total Budgeted/Council</b>		
<b>Estimated Council Set-Asides</b>	<b>\$31,050,790</b>	<b>\$34,930,999</b>
<b>Difference versus Previous Forecast.....</b>		<b>\$3,880,209</b>

(\*) Endangered Species Act (\*\*) Net capital related debt service

**Adopted Budget Current Allocation Level (CAL) Requirements  
General Fund Financial Model**



**Figure 2-Current Service Level (CAL) Requirements**

**Other set-asides in Council's current financial plan include Pension Obligation Bond debt service costs of about \$4.177 million as estimated by Debt Management.**

**Council's Adopted Budget includes a \$2.35 million set-aside for an economic development fund on a one-time only basis. This was not present in the original December forecast.**

**Set-asides are up net by about \$3.88 million. This is due to inclusion of the compensation carryover for Police as offset by a small reduction in the General Fund's contingency and the ESA set-aside**



The table at the right combines the FY2004-05 resource forecast with fund CAL forecast estimates for FY2004-05. Resources total an estimated \$291.874 million. Deducting set-asides of \$34.930 million leaves about \$256.943 million for on-going CAL program plus one-time budgets.

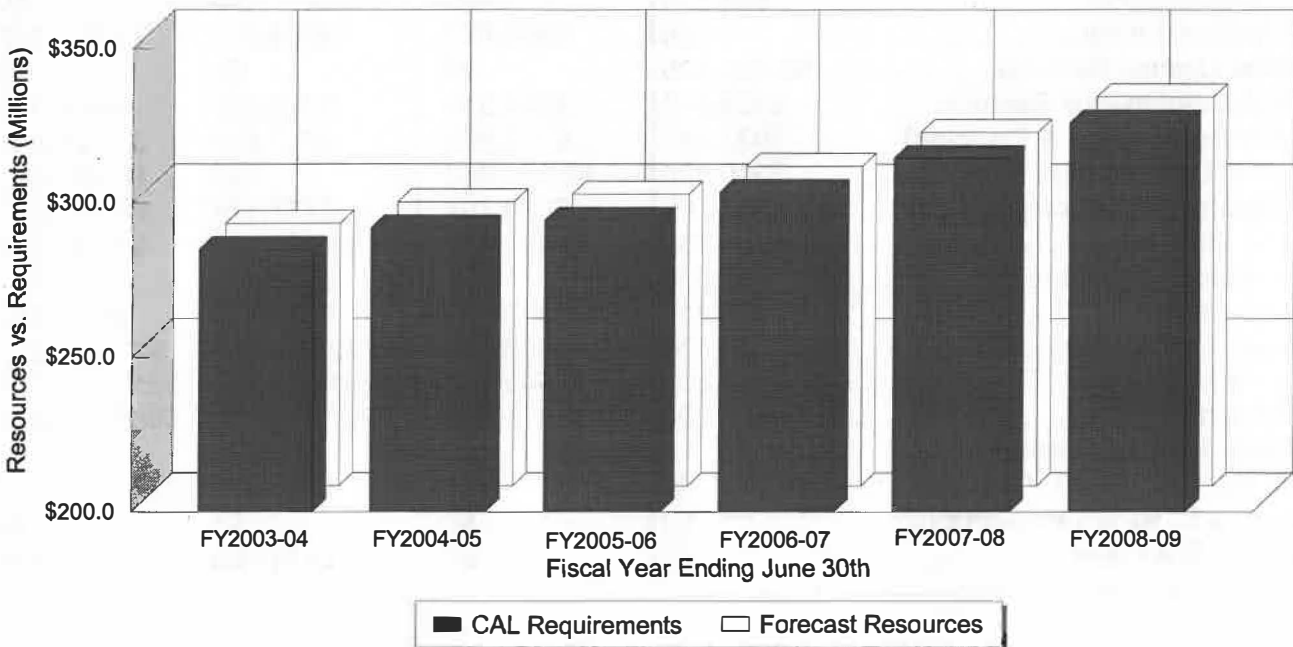
The Adopted Budget closes the gap between available resources and requirements. Balancing the General Fund over the course of the five-year forecast resulted in an overall reduction in General Fund current allocation levels (CAL) of \$2 million. One-time budgets now total about \$2.78 million for FY2004-05.

Sources & Uses of Funds: Financial Forecast FY2004-05		
Item	Budget	FY2004-05
	FY2003-04	Adopted
Forecast FUND Revenues.....	\$276,551,887	\$276,909,409
Beginning FUND Balance.....	\$8,349,115	\$14,965,294
<b>Total FUND RESOURCES</b>	<b>\$284,901,002</b>	<b>\$291,874,703</b>
Less: Council Set-Asides.....	(\$34,267,781)	(\$33,117,955)
Less: Capital Set-Aside.....	(\$2,833,619)	(\$1,813,044)
<b>EQUALS: AVAILABLE TO BUREAUS-PROGRAMS.....</b>	<b>\$247,799,602</b>	<b>\$256,943,703</b>
Bureaus CAL Requirement.....	\$247,799,602	\$256,943,703
<b>EST. GAP, DIFFERENCE.....</b>	<b>\$0</b>	<b>(\$0)</b>
AVAILABLE ON-GOING FY2004-05.....		<b>\$0</b>
New One-Time...FY2004-05.....		<b>\$0</b>

The "Adopted" column, shows that forecast FY2004-05 resources, and more importantly out-year resources are sufficient to fund lowered General Fund current allocation level (CAL) costs as as embodied in the Council's Adopted FY2004-05 Budget and financial plan. However:

- Resources estimates continue to be impacted by the length and severity of this recession. The continuing stagnation of resources relative to requirements resulted in a budget process that was focused principally on reducing General Fund current allocation levels.
- The late May arbitration award of PPA's "last best offer" leaves the Adopted Budget unbalanced. Council will spend the first few weeks of the FY2004-05 budget year rebalancing the budget so as to incorporate higher PPA costs.

**Forecast Difference Between Resources And Current Allocation Level (CAL) Requirements  
General Fund Financial Model**



**Figure 3-Financial Forecast Resources Compared To Requirements**

## 2-YEAR FINANCIAL FORECAST RESOURCES & REQUIREMENTS DETAIL

The table below summarizes the full two-year financial forecast General Fund resources and requirements:

- Resources total \$586.289 million for two years ending FY2005-06.
- Estimated requirements total \$586.074 million over two years.
- The General Fund is balanced albeit at a lowered CAL level for bureau budgets, with some additional one-time resources forecast for FY2005-06.

		<i>Resources &amp; Requirements Summary Next Two Years</i>			
		Budget	Current 2 Year Forecast		
		FY2003-04	FY2004-05	FY2005-06	Total
<b>Item-Category ▼</b>	<b>Resources ▶</b>	\$284,901,002	\$291,874,703	\$294,414,800	<b>\$586,289,503</b>
<b>Less: Assumed Set-Asides</b>					
TANS Interest Expense.....		\$0	\$0	\$0	\$0
Compensation Set-Aside.....		\$7,196,302	\$9,313,203	\$6,106,293	\$15,419,496
<b>Other Set-Asides</b>					
Contingency.....		\$1,502,743	\$1,473,899	\$1,577,340	\$3,051,239
Unforeseen Reimbursable.....		\$2,000,000	\$2,000,000	\$2,000,000	\$4,000,000
Subtotal-Contingency.....		\$3,502,743	\$3,473,899	\$3,577,340	\$7,051,239
Capital Set-Aside.....		\$2,833,619	\$1,813,044	\$1,789,539	\$3,602,583
PERS Debt Service.....		\$3,320,937	\$4,177,232	\$5,808,937	\$9,986,169
Other General Fund Debt Service.....		\$2,320,483	\$2,140,873	\$1,205,493	\$3,346,365
City Hall/Precincts-Debt Service.....		\$2,479,350	\$1,612,673	\$1,624,240	\$3,236,913
Street Light O&M Transfer.....		\$4,800,841	\$4,991,039	\$5,172,233	\$10,163,272
Transfer To General Reserve.....		\$625,384	\$1,594,692	\$2,653,952	\$4,248,644
PDOT CAL Support.....		\$84,439	\$0	\$0	\$0
1900 Building Offset.....		\$0	\$866,677	\$855,110	\$1,721,787
Business License Refunds.....		\$6,382,525	\$0	\$0	\$0
City Hall Maintenance Reserve.....		\$309,852	\$294,310	\$302,055	\$596,365
ESA Set-Aside..(BES & Planning).....		\$933,183	\$710,938	\$717,878	\$1,428,816
Economic Development Fund.(*)......		\$340,000	\$2,350,000	\$0	\$2,350,000
CIPs Related O&M Costs.....		\$567,566	\$669,704	\$777,116	\$1,446,820
Housing Trust Fund.....		\$495,757	\$492,716	\$1,250,136	\$1,742,852
Miscellaneous Transfers.....		\$90,000	\$0	\$350,000	\$350,000
BIT Transfer.....		\$818,419	\$430,000	\$431,957	\$861,957
Subtotal, Assumed Set-Asides.....		\$37,101,400	\$34,930,999	\$32,622,278	\$67,553,277
Bureau Requirements & One-Time.....		\$247,799,602	\$256,943,703	\$261,577,042	\$518,520,745
<b>Total Requirements.....</b>		<b>\$284,901,002</b>	<b>\$291,874,698</b>	<b>\$294,199,320</b>	<b>\$586,074,023</b>
<b>Resources less Requirements</b>					
<b>Equals Excess(+)/CAL Gap(-).....</b>		<b>\$0</b>	<b>\$6</b>	<b>\$215,480</b>	<b>\$0</b>
<b>On-Going Program Reductions.....</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Available One-Time.....</b>		<b>\$0</b>	<b>\$0</b>	<b>\$215,480</b>	<b>\$215,480</b>

(\*).FY2004-05 net of \$340,000 carryover.

### FY2004-05 Through FY2008-09 Financial Forecast Summary

- The financial forecast shows that Adopted Budget lower current allocation levels are consistent with available resources for the FY2004-05 budget year and the four out-years of the forecast horizon. Council's Adopted Budget "pares" bureau current allocation levels (CAL) by about \$2 million while adding additional one-time revenues and budgets. This closed the budget gap and realigned requirements and resources over the life of the five-year forecast. The PPA award however, constitutes a new financial requirement currently estimated at \$4.8 that is not yet included in Council's Adopted Budget.
- This financial forecast makes the assumption that \$3.7 million of excess reserves are used over the life of the five-year forecast with the bulk of this use occurring in the last three years of the forecast. The General Reserve Fund is expected to remain fully funded at the 10% level.
- The scenario used for the 5-year forecast is realistic. Legislative or voter actions that reduce property tax revenues, state shared cigarette and liquor revenues, or franchise fees upset the forecast. The possibility of continued recession like conditions continues to represent more of a risk to the five-year forecast than at any time during the recent past.

### Out-Year Detail Of 5-Year Financial Forecast

The financial forecast balances the General Fund in the out-years of the forecast by using excess reserves. The use of excess reserves offsets the rising POB debt service costs as well as the increase in on-going costs associated with bringing a new fire station on line. This means that in the early years, the General Reserve Fund peaks out at about 11.6% of net revenues falling to 10.5% in FY2008-09. Alternatively, Council could commit excess reserves now. This means however, that on-going reductions have to increase by another \$2 to \$3 million. One-time available to Council would increase proportionately. This is the trade-off associated with using excess reserves now rather than later.

Item	Two-Year Budget Window		Following Two-Year Budget		Out-Year
	2005	2006	2007	2008	2009
<b>Total Resources.....</b>	\$291,874,703	\$294,414,800	\$303,400,422	\$313,358,019	\$323,446,070
<b>Transfer In From General Reserve.....</b>	\$0	\$0	\$93,549	\$1,102,004	\$2,480,903
Bureaus & Programs.....	\$254,164,897	\$261,272,042	\$270,954,461	\$280,616,889	\$290,957,715
Capital Set-Aside.....	\$1,813,044	\$1,789,539	\$1,764,448	\$1,836,997	\$1,708,057
Est. CAL Reduction.....	\$0				
Planned One-Time.....	\$2,778,784	\$305,000	\$0	\$0	\$0
New One-Time.....	\$0	\$215,480	\$275,195	\$121,869	\$2
Pension Bonds P&I.....	\$4,177,232	\$5,808,937	\$7,787,709	\$8,544,873	\$8,955,396
Council Set-Asides.....	\$28,940,746	\$25,023,802	\$22,712,159	\$23,339,395	\$24,305,804
<b>Total Requirements</b>	\$291,874,704	\$294,414,800	\$303,493,972	\$314,460,023	\$325,926,973
<b>Difference</b>	(\$0)	(\$0)	(\$0)	\$0	(\$0)
Reserve Fund As A Percent Net Revenues	10.3%	11.6%	11.6%	11.2%	10.5%

### Risks To The Financial Forecast

This forecast assumes that the recession lasts well into calendar 2004 with a local recovery starting the second half of 2004. There are several uncertainties that could adversely affect this forecast:

- A regional economy that continues to have trouble gaining traction.
- The long term effect of the Shilo-Inn rule on property tax collections is not known.
- PERS legislative changes are winding their way through the Oregon Supreme Court.
- A decision on Qwest's appeal to the 9th Circuit Court of Appeals is pending.
- The Health Fund will exhaust reserves sometime in FY2005-06.
- The proposed sale of PGE to a Texas investors group may impact franchise fee revenues.

<b>Two-Year Forecast Resources-By Budget Category Detail</b>			
<i>Category</i>	<i>FY2003-04</i>	<i>FY2004-05</i>	<i>FY2005-06</i>
<b>RESOURCES</b>	<b>Budget</b>	<b>Forecast</b>	<b>2nd Year</b>
<b>Property Taxes</b>			
<b>Current Year Taxes</b>	\$147,427,197	\$148,587,819	\$154,132,106
<b>Prior Year Taxes</b>	\$3,461,175	\$3,780,042	\$3,975,317
<b>Payment in Lieu of Taxes</b>	\$706,515	\$805,221	\$805,221
<b>Total Property Taxes</b>	<b>\$151,594,887</b>	<b>\$153,173,082</b>	<b>\$158,912,643</b>
<b>Other Taxes</b>			
<b>Lodging Tax</b>	\$10,978,701	\$10,811,022	\$10,968,974
<b>Licenses &amp; Permits</b>			
<b>Business Licenses</b>	\$40,664,039	\$39,274,397	\$39,068,786
<b>Utility License-External</b>	\$41,452,252	\$40,828,684	\$40,450,312
<b>State Sources(*)</b>			
<b>State Shared Revenue</b>	\$9,480,137	\$9,702,997	\$9,588,082
<b>Local Government</b>			
<b>Local Shared Revenue</b>	\$2,302,887	\$2,446,069	\$2,465,854
<b>Miscellaneous Revenues</b>			
<b>Refunds</b>	\$30,000	\$30,000	\$30,000
<b>Interest on Investments</b>	\$1,050,674	\$755,533	\$1,001,287
<b>Other Misc. Revenues</b>			
<b>Other Misc. Revenues</b>	\$20,000	\$20,000	\$20,000
<b>Unforeseen Reimbursable</b>	\$2,000,000	\$2,000,000	\$2,000,000
<b>Transfers, Other Funds</b>			
<b>Utility License-Internal</b>			
<b>Water Operating</b>	\$4,016,308	\$4,184,153	\$4,612,269
<b>Sewer Operating</b>	\$11,767,433	\$12,809,321	\$13,551,201
<b>Miscellaneous</b>			
<b>Parking Facility-Tax Offset</b>	\$208,074	\$214,316	\$220,745
<b>Hyro-Fund Transfer</b>	\$200,000	\$300,000	\$200,000
<b>Fleet Transfer</b>	\$500,000	\$0	\$0
<b>Refuse Disposal</b>	\$55,000	\$55,000	\$55,000
<b>HCD-Indirect</b>	\$231,495	\$243,835	\$243,835
<b>Federal Grants-Indirect</b>	\$0	\$0	\$0
<b>Transfer-General Reserve</b>	\$0	\$0	\$0
<b>Other Transfers.....</b>	\$0	\$61,000	\$0
<b>Subtotal-Transfers, Misc.</b>	<b>\$1,194,569</b>	<b>\$874,151</b>	<b>\$719,580</b>
<b>Beginning Fund Balance</b>			
<b>Unencumbered</b>	\$8,349,115	\$14,965,294	\$11,025,811
<b>TOTAL DISCRETIONARY</b>	<b>\$284,901,002</b>	<b>\$291,874,703</b>	<b>\$294,414,800</b>
<b>Checksum Total-Page 2</b>	<b>\$284,901,002</b>	<b>\$291,874,703</b>	<b>\$294,414,800</b>
<b>Checksum Difference</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

(\*) Cigarette & liquor tax distributions to General Fund from State of Oregon

*This table shows the resource forecast by budget categories as they appear in City's budget document. The italicized categories are identical to line items on the summary on page 2. Local Shared Revenues and Miscellaneous Revenues are collapsed into one simplified category on page 2 (Misc. & Local Shared) but are shown here in budget detail.*

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

In November of 1999, the City sold \$300 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% to 8.56% during FY2000-01. In selling the POBS, the City avoided an immediate PERS employer contribution rate increase to 17.4%. The debt service costs were structured so as to phase in higher pension costs over a ten-year period allowing revenue growth to help absorb the impact of higher employer PERS costs.

Pension bond debt service is allocated to bureaus using a bureau's actual PERS contributions for the fiscal year in which the sale of the pension obligation bonds occurred.

FUND	Bureau PERS Liability	Percentage Allocation	Annual POB Debt Service	
			FY2004-05	FY2005-06
			<b>\$11,121,822</b>	<b>\$15,329,842</b>
<b>General Fund Bureaus..</b>	<b>\$112,995,285</b>	<b>37.55889%</b>	<b>\$4,177,232</b>	<b>\$5,757,718</b>
Unused Line	\$0	0.00000%	\$0	\$0
Unused Line	\$0	0.00000%	\$0	\$0
Unused Line	\$0	0.00000%	\$0	\$0
Unused Line	\$0	0.00000%	\$0	\$0
<b>Subtotal.....</b>	<b>\$112,995,285</b>	<b>37.55889%</b>	<b>\$4,177,232</b>	<b>\$5,757,718</b>
PDOT (net).....	\$55,353,650	18.39919%	\$2,046,325	\$2,820,566
BOEC (net).....	\$2,863,692	0.95187%	\$105,866	\$145,921
Buildings (OPDR)	\$14,372,047	4.77717%	\$531,309	\$732,333
BES	\$39,339,045	13.07604%	\$1,454,294	\$2,004,536
Hydroelectric	\$301,519	0.10022%	\$11,147	\$15,364
WATER	\$40,857,865	13.58088%	\$1,510,442	\$2,081,928
Golf Operating	\$2,463,623	0.81889%	\$91,076	\$125,535
PIR	\$474,262	0.15764%	\$17,533	\$24,166
Refuse Disposal	\$765,029	0.25429%	\$28,282	\$38,982
Environ. Remediation	\$17,662	0.00587%	\$653	\$900
Parks Bond Const.	\$1,364,843	0.45366%	\$50,456	\$69,546
Parks Construction	\$22,806	0.00758%	\$843	\$1,162
Facilities Services	\$2,448,975	0.81402%	\$90,534	\$124,788
Fleet Operating	\$5,754,908	1.91289%	\$212,749	\$293,244
Print & Distribution	\$1,950,219	0.64824%	\$72,096	\$99,374
BIT	\$4,415,663	1.46774%	\$163,239	\$225,002
Insurance & Claims	\$1,074,630	0.35720%	\$39,727	\$54,758
Health Insurance	\$454,732	0.15115%	\$16,811	\$23,171
LID	\$1,025,120	0.34074%	\$37,897	\$52,235
FPD&R	\$613,557	0.20394%	\$22,682	\$31,264
Unused Line	\$0	0.00000%	\$0	\$0
Comm. Services	\$2,424,160	0.80577%	\$89,617	\$123,524
Arena/Facilities	\$225,242	0.07487%	\$8,327	\$11,477
Worker Comp. Oper.	\$1,005,184	0.33412%	\$37,160	\$51,220
PDC	\$8,264,628	2.74711%	\$305,528	\$421,127
<b>TOTAL All Funds.....</b>	<b>\$300,848,346</b>	<b>100.00000%</b>	<b>\$11,121,822</b>	<b>\$15,329,842</b>

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

	2007	2008	2009
Out-Year Debt Service.....	\$20,551,842	\$22,550,003	\$23,633,377

the debt issued is variable interest rate debt. Actual annual debt service numbers will fluctuate year-to-year in response to short term interest rates. The out-year numbers must be viewed as approximate. Higher interest rates represent a risk to this and subsequent forecasts.

# **BUREAU OF DEVELOPMENT SERVICES**

## **Five-Year Financial Plan: Executive Summary**

The Bureau of Development Services promotes safety, livability, and economic vitality through efficient and collaborative application of building and development codes. This is done through the enforcement of construction and land use code requirements and through the enforcement of zoning regulations.

### **THE BUREAU'S WORK AND SOURCES OF FUNDING**

BDS has the traditional "building department" functions of inspections, permit issuance, and review of architectural and engineering plans. These programs are funded solely through permit fees and charges. State statutes regulate these programs and, in most circumstances, prohibit revenue from these programs being used for other local programs. Fees support the site development, code compliance, and environmental soils programs. Land use review is also housed in BDS; land use review fees and General Fund support this program. Building permit fees finance some land use review functions in the Development Services Center.

### **HISTORY OF THE OPERATING FUND**

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 by the end of a three year period. In addition, the bureau was to set up a reserve account that would capture revenues from pre-paid work and serve as a counter-cyclical 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, BDS 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. Revenues and expenditures are compared to determine annual cost recovery rates and whether or not BDS' reserve will be drawn down or increased. BDS 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 BDS' financial integrity.

### **FINANCIAL FORECAST**

- ◆ Construction is one of the most volatile sectors of the economy, and it is difficult to project revenue.
- ◆ Oregon Office of Economic Analysis predicts state economic recovery beginning in 2003 and then slow and steady growth in subsequent years.
- ◆ Portland's Office of Management and Finance projects inflationary rates to vary between 2.4% and 2.7% through FY 2008-09.
- ◆ Large projects, such as the South Waterfront project, will bring in more work and higher revenues in the next several years.
- ◆ Costs will grow at a slightly faster rate than the revenues (without accounting for fee increases) at about 3% per year.

## KEY ISSUES

### **Construction Programs (Building, Electrical, Plumbing, Mechanical, Facilities Permit Program)**

- ◆ Workload and fee revenue are projected to remain at FY 2003-04 levels in FY 2004-05.
- ◆ Commercial construction is expected to continue to increase in FY 2005-06.
- ◆ Residential construction is expected to remain flat or decrease by FY 2005-06.
- ◆ Projected slight growth in revenues and work from FY 2006-07 through FY 2008-09.
- ◆ Reserves in Building/Mechanical program are adequate.
- ◆ Fee increases of at least inflationary levels (2.3% - 2.7%) are needed in the Electrical and Plumbing programs.
- ◆ Fee increases are needed in Facilities Permit program (FPP) to cover costs.

### **Land Use Review**

- ◆ General Fund and fee revenue support dwindling.
- ◆ Funding crisis:
  - ◇ Expenditures are projected to exceed revenues by \$950,000 in FY 2003-04.
  - ◇ Program reserves are negative.
- ◆ Need additional General Fund or revenue increase to maintain current service level and meet legally mandated deadlines.
- ◆ BDS will conduct revenue/expenditure study with recommendations completed in spring 2004.
- ◆ Workload impact of new regulations should be fully funded as a condition of adoption.

### **Other Local Programs (Site Development, Environmental Soils, and Signs)**

- ◆ These programs are dependent upon fees; they have no General Fund support.
- ◆ Funding crisis for Environmental Soils program:
  - ◇ BDS provides service to Multnomah County under intergovernmental agreement.
  - ◇ Fees need to be doubled to meet costs.
  - ◇ Reserves projected at negative \$1.2 million by end of FY 2003-04.
  - ◇ Board of County Commissioners sets fees.

# BUREAU OF ENVIRONMENTAL SERVICES

## Five-Year Financial Plan: Executive Summary

The bureau's five-year financial plan for the fiscal years 2004-05 through 2008-09 indicates revenue requirements over the forecast interval are dominated by the need to fund the ongoing capital program to control combined sewer overflows, to meet applicable regulatory requirements, and to operate and maintain the existing sanitary sewer and stormwater drainage system.

The attached table shows forecast expenses, inter-fund cash transfers, system resources, and revenue requirements from rates over the forecast period.

### SYSTEM COSTS

The five-year total increase in system costs (net of bond-reimbursed CIP expenditures) is \$126.5 million. Debt service on outstanding and planned revenue bonds accounts for approximately sixty-nine percent of this growth.

Annual system costs increase by \$79.1 million over the five-year forecast interval.

- ◆ CIP expenditures increase by \$36.6 million over the forecast interval. Cash transfers from the Operating Fund to the Construction Fund decrease by \$3.4 million over the forecast interval.
- ◆ Costs other than CIP and cash transfers to the Construction Fund increase by \$46.9 million over the forecast interval. Sixty-one percent of the increase, \$28.5 million, is new debt service on proposed revenue bonds to be sold to finance capital construction activity. The financial forecast includes \$525.5 million in additional bonded indebtedness over the five-year forecast interval. Bond sales are planned in fiscal years 2004-05, 2006-07, and 2008-09.
- ◆ Total operations and maintenance expenditures increase by \$12.0 million over the interval, an average annual increase of 3.5%.
- ◆ Utility License Fees, which increase in proportion to rate revenues and not rate levels, increase by \$3.4 million over the five-year interval, an annual rate of increase of 6.0%.
- ◆ CIP expenditures total \$585.6 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 (\$76.5 million over the five-year forecast interval) made necessary by coverage requirements on sewer system revenue bonds.

CIP expenditures occur in five programmatic areas:

- ◆ Combined Sewer Overflow projects account for the largest portion at \$461.1 million over the interval. Major projects include the West Side Tunnel and Pump Station, the Carolina Basin Stream Diversion, CSO-related improvements at the Columbia Boulevard Treatment Plant, the East Side tunnel, and the Tanner Creek Basin Stream Diversion.
- ◆ Maintenance and Reliability expenditures are forecast at \$67.5 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.
- ◆ Systems Development program expenditures are forecast at \$17.2 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 expenditures for Sewage Treatment Systems are \$26.2 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 \$9.8 million over the interval. Major projects include flood mitigation and restoration and the willing seller program.

## **SYSTEM RESOURCES**

Annual revenue requirements from rates increase by \$46.4 million over the five-year forecast interval, due to a combination of higher construction financing costs and increasing operating costs. BES forecasts annual rate increases averaging 6.115% over the next five years. These increases are a combination of growth in annual system costs, partially offset by increases in non-rate revenues, as explained below.

Forecast annual system revenues from sources other than rates (excluding changes in Operating Fund balance) increase by \$39.2 million over the five-year forecast interval. This is due primarily to an increase in CIP reimbursements from the Construction Fund.

- ◆ No transfers from the Rate Stabilization Fund to the Operating Fund occur during the five-year forecast interval. Transfers to the Rate Stabilization Fund occur in FY 2004-05 through FY 2008-09. CIP expenditures beyond the current five-year forecast interval will require subsequent use of Rate Stabilization Fund balances for smoothing of rate increases, beginning in FY 2010-11.
- ◆ Reimbursements from the Construction Fund to the Operating Fund increase by \$37.5 million over the forecast interval. The fluctuations in these reimbursements reflect the timing of CIP expenditures.
- ◆ System development charge revenues are forecast to increase by \$1.7 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 increase by \$56.3 million from the current year's forecast rate revenues to FY 2008-09, an average increase of 6.0%.

## **RISKS TO THE FORECAST**

The following were judged to be issues of potential significance, but their effects were not explicitly included in the forecast.

### **Columbia Slough Sediments**

The bureau could incur additional costs associated with fulfilling the 1993 consent order with DEQ to conduct a remedial investigation and feasibility study of contaminated sediments in the Columbia Slough.

### **Willamette Basin TMDLs**

Costs associated with implementation watershed plans related to new Total Maximum Daily Load (TMDL) standards for the Willamette basin are not known at present, but could be significant.

### **Sanitary Sewer Overflows (SSO)**

Newly proposed SSO rules could have significant financial impacts to both capital and operating budgets.

### **Underground Injection Control Rules**

Both the capital and operating budgets could be impacted by costs associated with complying with new regulations and permit requirements.

### **EPA Letter**

BES is currently in discussions with representatives from EPA and DEQ related to concerns regarding CSO controls, the water quality implications of underground injection wells, and sanitary sewer overflows. Substantive changes to current CSO control plans would impact the budget.

**Columbia Boulevard Wastewater Treatment Plant Biosolids Removal**

If the planned lining of the lagoon facility is required before the end of year five of this plan, funding will need to come from either added borrowing or offsetting reductions or deferrals of other projects.

**Water Bureau Customer Information System**

The Bureau is forecasting additional bad debt expenses related to the billing system of \$5.4 million over the forecast interval. Should write-offs exceed that amount, the Bureau would be forced to make up the deficit with transfers from the Rate Stabilization Fund or to reduce operating expenditures by an equivalent amount.

In addition, \$5.5 million has been budgeted as a capital cost for replacement of the system, and includes the Bureau's share of software, hardware, and personnel costs associated with implementing the new system. Additional costs beyond those budgeted would require either offsetting reductions in other capital expenditures or increased borrowing.

**Fanno Basin Infiltration and Inflow**

Costs of either reducing infiltration and inflow or expanding the wet weather treatment capacity at the Tryon Creek treatment facility are at present unknown, but could be significant.

**Other Factors**

- ◆ Forecast rate increases could be affected by residential, commercial and industrial water use patterns that differ substantially from the conservation assumptions in the forecast.
- ◆ A significant increase in interest rates over the forecast interval will increase revenue requirements for interest on new debt.
- ◆ 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.

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

	2005	2006	2007	2008	2009
<u>O &amp; M and CIP Expenses</u>					
Personal Services	\$28,129,942	\$29,635,858	\$30,755,228	\$31,717,794	\$31,636,726
Materials & Services - External	20,659,728	22,264,294	25,856,659	24,576,043	24,821,736
Materials & Services - Internal	32,238,826	33,493,674	34,068,453	35,574,815	36,540,059
Capital Outlay & CIP	139,302,645	92,792,722	74,712,313	114,872,260	174,943,805
Equipment Cash Transfers	25,604	26,222	26,855	27,504	28,168
Lease/Purchase Payments	89,560	0	0	0	0
Amortized Bond Interest/Discount	2,131,735	(259,526)	2,519,524	(358,725)	3,053,600
Cash Transfers:					
General Fund Overhead	2,295,694	2,345,687	2,396,769	2,448,963	2,502,294
Utility License Fees	12,835,079	13,606,505	14,425,659	15,293,090	16,215,652
Rate Stabilization Fund	6,700,000	6,700,000	6,700,000	6,850,000	6,850,000
Sewer Revolving Loan Fund	0	0	0	0	0
Other Funds	1,894,527	2,445,790	3,128,621	3,386,223	3,064,623
<b>Total O &amp; M and CIP Expenses</b>	<b>\$246,303,340</b>	<b>\$203,051,226</b>	<b>\$194,590,082</b>	<b>\$234,387,967</b>	<b>\$299,656,663</b>
Cash Transfers to Debt Redemption Fund :					
Existing Debt Service	54,215,926	53,619,808	53,615,789	54,298,814	54,299,176
Projected New Senior Debt Service	0	12,912,584	12,912,584	28,520,096	28,520,096
less Capitalized Interest Offset	0	0	0	0	0
Existing/New Junior Lien Debt Service	18,391,723	18,253,549	19,009,629	19,222,381	18,925,623
Cash Transfers to Sewer Construction Fund :					
Cash Financed Capital Improvements	21,000,000	16,526,483	12,440,431	8,906,664	17,622,109
<b>Annual System Costs</b>	<b>\$339,910,989</b>	<b>\$304,363,649</b>	<b>\$292,568,515</b>	<b>\$345,335,921</b>	<b>\$419,023,667</b>
<u>Less: Other System Resources</u>					
CIP Reimbursement from Constr. Fd	\$143,999,201	\$97,827,684	\$81,032,574	\$121,122,018	\$181,473,271
Systems Development Charges	5,779,692	6,126,473	6,654,062	7,043,705	7,456,728
Wholesale Sewer Contracts	3,016,847	3,107,628	3,201,985	3,299,463	3,401,663
Other Service Charges	622,927	640,911	659,414	678,452	698,039
Service Reimbursements	1,189,967	1,224,322	1,259,669	1,296,036	1,333,454
Rate Stabilization Fund Transfer In	0	0	0	0	0
Other Cash Transfers	850,779	821,266	0	0	0
Product Sales	158,296	162,867	167,569	172,406	177,384
Rents	135,169	139,071	143,086	147,217	151,468
Licenses and Permits	630,183	648,377	667,096	686,355	706,171
Interest on Investments	892,532	834,157	782,532	956,358	1,014,259
Miscellaneous	138,698	142,702	146,822	151,061	155,422
Decrease/(Increase) in Oper. Fund Balance	6,381,873	5,988,348	(86,046)	(59,246)	(45,094)
<b>Total Other Resources</b>	<b>\$163,796,164</b>	<b>\$117,663,806</b>	<b>\$94,628,763</b>	<b>\$135,493,826</b>	<b>\$196,522,765</b>
<b>Required Revenues from Rates</b>	<b>\$176,114,825</b>	<b>\$186,699,843</b>	<b>\$197,939,752</b>	<b>\$209,842,095</b>	<b>\$222,500,902</b>

# OFFICE OF MANAGEMENT AND FINANCE

## Five-Year Financial Forecast: Executive Summary

The Office of Management and Finance (OMF) internal service funds, enterprise funds, and Health Insurance Fund face a number of significant issues and challenges over the course of the next few years. This five-year forecast identifies these issues and challenges and details how OMF proposes to address them. The following is a summary of the issues and challenges common to the funds as well as a summary of each fund's specific issues and challenges.

### All Funds

OMF is keenly aware that there are significant financial challenges facing the City and that all bureaus will be seeking ways to reduce and/or contain costs, while maintaining the effective delivery of critical services with minimal disruption. The internal service funds have reduced rate budgets for the past five years. The challenge for these funds continues to be finding efficiencies and reducing services in ways that limit the impact on core service delivery.

Based on a recommendation from the Governmental Finance Officer's study of Portland's budget process, interagency service agreements are now being generated a month earlier than in previous years.

Interest earnings rates are at historic lows and so their use as a resource for reducing rates has been diminished, thus putting increased pressure on rates.

Rate increase targets for the internal service funds as forecasted by the City economist are projected to be in the range of 2.5% to 2.8% over the next five years.

One of City Council's strategic issues is aging infrastructure. All City assets are aging, including civic assets in the Communications and Networking (ComNet), Bureau of Information Technology (BIT), and Facilities Services funds. However, funding for replacement or major maintenance is either non-existent or below industry standards. Problems will get worse in the future if OMF is not able to fund large projects to keep aging assets from deteriorating.

The City needs a comprehensive approach for funding major maintenance of large physical assets, including facilities and communications systems. Rates for ComNet services and most facilities include a major maintenance component. ComNet 800 MHz rates collect 2.2% of system replacement value each year for major maintenance. Due to rate budget reductions over the last two fiscal years, Facilities Services has had to reduce the major maintenance component of its rates. Facilities Services rental rates now collect 1.72% of building replacement value each year for major maintenance; this is down from 2.2%, and industry standards require reserves of 3% of replacement value. ComNet is below industry standards of 5% of replacement value of communications infrastructure.

ComNet will continue to propose in decision packages additional major maintenance money for the Public Safety Radio Enhancement Project (PREP). These packages will be for \$500,000 annually from the General Fund Capital Set-Aside. This amount, plus \$417,000 in the ComNet rates, would enable the fund to collect 5% of replacement value, the industry standard, each year.

In previous years, Facilities Services has proposed packages that would increase funding of major maintenance for General Fund facilities from equal to the level of the Police Bureau (1.4% of replacement value) to 3% of replacement value. The cost of funding Fire and Rescue facilities and the Records Center at equal to the Police Bureau is an additional \$684,000 per year. The cost of getting the Police and Fire Bureau facilities and the Records Center up to 3% is \$2.243 million per year. Since additional General Fund monies are unlikely to be available, Facilities Services has developed a new proposal.



This proposal recommends that in FY 2006, when the Justice Center debt service has lapsed, the money previously in the rates to Police be redistributed to Police and Fire Bureau facilities and the Records Center via interagency agreements with Facilities Services so that all of these facilities are at the same level of annual major maintenance funding. The \$1.4 million in lapsed debt service would fund these facilities at 2% of replacement value. This would have no impact on the General Fund because the fund currently has these dollars dedicated to Bureau Police rent. However, this package would have the impact of preventing the Police Bureau and General Fund from accruing the savings that they would otherwise earn.

### **Bureau of Technology Services**

In the spring of 2002, OMF undertook an organizational analysis and a number of recommendations were made and accepted by the Chief Administrative Officer. One of these organizational changes was combining the bureaus of Communications and Networking and Information Technology under one director, the City's Chief Technology Officer (CTO). The new bureau for this organization is known as the Bureau of Technology Services (BTS) and it has two divisions: Communications and Networking (ComNet) and Information Technology (IT). Since ComNet and IT are now in one bureau managed by the CTO, and they will be consolidating functions to achieve cost efficiencies, the two funds may merge financially at some point in the future, after more pressing financial issues are resolved.

### **Information Technology**

Over the last several years, a number of events have occurred that greatly influence IT today and in the future. These events include:

- ◆ The implementation of the consolidation of City IT functions, as directed by the Council and initiated through the Administrative Services Review (ASR) process.
- ◆ The completion of a Council-approved strategic plan.
- ◆ The approval by the City Council of the City IT administrative rules.
- ◆ The revision of the IT rate model to reflect the above three events and the need for a more sound financial structure. The Council already approved the rate model changes as part of the FY 2004 budget process.

The IT strategic plan calls for all bureaus to receive full services for PCs, servers, laptops, and data networks. To fully implement this plan, ongoing funding for replacement of this equipment must be addressed. This includes amounts to catch up collections so IT does not have to replace equipment before it has collected the full amount.

Since this would be a large decision package, IT is proceeding with a phased approach to address those areas with the most benefit, such as the area of the consolidation of print/file and e-mail servers. Here the City has more servers than it needs. If there are opportunities for consolidation in later years, the fund will propose a replacement component for PCs, other servers, and network equipment.

The FY 2005 budget further consolidates information technology staff beyond the consolidation that took place in the original ASR. Two employees are transferred from Transportation. Additionally, the bureaus of Technology Services, Development Services, Environmental Services and Water are directed to develop a management agreement for the transfer of information technology staff to the Bureau of Technology Services in FY 2005-06. As per the IT strategic business plan, the movement of staff to BTS facilitates BTS to:

- ◆ Improve the detailed knowledge of the major applications in use by bureaus. This will be essential if the City begins the formal process to implement an enterprise resource planning (ERP) application to replace IBIS, as a substantial portion of the bureau-specific activities relate to functions that will be or could be highly intertwined in an ERP, including finance systems, personnel information systems, timekeeping applications, payroll, asset inventories, work management, etc.

- ◆ Get a handle on business process improvement opportunities.
- ◆ More easily identify opportunities to take advantage of economies of scale.
- ◆ Become more familiar with current/planned investments in application development and maintenance in bureaus.
- ◆ Implement more consistent development approaches, application architecture, and project management and quality assurance processes.
- ◆ Establish improved processes to back up key individuals who support business applications.

IT will partner with other OMF bureaus, including the Bureau of Financial Services, Bureau of Purchases, and the Bureau of Human Resources, in proposing a CIP project to replace IBIS with an ERP/corporate administration application. A number of large City applications need to be replaced (IBIS and HR) and upgraded (Purchasing). A component of IT's strategic plan will focus on these replacements and upgrades, possibly involving an ERP product similar to those used by other large local governments. This will require close coordination with bureaus, especially the Bureau of Purchasing, Financial Management, and Human Resources, and will be a significant investment for the City. Close coordination with the Police Bureau and Auditor's Office will also be needed since they have applications on the enterprise server.

A citywide security assessment decision package was approved as part of the FY 2004 budget process to fund an assessment of all information technology systems. The recommendations of this assessment will be implemented in FY 2005 and future years.

#### **Communications and Networking Services (ComNet)**

Fully funding the PREP is an important need of ComNet due to the need to maintain it at Public Safety standards. Public safety users of the system have a requirement of zero downtime and zero tolerance for system failures, and this standard has been supported by the City Council. Achieving this standard drives the need for a high level of continual maintenance. Projects anticipated over the next five years include tower maintenance (\$1,100,000), simulcast expansion (\$400,000), hardware and software upgrades (\$500,000), base station upgrade (\$200,000), and emergency room BDA implementation (\$250,000)

ComNet requests that an ongoing General Fund allocation be adopted rather than factoring a major maintenance component into the rates, since that would require a rate increase. Raising rates to outside agencies and City bureaus in times of economic downturn is not now a viable option.

The requested source of funds for PREP funding is the General Fund Capital Set-Aside. ComNet will continue to request decision packages related to 800 MHz major maintenance/PREP. ComNet proposes \$500,000 be provided each year from the General Fund Capital Set-Aside. This \$500,000, plus the \$417,000 the fund has in its rates, brings annual collections to the industry standard of 5% of replacement value.

Replacement of mobile data terminals will be an issue for the Police and Fire bureaus during the five-year period because when these units came on line, funding for their replacement rate was cut for General Fund budget balancing. When these units are replaced, the Police and Fire bureaus will need to come up with approximately \$1.2 million in cash.

The main portion of the Integrated Regional Networking Enterprise (IRNE) capital project was completed in January 2003. In FY 2005, IRNE debt service will include principal and will increase by \$760,000 to nearly its full level. The FY 2005 IRNE budget is balanced with CSL rates to City users and external revenues.

It is assumed that most pass-through costs, including long distance and vended services for voice and data wiring, will be flat over the five-year period, with only inflationary increases. The exception to flat growth is in the area of cellular phone services, where the City is seeing a sharp increase in expenses. The cellular phone expense increase is primarily driven by bureaus such as Police opting to switch from traditional cell phones to the more expensive Nextel two-way radio service. Also driving the rise in expenses is the increase in usage as new applications become available via cellular phone technology to improve field operations.

## CityFleet

CityFleet (formerly Vehicle Services) completed a focused review of its operations and finances as directed in the FY 2003 budget. This review included the input of customers and other professionals in the vehicle services field and resulted in a Service Improvement Plan (SIP). This plan includes 31 work items, and CityFleet and a committee of bureau representatives are making progress completing these items. Most are customer service and operations oriented. A significant recommendation is to change the financial models of the fund. This proposed change is to “develop a cost recovery (direct bill) system to replace the fixed rate.”

Because migration to a cost recovery (direct bill) system to replace the fixed rate has an impact on other rates in the Vehicle Services Operating Fund, this change had to be developed in the context of the entire CityFleet rate structure. In addition, CityFleet took this opportunity to make other needed changes. The first set of changes is to make the rates more comparable to the private sector. The second set improves equity in the present rate model.

The current fixed rate is a fixed charge to bureaus that covers repair and maintenance, preventive maintenance, and replacement costs. It will be replaced by four separate rates/estimates.

- ◆ Replacement rate
- ◆ Preventive maintenance rate
- ◆ Vehicle management rate
- ◆ Repair and maintenance rate (or estimate of billings)

The repair and maintenance rates, or estimates, for a bureau's vehicle class will be based on the repair and maintenance history for only that bureau's vehicles. This provides the bureau with the incentive to take good care of its vehicles and to have them replaced at appropriate times.

CityFleet has developed other rates for services that were previously covered in the fixed rate. This makes CityFleet's rate structure more like private garages so cost comparisons can be done. Plus, it allows for a more equitable distribution of costs to services provided. These new rates include:

- ◆ Leased and rental vehicles rate
- ◆ Vended services rate
- ◆ Shop consumables rate
- ◆ New vehicles rate

The new rate model was completed for use in development of the FY 2005 interagency agreements and budget and the financial forecast for future years.

The current model used for replacement financing has replacement rates based on vehicle classes and all monies are segregated by AU. There are two disadvantages of the current model. First, this model inherently requires more cash since CityFleet is basically fully funding each vehicle. Second, when the fund is keeping track of monies at the AU level it creates confusion with bureaus as to how much flexibility they have.

A proposed new model to be implemented beginning in FY 2006 has the following elements:

- ◆ Replacement rates will be at the AU level. They will be based on a 20-year projection of the needs of the AU.
- ◆ An endowment will be funded by transferring proportionate amounts from each AU to an endowment.
- ◆ The endowment will spin off all its interest earnings each year back to bureaus
- ◆ The rates per AU are calculated to keep the AU positive and no more. This minimizes cash needs for the AU's.

There are two advantages of new model. First, it reduces cash needs from bureaus. Second, the money is truly managed at the AU level. Any change a bureau wants to make to its fleet has to be made in the context of the model. For example, upgrading a vehicle by paying cash or covering the cost out of the AU's account.

## Risk Management

For Insurance and Claims and Workers' Compensation combined, the interagency service agreements increase by Risk Management's internal services inflation rate of 2.75% in FY 2005. For the five-year CSL forecast, the Insurance and Claims interagency service agreements (at slightly over the discounted 60% confidence level) are expected to decrease by 5.1% annually, while the Workers' Compensation interagency service agreements (at the discounted 75% confidence level) are expected to see an increase of 18.6% each year.

These rates will allow the funds to budget for the reserve targets and expenses specified in the actuarial studies for the Insurance and Claims and Workers' Compensation Funds.

In recent years, Risk Management rates were developed on a biennial basis. That is, the first year of a biennial period involved a calculation that was then increased in the second year by the average rate of inflation for internal services. After discussion with the Financial Planning Division, it was determined that it would be preferable to have smooth, steady rates of increase (or decrease) each year over the five-year planning time frame. This approach is instead of having the first years of biennial budgets absorb all the increases (or decreases) and the second years set at average CPI. The decision last year was to implement this change beginning in FY 2005. Accordingly, the current forecast utilizes annualized rates spread over the five-year time frame (FY 2005 through FY 2009). These annualized rates constitute a true-up of the interagency service agreements by returning a dividend where there is a surplus and attaching a surcharge to make up a deficit.

## Printing and Distribution

The method for calculating full-service copier rates has changed. The paper component has been removed and bureaus will be billed on an actual cost basis for paper under the copier account. This is to better match paper usage by bureaus with charges for paper.

P&D continues to implement and enforce the City's new Sustainable Paper Policy and move to a 50% post consumer waste (PCW) standard for everyday copy paper (20# white bond), beginning July 1, 2004, if cost neutral to customers. This would overwhelmingly meet the City's July 2004 requirement that 10% of the City's copy paper purchases be higher in recycled content than the current 30% PCW standard and have other desirable alternative environmentally preferred paper (AEPP) qualities. However, it would not meet the City's stated preference by July 2004 for process chlorine free (PCF) papers.

## Parking Facilities

In 2003, the City changed management contractors (for the first time since 1985) and engaged Star Park in association with the alliance of Minority Chambers of Commerce to provide day-to-day management of the garages and the City's garage attendant contract. While the City contracts directly with the garage attendant provider, the new provider holds a number of subcontracts that provide security and janitorial services for the garages.

Projections of the fund's finances over the next five years show the fund balance being drawn down if current expense levels are maintained and if no short-term rate increases are implemented. In FY 2005, reserves will be drawn down by approximately \$532,000. In FY 2006, the fund will be able to replenish them, and in FY 2007 through FY 2009, the fund balance will remain at just slightly more than reserve levels of \$1.3 million.

The financial condition of the fund is due to:

- ◆ An increase in large fixed costs, primarily the Portland Streetcar debt which started in FY 1999.
- ◆ Growing maintenance needs for the aging garages.
- ◆ Lower revenue due to decreasing parking demand in the face of an increased parking supply, in combination with significant amounts of vacant commercial space.

The fund is now setting aside 1% of replacement value each year for major maintenance projects. The industry standard for major maintenance reserves is 2-4% of replacement value. If this trend continues, there will be inadequate funds to maintain the structures in the long term. There is a backlog of major maintenance projects due to holding back on projects in order to improve the fund's financial picture.

In 2002, the Bureau of General Services (BGS) commissioned a business assessment of the parking operation. This report made a number of suggestions for reducing costs. These have been implemented with good results, but they have yielded savings less than those forecast in the report. Beginning in FY 2005 the garages will have a new attendant contract with an annual cost \$60,000 less than in prior years. The most significant financial change has been the elimination of the cash transfer of \$1.4 million per year to the Transportation Fund. This was necessary to prevent the fund from becoming bankrupt. If the transfer should continue, there would not be adequate funds to make required bond payments from the Parking Facilities Fund. In that event, the parking meter revenues of the Transportation Fund would be required to backfill the need, as these have been pledged as back-up revenue for the outstanding indebtedness.

The forecast shows that the fund is in serious need of additional revenues to fund the backlog of deferred maintenance, restore the Portland Office of Transportation (PDOT) funding, and increase the level of janitorial and security services. In addition, there is a need to upgrade parking equipment to take advantage of new smartcard technology that can reduce operating costs.

### **Facilities Services**

For the past four years, the fund has made significant annual rate reductions. In FY 2004, savings from Police facilities and the Portland Communications Center debt refinancing were returned to customers. As part of the FY 2003 budget process, the Facilities Services Fund cut its rates by 7% (\$909,000 in total). A large portion (\$302,000) of these cuts was to major maintenance of Police facilities, the 1900 Building, City Hall, and CityFleet properties. Although these are new or recently renovated facilities, the cuts will still have a long-term negative impact on them, since the fund will not have enough money to do all future projects. This will happen quite a ways in the future as major building systems need to be replaced. This cut follows a \$386,000 rate budget reduction in FY 2002 and a \$173,000 rate budget reduction in FY 2001. Included in these cuts was a total reduction of \$409,000 to major maintenance. Over the last four years, major maintenance has been reduced by \$711,000 and lowered collections as a percentage of replacement value from 2.2% to 1.72%. This will have a significant future impact as newer buildings, which currently have few maintenance needs, age and require considerable work. At that point, the fund will find it difficult to meet all of the major maintenance needs.

Analysis of the past two fiscal years of net losses from hourly rates and overhead rates indicates that assumptions about the number of billable hours and the number of hours that should be covered under the overhead rate are too optimistic and cannot be achieved. In addition, the fund has the desire to structure its rates more like the private sector, where the hourly rates include all overhead costs and there is no overhead percentage added onto all billings. As a result of these two factors, the fund has revised its rate structure to eliminate the overhead charge, correct the number of billable hours, and correct the billable level of employees. These changes and other cost reductions are being made in such a way as to be cost neutral overall to customers in FY 2005.

Over the next five years the fund will address replenishing its operating and capital reserves.

Operations and maintenance costs of the Portland Communications Center have exceeded budget for the last three years and drawn down the building's major maintenance account. The facilities costs have increased after the remodel at a rate greater than the increase in square footage and revenues were only increased for the new square footage. Facilities Services and its tenants are working to address costs so that the major maintenance accounts are not drawn down further. Facilities Services proposed a \$90,000 per year decision package to fund a major maintenance component in the rental rate charged to tenants beginning in FY 2005. In previous years, the rate had a small major maintenance component but this was gradually reduced as operating costs increased. This package was approved after the tenants agreed to pay the resulting higher rental rates.

The move out of the 1900 Building in late 2004 by PDC will impact the finances of the fund if tenants are not able to be secured to fill their space. A restack of remaining building tenants to address their space needs may fill some of this vacant space and the space that had belonged to Licenses. Normally losses from vacant space are covered by operating budget cuts and then major maintenance reserves. Since losses stemming from PDC moving out would be beyond the capabilities of these two sources Facilities will most likely be looking at other options as part of the FY 2006 budget process.

**Spectator Facilities**

Spectator Facilities operation remains focused on two critical issues: the business operations at PGE Park and the future of Memorial Coliseum. The FY 2004-05 budget assumes a new operating agreement at PGE Park with revised economic terms. Work will continue on exploring reuse opportunities for Memorial Coliseum with a focus on conversion to a large sports and recreation complex known as the MARC. Operating income is expected to remain flat in FY 2004-05 due to reduced attendance at Blazer games and the revised economic terms anticipated for a successor operator at PGE Park.

**Health Insurance Fund**

As stated in past OMF financial forecasts, the escalating costs and utilization of employee health benefits have continued to exceed bureau contributions to the Health Insurance Fund. Under the current benefit plan cost trajectory, the fund balance will fall to a level below requirements in FY 2005-06 to cover plan costs.

The gap between plan expenses and contributions is projected to grow in FY 2004-05 to \$6.2 million, then increasing again in FY 2005-06 to \$9.7 million. By recommendation of the Labor Management Benefits Committee and the Bureau of Human Resources (BHR), the gap between contributions and expenses is currently covered by reducing the fund's cash balance. Under the existing plan design, the fund's cash balance is sufficient to cover anticipated reserve requirements in FY 2004-05, however, in FY 2005-06 the fund's cash balance will be \$5.4 million short of the required reserve target.

The City's policy is to ensure the fund maintains a prudent reserve level to meet large claims and IBNR requirements. The main options at this time for financial stability are changes in plan design, employee contributions, and City contributions.

The recent arbitrator's award to the Portland Police Association will also effect the cash reserve depletion timing.

A solution to the reserve level depletion must be arrived at prior to the release of the General Fund Financial Forecast in December 2004.

# OFFICE OF SUSTAINABLE DEVELOPMENT

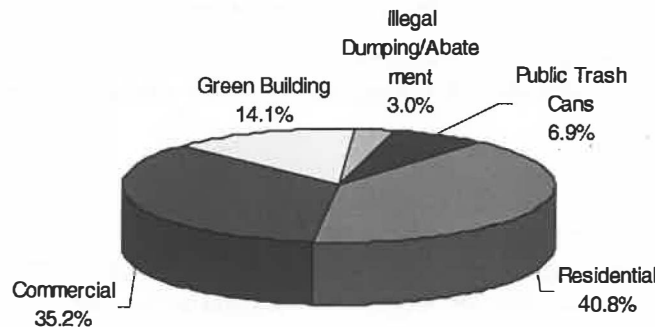
## Five-Year Financial Plan: Executive Summary

The Solid Waste Management Fund supports the efforts of the Office of Sustainable Development's (OSD) Solid Waste and Recycling and Green Building programs, Office of Neighborhood Involvement's (ONI) Residential Illegal Dumping/Nuisance Abatement program, and the Public Trash Can program.

The following table shows the programs supported by the Solid Waste Management Fund in FY 2004-09.

Programs	2004-05	2005-06	2006-07	2007-08	2008-09
Residential	\$ 1,360,051	\$ 1,396,323	\$ 1,434,155	\$ 1,474,349	\$ 1,518,405
Commercial	1,173,896	1,210,912	1,249,510	1,290,526	1,335,655
Green Building	469,269	480,790	492,877	505,231	517,902
Illegal Dumping/Abatement	100,000	50,000	50,000	50,000	50,000
Public Trash Cans	230,000	230,000	230,000	230,000	230,000
<b>Total</b>	<b>\$ 3,333,216</b>	<b>\$ 3,368,025</b>	<b>\$ 3,456,542</b>	<b>\$ 3,550,106</b>	<b>\$ 3,651,962</b>

The following figure shows percentages allocated among programs in FY 2004-05.



### FUND BALANCE

The fund reserves remain healthy, ranging from a high of \$1.9 million in FY 2004-05 to a low of \$822,250 in FY 2008-09. The fund balance on July 1, 2004 is forecast to be \$1,936,343.

Fund Reserves	2004-05	2005-06	2006-07	2007-08	2008-09
Beginning Balance	\$1,936,343	\$1,618,403	\$1,253,324	\$1,153,735	\$1,012,782
Ending Balance	\$1,618,403	\$1,253,324	\$1,153,735	\$1,012,782	\$822,250

## REVENUES AND EXPENDITURES

Program revenues range from a high of \$3.5 million in FY 2008-09 to a low of \$3.0 million in FY 2005-06. Total revenues increase approximately 2% on average each year of the forecast. Expenditures grow slightly, from a low of \$3.3 million in FY 2004-05, to a high of \$3.7 million in FY 2008-09. The total average annual expenditure growth (for ongoing programs) is 2.0%.

Fund reserves are used to cover the differences between program revenues and expenditures as shown below.

Fund Reserves Use	2004-05	2005-06	2006-07	2007-08	2008-09
Revenues	\$3,015,276	\$3,002,946	\$3,356,953	\$3,409,152	\$3,461,431
Expenditures	\$3,333,216	\$3,368,025	\$3,456,542	\$3,550,106	\$3,651,962
Fund Reserves	\$317,940	\$365,079	\$99,589	\$140,954	\$190,531

## ISSUES AFFECTING THE FINANCIAL PLAN

The following issues will have an impact on the Five-Year Financial Plan:

- ◆ Illegal Dumping/Nuisance Abatement
- ◆ Public Trash Cans

### Illegal Dumping/Nuisance Abatement

OSD will make a cash transfer of \$50,000 in FY 2004-05 to the Office of Neighborhood Involvement for illegal dumping and nuisance abatement services. This fund transfer, which the financial plan assumes will end in FY 2004-05, is explicitly used to replace General Funds for illegal dumping and nuisance abatement.

OSD has already established an interagency agreement with ONI for up to \$50,000 annually, which will continue after the cash transfers are ended. An interagency service agreement allows for a better accounting of services provided and funded.

### 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 Division's Commercial program began to fund this service. Similar to the Leaf Pickup program, only a portion of the city receives 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 20% of all commercial fee revenues. This remains a large and growing expense as more public trash cans are added along the new trolley line and other rights-of-way.



# PORTLAND OFFICE OF TRANSPORTATION

## Five-Year Financial Forecast: Executive Summary

This financial forecast lays out the City of Portland Office of Transportation's (PDOT) strategy to balance program costs against expected revenues from existing authorized sources for the next five years. This forecast discusses in detail several points:

- ◆ Transportation infrastructure is deteriorating. The City needs to invest more, not less, in maintaining the infrastructure.
- ◆ The new state transportation revenue, to be used primarily for transportation maintenance and operations, is welcome and helpful; however, it is far from the sustainable revenue source that is needed.
- ◆ We have responded to the need for improved freight mobility to help create jobs while maintaining a multi-modal approach to providing transportation services.
- ◆ We are looking toward the future by engaging in organizational Strategic Planning.

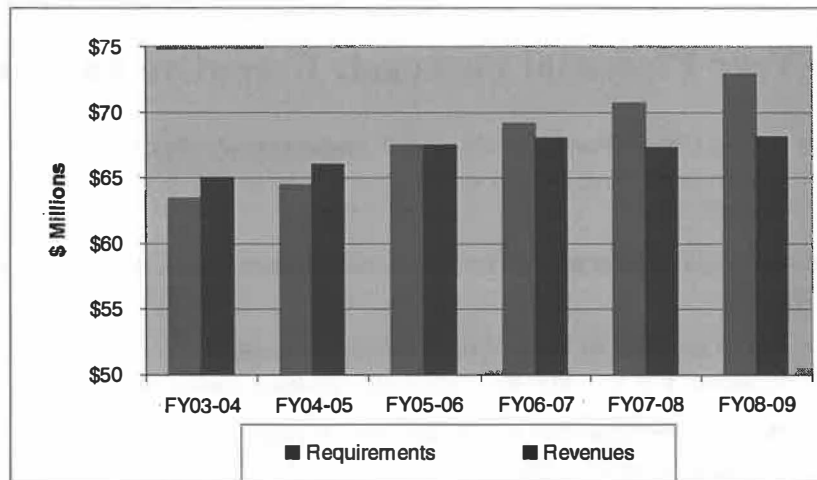
PDOT's forecast is balanced for the next two years, thanks in a large part to the Oregon Transportation Investment Act (OTIA) III financing package passed by the Oregon State Legislature. These new revenues (about \$5.6 million annually) primarily make up for existing deficits or other lost revenues, specifically the existing shortfall, the cuts in the General Fund transfer for street lighting, and declining parking revenues (in both the garage and on-street systems). They do not allow for program expansion or creation.

The State Highway Trust Fund, PDOT's primary source of discretionary operating revenue, is not keeping pace with inflation. The main component of Highway Trust Fund revenue is gas tax revenue, which is not indexed to inflation and has not been increased since 1993. Total loss of general transportation revenue (GTR) purchasing power from inflation is nearly \$20 million over the next five years. The 2003 Legislative Assembly did increase vehicle registration fees, resulting in increased Highway Trust Fund revenue, but it has not been enough to counteract the effects of inflation.

Meanwhile, infrastructure maintenance costs are increasing due to the age, complexity, and growth of the assets in the City's transportation system. Furthermore, new commitments increase PDOT's funding requirements. Fulfilling the City's commitment to rebuilding the crumbling Transit Mall will require new funding sources, as yet unidentified. PDOT also has been designated as either the lead or a key participant in planning and implementing a number of economic redevelopment efforts such as the Downtown Portland Retail Strategy, Truck Access and Circulation Study, the I-5 Trade and Transportation Study, and road and highway matters in PDC's Economic Development Strategy. This comes at a time when Transportation Planning staff levels have been cut substantially. Recovering both staff and funding to fulfill these obligations will be a challenge.

### Revenue vs. Requirements

The FY 2005-09 financial forecast focuses primarily on the discretionary sources of revenue, known as general transportation revenue (GTR).



**GTR Requirements vs. Revenues**

The above figure shows PDOT's five-year balance sheet of expected revenue and expenses supported by general transportation revenue (see note below) and the level of cuts required to balance. The primary reason for the positive balance in the early years is the Legislature's passage of the Oregon Transportation Investment Act III (OTIA III). This legislation increases vehicle registration fees (from \$30 every two years to \$54 every two years) and increases titling and other fees. The total investment in Oregon transportation facilities (through bonds and direct appropriations) will be about \$2.5 billion. This includes money shared with local governments as well as funds to repair cracked bridges. It is estimated that the act may create nearly 5,000 jobs. Portland will receive between \$4 and 5 million per year. There is also an additional \$.3 to \$1.4 million in transitional "wedge" funds that is dependent on the rate at which the state sells bonds for bridge projects.

Beginning in FY 2006-07, however, the figure shows an increasing gap between discretionary GTR and discretionary program expenses.

The City needs to develop a sustainable revenue source that can be adjusted to accommodate the impact of inflation. The existing State Highway Fund is dependent on legislative action and impacted by increasing vehicle fuel efficiency.

The table below shows the forecasted impact of the new revenues, the sustained level of reduced services, and the effects of adjustments made since the last forecast.

Note: Excludes General Fund, program revenue, cost recovery, interagency agreements, and non-GTR capital revenues and expenditures.

<b>FY 03-04 Financial Forecast</b>	<b>FY 04-05</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>
Requirements	\$63.70	\$65.60	\$67.60	\$69.10	\$70.48
Revenues	\$62.30	\$63.10	\$63.70	\$64.90	\$65.55
<b>Balance (cuts)</b>	<b>(\$1.40)</b>	<b>(\$2.50)</b>	<b>(\$3.90)</b>	<b>(\$4.20)</b>	<b>(\$4.93)</b>
<b>Adjustments</b>					
<b>Requirements</b>					
<b>Reduction in Costs</b>					
Payroll PERS (GTR portion)	(\$1.44)	(\$1.48)	(\$1.53)	(\$1.57)	(\$1.62)
Reduce Contingency	(\$0.50)	(\$0.52)	(\$0.53)	(\$0.55)	(\$0.56)
<b>Additional requirements</b>					
Arena Debt Service	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27
CCTMP	\$0.10	\$0.10			
Streetcar COLA	\$0.11	\$0.24			
<b>Restored Services</b>					
Paving	\$1.20	\$1.22	\$1.25	\$1.27	\$1.30
Signals	\$0.40	\$0.41	\$0.42	\$0.42	\$0.43
Street Area Landscaping	\$0.30	\$0.31	\$0.31	\$0.32	\$0.32
<b>Total Adjustments to Requirements</b>	<b>\$0.44</b>	<b>\$0.55</b>	<b>\$0.19</b>	<b>\$0.17</b>	<b>\$0.14</b>
<b>Revenues</b>					
General Fund cash transfer for street lighting	(\$1.04)	(\$1.07)	(\$1.10)	(\$1.14)	(\$1.17)
Parking Garage Fund cash transfer	(\$0.70)	(\$1.40)	(\$0.80)	(\$0.80)	(\$0.80)
Parking revenue	(\$0.79)	(\$0.69)	(\$1.09)	(\$1.39)	(\$1.79)
Gas tax - ODOT's January, 2003 Forecast	(\$0.30)	(\$1.20)	(\$1.10)	(\$1.00)	(\$1.00)
<b>New - Gas Tax</b>					
HB 2041C legislation - on-going	\$4.73	\$4.73	\$4.73	\$4.73	\$4.73
HB 2041C legislation - wedge	\$1.40	\$1.10	\$0.80	\$0.60	\$0.30
<b>Total Adjustments to Revenues</b>	<b>\$3.30</b>	<b>\$1.47</b>	<b>\$1.44</b>	<b>\$1.00</b>	<b>\$0.27</b>
<b>Reserves</b>	<b>\$3.01</b>	<b>(\$1.58)</b>	<b>(\$1.43)</b>		
<b>Service Reductions or New Revenue</b>	<b>---</b>	<b>---</b>	<b>(\$1.22)</b>	<b>(\$3.36)</b>	<b>(\$4.81)</b>

All dollars in millions.

### Discretionary Revenue Enhancements

The following revenue sources could provide funding in addition to that included in this financial forecast.

- ◆ Legislative action in 2005 is possible on a gas tax or in a general transportation funding package.
- ◆ Street User Fee - The City Council passed the Street Maintenance and Improvement Fee (SMIF) in July 2001, but later repealed it in light of a successful referral effort. However, there is continued interest in the community for local transportation funding options. Several cities in Oregon have such fees.
- ◆ Parking Revenue - Various changes to the parking programs could generate as much as \$3-4 million per year. These options are under study as possible debt financing options for the Portland Mall Revitalization Project.
- ◆ Economic Rebound - A rebounding economy could enhance State Highway Trust Fund receipts over what is currently forecast.

# BUREAU OF WATER WORKS

## Five-Year Financial Plan: Executive Summary

### INTRODUCTION

The Bureau of Water Works is a major public water utility owned by the people of the City of Portland, serving more than 900,000 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, that 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 challenges 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 five-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 shapes 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 Management and Finance 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 water demands, both through demand-side and supply-side management.
- ◆ The need to plan, construct, and finance massive and expensive capital facilities that 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 utilizes a 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 Plan (CIP);
- ◆ Preparation and implementation 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;
- ◆ Development of forecast/rate scenarios to determine fiscal impacts of budget decisions;
- ◆ Analysis and publication of preliminary financial plan;
- ◆ Publication of budget request;
- ◆ Development and presentation of rate ordinance;
- ◆ Publication of final financial plan;
- ◆ Development of bureau trimester financial plans and status reports;
- ◆ Ongoing monitoring, analysis, and reporting of utility and budgetary fiscal/operating performance; and,
- ◆ Implementation of 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>
2004-05	3.8%	5.0%	8.0%	\$16.71
2006-09	6.8%	6.7%	8.9%	N.A.

The bureau's total revenue requirement is forecast to increase from \$69.2 million in FY 2003-04 to \$71.8 million in FY 2004-05, an increase of approximately 3.8% that reflects primarily increases in debt service costs and rate financed capital. Total revenue requirements are projected to rise on average 7.6% over the five-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. It also does not reflect changes in water sales. 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 therefore, the proportion of the total revenue requirement recoverable from them varies

each year. Retail rates are set on 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 2004-05, overall retail and wholesale demand are forecast to decrease about 2.0%, which continues to reflect a slowed local economy and significantly less water purchased (about 800,000 ccf less for FY 2004-05) by our largest wholesale customer, Tualatin Valley Water District.

### **FY 2004-05 Average Retail Rate Increase**

The adopted FY 2004-05 average retail rate increase is 5.0%. This increase reflects funding for various Requested Service Level packages including expanding the Utility Worker Apprentices Program by 12 new positions and reinstating two Water Operations Mechanic Apprentices, CIP support that will provide additional staffing required to implement the five-year CIP, ground water operations including funding to operate the well field for 60 days instead of the current 30-day funding level, and GIS support including one full-time position to keep Water GIS databases and maps current. This rate increase also includes 1.2% for funding the Mt. Tabor Park Open Reservoir project.

### **Retail Bills**

On May 26, 2004, FY 2004-05 water rates and charges were adopted with the passage of City Ordinance 178448. The resulting “typical” residential customer using 8 ccf/month will pay \$16.71 per month, an increase of \$0.80. The “medium” commercial customer using 200 ccf/month will pay \$352.85 per month, an increase of \$16.49.

The bureau's Low Income Utility Relief program was once again approved by City Council. This program will provide to qualified single-family residential water customers a 40% discount (up from the existing 35%) on a typical low-income (5 ccf per month usage) bill or \$55.20 per year.

### **Wholesale Water Rates**

About \$16.2 million of the total \$71.8 million in FY 2004-05 revenue requirements is planned to come from wholesale customers. FY 2004-05 revenue to be generated from wholesale customers is up 4.5% from FY 2003-04, with an effective overall wholesale rate increase of 8.0%. Wholesale rate impacts will vary in accordance to expected wholesale water demand. Wholesale demand is expected to decrease 3.0% in FY 2004-05.

Wholesale rates are calculated using methodologies that differ 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 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 ratepayers. Without these contracts, retail rates could be more than 20% 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 Plan (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 including water sales, proceeds from revenue bond sales, and Construction Fund revenues (capital project reimbursements, sales of property, interest earnings, etc.). For FY 2004-05, 45% of the capital forecast will be funded with current resources (29% water sales, 16% Construction Fund revenues) and the balance from bond sales. The funding of the five-year forecast period averages 23% water sales, 19% construction fund revenues, and 58% debt.

## DEBT

The bureau has the ability, by City Charter State Authority, to issue debt in the form of general obligation (GO) or revenue tax-free bonds. Before July 1993, the bureau had issued only "double-barreled" (revenue-backed) general obligation bonds, which carry no debt coverage requirement because 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 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 GO 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 GO debt, it has adopted the more conservative assumption that all future debt will be supported solely by net revenues of the water system. Because revenue bonds do carry a coverage requirement, and the bureau desires as a policy to maintain its recently reaffirmed (April 2004) Moody's Aa1 revenue bond rating, the bureau's minimum target coverage for overall (GO plus revenue) debt service was increased to 1.9. The bureau's overall target coverage is met or exceeded each year of the forecast.





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# City Comprehensive Financial Management Policy

## Resolution #35005

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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

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## 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.

# City Investment Policy

## Resolution #35925

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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



# 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

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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 of 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.

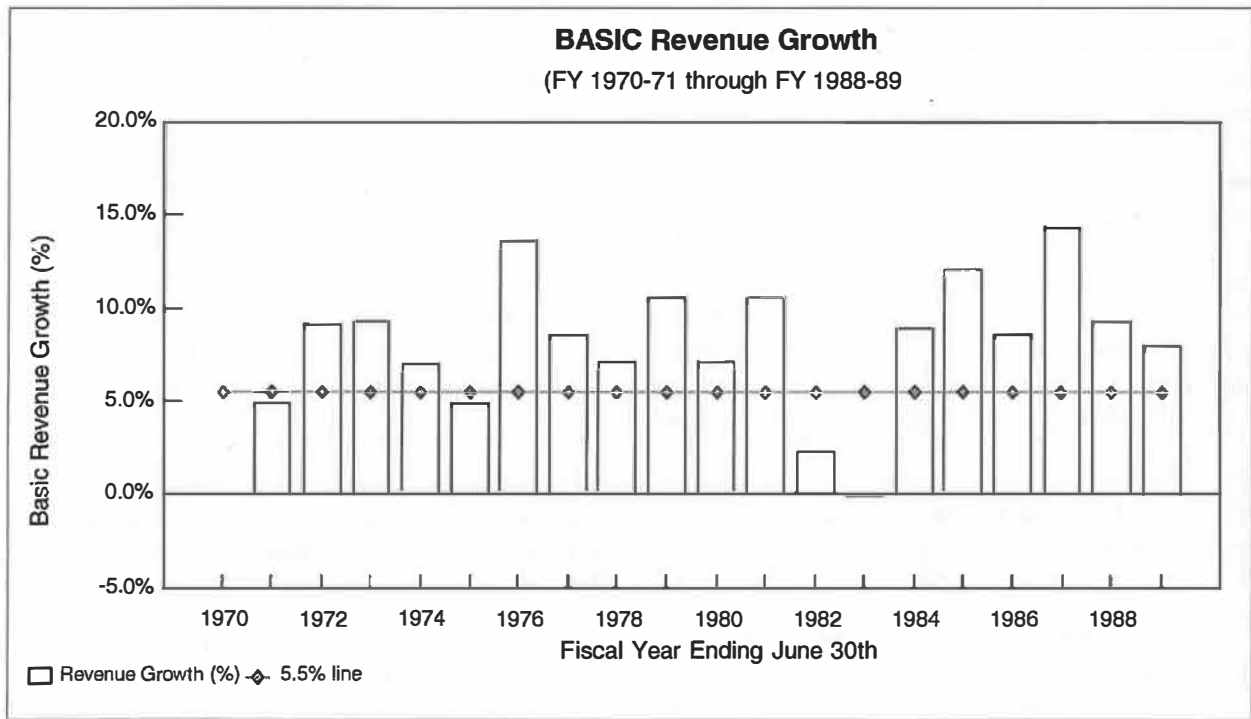
The Council should begin to restore Counter cyclical Reserves used under the guidelines within 24 months after their first use.

**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

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

**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
<b>GENERAL RESERVE FUND DETAIL</b>				
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				

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				

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	
Item	Required Reserve
FY 1990-91 General Fund Net Revenues	\$174,087,688
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%

**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%

**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 fulfills 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 (I/A) 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.

# **Local Improvement District Financing Policy**

## **Resolution #34847**

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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"> <li>◆ Project involving less than 12 properties, and for which more than 75% of assessment estimates are on residential property.</li> <li>◆ 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.</li> <li>◆ Publicly owned property is exempt from all feasibility tests.</li> <li>◆ The project advances expressed City goals or objectives, and adequate security is identified by City Council.</li> <li>◆ The project is included in an urban renewal area, and is secured by the Portland Development Commission.</li> </ul>
Conditions for Developer LIDs	<ul style="list-style-type: none"> <li>◆ Developer/chief petitioner files current financial statements.</li> <li>◆ No delinquent property taxes or assessments.</li> <li>◆ Bond, letter of credit or other security equal to total project costs.</li> </ul>

**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.



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# BUDGET ADOPTION ORDINANCE

## No. 178535

\*Adopt the annual budget of the City of Portland and establish appropriations for the fiscal year beginning July 1, 2004.  
(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 2003-04 budget on June 9, 2004 and certified the City's FY 2004-05 budget and proposed levies on that date.
2. For FY 2004-05 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 2004-05 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 2003-04 budget but not expected to be expended by June 30, 2004. Carryover appropriations will be budgeted in contingency pending determination of realizing budgeted year-end balance for FY 2003-04.
  - 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 2004-05 budget.
5. The budget should be adopted so that there is no delay in establishing budget authority for conducting City business on July 1, 2004.
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 2004-05 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, 2004, 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 2004-05 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 2004-05 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 2004-05, Table 2 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 2004-05 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 2004-05:
- g. The Financial Planning Division of the Office of Management and Finance 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 2004-05 Adopted Budget.
- h. The FY 2003-04 Adopted Budget will be prepared in accordance with Council policy directions and state budget law.

- i. The FY 2003-04 Adopted Budget will include the Budget Notes as presented in Attachment 3 titled Budget Notes.

Section 2. The Council declares that an emergency exists because it necessary to adopt the Fiscal Year 2004-05 budget and establish appropriation without delay in order to provide authority to transact the financial affairs of the City of Portland for Fiscal Year 2004-05; therefore, this ordinance shall be in force and effect from and after the start of the Fiscal Year beginning July 1, 2004.

Passed by the Council,  
Mayor Vera Katz  
Office of Management and Finance  
TG:JS  
June 24, 2004

Gary Blackmer  
Auditor of the City of Portland  
  
By  
Deputy

# TAX LEVY ORDINANCE

## No. 178536

\*Levy taxes for the City of Portland for the fiscal year beginning July 1, 2004, 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 2004-05 Budget for the City of Portland was adopted and appropriations made by the City Council on June 24, 2004 by Ordinance.
2. On November 5, 2002, voters in the City of Portland approved a five-year local option levy in support of children's programs, approving a tax rate of \$0.4026 per \$1,000 of assessed value.
3. On November 5, 2002, voters in the City of Portland approved a five-year local option levy in support of parks' operations and improvements, approving a tax rate of \$0.3900 per \$1,000 of assessed value.
4. 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.
5. In addition to the Notice of Property Tax and Certification of Intent to Impose a Tax, Fee, Assessment, or Charge on Property (Form LB-50), the Department of Revenue has issued a Form "UR-50 Notice to Assessor" on which the City is required to categorize its levies by Option selected, either 1, 2, or 3 or as Window or New plans. Form UR-50 also requires the City to certify the Amount from Division of Tax and the Special Levy Amount.
6. 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.
7. Collection of tax levy revenues is contingent on the actual assessed value.
8. 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, 2004, 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 eighty six million, five hundred twenty two thousand, three hundred twenty seven dollars.  
\$86,522,327
  - iii. For children's levy the taxing rate of \$0.4026 per \$1,000 assessed value.

- iv. For parks' levy the taxing rate of \$0.3900 per \$1,000 assessed.
- v. Excluded from Limitation – for bonded indebtedness, the estimated sum of seven million, seven hundred forty nine, three hundred thirty five dollars.

\$7,749,335

- 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, and the Gateway 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 2004-05 for Airport Way, Central Eastside, Convention Center, South Park Blocks, Downtown Waterfront, Lents Town Center District, River District, North Macadam District, Interstate Corridor 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 FY 2004-05 by Plan Area	Amount from Division of Tax	Special Levy	Estimated Division of Tax	Amount of Special Levy	Estimated Collections
<b>Part 1: Option One Plans (must be existing plan)</b>					
Central Eastside	100.00%	No	\$4,664,481	\$0	\$4,664,481
<b>Part 2: Option Two Plans (must be existing plan)</b>					
Not Applicable to Portland					
<b>Part 3: Option Three Plans (must be existing plan)</b>					
South Park Blocks	\$5,660,000	Yes	\$5,660,000	\$1,763,713	\$7,423,713
Airport Way	\$2,540,000	Yes	\$2,540,000	\$4,308,861	\$6,848,861
Convention Center	\$5,740,000	Yes	\$5,740,000	\$1,563,713	\$7,303,713
Downtown Waterfront	\$7,710,000	Yes	\$7,710,000	\$7,363,713	\$15,073,713
<b>Part 4: Window Plans</b>					
Lents Town Center	100.00%	No	\$5,269,980	\$0	\$5,269,980
Gateway Regional Center	100.00%	No	\$1,458,372	\$0	\$1,458,372
River District	100.00%	No	\$11,117,760	\$0	\$11,117,760
North Macadam	100.00%	No	\$1,515,067	\$0	\$1,515,067
Interstate Corridor	100.00%	No	\$3,958,721	\$0	\$3,958,721
<b>Urban Renewal Totals</b>			<b>\$49,634,381</b>	<b>\$15,000,000</b>	<b>\$64,634,381</b>

- 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, 2003; therefore, this Ordinance shall be in force and effect from and after its passage.

Passed by the Council,  
Mayor Vera Katz  
Office of Management and Finance  
TG:JS  
June 24, 2004

Gary Blackmer  
Auditor of the City of Portland

By  
Deputy

# ACCEPT STATE REVENUE SHARING ORDINANCE

**No. 178533**

\*Elect to accept funds from the State of Oregon under the State Revenue Sharing Program for FY 2004-05 (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, 2004.

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 2004-05.

Section 2. The Council declares that an emergency exists, as it necessary to notify the State of Oregon Executive Department by July 31, 2004 regarding the City's election to receive State Revenue Sharing Funds for the FY 2004-05 Budget; therefore, this ordinance shall be in force and effect from and after its passage.

Passed by the Council,  
Mayor Vera Katz  
Office of Management and Finance  
TG:JS  
June 24, 2004

Gary Blackmer  
Auditor of the City of Portland  
  
By  
Deputy

# CREATE NEW FUND ORDINANCE

No. 178534

\*Create one new fund in FY 2004-05 effective July 1, 2004. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. 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. Open the Portland Police Association Health Insurance Fund and include it in the FY 2004-05 Adopted Budget. The Portland Police Association Health Insurance Fund (721) is established to account for payment of medical claims for Portland Police Association employees, dependents, retirees and other participants in the Portland Police Association self-insured medical plans.

Section 2. The Council declares that an emergency exists because it is necessary to have the fund established on July 1, 2004, the start of the new fiscal year, in order to properly transact the financial affairs of the City of Portland as budgeted for FY 2004-05; therefore this ordinance shall be in force and effect on July 1, 2004.

Passed by the Council,  
Mayor Vera Katz  
Office of Management and Finance  
TG:JS  
June 24, 2004

Gary Blackmer  
Auditor of the City of Portland  
  
By  
Deputy



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