

Adopted Budget
City of Portland, Oregon
Fiscal Year 2006-07
Volume Two: City Funds

How are the children?

Mayor Tom Potter begins each Wednesday morning City Council session by asking, "How are the children?" The health and wellbeing of its children is a measure of the health and wellbeing of a society. In keeping with the City Council's focus on children, the cover of the FY 2006-07 City of Portland budget shows children playing in Terry Schrunk Plaza, with Portland's historic City Hall in the background.

Terry Schrunk Plaza is named in honor of Portland's only four-term Mayor, who served from 1956 to 1972. The plaza and the Edith Green-Wendell Wyatt Federal Building, across SW Third Avenue to the east, are owned and maintained by the United States General Services Administration. Terry Schrunk Plaza joins Chapman and Lownsdale Squares to create three blocks of open space in the heart of the city—the Plaza Blocks.

Portland City Hall has been the seat of Portland's city government since it opened in 1895. A remodeling and historic renovation that was completed in 1998 restored the building to its original design.

The spirit of Portland's children is the focus of the FY 2006-07 Adopted Budget.

(Photo credit: Lois Summers and Donna Shalkowsky, in the City of Portland Office of Management and Finance, Accounting Division and Sandy Pokorny, State of Oregon)

Adopted Budget
City of Portland, Oregon

Fiscal Year 2006-07
Volume Two

City Funds
Financial Plans and Policies

Mayor Tom Potter

Commissioner Sam Adams

Commissioner Randy Leonard

Commissioner Dan Saltzman

Commissioner Erik Sten

Auditor Gary Blackmer

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Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Portland, Oregon for its annual budget for the fiscal year beginning July 1, 2005.

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**

Special Performance Measures Recognition

For the Fiscal Year Beginning

July 1, 2005

Handwritten signature of Carla E. Fudge in cursive.

President

Handwritten signature of Jeffrey R. Egan in cursive.

Executive Director

User's Guide

The FY 2006-07 Adopted Budget document consists of three volumes. Volume One contains general information and an overview of the Adopted Budget for the City of Portland, as well as the adopted budgets for individual City bureaus and offices. Volume Two provides detailed information about the City's funds, financial forecasts, plans, and policies. Volume Three displays detailed budget information for the City's capital projects, including the five-year Capital Improvement Plan.

VOLUME ONE - BUREAU BUDGETS

Mayor's Message

A message from Mayor Tom Potter about the challenges, opportunities, and uncertainties he and the four City Commissioners faced in preparing the Adopted Budget for FY 2006-07. The message highlights the Mayor's budget priorities and the principles adhered to in crafting the Adopted Budget.

Overviews

City Overview

The City Overview gives general information about the City of Portland, including its demographics and government management systems.

Budget Overview

The Budget Overview presents the total City budget from a number of technical perspectives, discusses significant changes to funds, and outlines the City's overall budget process. It also summarizes key budget decisions and delineates the links between those decisions and City Council goals and strategic issues.

Financial Overview

The Financial Overview lays out the City's financial planning process, fiscal structure, and related policies. Also part of this section are the five-year forecast, a discussion of City debt management, and highlights of key revenue and expenditure trends.

Budget Notes

The Budget Notes section lists issues that Council determined require further analysis or action. The notes generally direct a bureau to undertake a particular assignment.

Financial Summaries

These summaries show Citywide revenues and expenses in total and by service area, as well as General Fund revenues and expenses and authorized positions.

Service Area Information

City bureaus are categorized into service areas based on the nature of their programs and services. Each service area section of the budget document begins with a description of the service area and budget highlights for bureaus in that service area. This is followed by the Adopted Budget for each bureau in the service area. The City's six service areas are:

- ♦ Public Safety
- ♦ Parks, Recreation, and Culture
- ♦ Public Utilities
- ♦ Community Development
- ♦ Transportation and Parking
- ♦ Legislative, Administrative, and Support

VOLUME TWO - CITY FUNDS

- Financial Summaries** Tables at the beginning of Volume Two summarize the City budget across all funds and list bureau expenses and total City expenses by fund. The Appropriation Schedule, tax levy computations, and urban renewal tax certifications are also included. This section concludes with tables related to the City's debt obligations and summaries of the General Fund and General Reserve Fund.
- Fund Summaries by Service Area** Presented in the same service area order as Volume One, these sections detail the resources and expenditures of each City fund. A brief description of each fund's purpose and relevant trends and issues are incorporated with fund financial information.
- Financial Plans** Five-year financial plans for the General Fund and the enterprise funds are presented in this section. The plans provide detailed information about the financial context in which budgetary decisions were made.
- Financial Policies** These policies provide a framework to guide the City in making financial and budgetary decisions. Financial policies help the City balance long-term interests and needs with more immediate concerns.
- Ordinances** Volume Two concludes with the ordinances passed by Council to formally adopt the budget, levy taxes, open and close funds, and accept state shared revenues. The Tax Supervising and Conservation Commission's letter certifying the City's budget is also presented here.

VOLUME THREE - CAPITAL BUDGET

- Overview** The overview explains the City's capital budgeting process, including regulatory requirements, the use of long-range planning documents, and the roles of various groups in developing the capital budget.
- Citywide Summary** This summary offers highlights of the FY 2006-07 capital budget and a detailed presentation of the five-year Capital Improvement Plan. Capital projects are summarized by service area, geographic location, and fund.
- Capital Projects by Service Area** Presented in the same service area order as Volumes One and Two, these sections describe each of the City's capital projects by bureau. Project information is displayed by geographic location and includes funding sources, expenditure history, and five-year forecasts for each project.

PORTLAND DEVELOPMENT COMMISSION (PDC) ADOPTED BUDGET

As required by the City's Charter, the PDC Adopted Budget is incorporated here by reference. See the PDC web site for their budget details: <http://www.pdc.us/pubs/>.

QUESTIONS

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

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 budget figures across all the City's funds and bureaus.

BUREAU-LEVEL SUMMARIES

Bureau Expenses by Fund

The first table in Volume Two, *Summary of Bureau Expenses by Fund*, provides detail on the bureau expenses, showing how much is budgeted for personal services, capital outlay, 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. Appropriations are 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, and debt retirement.

TAX AND URBAN RENEWAL TABLES

Tax Levy Computation

Table 3 outlines City property tax levy calculations. It 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 as permissible under state law. The table states total requirements for each tax-supported fund, less nontax revenues. This leaves the 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 11 urban renewal districts.

FUND-LEVEL SUMMARIES

Tables 5 and 6 in Volume Two are lengthier tables that display different aspects of the City's budget by individual fund.

Total Revenues and Expenses by Fund by Fiscal Year

Table 5, *Total Revenues and Expenses by Fund by Fiscal Year*, shows the total expenses (or the total revenues, since they are equal) in any fund for the 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 Local 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 are in many service areas.

Summary of Bureau Expenses by Fund – FY 2006–07

TABLE 1

This table summarizes the major categories of expenditures included in bureau budgets by fund and by bureau. Fund-level requirements such as contingencies and interfund transfers are summarized in Table 2.

	Personal Services	External Material & Svcs	Internal Material & Svcs	Capital Outlay	Total Bureau Expenses
GENERAL FUND					
Office of the City Attorney	5,476,793	593,358	634,019	0	6,704,170
Office of the City Auditor	5,366,361	1,199,585	1,258,965	0	7,824,911
Cable Communications and Franchise Management	708,929	846,256	325,181	0	1,880,366
Commissioner of Public Affairs	536,425	30,756	123,689	0	690,870
Commissioner of Public Safety	545,469	11,100	113,857	0	670,426
Commissioner of Public Utilities	621,135	6,700	134,785	0	762,620
Commissioner of Public Works	556,620	7,759	115,142	0	679,521
Bureau of Fire, Rescue, and Emergency Services	66,461,742	5,633,265	4,241,874	2,010,073	78,346,954
Office of Government Relations	419,049	252,623	117,696	0	789,368
Bureau of Housing and Community Development	2,303,942	12,973,519	232,162	0	15,509,623
Office of the Mayor	2,036,042	189,682	295,352	0	2,521,076
OMF Citywide Projects	1,350,978	6,556,859	522,283	587,085	9,017,205
Financial Services	5,195,709	1,089,990	2,510,913	0	8,796,612
Human Resources	5,176,381	937,126	843,477	0	6,956,984
OMF Business Operations	2,958,387	381,344	913,889	0	4,253,620
Purchases	2,669,482	672,813	428,033	0	3,770,328
Revenue Bureau	14,356,566	3,115,651	7,765,451	350,000	25,587,668
Office of Neighborhood Involvement	2,747,312	2,549,124	455,782	0	5,752,218
Parks & Recreation	30,069,660	12,360,978	5,618,232	95,621	48,144,491
Bureau of Planning	5,555,590	558,232	1,463,231	0	7,577,053
Bureau of Police	105,178,980	11,152,337	24,675,242	99,000	141,105,559
Portland Office of Emergency Management	1,182,135	8,756,332	571,416	0	10,509,883
Special Appropriations	0	23,875,055	220,350	0	24,095,405
Office of Sustainable Development	1,651,816	966,837	255,289	0	2,873,942
Total General Fund	263,125,503	94,717,281	53,836,310	3,141,779	414,820,873
OTHER MAJOR GOVERNMENT FUND					
Transportation Operating Fund	62,897,759	36,894,327	19,940,456	48,334,832	168,067,374
Total Other Major Government Fund	62,897,759	36,894,327	19,940,456	48,334,832	168,067,374
SPECIAL REVENUE FUNDS					
Assessment Collection Fund	0	0	270	0	270
Business License Surcharge Fund	0	6,001,769	256,466	0	6,258,235
Cable Fund	0	2,793,100	425,146	0	3,218,246
Campaign Finance Fund	0	50,235	53,316	0	103,551
Children's Investment Fund	369,024	21,126,169	18,171	0	21,513,364
Convention and Tourism Fund	0	2,419,526	71,150	0	2,490,676
Development Services Fund	27,630,633	2,055,922	7,120,600	0	36,807,155
Emergency Communication Fund	10,863,545	185,736	3,293,417	0	14,342,698
Federal Grants Fund	0	0	0	0	0
General Reserve Fund	0	0	0	0	0
HOME Grant Fund	0	7,563,853	385,673	0	7,949,526
Housing and Community Development Fund	0	11,926,566	1,748,382	0	13,674,948
Housing Investment Fund	0	7,482,148	0	0	7,482,148
Parks Local Option Levy Fund	0	0	11,896,352	0	11,896,352
Portland Parks Memorial Trust Fund	0	1,045,875	611,607	0	1,657,482
Private for Hire Transportation Safety Fund	0	66,849	12,000	0	78,849

Summary of Bureau Expenses by Fund – FY 2006–07

TABLE 1

This table summarizes the major categories of expenditures included in bureau budgets by fund and by bureau. Fund-level requirements such as contingencies and interfund transfers are summarized in Table 2.

	Personal Services	External Material & Svcs	Internal Material & Svcs	Capital Outlay	Total Bureau Expenses
Property Management License Fund	0	4,564,736	45,927	0	4,610,663
Public Safety Fund	35,000	469,141	267,645	100,000	871,786
Special Finance and Resource Fund	0	147,116,500	0	0	147,116,500
Transportation Reserve Fund	0	0	0	0	0
Total Special Revenue Funds	38,898,202	214,868,125	26,206,122	100,000	280,072,449
DEBT SERVICE FUNDS					
Airport Way Debt Service Fund	0	0	0	0	0
Bancroft Bond Interest & Sinking Fund	0	0	0	0	0
Bonded Debt Interest and Sinking Fund	0	0	0	0	0
Central Eastside Industrial District Debt Service Fund	0	0	0	0	0
Convention Center Area Debt Service Fund	0	0	0	0	0
Gas Tax Bond Redemption Fund	0	0	0	0	0
Gateway URA Debt Redemption Fund	0	0	0	0	0
Governmental Bond Redemption Fund	0	0	0	0	0
Interstate Corridor Debt Service Fund	0	0	0	0	0
Lents Town Center URA Debt Redemption Fund	0	0	0	0	0
N Macadam URA Debt Redemption Fund	0	0	0	0	0
Pension Debt Redemption Fund	0	0	123,012	0	123,012
River District URA Debt Redemption Fund	0	0	0	0	0
South Park Block Redemption Fund	0	0	0	0	0
Special Projects Debt Service Fund	0	0	0	0	0
Waterfront Renewal Bond Sinking Fund	0	0	0	0	0
Total Debt Service Funds	0	0	123,012	0	123,012
CAPITAL PROJECTS FUNDS					
BFRES Facilities GO Bond Construction Fund	0	20,000	3,054,769	8,367,701	11,442,470
L I D Construction Fund	0	0	12,251,170	0	12,251,170
Parks Capital Construction and Maintenance Fund	1,371,997	109,733	386,378	15,450,625	17,318,733
Total Capital Projects Funds	1,371,997	129,733	15,692,317	23,818,326	41,012,373
PERMANENT FUND					
Parks Endowment Fund	0	700	500	0	1,200
Total Permanent Fund	0	700	500	0	1,200
ENTERPRISE FUNDS					
Environmental Remediation Fund	535,903	3,997,090	384,720	0	4,917,713
Golf Fund	2,606,348	1,727,040	575,244	200,000	5,108,632
Golf Revenue Bond Redemption Fund	0	0	0	0	0
Hydroelectric Power Bond Redemption Fund	0	0	0	0	0
Hydroelectric Power Operating Fund	284,020	155,000	186,633	0	625,653
Hydroelectric Power Renewal and Replacement Fund	0	0	0	0	0
Parking Facilities Fund	0	3,093,979	2,936,778	844,000	6,874,757
Parking Facilities Debt Redemption Fund	0	0	0	0	0
Portland International Raceway Fund	623,408	639,000	180,100	50,000	1,492,508
Sewer Revolving Loan Fund	0	101,500	0	0	101,500
Sewer System Construction Fund	0	0	100,000	0	100,000
Sewer System Debt Redemption Fund	0	0	0	0	0
Sewer System Operating Fund	42,575,430	36,951,805	41,227,689	184,985,356	305,740,280

Summary of Bureau Expenses by Fund – FY 2006–07

TABLE 1

This table summarizes the major categories of expenditures included in bureau budgets by fund and by bureau. Fund-level requirements such as contingencies and interfund transfers are summarized in Table 2.

	Personal Services	External Material & Svcs	Internal Material & Svcs	Capital Outlay	Total Bureau Expenses
Sewer System Rate Stabilization Fund	0	0	0	0	0
Sewer System Safety Net Fund	0	0	0	0	0
Solid Waste Management Fund	983,017	1,082,900	722,130	0	2,788,047
Spectator Facilities Operating Fund	0	721,925	347,086	580,000	1,649,011
Water Fund	43,414,011	18,375,256	23,426,670	16,380,443	101,596,380
Water Bond Sinking Fund	0	0	0	0	0
Water Construction Fund	0	0	0	0	0
Total Enterprise Funds	91,022,137	66,845,495	70,087,050	203,039,799	430,994,481
INTERNAL SERVICE FUNDS					
CityFleet Operating Fund	5,764,075	9,142,561	1,264,786	4,831,628	21,003,050
Facilities Services Operating Fund	2,981,670	18,938,640	1,683,201	1,367,860	24,971,371
Health Insurance Operating Fund	623,242	33,383,593	572,422	0	34,579,257
Insurance and Claims Operating Fund	969,507	5,062,557	1,859,497	5,000	7,896,561
Portland Police Association Health Insurance Fund	0	9,427,807	321,387	0	9,749,194
Printing & Distribution Services Operating Fund	1,871,076	4,070,715	610,067	280,875	6,832,733
Technology Services Fund	20,610,538	13,959,922	12,376,007	1,256,000	48,202,467
Workers' Compensation Self-Insurance Operating Fund	875,919	2,844,367	458,924	5,000	4,184,210
Total Internal Service Funds	33,696,027	96,830,162	19,146,291	7,746,363	157,418,843
FIDUCIARY FUNDS					
Fire & Police Disability & Retirement Fund	0	87,193,832	2,532,040	0	89,725,872
Fire & Police Disability & Retirement Reserve Fund	0	0	0	0	0
Fire & Police Supplemental Retirement Reserve Fund	0	7,850	0	0	7,850
Total Fiduciary Funds	0	87,201,682	2,532,040	0	89,733,722
TOTAL ALL FUNDS	\$ 491,011,625	\$ 597,487,505	\$ 207,564,098	\$ 286,181,099	\$1,582,244,327

Appropriation Schedule - FY 2006-07

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	
GENERAL FUND					
Office of the City Attorney	6,704,170	0	0	0	6,704,170
Office of the City Auditor	7,824,911	0	0	0	7,824,911
Cable Communications and Franchise Management	1,880,366	0	0	0	1,880,366
Commissioner of Public Affairs	690,870	0	0	0	690,870
Commissioner of Public Safety	670,426	0	0	0	670,426
Commissioner of Public Utilities	762,620	0	0	0	762,620
Commissioner of Public Works	679,521	0	0	0	679,521
Bureau of Fire, Rescue and Emergency Services	78,346,954	0	0	0	78,346,954
Office of Government Relations	789,368	0	0	0	789,368
Bureau of Housing and Community Development	15,509,623	0	0	0	15,509,623
Office of the Mayor	2,521,076	0	0	0	2,521,076
OMF Citywide Projects	9,017,205	0	0	0	9,017,205
Financial Services	8,796,612	0	0	0	8,796,612
Human Resources	6,956,984	0	0	0	6,956,984
OMF Business Operations	4,253,620	0	0	0	4,253,620
Purchases	3,770,328	0	0	0	3,770,328
Revenue Bureau	25,587,668	0	561,774	0	26,149,442
Office of Neighborhood Involvement	5,752,218	0	0	0	5,752,218
Parks and Recreation	48,144,491	0	0	0	48,144,491
Bureau of Planning	7,577,053	0	0	0	7,577,053
Bureau of Police	141,105,559	0	0	0	141,105,559
Portland Office of Emergency Management	10,509,883	0	0	0	10,509,883
Special Appropriations	24,095,405	0	0	0	24,095,405
Office of Sustainable Development	2,873,942	0	0	0	2,873,942
Total General Fund Bureaus	414,820,873	0	561,774	0	415,382,647
Total Fund Requirements	0	17,554,805	36,737,508	0	54,292,313
TOTAL GENERAL FUND	\$ 414,820,873	\$ 17,554,805	\$ 37,299,282	\$ 0	\$ 469,674,960
Other Major Government Fund					
Transportation Operating Fund	168,067,374	12,192,181	11,375,212	6,059,310	197,694,077
Total Other Major Govt. Fund	168,067,374	12,192,181	11,375,212	6,059,310	197,694,077
Special Revenue Funds					
Assessment Collection Fund	270	67,103	103	0	67,476
Business License Surcharge Fund	6,258,235	0	44,118	0	6,302,353
Cable Fund	3,218,246	942,843	14,782	0	4,175,871
Campaign Finance Fund	103,551	1,481,196	7,223	0	1,591,970
Children's Investment Fund	21,513,364	1,459,804	25,000	0	22,998,168
Convention and Tourism Fund	2,490,676	181,344	9,185	0	2,681,205
Development Services Fund	36,807,155	2,890,653	2,103,490	0	41,801,298
Emergency Communication Fund	14,342,698	886,211	1,757,187	0	16,986,096
Federal Grants Fund	0	0	36,415,951	0	36,415,951
General Reserve Fund	0	49,606,048	1,137,317	0	50,743,365
HOME Grant Fund	7,949,526	0	0	0	7,949,526
Housing and Community Development Fund	13,674,948	56,542	258,589	0	13,990,079

Appropriation Schedule - FY 2006-07

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	
Housing Investment Fund	7,482,148	0	4,528,828	5,250	12,016,226
Parks Local Option Levy Fund	11,896,352	5,930,581	38,551	0	17,865,484
Portland Parks Memorial Trust Fund	1,657,482	3,059,957	0	0	4,717,439
Private for Hire Transportation Safety Fund	78,849	1,962	26,888	0	107,699
Property Management License Fund	4,610,663	0	0	0	4,610,663
Public Safety Fund	871,786	1,298,510	141,282	0	2,311,578
Special Finance and Resource Fund	147,116,500	0	0	1,133,500	148,250,000
Transportation Reserve Fund	0	728,341	0	0	728,341
Total Special Revenue Funds	280,072,449	68,591,095	46,508,494	1,138,750	396,310,788
Debt Service Funds					
Airport Way Debt Service Fund	0	0	0	5,397,738	5,397,738
Bancroft Bond Interest & Sinking Fund	0	0	5,000,000	3,461,615	8,461,615
Bonded Debt Interest and Sinking Fund	0	0	0	7,785,055	7,785,055
Central Eastside Industrial District Debt Service Fund	0	0	0	3,930,736	3,930,736
Convention Center Area Debt Service Fund	0	0	0	7,172,828	7,172,828
Gas Tax Bond Redemption Fund	0	0	0	3,281,571	3,281,571
Gateway URA Debt Redemption Fund	0	0	0	1,622,411	1,622,411
Governmental Bond Redemption Fund	0	0	0	3,543,856	3,543,856
Interstate Corridor Debt Service Fund	0	0	0	5,836,364	5,836,364
Lents Town Center URA Debt Redemption Fund	0	0	0	5,816,754	5,816,754
N Macadam URA Debt Redemption Fund	0	0	0	1,821,432	1,821,432
Pension Debt Redemption Fund	123,012	0	0	19,829,889	19,952,901
River District URA Debt Redemption Fund	0	0	0	15,592,126	15,592,126
South Park Block Redemption Fund	0	0	0	7,286,290	7,286,290
Special Projects Debt Service Fund	0	0	0	5,512,263	5,512,263
Waterfront Renewal Bond Sinking Fund	0	0	0	14,527,075	14,527,075
Total Debt Service Funds	123,012	0	5,000,000	112,418,003	117,541,015
Capital Projects Funds					
BFRES Facilities GO Bond Construction Fund	11,442,470	10,010,095	54,735	368,000	21,875,300
L I D Construction Fund	12,251,170	2,707,787	1,146,744	40,204,502	56,310,203
Parks Capital Construction and Maintenance Fund	17,318,733	9,807,385	1,187,848	0	28,313,966
Total Capital Projects Funds	41,012,373	22,525,267	2,389,327	40,572,502	106,499,469
Permanent Fund					
Parks Endowment Fund	1,200	0	0	0	1,200
Total Permanent Fund	1,200	0	0	0	1,200

Appropriation Schedule - FY 2006-07

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	
Enterprise Funds					
Environmental Remediation Fund	4,917,713	670,207	28,593	0	5,616,513
Golf Fund	5,108,632	616,625	1,112,349	27,027	6,864,633
Golf Revenue Bond Redemption Fund	0	0	0	806,893	806,893
Hydroelectric Power Bond Redemption Fund	0	0	0	2,218,558	2,218,558
Hydroelectric Power Operating Fund	625,653	223,105	281,443	0	1,130,201
Hydroelectric Power Renewal and Replacement Fund	0	8,241,638	220,000	0	8,461,638
Parking Facilities Fund	6,874,757	5,961,364	4,249,846	0	17,085,967
Parking Facilities Debt Redemption Fund	0	0	0	3,075,051	3,075,051
Portland International Raceway Fund	1,492,508	431,228	59,630	0	1,983,366
Sewer Revolving Loan Fund	101,500	552,820	0	0	654,320
Sewer System Construction Fund	100,000	32,838,208	219,375,242	0	252,313,450
Sewer System Debt Redemption Fund	0	0	0	102,029,270	102,029,270
Sewer System Operating Fund	305,740,280	19,135,187	137,199,170	445,000	462,519,637
Sewer System Rate Stabilization Fund	0	39,738,799	9,000,000	0	48,738,799
Sewer System Safety Net Fund	0	1,169,999	0	0	1,169,999
Solid Waste Management Fund	2,788,047	793,104	853,551	0	4,434,702
Spectator Facilities Operating Fund	1,649,011	7,264,988	122,666	5,680,000	14,716,665
Water Fund	101,596,380	18,593,153	44,037,343	850,632	165,077,508
Water Bond Sinking Fund	0	0	0	16,039,135	16,039,135
Water Construction Fund	0	7,388,987	49,259,910	0	56,648,897
Total Enterprise Funds	430,994,481	143,619,412	465,799,743	131,171,566	1,171,585,202
Internal Service Funds					
CityFleet Operating Fund	21,003,050	19,980,652	1,185,486	0	42,169,188
Facilities Services Operating Fund	24,971,371	15,940,653	752,763	8,319,523	49,984,310
Health Insurance Operating Fund	34,579,257	8,138,241	246,708	0	42,964,206
Insurance and Claims Operating Fund	7,896,561	14,669,588	241,361	2,306,000	25,113,510
Portland Police Association Health Insurance Fund	9,749,194	1,438,795	40,887	0	11,228,876
Printing & Distribution Services Operating Fund	6,832,733	2,013,406	399,864	0	9,246,003
Technology Services Fund	48,202,467	18,022,632	1,722,534	1,558,003	69,505,636
Workers' Compensation Self-Insurance Operating Fund	4,184,210	16,887,758	233,466	0	21,305,434
Total Internal Service Funds	157,418,843	97,091,725	4,823,069	12,183,526	271,517,163
Fiduciary Funds					
Fire & Police Disability & Retirement Fund	89,725,872	3,476,499	262,783	20,500,000	113,965,154

Appropriation Schedule - FY 2006-07

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	
Fire & Police Disability & Retirement Reserve Fund	0	0	750,000	0	750,000
Fire & Police Supplemental Retirement Reserve Fund	7,850	0	0	0	7,850
Total Fiduciary Funds	89,733,722	3,476,499	1,012,783	20,500,000	114,723,004
TOTAL ALL FUNDS	\$1,582,244,327	\$ 365,050,984	\$ 574,207,910	\$ 324,043,657	\$ 2,845,546,878

Tax Levy Computation

TABLE 3

This table shows the calculation of the City's property tax levies in the format prescribed by state law.

	Total	General Fund Tax Base	General Obligation Debt	Fire & Police Disability & Retirement	Parks Local Option Levy	Children's Local Option Levy
FISCAL YEAR 2006-07						
Total Budget Requirements	632,288,821	469,674,960	7,785,055	113,965,154	17,865,484	22,998,168
Less: Budgeted Resources, Except Taxes to be Levied	(364,474,527)	(309,756,849)	(275,000)	(34,750,331)	(7,589,952)	(12,102,395)
Total Equals: Taxes Necessary To Balance	267,814,294	159,918,111	7,510,055	79,214,823	10,275,532	10,895,773
Add: Taxes Estimated not to be Received due to Delinquency & Discount	15,437,207	9,217,913	432,891	4,566,058	592,297	628,048
Total Equals: Estimated (Measure 50) Levy Receivable	283,251,501	169,136,024	7,942,946	83,780,881	10,867,829	11,523,821
Add: Estimated Measure 50 Levy Compression	16,025,145	5,591,274	0	2,769,616	3,719,861	3,944,395
Total Taxes to be Levied	299,276,647	174,727,298	7,942,946	86,550,497	14,587,689	15,468,216
Legal Basis of Taxes to be Levied						
Permanent Rate Limit Levy-Subject to \$10 Limit	204,783,204	174,727,298	0	0	14,587,689	15,468,216
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	86,550,497	0	0	86,550,497	0	0
Levy For Bonded Indebtedness	7,942,946	0	7,942,946	0	0	0
TOTAL TAXES TO BE LEVIED	\$ 299,276,647	\$ 174,727,298	\$ 7,942,946	\$ 86,550,497	\$ 14,587,689	\$ 15,468,216
FISCAL YEAR 2005-06						
Total Budget Requirements	583,890,396	439,037,343	7,794,485	111,506,541	15,616,954	9,935,073
Less: Budgeted Resources, Except Taxes to be Levied	(324,292,025)	(284,855,939)	(100,000)	(32,905,381)	(6,067,967)	(362,738)
Total Equals: Taxes Necessary to Balance	259,598,371	154,181,404	7,694,485	78,601,160	9,548,987	9,572,335
Add: Taxes Estimated not to be Received due to Delinquency & Discount	15,363,436	9,109,887	456,453	4,662,781	566,465	567,850
Total Equals: Estimated (Measure 50) Levy Receivable	274,961,807	163,291,291	8,150,938	83,263,941	10,115,452	10,140,185
Add: Estimated Measure 5/50 Levy Compression	18,594,982	6,538,445	\$0	3,334,022	4,355,932	4,366,583
Total Taxes to be Levied	293,556,789	169,829,736	8,150,938	86,597,962	14,471,385	14,506,768
Legal Basis of Taxes to be Levied						
Permanent Rate Limit Levy-Subject to \$10 Limit	198,807,889	169,829,736	0	0	14,471,385	14,506,768
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	86,597,962	0	0	86,597,962	0	0
Levy For Bonded Indebtedness	8,150,938	0	8,150,938	0	0	0
TOTAL TAXES TO BE LEVIED	\$ 293,556,789	\$ 169,829,736	\$ 8,150,938	\$ 86,597,962	\$ 14,471,385	\$ 14,506,768

Urban Renewal Certification

TABLE 4

This table shows the amount of tax increment collections planned for the City's urban renewal districts before compression, delinquency, and discounts.

Tax Increment Authority for FY 2006-07 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
Part 1: Option One Plans					
Central Eastside	Part 1, Option 1	100%	4,331,890	No Special Levy	4,331,890
Part 2: Option Two Plans					
Not Applicable to Portland					
Part 3: Option Three Plans (Standard Rate)					
Airport Way	Part 3, Option 3	Fixed Amount	2,540,000	3,005,537	5,545,537
Downtown Waterfront	Part 3, Option 3	Fixed Amount	7,710,000	7,798,155	15,508,155
South Park Blocks	Part 3, Option 3	Fixed Amount	5,660,000	2,198,154	7,858,154
Convention Center	Part 3, Option 3	Fixed Amount	5,740,000	1,998,154	7,738,154
Total Part 3 Plans			21,650,000	15,000,000	36,650,000
Part 4: "Window" (Standard Rate)--(Adopted after December 6, 1996, prior Oct. 6, 2001)					
Lents Town Center District	Part 4 Plans	100%	6,266,767	No Special Levy	6,266,767
River District	Part 4 Plans	100%	16,588,269	No Special Levy	16,588,269
North Macadam District	Part 4 Plans	100%	1,353,402	No Special Levy	1,353,402
North Interstate District	Part 4 Plans	100%	6,353,635	No Special Levy	6,353,635
Gateway Regional Center	Part 4 Plans	100%	1,779,256	No Special Levy	1,779,256
Total Part 4 Plans			32,341,329		32,341,329
Part 5: "New Plans" (Reduced Rate) --(Adopted after Oct. 6, 2001)					
Willamette Industrial Fund		100%	0	No Special Levy	0
TOTAL CERTIFIED FOR COLLECTIONS			\$ 58,323,219	\$ 15,000,000	\$ 73,323,219

Note: Division of Tax estimates for new URAs are based on projections of assessed value growth and property tax estimates that may vary from actual collections certified by Multnomah County.

Total Revenues and Expenses by Fund by Fiscal Year

TABLE 5

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

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
MAJOR GOVERNMENT FUNDS					
General Fund	389,663,656	438,941,515	457,696,664	463,737,718	469,674,960
Transportation Operating Fund	132,944,061	153,696,373	192,491,371	189,200,609	197,694,077
Total Major Government Funds	522,607,717	592,637,888	650,188,035	652,938,327	667,369,037
SPECIAL REVENUE FUNDS					
Assessment Collection Fund	62,259	63,658	64,479	67,476	67,476
Business License Surcharge Fund	23,575,233	11,204,299	6,839,483	6,302,353	6,302,353
Cable Fund	5,371,199	5,464,839	4,834,857	5,025,244	5,025,244
Campaign Finance Fund	0	0	1,296,000	2,199,622	1,591,970
Children's Investment Fund	9,854,043	16,381,520	19,036,242	17,703,796	22,998,168
Convention and Tourism Fund	2,368,146	2,514,980	2,422,160	2,585,603	2,825,603
Development Services Fund	33,221,678	36,582,617	36,366,617	47,486,818	47,484,997
Emergency Communication Fund	13,766,900	15,023,571	15,738,678	16,986,096	16,986,096
Federal Grants Fund	26,447,189	28,721,733	58,652,489	32,388,642	36,415,951
General Reserve Fund	39,308,815	42,440,555	48,963,438	52,768,342	50,743,365
HOME Grant Fund	6,251,898	7,071,926	13,128,500	7,916,239	7,949,526
Housing and Community Development Fund	15,246,087	16,542,917	19,705,770	13,970,079	13,990,079
Housing Investment Fund	6,575,264	25,169,812	27,121,020	11,462,890	12,016,226
Parks Local Option Levy Fund	8,516,978	12,576,974	15,616,954	17,865,484	17,865,484
Portland Parks Memorial Trust Fund	5,496,784	5,140,996	4,633,734	5,081,344	4,717,439
Private for Hire Transportation Safety Fund	285,290	388,360	92,897	107,699	107,699
Property Management License Fund	4,189,563	4,271,945	4,613,606	4,643,632	4,643,632
Public Safety Fund	1,595,569	1,425,928	2,135,436	2,311,578	2,311,578
Special Finance and Resource Fund	41,540,461	46,059,437	114,159,261	148,250,000	148,250,000
Transportation Reserve Fund	684,342	699,322	704,342	728,341	728,341
Total Special Revenue Funds	244,357,698	277,745,389	396,125,963	395,851,278	403,021,227
DEBT SERVICE FUNDS					
Airport Way Debt Service Fund	8,230,899	8,434,036	8,579,134	8,159,717	8,159,717
Bancroft Bond Interest & Sinking Fund	18,769,166	18,017,517	16,650,699	18,159,273	18,159,273
Bonded Debt Interest and Sinking Fund	17,081,651	8,147,951	7,794,485	7,785,055	7,785,055
Central Eastside Industrial District Debt Service Fund	4,134,035	4,319,334	4,399,004	3,930,736	3,930,736
Convention Center Area Debt Service Fund	6,785,104	6,863,260	7,086,857	7,172,828	7,172,828
Gas Tax Bond Redemption Fund	1,917,324	6,236,180	2,749,626	3,281,972	3,281,972
Gateway URA Debt Redemption Fund	1,034,357	1,376,588	1,544,650	1,622,411	1,622,411
Governmental Bond Redemption Fund	26,201,379	3,899,552	3,787,869	3,543,856	3,543,856
Interstate Corridor Debt Service Fund	2,851,084	4,153,076	5,022,934	5,836,364	5,836,364
Lents Town Center URA Debt Redemption Fund	4,167,582	4,975,678	5,235,809	5,816,754	5,816,754
N Macadam URA Debt Redemption Fund	1,410,036	2,086,139	1,852,632	1,821,432	1,821,432
Pension Debt Redemption Fund	17,958,329	14,979,561	20,568,055	26,159,290	26,159,290
River District URA Debt Redemption Fund	16,771,372	15,656,238	17,551,300	20,327,076	20,327,076
South Park Block Redemption Fund	7,465,329	6,976,292	7,195,026	7,286,290	7,286,290
Special Projects Debt Service Fund	6,195,926	38,391,459	5,311,093	5,512,263	5,512,263
Waterfront Renewal Bond Sinking Fund	17,789,840	16,314,979	16,305,008	16,208,575	16,208,575
Willamette Industrial Debt Redemption Fund	0	0	178,315	0	0
Total Debt Service Funds	158,763,413	160,827,840	131,812,496	142,623,892	142,623,892

Total Revenues and Expenses by Fund by Fiscal Year

TABLE 5

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

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
CAPITAL PROJECTS FUNDS					
BFRES Facilities GO Bond Construction Fund	18,228,666	14,159,694	9,889,800	20,664,758	21,875,300
L I D Construction Fund	4,633,994	5,409,245	25,691,963	56,310,203	56,310,203
Parks Capital Construction and Maintenance Fund	14,385,106	21,177,497	24,234,048	26,833,059	28,313,966
Total Capital Projects Funds	37,247,766	40,746,436	59,815,811	103,808,020	106,499,469
PERMANENT FUND					
Parks Endowment Fund	162,097	165,512	165,629	170,893	170,893
Total Permanent Fund	162,097	165,512	165,629	170,893	170,893
ENTERPRISE FUNDS					
Environmental Remediation Fund	1,535,306	3,288,849	5,470,445	5,116,513	5,616,513
Golf Fund	7,883,985	6,333,032	7,013,336	6,540,728	6,864,633
Golf Revenue Bond Redemption Fund	1,444,423	1,449,361	1,441,624	1,442,000	1,442,000
Hydroelectric Power Bond Redemption Fund	7,972,938	8,114,961	8,280,704	7,744,233	6,320,128
Hydroelectric Power Operating Fund	1,123,075	1,091,125	2,350,240	1,003,026	1,130,201
Hydroelectric Power Renewal and Replacement Fund	8,634,328	8,871,824	9,236,875	8,418,995	8,461,638
Parking Facilities Fund	12,768,381	12,563,267	12,984,500	16,091,560	17,085,967
Parking Facilities Debt Redemption Fund	3,737,353	3,490,540	3,073,776	3,075,051	3,075,051
Portland International Raceway Fund	1,567,318	1,687,999	1,628,046	1,983,366	1,983,366
Sewer Revolving Loan Fund	1,696,091	514,968	788,383	654,320	654,320
Sewer System Construction Fund	196,847,195	255,108,182	345,554,548	252,313,450	252,313,450
Sewer System Debt Redemption Fund	69,573,514	336,692,957	86,868,929	104,977,406	104,977,406
Sewer System Operating Fund	373,068,828	371,068,683	374,629,371	462,435,243	462,519,637
Sewer System Rate Stabilization Fund	17,613,069	23,729,418	32,975,660	42,679,489	48,738,799
Sewer System Safety Net Fund	2,387,900	1,039,999	991,446	1,169,999	1,169,999
Solid Waste Management Fund	6,367,476	7,409,004	6,065,451	7,388,131	7,388,131
Spectator Facilities Operating Fund	14,410,913	44,414,462	13,905,856	15,156,179	14,716,665
Water Fund	137,569,467	150,442,284	168,429,706	162,477,156	165,077,508
Washington County Supply Bond Redemption Fund	3,702,434	2,024,550	0	0	0
Water Bond Sinking Fund	73,090,126	13,356,540	14,254,475	15,628,942	16,039,135
Water Construction Fund	73,318,665	58,989,515	88,353,163	89,906,991	100,153,232
Water Growth Impact Charge Trust Fund	1,664,868	1,701,311	1,718,539	1,811,348	1,839,974
Total Enterprise Funds	1,017,977,653	1,313,382,831	1,186,015,073	1,208,014,126	1,227,567,753
INTERNAL SERVICE FUNDS					
CityFleet Operating Fund	38,105,026	41,879,744	41,215,788	41,967,522	42,169,188
Communications Services Operating Fund	25,470,477	27,886,262	0	0	0
Facilities Services Operating Fund	63,665,620	39,783,061	45,380,031	43,304,214	49,984,310
Health Insurance Operating Fund	48,908,954	43,083,603	41,241,315	41,477,307	42,964,206
Insurance and Claims Operating Fund	23,345,903	24,932,610	24,839,989	22,743,397	25,113,510
Portland Police Association Health Insurance Fund	0	7,804,415	9,051,229	11,228,876	11,228,876
Printing & Distribution Services Operating Fund	6,989,528	7,954,545	7,707,345	8,925,120	9,246,003
Technology Services Fund	25,048,044	26,719,129	62,998,876	63,260,931	69,505,636
Workers' Comp Self-Insurance Operating Fund	17,301,353	18,096,953	18,524,886	20,609,838	21,305,434
Total Internal Service Funds	248,834,905	238,140,322	250,959,459	253,517,205	271,517,163

Total Revenues and Expenses by Fund by Fiscal Year

TABLE 5

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

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Adopted FY 2006-07
FIDUCIARY FUNDS					
Fire & Police Disability & Retirement Fund	109,969,633	107,612,184	111,506,541	113,538,809	113,965,154
Fire & Police Disability & Retirement Reserve Fund	750,000	750,000	750,000	750,000	750,000
Fire & Police Supplemental Retirement Reserve Fund	90,969	85,601	108,269	75,450	75,450
Total Fiduciary Funds	110,810,602	108,447,785	112,364,810	114,364,259	114,790,604
TOTAL ALL FUNDS	\$ 2,340,761,851	\$ 2,732,094,003	\$ 2,787,447,276	\$ 2,871,288,000	\$ 2,933,560,038

Summary of Revenues by Fund – FY 2006–07

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
MAJOR GOVERNMENT FUNDS						
General Fund	164,437,521	113,093,257	51,461,156	110,618,553	30,064,473	469,674,960
Transportation Operating Fund	0	26,911,974	88,160,512	55,915,197	26,706,394	197,694,077
Total Major Government Funds	164,437,521	140,005,231	139,621,668	166,533,750	56,770,867	667,369,037
SPECIAL REVENUE FUNDS						
Assessment Collection Fund	0	0	2,100	0	65,376	67,476
Business License Surcharge Fund	0	4,582,892	20,000	0	1,699,461	6,302,353
Cable Fund	0	996,665	2,056,522	281,365	1,690,692	5,025,244
Campaign Finance Fund	0	0	27,494	648,000	916,476	1,591,970
Children's Investment Fund	11,216,448	0	194,277	0	11,587,443	22,998,168
Convention and Tourism Fund	0	0	2,681,205	0	144,398	2,825,603
Development Services Fund	0	33,318,390	1,919,000	2,328,759	9,918,848	47,484,997
Emergency Communication Fund	0	50,000	5,498,459	9,477,966	1,959,671	16,986,096
Federal Grants Fund	0	0	36,415,951	0	0	36,415,951
General Reserve Fund	0	0	1,902,632	0	48,840,733	50,743,365
HOME Grant Fund	0	0	7,949,526	0	0	7,949,526
Housing and Community Development Fund	0	0	13,990,079	0	0	13,990,079
Housing Investment Fund	0	5,250	443,400	3,328,122	8,239,454	12,016,226
Parks Local Option Levy Fund	10,586,165	0	100,000	200,000	6,979,319	17,865,484
Portland Parks Memorial Trust Fund	0	1,245,500	162,403	40,900	3,268,636	4,717,439
Private for Hire Transportation Safety Fund	0	0	85,897	0	21,802	107,699
Property Management License Fund	0	4,592,663	18,000	0	32,969	4,643,632
Public Safety Fund	0	100,000	22,000	1,000,000	1,189,578	2,311,578
Special Finance and Resource Fund	0	0	148,250,000	0	0	148,250,000
Transportation Reserve Fund	0	0	22,000	0	706,341	728,341
Total Special Revenue Funds	21,802,613	44,891,360	221,760,945	17,305,112	97,261,197	403,021,227
DEBT SERVICE FUNDS						
Airport Way Debt Service Fund	5,034,191	0	96,707	0	3,028,819	8,159,717
Bancroft Bond Interest & Sinking Fund	0	0	4,599,135	0	13,560,138	18,159,273
Bonded Debt Interest and Sinking Fund	7,610,055	0	75,000	0	100,000	7,785,055
Central Eastside Industrial District Debt Svc Fund	3,856,166	0	74,570	0	0	3,930,736
Convention Center Area Debt Service Fund	7,036,379	0	136,449	0	0	7,172,828
Gas Tax Bond Redemption Fund	0	0	0	3,281,571	401	3,281,972
Gateway URA Debt Redemption Fund	1,591,222	0	31,189	0	0	1,622,411
Governmental Bond Redemption Fund	0	0	415,000	3,128,856	0	3,543,856
Interstate Corridor Debt Service Fund	5,724,018	0	112,346	0	0	5,836,364
Lents Town Center URA Debt Redemption Fund	5,705,372	0	111,382	0	0	5,816,754
N Macadam URA Debt Redemption Fund	1,194,303	0	27,129	0	600,000	1,821,432
Pension Debt Redemption Fund	0	0	954,289	18,882,779	6,322,222	26,159,290
River District URA Debt Redemption Fund	15,088,501	0	503,625	0	4,734,950	20,327,076
South Park Block Redemption Fund	7,147,735	0	138,555	0	0	7,286,290
Special Projects Debt Service Fund	0	0	5,512,263	0	0	5,512,263
Waterfront Renewal Bond Sinking Fund	14,178,299	0	348,776	0	1,681,500	16,208,575
Total Debt Service Funds	74,166,241	0	13,136,415	25,293,206	30,028,030	142,623,892

Summary of Revenues by Fund – FY 2006–07

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
CAPITAL PROJECTS FUNDS						
BFRES Facilities GO Bond Construction Fund	0	0	17,980,000	116,300	3,779,000	21,875,300
L I D Construction Fund	0	1,316,320	52,212,917	46,633	2,734,333	56,310,203
Parks Capital Construction and Maintenance Fund	0	3,500,000	6,743,976	9,463,056	8,606,934	28,313,966
Total Capital Projects Funds	0	4,816,320	76,936,893	9,625,989	15,120,267	106,499,469
PERMANENT FUND						
Parks Endowment Fund	0	0	3,732	0	167,161	170,893
Total Permanent Fund	0	0	3,732	0	167,161	170,893
ENTERPRISE FUNDS						
Environmental Remediation Fund	0	585,000	25,000	4,106,513	900,000	5,616,513
Golf Fund	0	6,284,960	22,900	0	556,773	6,864,633
Golf Revenue Bond Redemption Fund	0	0	13,000	794,000	635,000	1,442,000
Hydroelectric Power Bond Redemption Fund	0	0	3,109,060	0	3,211,068	6,320,128
Hydroelectric Power Operating Fund	0	0	660,450	260,200	209,551	1,130,201
Hydroelectric Power Renewal and Replacement Fund	0	0	466,450	0	7,995,188	8,461,638
Parking Facilities Fund	0	10,706,670	2,404,168	709,468	3,265,661	17,085,967
Parking Facilities Debt Redemption Fund	0	0	0	3,074,475	576	3,075,051
Portland International Raceway Fund	0	1,620,000	5,000	0	358,366	1,983,366
Sewer Revolving Loan Fund	0	100,000	30,000	0	524,320	654,320
Sewer System Construction Fund	0	834,000	10,155,500	7,000,000	234,323,950	252,313,450
Sewer System Debt Redemption Fund	0	0	4,000	102,131,893	2,841,513	104,977,406
Sewer System Operating Fund	0	202,907,198	2,305,665	235,325,361	21,981,413	462,519,637
Sewer System Rate Stabilization Fund	0	0	7,559,310	6,000,000	35,179,489	48,738,799
Sewer System Safety Net Fund	0	0	52,000	0	1,117,999	1,169,999
Solid Waste Management Fund	0	2,915,250	443,691	90,411	3,938,779	7,388,131
Spectator Facilities Operating Fund	0	5,285,000	2,350,368	0	7,081,297	14,716,665
Water Fund	0	83,530,437	1,296,324	54,139,060	26,111,687	165,077,508
Water Bond Sinking Fund	0	0	0	16,039,135	0	16,039,135
Water Construction Fund	0	2,778,300	70,567,984	20,814,104	5,992,844	100,153,232
Water Growth Impact Charge Trust Fund	0	0	77,547	0	1,762,427	1,839,974
Total Enterprise Funds	0	317,546,815	101,548,417	450,484,620	357,987,901	1,227,567,753
INTERNAL SERVICE FUNDS						
CityFleet Operating Fund	0	30,000	1,112,000	22,442,057	18,585,131	42,169,188
Facilities Services Operating Fund	0	1,589,590	3,637,106	30,826,011	13,931,603	49,984,310
Health Insurance Operating Fund	0	31,716,954	3,021,825	1,222,479	7,002,948	42,964,206
Insurance and Claims Operating Fund	0	0	842,370	6,748,543	17,522,597	25,113,510
Portland Police Assoc. Health Insurance Fund	0	9,860,637	520,294	0	847,945	11,228,876
Printing & Distribution Services Operating Fund	0	329,871	1,307,934	5,706,744	1,901,454	9,246,003
Technology Services Fund	0	3,564,867	7,803,884	40,202,859	17,934,026	69,505,636
Workers' Comp Self-Insurance Operating Fund	0	0	761,993	4,623,438	15,920,003	21,305,434
Total Internal Service Funds	0	47,091,919	19,007,406	111,772,131	93,645,707	271,517,163
FIDUCIARY FUNDS						
Fire & Police Disability & Retirement Fund	81,014,823	0	21,300,000	757,200	10,893,131	113,965,154

Summary of Revenues by Fund – FY 2006–07

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
Fire & Police Disability & Retirement Reserve Fund	0	0	0	0	750,000	750,000
Fire & Police Supplemental Retirement Reserve Fund	0	0	2,500	0	72,950	75,450
Total Fiduciary Funds	81,014,823	0	21,302,500	757,200	11,716,081	114,790,604
TOTAL ALL FUNDS	\$ 341,421,198	\$ 554,351,645	\$ 593,317,976	\$ 781,772,008	\$ 662,697,211	\$2,933,560,038

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 2003-04	Actual FY 2004-05	Revised FY 2005-06	Adopted FY 2006-07
HISTORICAL FUNDS				
Washington County Supply Bond Redemption Fund	3,702,434	2,024,550	0	0
Communications Services Operating Fund	25,470,477	27,886,262	0	0
Total Historical Funds	29,172,911	29,910,812	0	0
HISTORICAL SPECIAL APPROPRIATIONS				
General Fund				
Business License Refunds	50,000	0	0	0
Managing for Results	92,000	0	0	0
Holiday Festival	50,000	50,000	0	0
PDC Enterprise Zone Program	50,582	50,689	0	0
PDC Business Districts Program	54,280	54,395	0	0
PDC Small Business Program	111,200	111,436	0	0
PDC Targeted Industry Jobs	118,150	118,400	0	0
PDC Regional Business Development	136,237	136,525	0	0
Employee Transit Program	132,293	213,671	0	0
PDC Citywide Business Development	428,038	428,942	0	0
CIP O&M Set Aside	551,966	669,704	0	0
BHCD Workforce Development	86,874	96,316	97,365	0
Block-by-Block Weatherization	0	100,000	0	0
FPD&R Review	0	0	120,000	0
Lone Fir Cemetery	0	0	150,000	0
Portland Opera	0	0	200,000	0
Portland Schools	0	0	475,000	0
PGE Legal Costs	0	0	1,200,000	0
Total Historical Special Appropriations	1,861,620	2,030,078	2,242,365	0
TOTAL HISTORICAL FUNDS AND APPROPRIATIONS	\$ 31,034,531	\$ 31,940,890	\$ 2,242,365	\$ 0

Summary of Indebtedness

TABLE 8
DEBT OUTSTANDING

Service Area	Facility/ Function	Type of Indebtedness	FY 2004-05	FY 2005-06	Change
DEBT OUTSTANDING BY SERVICE AREA					
Parks, Recreation, and Culture					
Arena		Limited Tax Revenue Refunding Bonds	\$27,215,000	\$26,015,000	(\$1,200,000)
Civic Stadium		Limited Tax Revenue Bonds	31,715,000	30,715,000	(1,000,000)
PCPA		Limited Tax Revenue Bonds	1,820,000	1,740,000	(80,000)
Golf		Revenue Bonds	5,247,000	4,681,000	(566,000)
Parks Land Purchases (WAMO)		Line of Credit	3,439,224	3,549,519	110,295
Children's Receiving Center		Line of Credit	600,841	400,561	(200,280)
Parks System		Voter Approved General Obligation Bonds	38,380,000	35,290,000	(3,090,000)
			108,417,065	102,391,080	(6,025,985)
Public Utilities					
Sewer System		1st Lien Revenue Bonds	773,815,000	925,075,000	151,260,000
		2nd Lien Revenue Bonds	228,425,000	308,125,000	79,700,000
		State Loans	1,640,071	11,619,452	9,979,381
Water System		Revenue Bonds	145,145,000	139,640,000	(5,505,000)
		General Obligation Water Revenue Bonds	7,542,155	7,485,000	(57,155)
Hydroelectric Power		Revenue Bonds	23,915,000	21,370,000	(2,545,000)
			1,180,482,226	1,413,314,452	232,832,226
Community Development					
Public Infrastructure		Limited Tax Improvement Bonds	19,355,000	15,795,000	(3,560,000)
Local Improvement line of credit		Limited Tax Revenue (secured)	618,733	16,659,127	16,040,394
Convention Center Expansion		Limited Tax Revenue Bonds	98,888,888	97,878,888	(1,010,000)
New Columbia Infrastructure		HUD Loan	8,632,000	10,141,000	1,509,000
Headwaters Apartments		Limited Tax Revenue (Housing)	11,740,000	11,740,000	0
Housing Opportunity Bond		Limited Tax Revenue (Housing)	10,145,000	9,780,000	(365,000)
			149,379,621	161,994,015	12,614,394
Transportation and Parking					
Parking Facilities		Parking Revenue Refunding Bonds	5,900,000	5,150,000	(750,000)
Streetcar		Limited Tax Revenue Bonds	25,760,000	24,870,000	(890,000)
Transportation (Streetcar, Meters, Recycling)		Lines of Credit	12,662,362	22,841,935	10,179,573
Street Improvements			6,935,000	6,450,000	(485,000)
			51,257,362	59,311,935	8,054,573
Legislative, Admin., and Support Services					
Equipment and Facility		Limited Tax Revenue Bonds	63,515,000	58,455,000	(5,060,000)
		State Loans	29,370	18,671	(10,699)
		Limited Tax Revenue Bonds (FF&C Ref.)	11,640,000	8,625,000	(3,015,000)
Pension		Limited Tax Pension Obligations	300,848,346	300,848,346	0
Emergency Facilities		Voter Approved General Obligation Bonds	32,840,000	31,290,000	(1,550,000)
			408,872,716	399,237,017	(9,635,699)
Portland Development Commission					
Airport Way		Tax Increment	58,290,000	55,950,000	(2,340,000)
Central Eastside		Tax Increment	10,800,000	17,600,000	6,800,000
Convention Center		Tax Increment	51,480,000	58,455,000	6,975,000
Lents		Tax Increment	6,400,000	6,400,000	0
River District		Tax Increment	59,285,000	56,945,000	(2,340,000)
Interstate Corridor		Tax Increment	32,310,000	31,200,000	(1,110,000)
North Macadam		Tax Increment	2,700,000	21,076,776	18,376,776
Gateway		Tax Increment	1,000,000	1,000,000	0
South Park Blocks		Tax Increment	36,020,000	35,075,000	(945,000)
Waterfront		Tax Increment	62,360,000	58,045,000	(4,315,000)
			320,645,000	341,746,776	21,101,776
TOTAL DEBT OUTSTANDING			\$2,219,053,990	\$2,477,995,275	\$ 258,941,285

Summary of Indebtedness

TABLE 8

DEBT OUTSTANDING

Service Area	Facility/ Function	Type of Indebtedness	FY 2004-05	FY 2005-06	Change
TYPE OF INDEBTEDNESS					
		Limited Tax Bonds	300,848,346	300,848,346	-
		Limited Tax Improvement Bonds	19,355,000	15,795,000	3,560,000
		General Obligation Water Revenue Bonds	7,542,155	7,485,000	57,155
		Voter Approved General Obligation Bonds	71,220,000	66,580,000	4,640,000
		Gas Tax Revenue Bonds	19,597,362	29,291,935	(9,694,573)
		Revenue Bonds	1,182,447,000	1,404,041,000	(221,594,000)
		Limited Tax Revenue Bonds	287,097,686	290,428,095	(3,330,409)
		State / Federal Loans	10,301,441	21,779,123	(11,477,682)
		Tax Increment	320,645,000	341,746,776	(21,101,776)
TOTAL DEBT OUTSTANDING			\$2,219,053,990	\$2,477,995,275	\$(258,941,285)

ACTUAL DEBT OUTSTANDING

Facility/ Function	Type of Indebtedness	FY 2004-05	FY 2005-06	FY 2006-07
ACTUAL DEBT OUTSTANDING JULY 1, 2005				
Debt Issued Fiscal Year 2005-06				
Sewer System	First Lien Sewer System Revenue Bonds		\$177,845,000	
Sewer System	Second Lien Sewer System Revenue Bonds		87,135,000	
Airport Way Urban Renewal Refunding	Tax Increment Refunding Bonds		45,370,000	
Hydroelectric Power Refunding	Hydroelectric Power Revenue Refunding Bonds		21,370,000	
Various	Lines of credit		66,180,836	
Total			397,900,836	
Total Debt Redeemed Fiscal Year 2005-06				(656,842,121)
TOTAL PROJECTED DEBT OUTSTANDING JULY 1, 2006		\$	\$2,477,995,275	\$
Estimated Debt to be Issued Fiscal Year 2006-07				
Water System	Water Revenue Bonds			70,000,000
Urban Renewal	Central Eastside			28,000,000
Emergency Facilities	General Obligation Fire			13,000,000
Assessment Improvements	Limited Tax Improvement Bonds			50,000,000
Total				161,000,000
Total Projected Debt Redemption Fiscal Year 2006-07				(95,681,678)
TOTAL PROJECTED DEBT OUTSTANDING JULY 1, 2007		\$	\$	\$2,543,313,597

Summary of Indebtedness

TABLE 9
DEBT SERVICE

Service Area Facility/Function	Type of Indebtedness	Principal	Interest	Total
Parks, Recreation, and Culture				
Arena	Limited Tax Revenue Bonds	1,340,000	1,195,706	2,535,706
		1,340,000	1,195,706	2,535,706
Golf	Revenue Bonds	585,000	221,893	806,893
Parks / Fire	Voter Approved General Obligation Bonds	4,810,000	2,975,055	7,785,055
Civic Stadium 2001	Limited Tax Revenue Bonds	1,060,000	2,077,405	3,137,405
PCPA 2001	Limited Tax Revenue Bonds	80,000	85,050	165,050
		6,535,000	5,359,403	11,894,403
Public Utilities				
Sewer System	Revenue Bonds	40,480,000	61,237,236	101,717,236
	State Loans	142,720	470,709	613,429
		40,622,720	61,707,945	102,330,665
Water System	Revenue Bonds	5,760,000	8,661,209	14,421,209
	General Obligation Water Revenue Bonds	1,405,000	212,925	1,617,925
		7,165,000	8,874,134	16,039,134
Hydroelectric Power	Revenue Bonds	1,090,000	1,137,051	2,227,051
		48,877,720	71,719,130	120,596,850
Community Development				
Public Infrastructure	Limited Tax Improvement Bonds	2,388,664	1,072,951	3,461,615
Headwaters / Housing Opportunity	Limited Tax Housing Revenue Bonds	350,000	960,826	1,310,826
Convention Ctr Expan.	Limited Tax Revenue Bonds	1,270,000	4,077,213	5,347,213
		4,008,664	6,110,990	10,119,654
Transportation and Parking				
Parking Facilities	Revenue Bonds	1,705,000	1,370,051	3,075,051
Street Improvements	Gas Tax Revenue Bonds	2,710,877	570,694	3,281,571
		4,415,877	1,940,745	6,356,622
Legislative, Admin., and Support Services				
Pension Bonds	Limited Tax Bonds	2,570,000	16,844,689	19,414,689
Equipment and Facility	Limited Tax Revenue Bonds	6,835,000	2,106,004	8,941,004
	State Loans	12,289	723	13,012
		9,417,289	18,951,416	28,368,705
Portland Development Commission				
Airport Way	Tax Increment	2,870,000	2,527,738	5,397,738
Central Eastside	Tax Increment	2,298,536	1,632,200	3,930,736
Convention Center	Tax Increment	3,038,927	7,237,300	10,276,227
South Park Blocks	Tax Increment	4,911,447	2,374,843	7,286,290
Waterfront	Tax Increment	10,868,629	3,658,446	14,527,075
River District	Tax Increment	12,437,413	3,154,713	15,592,126
Gateway	Tax Increment	1,096,161	526,250	1,622,411
Lents	Tax Increment	5,061,254	755,500	5,816,754
North Macadam	Tax Increment	0	1,821,432	1,821,432
Interstate	Tax Increment	4,235,432	1,600,931	5,836,363
		46,817,799	25,289,352	72,107,151
TOTAL DEBT SERVICE BY SERVICE AREA		\$ 121,412,349	\$ 130,566,742	\$ 251,979,091
	Limited Tax Bonds	2,570,000	16,844,689	19,414,689
	Limited Tax Improvement Bonds	2,388,664	1,072,951	3,461,615
	General Obligation Water Revenue Bonds	1,405,000	212,925	1,617,925
	Voter Approved General Obligation Bonds	4,810,000	2,975,055	7,785,055
	Gas Tax Revenue Bonds	2,710,877	570,694	3,281,571

Summary of Indebtedness

TABLE 9
DEBT SERVICE

Service Area Facility/Function	Type of Indebtedness	Principal	Interest	Total
	Revenue Bonds	49,620,000	72,627,440	122,247,440
	Limited Tax Revenue Bonds	10,585,000	9,541,378	20,126,378
	Limited Tax Housing Revenue Bonds	350,000	960,826	1,310,826
	State Loans	155,009	471,432	626,441
	Tax Increment	46,817,799	25,289,352	72,107,151
TOTAL DEBT SERVICE BY TYPE		\$ 121,412,349	\$ 130,566,742	\$ 251,979,091

Principal Over the Life of the Debt
Schedule of Projected Bond Principal Transactions

TABLE 10

PRINCIPAL REQUIREMENTS

Fiscal Year	Parks, Recreation & Culture				Public Utilities			Community Development	Transportation and Parking		Legislative, Admin & 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
2006/07	1,340,000	3,210,000	585,000	1,140,000	40,710,355	5,760,000	1,090,000	1,100,000	510,000	1,705,000	22,541,882	38,361,848
2007/08	1,590,000	3,340,000	608,000	1,215,000	44,059,227	6,065,000	1,660,000	1,065,000	525,000	1,780,000	25,336,789	13,565,000
2008/09	1,755,000	3,595,000	634,000	1,290,000	46,195,491	6,380,000	1,750,000	0	550,000	1,840,000	22,580,000	13,020,000
2009/10	1,930,000	3,745,000	663,000	1,365,000	48,491,790	6,705,000	1,835,000	0	570,000	1,920,000	23,094,560	15,085,000
2010/11	2,355,000	3,900,000	695,000	1,460,000	51,291,442	7,050,000	1,940,000	0	580,000	1,995,000	25,083,880	15,980,000
2011/12	2,555,000	4,075,000	729,000	1,545,000	53,886,764	7,415,000	2,045,000	0	600,000	1,605,000	27,116,468	16,890,000
2012/13	2,760,000	4,280,000	767,000	1,650,000	56,572,103	7,780,000	2,145,000	810,000	630,000	1,675,000	27,493,500	17,870,000
2013/14	3,015,000	4,470,000		1,750,000	59,402,457	8,165,000	2,270,000	0	650,000	1,250,000	28,631,224	18,920,000
2014/15	3,285,000	4,675,000		1,870,000	62,367,831	8,560,000	2,390,000	0	680,000	1,310,000	31,186,060	19,900,000
2015/16	3,575,000			1,990,000	65,453,223	8,950,000	2,505,000	0	695,000	1,370,000	33,923,880	20,930,000
2016/17	1,855,000			2,125,000	68,728,634	9,660,000	1,740,000	0	220,000	1,430,000	32,548,000	22,055,000
2017/18				2,270,000	72,939,073	10,150,000		380,000	240,000	1,500,000	35,331,440	23,255,000
2018/19				2,425,000	76,045,000	10,680,000		1,960,000		1,570,000	33,978,960	24,510,000
2019/20				2,585,000	79,720,000	11,250,000		0		1,650,000	35,674,960	25,825,000
2020/21				2,765,000	83,740,000	11,850,000		0		1,720,000	40,852,500	6,100,000
2021/22				2,790,000	87,615,000	4,190,000		0		1,810,000	45,909,345	6,410,000
2022/23				2,220,000	92,065,000	4,400,000		10,480,000		1,900,000	21,655,175	6,710,000
2023/24					24,595,000	4,630,000				1,990,000	22,185,423	2,295,000
2024/25					25,825,000						21,699,733	2,410,000
2025/26					14,000,000						21,532,228	
2026/27					14,670,000						22,123,274	
2027/28					15,360,000						22,782,955	
2028/29					16,075,000						23,669,559	
2029/30					16,800,000						19,605,000	
2030/31					17,555,000						610,000	
2031/32											640,000	
2032/33											665,000	
2033/34											700,000	
2034/35											690,000	
TOTAL	\$ 26,015,000	\$ 35,290,000	\$ 4,681,000	\$ 32,455,000	\$1,234,163,390	\$139,640,000	\$ 21,370,000	\$ 15,795,000	\$ 6,450,000	\$ 30,020,000	\$669,841,793	\$310,091,848

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	Transportation and Parking		Legislative, Admin & 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
2006/07	1,195,705	1,581,430	221,893	2,162,455	61,711,728	6,769,993	1,137,051	665,108	247,745	1,370,050	35,160,647	17,450,570
2007/08	1,137,415	1,453,175	199,487	2,095,495	58,482,871	6,475,618	1,074,224	632,108	224,935	1,303,788	34,164,405	14,441,055
2008/09	1,068,250	1,319,575	173,343	2,018,500	55,995,304	6,164,493	980,056	597,495	208,188	1,231,375	32,964,877	13,849,251
2009/10	991,908	1,170,383	144,369	1,936,540	54,419,740	5,837,368	881,057	597,495	190,038	1,155,275	33,106,050	13,161,984
2010/11	907,953	1,011,220	112,280	1,849,615	51,271,035	5,493,493	776,810	597,495	170,378	1,074,538	32,105,751	12,334,512
2011/12	813,925	835,720	77,669	1,758,315	49,413,918	5,131,868	666,764	597,495	149,628	990,650	31,132,715	11,424,265
2012/13	724,500	631,970	40,344	1,659,690	46,002,213	4,758,543	551,057	597,495	127,578	919,588	30,092,615	10,442,091
2013/14	586,500	439,370		1,552,770	43,514,622	4,372,990	429,137	569,955	103,863	843,938	29,151,639	9,394,819
2014/15	435,750	233,750		1,437,500	40,567,037	3,983,175	300,451	569,955	78,643	786,125	28,013,427	8,417,856
2015/16	271,500			1,314,250	37,472,308	3,589,875	165,276	569,955	51,563	723,900	27,041,046	7,383,866
2016/17	92,750			1,181,090	34,224,021	3,145,988	48,050	569,955	23,000	658,825	25,940,846	6,255,519
2017/18				1,038,800	30,494,076	2,648,075		569,955	12,000	590,900	24,252,974	5,063,581
2018/19				886,750	26,688,961	2,117,344		551,430		519,650	22,346,644	3,805,654
2019/20				719,700	22,140,051	1,546,713		455,880		445,075	20,430,864	2,489,131
2020/21				541,450	18,442,203	945,875		455,880		366,700	16,901,276	1,165,081
2021/22				350,700	15,482,566	545,775		455,880		285,000	13,534,221	855,106
2022/23				155,400	11,066,582	341,500		455,880		194,500	40,326,710	556,850
2023/24					6,527,900	115,750				99,500	41,400,268	235,250
2024/25					5,304,238						42,491,558	120,500
2025/26					4,347,100						43,625,962	
2026/27					3,670,525						44,806,816	
2027/28					2,986,075						46,017,825	
2028/29					2,269,350						47,242,611	
2029/30					1,545,975						1,168,000	
2030/31					789,975						164,170	
2031/32											133,865	
2032/33											102,075	
2033/34											69,035	
2034/35											34,260	
TOTAL	\$ 8,226,155	\$ 8,676,593	\$ 969,385	\$ 22,659,020	\$684,830,374	\$ 63,984,431	\$ 7,009,933	\$ 9,509,416	\$ 1,587,555	\$ 13,559,375	\$743,923,152	\$138,846,940

Summary of Defeased Indebtedness

TABLE 12

DEFEASED BONDS PAYABLE

Type of Indebtedness	Principal		
	Outstanding 7-1-05	Maturity FY 2005-06	Outstanding 7-1-06
<p>The City will have about \$167 million of defeased bonds outstanding as of July 1, 2006. Defeased bonds are payable from fully funded irrevocable escrow accounts established with the proceeds from the sale of 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 to convert higher rate debt to lower interest rate debt, modify bond covenants for the City's benefit, or a combination of both.</p>			
DEFEASED BONDS OUTSTANDING			
Hydroelectric Power Revenue Bonds			
Hydroelectric Power Revenue Bonds, Series 1979	0	0	20,975,000
	0	0	20,975,000
Arena Bonds			
Arena Limited Tax Revenue Bonds 1996 Series A	6,645,000	(6,645,000)	0
Arena Limited Tax Bonds, Series 1996	7,635,000	(7,635,000)	0
Arena Limited Tax Revenue Bonds 1996 Series B	2,070,000	(2,070,000)	0
Arena Gas Tax Revenue Bonds, 1996 Series A	16,564,957	(16,564,957)	0
	32,914,957	(32,914,957)	0
Gas Tax Bonds			
Gas Tax Revenue Bonds, 1996 Series A	4,115,000	(4,115,000)	0
	4,115,000	(4,115,000)	0
Governmental Bonds			
Limited Tax Revenue Bonds, 1996 Series A	22,890,000	(22,890,000)	0
	22,890,000	(22,890,000)	0
Sewer Revenue Bonds			
Series 2000 A	146,000,000	0	146,000,000
Series 1996 A	97,490,000	(97,490,000)	0
	243,490,000	(97,490,000)	146,000,000
TOTAL DEFEASED BONDS OUTSTANDING	\$ 303,409,957	\$ (157,409,957)	\$ 166,975,000

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES						
External Revenues						
Property Taxes						
Current Property Taxes	145,342,854	150,547,141	154,181,404	159,918,111	159,918,111	159,918,111
Payments In Lieu of Taxes	660,945	821,501	728,458	781,420	781,420	781,420
Prior Year Property Taxes	3,844,118	3,483,424	3,769,106	3,737,990	3,737,990	3,737,990
	149,847,917	154,852,066	158,678,968	164,437,521	164,437,521	164,437,521
Lodging Taxes						
	11,104,018	11,808,450	12,092,518	13,502,206	13,502,206	13,502,206
Licenses and Permits						
Business Licenses	44,450,961	52,465,479	44,418,253	52,830,754	52,830,754	52,830,754
Construction Permits	1,134,487	1,380,009	1,460,592	1,717,516	1,717,516	1,717,516
Other Permits	1,685,714	1,733,036	1,964,989	2,099,668	2,099,668	2,099,668
Public Utility Licenses	40,558,892	40,926,082	40,619,123	42,061,663	42,061,663	42,061,663
	87,830,054	96,504,606	88,462,957	98,709,601	98,709,601	98,709,601
Service Charges and Fees						
Concessions	8,554	0	19,565	19,565	19,565	19,565
Inspection Fees	843,967	965,232	950,000	1,336,872	1,336,872	1,336,872
Miscellaneous	3,119,707	2,861,662	2,196,115	2,253,938	2,253,938	2,597,800
Parks & Recreation Facilities	7,408,508	7,969,802	8,228,915	8,245,848	8,245,848	8,245,848
Rents and Reimbursements	2,068,671	2,096,536	2,395,504	2,183,571	2,183,571	2,183,571
	13,449,407	13,893,232	13,790,099	14,039,794	14,039,794	14,383,656
State Sources						
State Cost Sharing	17,520	20,991	30,000	30,000	30,000	30,000
State Grants	80,544	0	0	0	23,820	23,820
State Shared Revenue	9,794,116	9,781,747	10,075,896	10,199,408	10,199,408	10,199,408
	9,892,180	9,802,738	10,105,896	10,229,408	10,253,228	10,253,228
Local Sources						
City Overhead Charges	144,430	84,027	179,776	170,656	170,656	170,656
Local Cost Sharing	5,795,732	6,507,732	6,160,754	6,528,061	6,627,061	6,555,322
Local Shared Revenue	3,361,899	3,987,286	3,938,962	4,333,708	4,333,708	4,333,708
Locally Administered Fed Funds	152,354	118,405	150,000	150,000	150,000	150,000
Multnomah County Cost Sharing	5,087,119	2,176,527	5,004,699	5,143,876	5,143,876	5,143,876
	14,541,534	12,873,977	15,434,191	16,326,301	16,425,301	16,353,562
Miscellaneous Revenues						
Bond and Note Sales	0	5,565,000	0	0	0	0
Collection of Assessment	1,167,039	1,191,983	1,106,111	0	0	0
Interest Earned	882,225	1,753,510	2,360,926	3,582,756	3,582,756	3,582,756
Loan Repayments	18,826	25,117	15,000	15,000	15,000	15,000
Other Miscellaneous	2,234,641	2,187,157	3,382,947	3,418,626	3,418,626	3,418,626
Private Grants/Donations	57,058	340,041	595,413	515,700	515,700	515,700

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Refunds	465,499	495,170	469,102	3,675,078	3,675,078	3,675,078
Sales Miscellaneous	52,849	158,288	145,000	145,000	145,000	145,000
	4,878,137	11,716,266	8,074,499	11,352,160	11,352,160	11,352,160
Total External Revenues	291,543,247	311,451,335	306,639,128	328,596,991	328,719,811	328,991,934
Internal Revenues						
Overhead Cash Transfers						
Assessment Collection Fund	332	270	209	103	103	103
BFRES Facilities Bond Const Fund	122,535	65,547	74,148	52,588	52,588	52,588
Business License Surcharge	0	3,862	26,290	42,232	42,232	42,232
Cable Fund	14,772	11,307	14,521	13,843	13,843	13,843
Campaign Finance Fund	0	0	0	7,223	7,223	7,223
Children's Investment Fund	0	25,000	25,000	25,000	25,000	25,000
CityFleet Services	877,260	609,771	787,192	764,457	764,457	764,457
Communications Services Fund	539,623	326,195	0	0	0	0
Convention and Tourism Fund	6,582	6,257	8,163	8,514	8,514	8,514
Development Services Fund	1,198,440	856,318	771,634	1,095,056	1,095,056	1,095,056
Emergency Communication Fund	385,968	204,723	303,779	455,561	455,561	455,561
Environmental Remediation Fund	4,072	3,121	3,501	24,833	24,833	24,833
Facilities Services Fund	1,510,382	1,106,950	814,887	568,479	568,479	568,479
FPD&R Fund	93,172	69,973	101,332	221,711	221,711	221,711
General Fund	0	0	0	226,535	226,535	226,535
Golf Fund	119,304	106,032	113,912	123,000	123,000	123,000
Health Insurance Fund	229,835	109,603	188,003	217,360	217,360	217,360
Hydroelectric Power Op Fund	54,426	50,423	58,026	59,350	59,350	59,350
Insurance & Claims Fund	167,224	47,036	128,953	168,068	168,068	168,068
LID Construction Fund	0	73,510	81,497	73,207	73,207	73,207
Parking Facilities Fund	103,057	77,865	93,288	144,590	144,590	144,590
Parks Capital Const & Maint Fund	106,059	75,360	109,657	189,995	189,995	189,995
Parks Local Option Levy	0	54,768	24,676	35,137	35,137	35,137
Portland International Raceway	24,425	26,284	27,297	26,527	26,527	26,527
PPA Health Insurance Fund	0	53,368	41,263	40,887	40,887	40,887
Printing/Distribution Fund	408,436	189,302	281,163	263,542	263,542	263,542
Transportation Safety Fund	0	437	942	1,981	1,981	1,981
Public Safety Fund	12,948	0	6,116	1,946	1,946	1,946
Sewer System Operating Fund	2,155,115	2,610,483	2,687,815	3,852,190	3,852,190	3,852,190
Solid Waste Management Fund	159,957	38,230	82,599	52,437	52,437	52,437
Spectator Facilities Operating	41,491	66,759	87,668	15,473	15,473	15,473
Technology Services Fund	503,097	408,228	844,595	1,221,575	1,221,575	1,221,575
Transportation Operating Fund	2,588,334	2,670,467	3,038,670	4,148,689	4,148,689	4,148,689
Water Fund	1,885,396	2,457,471	2,208,678	2,201,831	2,201,831	2,201,831

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Workers' Compensation Fund	196,833	81,294	158,614	164,962	164,962	164,962
	13,509,075	12,486,214	13,194,088	16,508,882	16,508,882	16,508,882
Other Cash Transfers						
Bancroft Bond Fund	0	0	0	5,000,000	5,000,000	5,000,000
BFRES Facilities Bond Const Fund	0	6,098	0	0	0	0
Cable Fund	0	1,340	0	0	0	0
CityFleet Services	37,486	30,104	0	0	0	0
Communication Services Fund	0	80,775	0	0	0	0
Convention & Tourism Fund	0	914	0	0	0	0
Development Services Fund	27,000	75,051	0	0	0	0
Emergency Communication Fund	0	29,564	0	0	0	0
Environmental Remediation Fund	0	356	0	0	0	0
Facilities Services Fund	0	23,480	0	0	0	0
General Reserve Fund	120,135	0	67,000	0	788,095	1,044,567
Golf Fund	0	12,769	0	0	0	0
Health Insurance Fund	0	29,636	0	0	0	0
Housing & Community Devel Fund	228,771	237,700	235,081	258,589	258,589	258,589
Housing Investment Fund	0	0	0	3,415,974	3,415,974	3,969,310
Hydropower Operating Fund	200,000	302,446	815,000	200,000	200,000	200,000
Insurance & Claims Fund	0	7,205	0	0	0	0
LID Construction Fund	0	5,201	0	0	0	0
Parking Facilities Fund	308,074	320,265	320,745	327,367	327,367	327,367
Parks Capital Const & Maint Fund	0	4,118	0	0	0	0
Pension Debt Redemption	500,000	0	0	0	0	0
Portland International Raceway	0	1,778	0	0	0	0
Printing & Distribution	0	49,301	0	0	0	0
Private for Hire Trans Safety	0	112,100	68,000	24,900	24,900	24,900
Public Safety Fund	0	1,262	0	0	0	0
Sewer System Operating Fund	11,538,268	12,684,307	12,809,321	12,809,321	12,809,321	12,809,321
Solid Waste Management Fund	697,187	673,776	791,587	749,599	749,599	749,599
Spectator Facilities Operating	0	13,046	11,477	14,537	14,537	14,537
Technology Services Fund	0	39,814	324,567	13,000	13,000	13,000
FPD&R Fund	0	1,790	0	0	0	0
Transportation Operating Fund	0	170,919	0	0	0	0
Water Fund	4,134,491	4,247,076	4,184,153	4,184,153	4,184,153	4,184,153
Workers Compensation Fund	0	5,758	0	0	0	0
	17,791,412	19,167,949	19,626,931	26,997,440	27,785,535	28,595,343
Federal Grants Transfers	16,023,156	17,471,675	30,471,872	12,874,818	13,930,818	14,799,597
Interfund Service Reimbursements						
BES Internal Services	1,166	0	0	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
BFRES Facilities Bond Const Fund	0	88,873	90,940	97,872	97,872	97,872
Business License Surcharge	304,594	304,736	312,374	256,025	256,025	256,025
Cable	317,093	326,442	342,688	370,158	370,158	370,158
Campaign Finance Fund	0	0	0	53,316	53,316	53,316
Children's Investment Fund	262,767	30,000	4,574	0	0	0
CityFleet Services	365,630	406,110	400,708	307,496	307,496	307,496
Communications Services	385,439	409,599	0	0	0	0
Convention and Tourism	60,254	61,700	68,272	69,707	69,707	69,707
Development Services	405,745	403,250	479,342	318,000	318,000	331,438
Emergency Communications	119,438	132,125	133,865	0	0	0
Emergency Management	0	23,506	0	0	0	0
Environmental Remediation	0	0	0	113,880	113,880	113,880
Environmental Services	3,443,855	6,235,881	11,655,042	11,041,492	11,163,885	11,128,549
Facilities Services Fund	761,787	754,220	836,907	705,622	705,622	705,622
FPD&R	1,073,111	1,133,244	1,279,247	2,245,479	2,413,959	2,413,959
Golf Fund	502,955	338,923	284,766	135,728	135,728	261,860
Health Insurance	271,938	199,935	234,221	234,519	234,519	234,519
HOME Grant Fund	299,985	335,085	438,662	385,673	385,673	385,673
Housing & Community Devel Fund	1,759,961	1,740,201	1,931,831	1,748,382	1,748,382	1,748,382
Housing & Community Development	26,305	28,735	0	0	0	0
Housing Investment Fund	31,000	0	67,400	0	0	0
Hydroelectric Power Op Fund	25,840	26,282	27,444	27,858	27,858	27,858
Insurance & Claims	1,463,416	1,259,213	1,505,846	1,639,298	1,639,298	1,639,298
LID Construction Fund	1,256,291	1,053,798	1,468,976	1,458,732	1,458,732	1,458,732
Office of Transportation	1,737,402	1,817,819	1,938,765	1,154,028	1,154,028	1,119,705
Parking Facilities Fund	258,989	254,269	170,544	116,280	116,280	116,280
Parks Capital Const & Maint Fund	397,701	238,519	152,846	121,811	121,811	121,811
Parks Endowment Fund	0	1,151	500	500	500	500
Parks Local Option Levy	3,807,978	3,979,577	5,047,584	5,037,813	5,037,813	5,026,904
Pension Debt Redemption	110,921	109,992	114,312	123,012	123,012	123,012
Portland International Raceway	173,228	134,451	111,590	114,543	114,543	114,543
Portland Parks Memorial Trust	651,940	726,823	708,991	633,936	633,936	507,804
Printing & Distribution	159,556	180,049	174,223	110,424	110,424	110,424
Transportation Safety Fund	0	14,528	12,000	12,000	12,000	12,000
Property Management License Fund	0	0	45,927	45,927	45,927	45,927
Public Safety Fund	19,020	19,909	21,415	21,275	21,275	21,275
Sewer System Construction Fund	0	0	100,000	100,000	100,000	100,000
Solid Waste Management Fund	276,058	326,824	365,829	292,742	292,742	292,742
Special Appropriations	0	0	0	0	0	0
Special Finance and Resources	29,458	0	0	0	0	0
Spectator Facilities	98,823	110,992	102,055	82,582	82,582	82,582

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Technology Services Fund	534,713	907,378	5,331,471	8,344,660	10,077,531	9,890,660
Water Bureau	2,460,787	5,104,447	10,035,734	9,010,907	9,126,514	9,126,514
Workers' Compensation Fund	577,394	378,068	317,814	233,687	233,687	233,687
	24,432,538	29,596,654	46,314,705	46,765,364	48,904,715	48,650,714
Intra-Fund Service Reimbursement	6,976,952	7,183,332	7,944,695	2,064,017	2,064,017	2,064,017
Total Internal Revenues	78,733,133	85,905,824	117,552,291	105,210,521	109,193,967	110,618,553
Beginning Fund Balance	19,387,276	41,584,356	33,505,245	29,930,206	29,864,473	30,064,473
TOTAL RESOURCES	\$ 389,663,656	\$ 438,941,515	\$ 457,696,664	\$ 463,737,718	\$ 467,778,251	\$ 469,674,960
REQUIREMENTS						
Bureau Expenses						
Personal Services	220,769,893	234,175,900	247,095,648	261,572,778	262,928,991	263,125,503
External Materials and Services	55,217,728	63,904,124	97,533,906	89,571,430	92,834,500	94,717,281
Internal Materials and Services						
CityFleet Services	7,380,824	9,520,712	8,846,862	9,633,197	9,633,197	9,633,197
Communications Services	5,536,697	5,789,501	0	0	0	0
Facilities Services	9,252,660	8,559,748	7,948,903	10,316,028	10,316,028	10,316,028
Insurance	5,825,979	5,578,938	5,866,999	6,144,438	6,144,438	6,144,438
Printing & Distribution	2,218,568	2,644,581	3,172,042	3,301,693	3,301,693	3,301,693
Technology Services Fund	9,017,954	9,098,877	18,051,919	20,462,060	20,469,560	20,490,243
BES Internal Services	92,474	115,000	125,000	127,245	127,245	127,245
BFRES Facilities Bond Const Fund	116,300	150,920	116,300	116,300	116,300	116,300
Cable	226,460	248,290	258,114	281,365	281,365	281,365
Development Services	48,062	51,672	25,592	44,801	44,801	44,801
Environmental Services	116,518	95,486	25,000	0	10,000	10,000
FPD&R	39,712	7,200	7,200	7,200	7,200	7,200
Golf Fund	0	13,186	0	0	0	0
Governmental Bond Redemption	12,096	12,096	12,097	13,012	13,012	13,012
Mayor	0	0	0	0	0	0
Office of Management & Finance	26,305	52,241	0	0	0	0
Parking Facilities	371,767	403,749	439,560	405,900	405,900	405,900
Parks Capital Const & Maint Fund	211,833	314,082	265,000	11,600	11,600	11,600
Portland International Raceway	32,000	0	0	0	0	0
Portland Parks Memorial Trust	193,975	115,000	69,432	25,000	25,000	25,000
Solid Waste Management Fund	0	43,963	51,877	90,411	90,411	90,411
Transportation	22,280	242,426	20,000	333,523	333,523	345,523
Water Bureau	6,581	149,242	385,300	408,337	408,337	408,337
Same Fund Services	6,976,955	7,183,332	7,944,695	2,064,017	2,064,017	2,064,017
	47,726,000	50,390,242	53,631,892	53,786,127	53,803,627	53,836,310
Capital Outlay	2,245,106	2,989,727	8,883,429	3,141,779	3,141,779	3,141,779

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Equipment Cash Transfers						
BFRES Facilities Bond Const	30,000	0	0	0	0	0
CityFleet Services	240,800	460,369	61,000	0	0	0
Communications Services	89,003	84,250	0	0	0	0
Facilities Services	0	0	100,000	0	0	0
Printing & Distribution	77,170	102,700	46,955	0	0	0
Technology Services Fund	0	225,000	629,086	0	0	0
	436,973	872,319	837,041	0	0	0
Minor Equipment Transfers						
Communications Services	218,141	79,707	0	0	0	0
Printing & Distribution	4,000	17,884	0	0	0	0
Technology Services	0	0	100,018	0	0	0
	222,141	97,591	100,018	0	0	0
Total Bureau Expenses	326,617,841	352,429,903	408,081,934	408,072,114	412,708,897	414,820,873
Fund Requirements						
General Operating Contingency						
General Operating Contingency	5,000	0	4,475,409	5,710,628	6,705,255	6,804,805
Prior Years Encumbered	0	0	5,860,624	10,750,000	10,750,000	10,750,000
	5,000	0	10,336,033	16,460,628	17,455,255	17,554,805
General Fund Overhead						
	0	0	0	226,535	226,535	226,535
Fund Cash Transfers						
Business License Surcharge	5,100,000	0	0	0	0	0
Campaign Finance Fund	0	0	447,526	542,241	542,241	280,368
Communication Services	250,000	692,500	0	0	0	0
Development Services Fund	1,193,072	1,153,361	1,349,837	1,762,083	1,762,083	1,762,083
Emergency Communication Fund	8,045,780	8,313,615	8,599,554	9,292,794	9,292,794	9,339,086
Environmental Remediation Fund	0	0	0	0	500,000	500,000
Facilities Services	2,879,202	2,516,660	2,393,550	2,715,010	2,715,010	2,715,010
Facilities Services	0	0	0	0	0	0
General Reserve Fund	625,384	1,887,907	5,568,149	2,024,977	0	0
Governmental Bond Redemption	7,746,853	2,129,713	1,962,950	1,665,001	1,665,001	1,665,001
Health Insurance	0	3,180,000	0	0	0	0
Housing Investment Fund	495,757	492,716	2,882,122	3,328,122	3,328,122	3,328,122
Insurance & Claims Fund	0	10,000	0	0	0	0
Parks Capital Const & Maint Fund	1,073,676	1,928,044	2,703,227	1,061,104	995,204	995,204
Pension Debt Redemption Fund	1,417,168	4,185,559	6,033,880	7,642,270	7,642,270	7,642,270
Private for Hire Trans Safety	205,000	0	0	0	0	0
Public Safety Fund	0	0	17,500	0	0	0
Sewer System Operating Fund	0	362,056	352,056	345,488	345,488	345,488
Technology Services Fund	618,616	1,086,145	868,957	952,197	952,197	852,961

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Transportation Operating	3,955,201	6,542,610	5,989,552	7,647,154	7,647,154	7,647,154
	33,605,709	34,480,886	39,168,860	38,978,441	37,387,564	37,072,747
Debt Retirement	30,000	468,890	109,837	0	0	0
Ending Balance						
Unappropriated Ending Balance	29,405,106	51,561,836	0	0	0	0
	29,405,106	51,561,836	0	0	0	0
Total Fund Requirements	63,045,815	86,511,612	49,614,730	55,665,604	55,069,354	54,854,087
TOTAL REQUIREMENTS	\$ 389,663,656	\$ 438,941,515	\$ 457,696,664	\$ 463,737,718	\$ 467,778,251	\$ 469,674,960

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Interest Earned	445,001	858,746	1,137,480	1,137,480	1,902,632	1,902,632	1,902,632
Other Miscellaneous	0	509,180	0	0	0	0	0
	445,001	1,367,926	1,137,480	1,137,480	1,902,632	1,902,632	1,902,632
Total External Revenues	445,001	1,367,926	1,137,480	1,137,480	1,902,632	1,902,632	1,902,632
Internal Revenues							
Other Cash Transfers							
Development Services Fund	730,360	0	0	0	0	0	0
General Fund	625,384	1,887,907	5,568,149	5,568,149	2,024,977	0	0
Health Insurance Fund	262,281	0	0	0	0	0	0
	1,618,025	1,887,907	5,568,149	5,568,149	2,024,977	0	0
Total Internal Revenues	1,618,025	1,887,907	5,568,149	5,568,149	2,024,977	0	0
Beginning Fund Balance	37,245,789	39,184,722	42,257,809	42,202,105	48,840,733	48,840,733	48,840,733
TOTAL RESOURCES	\$ 39,308,815	\$ 42,440,555	\$ 48,963,438	\$ 48,907,734	\$ 52,768,342	\$ 50,743,365	\$ 50,743,365
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	0	238,450	15,000	0	0	0	0
Total Bureau Expenses	0	238,450	15,000	0	0	0	0
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	48,881,438	0	52,675,592	49,862,520	49,606,048
	0	0	48,881,438	0	52,675,592	49,862,520	49,606,048
Fund Cash Transfers							
Development Services Fund	0	0	0	0	92,750	92,750	92,750
General Fund	120,135	0	67,000	67,001	0	788,095	1,044,567
Health Insurance	3,958	0	0	0	0	0	0
	124,093	0	67,000	67,001	92,750	880,845	1,137,317
Ending Balance							
Unappropriated Ending Balance	39,184,722	42,202,105	0	48,840,733	0	0	0
	39,184,722	42,202,105	0	48,840,733	0	0	0
Total Fund Requirements	39,308,815	42,202,105	48,948,438	48,907,734	52,768,342	50,743,365	50,743,365
TOTAL REQUIREMENTS	\$ 39,308,815	\$ 42,440,555	\$ 48,963,438	\$ 48,907,734	\$ 52,768,342	\$ 50,743,365	\$ 50,743,365

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 Council's objective and an adopted policy to maintain a reserve level equal to 10% of General Fund revenues, net of short-term borrowing.

The policy defines the first 5% of reserves as an emergency reserve available to fund major one-time, unanticipated expenditures 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 programs at current service levels 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 2006-07.

City Council’s five-year financial forecast allows using reserves in excess of the required 10% level to fund one-time General Fund appropriations. Interest income for the General Reserve Fund is projected to keep reserves at the required 10% level throughout the five-year financial forecast period ending in FY 2010-11.

Managing Agency

Office of Management and Finance, Financial Planning

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	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	96,097	(95,457)	0	0	0	0	0
	96,097	(95,457)	0	0	0	0	0
Local Sources							
Local Cost Sharing	0	158,518	782,500	431,000	4,844,000	4,844,000	4,844,000
	0	158,518	782,500	431,000	4,844,000	4,844,000	4,844,000
Miscellaneous Revenues							
Bond and Note Sales	14,099,646	0	0	0	12,888,000	12,888,000	12,888,000
Interest Earned	103,743	263,617	136,000	204,191	248,000	248,000	248,000
	14,203,389	263,617	136,000	204,191	13,136,000	13,136,000	13,136,000
Total External Revenues	14,299,486	326,678	918,500	635,191	17,980,000	17,980,000	17,980,000
Internal Revenues							
Interfund Service Reimbursements							
Fire Bureau	116,300	150,920	116,300	116,300	116,300	116,300	116,300
	116,300	150,920	116,300	116,300	116,300	116,300	116,300
Equipment Cash Transfers							
Fire Bureau	30,000	0	0	0	0	0	0
	30,000	0	0	0	0	0	0
Total Internal Revenues	146,300	150,920	116,300	116,300	116,300	116,300	116,300
Beginning Fund Balance	3,782,880	13,682,096	8,855,000	10,223,809	2,568,458	3,779,000	3,779,000
TOTAL RESOURCES	\$ 18,228,666	\$ 14,159,694	\$ 9,889,800	\$ 10,975,300	\$ 20,664,758	\$ 21,875,300	\$ 21,875,300
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	159,074	16,738	97,194	30,000	20,000	20,000	20,000
Internal Materials and Services							
Communications Services	64,252	71,792	0	0	0	0	0
Facilities Services	1,247,977	1,129,560	2,087,470	857,518	2,577,000	2,577,000	2,577,000
Printing & Distribution	1,715	0	0	0	0	0	0
Technology Services Fund	0	0	274,774	136,377	87,325	87,325	87,325
Fire Bureau	0	88,873	90,940	90,940	97,872	97,872	97,872
Transportation	41,930	0	0	0	292,572	292,572	292,572
	1,355,874	1,290,225	2,453,184	1,084,835	3,054,769	3,054,769	3,054,769
Capital Outlay	2,909,087	2,557,277	4,961,000	5,972,000	8,367,701	8,367,701	8,367,701
Equipment Cash Transfers							
Facilities Services	0	0	300,000	26,000	0	0	0
	0	0	300,000	26,000	0	0	0
Total Bureau Expenses	4,424,035	3,864,240	7,811,378	7,112,835	11,442,470	11,442,470	11,442,470
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	74,135	0	8,797,540	8,797,540	8,799,553

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Prior Years Encumbered	0	0	1,920,822	0	0	1,210,542	1,210,542
	0	0	1,994,957	0	8,797,540	10,008,082	10,010,095
General Fund Overhead	122,535	65,547	74,148	74,148	52,588	52,588	52,588
Fund Cash Transfers							
Campaign Finance Fund	0	0	9,317	0	4,160	4,160	2,147
General Fund	0	6,098	0	9,317	0	0	0
	0	6,098	9,317	9,317	4,160	4,160	2,147
Debt Retirement							
Debt Issuance Costs	0	0	0	0	368,000	368,000	368,000
	0	0	0	0	368,000	368,000	368,000
Ending Balance							
Unappropriated Ending Balance	13,682,096	10,223,809	0	3,779,000	0	0	0
	13,682,096	10,223,809	0	3,779,000	0	0	0
Total Fund Requirements	13,804,631	10,295,454	2,078,422	3,862,465	9,222,288	10,432,830	10,432,830
TOTAL REQUIREMENTS	\$ 18,228,666	\$ 14,159,694	\$ 9,889,800	\$ 10,975,300	\$ 20,664,758	\$ 21,875,300	\$ 21,875,300

FUND OVERVIEW

On November 7, 1998, the citizens of Portland authorized the sale of \$53.8 million in general obligation bonds to support a \$70.8 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 Bureau of Fire, Rescue, and Emergency Services. For example, a major portion of the work is emergency medical services, yet few of the facilities were appropriately equipped for emergency medical services.
- ◆ Response to Americans with Disabilities Act accessibility requirements.
- ◆ Changes to stations for female firefighter accommodations.
- ◆ Response to the issue of some emergency facilities approaching the end of their useful lives.

From the beginning of the projects in 1998, it was anticipated it would take between eight and ten years to fully implement this program. Of the \$70.8 million program, \$68 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

CHANGES FROM PRIOR YEAR

The Adopted Budget reflects Station 21 being postponed indefinitely, and the relocation of Station 5 being studied further.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	56,335	45,353	50,000	50,000	50,000	50,000	50,000
	56,335	45,353	50,000	50,000	50,000	50,000	50,000
State Sources							
State Cost Sharing	2,557,969	2,998,935	2,403,400	2,710,029	2,503,400	2,503,400	2,503,400
	2,557,969	2,998,935	2,403,400	2,710,029	2,503,400	2,503,400	2,503,400
Local Sources							
Local Cost Sharing	2,238,480	2,202,880	2,455,023	2,382,119	2,659,053	2,659,053	2,659,053
Multnomah County Cost Sharing	246,140	242,555	256,519	270,592	302,005	302,005	302,006
	2,484,620	2,445,435	2,711,542	2,652,711	2,961,058	2,961,058	2,961,059
Miscellaneous Revenues							
Interest Earned	(4,288)	10,776	0	40,000	34,000	34,000	34,000
	(4,288)	10,776	0	40,000	34,000	34,000	34,000
Total External Revenues	5,094,636	5,500,499	5,164,942	5,452,740	5,548,458	5,548,458	5,548,459
Internal Revenues							
Other Cash Transfers							
General Fund	8,045,780	8,313,615	8,599,554	8,599,554	9,292,794	9,292,794	9,339,086
Public Safety Fund	454,775	0	0	0	185,173	185,173	138,880
	8,500,555	8,313,615	8,599,554	8,599,554	9,477,967	9,477,967	9,477,966
Total Internal Revenues	8,500,555	8,313,615	8,599,554	8,599,554	9,477,967	9,477,967	9,477,966
Beginning Fund Balance	171,709	1,209,457	1,974,182	2,456,706	1,959,671	1,959,671	1,959,671
TOTAL RESOURCES	\$ 13,766,900	\$ 15,023,571	\$ 15,738,678	\$ 16,509,000	\$ 16,986,096	\$ 16,986,096	\$ 16,986,096
REQUIREMENTS							
Bureau Expenses							
Personal Services	9,176,240	9,204,599	10,280,242	10,074,952	10,828,635	10,856,009	10,863,545
External Materials and Services	386,133	278,809	265,542	272,574	185,736	185,736	185,736
Internal Materials and Services							
CityFleet Services	2,309	4,045	1,899	3,500	33,143	5,769	5,769
Communications Services	377,141	398,624	0	0	0	0	0
Facilities Services	273,471	356,983	394,824	394,824	419,815	419,815	419,815
Insurance	232,501	228,099	188,931	94,465	191,786	191,786	191,786
Printing & Distribution	15,168	19,347	19,673	19,673	20,028	20,028	20,028
Technology Services Fund	1,327,350	1,601,381	2,260,966	2,060,966	2,656,019	2,656,019	2,656,019
Office of Management & Finance	119,438	132,125	133,865	133,865	0	0	0
Transportation	1,903	0	0	0	0	0	0
	2,349,281	2,740,604	3,000,158	2,707,293	3,320,791	3,293,417	3,293,417
Capital Outlay	64,868	0	0	0	0	0	0
Equipment Cash Transfers							
Printing & Distribution	0	2,700	0	0	0	0	0

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Technology Services Fund	0	0	13,417	13,285	0	0	0
	0	2,700	13,417	13,285	0	0	0
Total Bureau Expenses	11,976,522	12,226,712	13,559,359	13,068,104	14,335,162	14,335,162	14,342,698
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	711,511	0	886,211	886,211	886,211
	0	0	711,511	0	886,211	886,211	886,211
General Fund Overhead	385,968	204,723	303,779	303,779	455,561	455,561	455,561
Fund Cash Transfers							
Campaign Finance Fund	0	0	18,108	18,108	15,573	15,573	8,037
General Fund	0	29,564	0	0	0	0	0
Health Insurance	0	0	0	0	108,772	108,772	108,772
Pension Debt Redemption Fund	23,244	105,866	145,921	159,338	184,817	184,817	184,817
Public Safety Fund	171,709	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	194,953	135,430	1,164,029	1,177,446	1,309,162	1,309,162	1,301,626
Ending Balance							
Unappropriated Ending Balance	1,209,457	2,456,706	0	1,959,671	0	0	0
	1,209,457	2,456,706	0	1,959,671	0	0	0
Total Fund Requirements	1,790,378	2,796,859	2,179,319	3,440,896	2,650,934	2,650,934	2,643,398
TOTAL REQUIREMENTS	\$ 13,766,900	\$ 15,023,571	\$ 15,738,678	\$ 16,509,000	\$ 16,986,096	\$ 16,986,096	\$ 16,986,096

FUND OVERVIEW

Fund Purpose

The Emergency Communication Fund is the general operating fund for the Bureau of Emergency Communications (BOEC). The fund receives an annual transfer from the General Fund, as well as payments from other regional jurisdictions that BOEC serves.

Fund Resources

Resources for FY 2006-07 include a \$9.3 million transfer from the City of Portland's General Fund, \$2.5 million in state 9-1-1 tax funds passed directly to BOEC, and nearly \$3.0 million in payments from other user jurisdictions. Non-Portland user jurisdictions include Multnomah County and the Cities of Gresham, Troutdale, Fairview, Maywood Park, and Wood Village. Resources also include \$50,000 in miscellaneous fees primarily derived from the distribution of recorded 9-1-1 calls. A transfer of \$138,880 from the Public Safety Fund is budgeted to cover the Portland share of costs for three limited term operator positions. Finally, the fund receives interest income on fund balance, which is estimated at \$34,000 for FY 2006-07.

Fund Expenses

Fund expenses include all BOEC general operating expenses. Expenditures are therefore related to emergency 9-1-1 call-taking and dispatch, as well as to administrative support for these activities.

Fund Reserves

Contingency funds of \$886,211 will be available for unforeseen events in FY 2006-07.

Activity Not Budgeted in Fund

The State of Oregon continues to pay for telecommunications costs associated with 9-1-1 emergency response in Multnomah County. These costs are paid directly by the state and are not reflected in the Emergency Communication Fund.

Managing Agency

Bureau of Emergency Communications

CHANGES FROM PRIOR YEAR

Total resources and requirements for operating activity budgeted in the fund rose from \$13.6 million in the FY 2005-06 Revised Budget to \$14.3 million in the FY 2006-07 Adopted Budget.

Beginning fund balance is estimated at nearly \$2.0 million for FY 2006-07. Now that the fund’s cash flow problems have been largely resolved, \$1.0 million of this balance will be transferred to the Public Safety Fund, primarily for future capital or technology needs. Most of the remaining balance will be budgeted in contingency in the Emergency Communication Fund.

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	83,484,050	78,779,050	78,601,160	78,601,160	81,152,598	81,152,598	79,214,823
Prior Year Property Taxes	1,769,085	1,798,313	1,500,000	1,800,000	1,800,000	1,800,000	1,800,000
	85,253,135	80,577,363	80,101,160	80,401,160	82,952,598	82,952,598	81,014,823
Service Charges and Fees							
Miscellaneous	29	18	0	0	0	0	0
	29	18	0	0	0	0	0
Miscellaneous Revenues							
Bond and Note Sales	22,426,547	16,171,470	20,000,000	16,153,720	20,000,000	20,000,000	20,000,000
Interest Earned	444,177	788,075	800,000	1,160,075	1,300,000	1,300,000	1,300,000
Other Miscellaneous	242,324	66,089	0	75,176	0	0	0
	23,113,048	17,025,634	20,800,000	17,388,971	21,300,000	21,300,000	21,300,000
Total External Revenues	108,366,212	97,603,015	100,901,160	97,790,131	104,252,598	104,252,598	102,314,823
Internal Revenues							
Other Cash Transfers							
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
Interfund Service Reimbursements							
Police Bureau	39,712	7,200	7,200	7,200	7,200	7,200	7,200
	39,712	7,200	7,200	7,200	7,200	7,200	7,200
Total Internal Revenues	39,712	7,200	757,200	7,200	757,200	757,200	757,200
Beginning Fund Balance	1,563,709	10,001,969	9,848,181	11,358,813	8,529,011	8,529,011	10,893,131
TOTAL RESOURCES	\$ 109,969,633	\$ 107,612,184	\$ 111,506,541	\$ 109,156,144	\$ 113,538,809	\$ 113,538,809	\$ 113,965,154
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	76,113,640	78,709,602	86,120,334	80,258,578	87,362,312	87,193,832	87,193,832
Internal Materials and Services							
Communications Services	21,938	19,914	0	0	0	0	0
Facilities Services	36	1,386	0	384	0	0	0
Printing & Distribution	44,949	46,697	48,411	42,939	50,185	50,185	50,185
Technology Services Fund	11,232	39,373	54,604	61,393	67,896	67,896	67,896
City Attorney	0	0	51,547	51,547	56,940	56,940	56,940
City Auditor	982,622	980,180	1,090,333	1,004,886	1,143,870	1,143,870	1,143,870
Fire Bureau	0	61,521	38,718	38,718	82,776	251,256	251,256
Office of Management & Finance	17,315	17,232	18,275	18,275	18,286	18,286	18,286
Police Bureau	73,174	74,311	80,374	80,374	943,607	943,607	943,607
	1,151,266	1,240,614	1,382,262	1,298,516	2,363,560	2,532,040	2,532,040
Total Bureau Expenses	77,264,906	79,950,216	87,502,596	81,557,094	89,725,872	89,725,872	89,725,872
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	3,367,580	0	3,014,050	3,014,050	3,441,777

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Compensation Adjustment	0	0	844	0	34,722	34,722	34,722
	0	0	3,368,424	0	3,048,772	3,048,772	3,476,499
General Fund Overhead	93,172	69,973	101,332	101,332	221,711	221,711	221,711
Fund Cash Transfers							
Campaign Finance Fund	0	0	2,925	0	2,856	2,856	1,474
General Fund	0	1,790	0	2,925	0	0	0
Pension Debt Redemption Fund	0	0	31,264	31,264	39,598	39,598	39,598
	0	1,790	34,189	34,189	42,454	42,454	41,072
Debt Retirement							
Debt Req Net Issue Cost	22,609,586	16,231,392	20,500,000	16,570,398	20,500,000	20,500,000	20,500,000
	22,609,586	16,231,392	20,500,000	16,570,398	20,500,000	20,500,000	20,500,000
Ending Balance							
Unappropriated Ending Balance	10,001,969	11,358,813	0	10,893,131	0	0	0
	10,001,969	11,358,813	0	10,893,131	0	0	0
Total Fund Requirements	32,704,727	27,661,968	24,003,945	27,599,050	23,812,937	23,812,937	24,239,282
TOTAL REQUIREMENTS	\$ 109,969,633	\$ 107,612,184	\$ 111,506,541	\$ 109,156,144	\$ 113,538,809	\$ 113,538,809	\$ 113,965,154

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 their 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 will increase by \$2.5 million, or 2.7%, from \$91.0 million in FY 2005-06 to \$93.5 million in FY 2006-07. The FY 2006-07 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 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Internal Revenues							
Beginning Fund Balance	750,000	750,000	750,000	750,000	750,000	750,000	750,000
TOTAL RESOURCES	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
REQUIREMENTS							
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
Total Fund Requirements	750,000	750,000	750,000	750,000	750,000	750,000	750,000
TOTAL REQUIREMENTS	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000

FUND OVERVIEW

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

Managing Agency

Fire and Police Disability and Retirement Fund Board of Trustees

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	0	0	9,700	0	0	0	0
	0	0	9,700	0	0	0	0
Miscellaneous Revenues							
Interest Earned	1,053	1,742	2,500	2,000	2,500	2,500	2,500
	1,053	1,742	2,500	2,000	2,500	2,500	2,500
Total External Revenues	1,053	1,742	12,200	2,000	2,500	2,500	2,500
Internal Revenues							
Beginning Fund Balance	89,916	83,859	96,069	78,350	72,950	72,950	72,950
TOTAL RESOURCES	\$ 90,969	\$ 85,601	\$ 108,269	\$ 80,350	\$ 75,450	\$ 75,450	\$ 75,450
REQUIREMENTS							
Bureau Expenses							
External Materials and Services	7,110	7,251	9,700	7,400	7,850	7,850	7,850
Total Bureau Expenses	7,110	7,251	9,700	7,400	7,850	7,850	7,850
Fund Requirements							
Ending Balance							
Unappropriated Ending Balance	83,859	78,350	98,569	72,950	67,600	67,600	67,600
	83,859	78,350	98,569	72,950	67,600	67,600	67,600
Total Fund Requirements	83,859	78,350	98,569	72,950	67,600	67,600	67,600
TOTAL REQUIREMENTS	\$ 90,969	\$ 85,601	\$ 108,269	\$ 80,350	\$ 75,450	\$ 75,450	\$ 75,450

FUND OVERVIEW

The Fire and Police Supplemental Retirement Reserve 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 or the Public Employees Retirement System.

Managing Agency Office of Management and Finance, Financial Services

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Prior Year Property Taxes	45	0	0	0	0	0	0
	45	0	0	0	0	0	0
Service Charges and Fees							
Miscellaneous	0	0	17,500	74,000	100,000	100,000	100,000
	0	0	17,500	74,000	100,000	100,000	100,000
Miscellaneous Revenues							
Interest Earned	15,361	17,722	0	13,000	22,000	22,000	22,000
Other Miscellaneous	0	150,340	0	0	0	0	0
	15,361	168,062	0	13,000	22,000	22,000	22,000
Total External Revenues	15,406	168,062	17,500	87,000	122,000	122,000	122,000
Internal Revenues							
Other Cash Transfers							
Emergency Communication Fund	171,709	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General Fund	0	0	17,500	35,000	0	0	0
	171,709	0	1,017,500	1,035,000	1,000,000	1,000,000	1,000,000
Federal Grants Transfers							
	0	405,628	681,417	681,417	0	0	0
Total Internal Revenues	171,709	405,628	1,698,917	1,716,417	1,000,000	1,000,000	1,000,000
Beginning Fund Balance	1,408,454	852,238	419,019	906,520	1,189,578	1,189,578	1,189,578
TOTAL RESOURCES	\$ 1,595,569	\$ 1,425,928	\$ 2,135,436	\$ 2,709,937	\$ 2,311,578	\$ 2,311,578	\$ 2,311,578
REQUIREMENTS							
Bureau Expenses							
Personal Services							
	5,174	41,872	18,963	18,963	35,000	35,000	35,000
External Materials and Services							
	103,308	50,737	329,204	472,204	469,141	469,141	469,141
Internal Materials and Services							
Facilities Services	0	0	237,000	249,156	0	150,000	150,000
Technology Services Fund	0	0	269	269	96,370	96,370	96,370
Police Bureau	19,020	19,909	21,415	21,415	21,275	21,275	21,275
	19,020	19,909	258,684	270,840	117,645	267,645	267,645
Capital Outlay							
	148,106	0	400,000	402,000	250,000	100,000	100,000
Equipment Cash Transfers							
CityFleet Services	0	368,584	0	0	0	0	0
Technology Services Fund	0	0	450,000	350,000	0	0	0
	0	368,584	450,000	350,000	0	0	0
Minor Equipment Transfers							
Communications Services	0	37,044	0	0	0	0	0
	0	37,044	0	0	0	0	0
Total Bureau Expenses	275,608	518,146	1,456,851	1,514,007	871,786	871,786	871,786

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	672,233	0	1,251,790	1,251,790	1,298,510
	0	0	672,233	0	1,251,790	1,251,790	1,298,510
General Fund Overhead	12,948	0	6,116	6,116	1,946	1,946	1,946
Fund Cash Transfers							
Campaign Finance Fund	0	0	236	236	883	883	456
Emergency Communication Fund	454,775	0	0	0	185,173	185,173	138,880
General Fund	0	1,262	0	0	0	0	0
	454,775	1,262	236	236	186,056	186,056	139,336
Ending Balance							
Unappropriated Ending Balance	852,238	906,520	0	1,189,578	0	0	0
	852,238	906,520	0	1,189,578	0	0	0
Total Fund Requirements	1,319,961	907,782	678,585	1,195,930	1,439,792	1,439,792	1,439,792
TOTAL REQUIREMENTS	\$ 1,595,569	\$ 1,425,928	\$ 2,135,436	\$ 2,709,937	\$ 2,311,578	\$ 2,311,578	\$ 2,311,578

FUND OVERVIEW

Fund Purpose

The Public Safety Fund is dedicated to the support of the Bureau of Emergency Communications (BOEC). Its primary purpose is to fund technology and capital investment requirements at BOEC, but the fund continues to subsidize BOEC operations as well. The Public Safety Fund is also used to track and hold grant revenues and other monies intended for special projects.

The Public Safety Fund was originally created through a 1989 property tax levy to fund construction of the emergency communications center and acquisition of the computer-aided dispatch system. The fund has been maintained for more than 15 years with surplus General Fund allocation from the City of Portland, state 9-1-1 tax revenue reimbursements, and interest income.

Fund Resources

Resources for FY 2006-07 include \$100,000 from the Port of Portland in computer-aided dispatch fees and a \$1.0 million transfer of excess fund balance from BOEC's operating fund (the Emergency Communication Fund). The remainder of the fund's resources come from beginning fund balance, estimated at approximately \$1.2 million in FY 2006-07, and anticipated interest earnings of \$22,000.

Fund Expenditures

For FY 2006-07, planned expenditures from the Public Safety Fund include:

- ◆ \$250,000 to equip BOEC's new mobile emergency communications trailer
- ◆ \$150,000 for a parking lot expansion at the communications building
- ◆ \$319,141 for technical equipment
- ◆ A \$138,880 transfer to BOEC's operating fund to cover Portland's share of costs for three limited term operator positions

Managing Agency Bureau of Emergency Communications

CHANGES FROM PRIOR YEAR

Beginning fund balance is expected to increase from \$906,520 in FY 2005-06 to \$1.2 million in FY 2006-07. This increase is attributable to a transfer of \$1 million from the Emergency Communication Fund in FY 2005-06. This transfer will more than offset FY 2005-06 Public Safety Fund expenditures.

Grant funds of \$681,417 are expected to be fully expended in FY 2005-06. These funds were used to improve communications interoperability and to construct a high-security fence around the communications building.

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	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	6,338,376	7,343,354	7,694,485	7,694,485	7,510,055	7,510,055	7,510,055
Prior Year Property Taxes	192,938	163,406	80,000	80,000	100,000	100,000	100,000
	6,531,314	7,506,760	7,774,485	7,774,485	7,610,055	7,610,055	7,610,055
Miscellaneous Revenues							
Bond and Note Sales	9,634,471	0	0	0	0	0	0
Interest Earned	35,497	72,240	20,000	20,000	75,000	75,000	75,000
	9,669,968	72,240	20,000	20,000	75,000	75,000	75,000
Total External Revenues	16,201,282	7,579,000	7,794,485	7,794,485	7,685,055	7,685,055	7,685,055
Internal Revenues							
Other Cash Transfers							
Special Revenue and Finance	0	11,913	0	0	0	0	0
	0	11,913	0	0	0	0	0
Total Internal Revenues	0	11,913	0	0	0	0	0
Beginning Fund Balance	880,369	557,038	0	329,960	100,000	100,000	100,000
TOTAL RESOURCES	\$ 17,081,651	\$ 8,147,951	\$ 7,794,485	\$ 8,124,445	\$ 7,785,055	\$ 7,785,055	\$ 7,785,055
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	16,524,613	7,817,991	7,794,485	8,024,445	7,785,055	7,785,055	7,785,055
	16,524,613	7,817,991	7,794,485	8,024,445	7,785,055	7,785,055	7,785,055
Ending Balance							
Unappropriated Ending Balance	557,038	329,960	0	100,000	0	0	0
	557,038	329,960	0	100,000	0	0	0
Total Fund Requirements	17,081,651	8,147,951	7,794,485	8,124,445	7,785,055	7,785,055	7,785,055
TOTAL REQUIREMENTS	\$ 17,081,651	\$ 8,147,951	\$ 7,794,485	\$ 8,124,445	\$ 7,785,055	\$ 7,785,055	\$ 7,785,055

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to the financing and refinancing of general obligation 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
General Obligation Parks Refunding Bonds, 2001 Series A						
07/01/2001 - Due 6/1	29,810,000					
		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	29,040,000		8,299,193	37,339,193
General Obligation Emergency Facility Bonds, 1999 Series A						
06/01/1999 - Due 6/1	24,500,000					
		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	18,210,000		7,094,975	25,304,975
General Obligation Emergency Facility Bonds, 2004 Series A						
01/28/2004 - Due 6/1	13,965,000					
		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
		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
		TOTAL	13,080,000		5,348,606	18,428,606
General Obligation Parks Refunding Bonds, 2004 Series B						
04/27/2004 - Due 6/1	9,200,000					
		2006/07	3,065,000	4.00%	250,000	3,315,000
		2007/08	3,185,000	4.00%	127,400	3,312,400
		TOTAL	6,250,000		377,400	6,627,400

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
COMBINED DEBT SERVICE						
	77,475,000					
		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
TOTAL FUND DEBT SERVICE			\$ 66,580,000		\$ 21,120,174	\$ 87,700,174

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Service Charges and Fees							
Concessions	369,678	204,440	382,468	0	210,000	210,000	210,000
Miscellaneous	0	0	400,000	228,000	200,000	200,000	200,000
Parks & Recreation Facilities	5,622,350	5,505,788	5,975,108	6,040,000	5,627,000	5,627,000	5,794,960
Rents and Reimbursements	5,774	4,500	0	0	80,000	80,000	80,000
	5,997,802	5,714,728	6,757,576	6,268,000	6,117,000	6,117,000	6,284,960
Miscellaneous Revenues							
Interest Earned	15,871	10,932	14,000	0	14,000	14,000	16,500
Other Miscellaneous	7,100	20,655	0	0	0	0	0
Private Grants/Donations	500	0	0	0	0	0	0
Sale of Capital Assets	0	0	204,500	0	0	0	0
Sales Miscellaneous	9,361	5,289	6,712	0	6,400	6,400	6,400
	32,832	36,876	225,212	0	20,400	20,400	22,900
Total External Revenues	6,030,634	5,751,604	6,982,788	6,268,000	6,137,400	6,137,400	6,307,860
Internal Revenues							
Other Cash Transfers							
CityFleet Services	50,674	0	0	0	0	0	0
Parks Memorial Trust Fund	0	0	0	193,445	0	0	0
	50,674	0	0	193,445	0	0	0
Interfund Service Reimbursements							
Parks Bureau	0	13,186	0	0	0	0	0
Portland International Raceway	23,375	0	0	0	0	0	0
Portland Parks Memorial Trust	16,860	40,000	40,000	37,000	40,000	40,000	0
	40,235	53,186	40,000	37,000	40,000	40,000	0
Total Internal Revenues	90,909	53,186	40,000	230,445	40,000	40,000	0
Beginning Fund Balance	1,762,442	528,242	(9,452)	22,878	363,328	363,328	556,773
TOTAL RESOURCES	\$ 7,883,985	\$ 6,333,032	\$ 7,013,336	\$ 6,521,323	\$ 6,540,728	\$ 6,540,728	\$ 6,864,633
REQUIREMENTS							
Bureau Expenses							
Personal Services	2,375,673	2,455,589	2,485,981	2,550,000	2,624,204	2,606,348	2,606,348
External Materials and Services	2,182,065	1,547,079	1,726,737	1,670,000	1,645,040	1,645,040	1,727,040
Internal Materials and Services							
CityFleet Services	250,406	195,878	205,901	612,000	202,320	202,320	202,320
Communications Services	15,787	17,321	0	0	0	0	0
Insurance	79,565	77,275	70,444	0	69,704	69,704	69,704
Printing & Distribution	374	500	710	0	510	510	510
Technology Services Fund	10,173	9,634	39,248	0	38,870	38,870	38,870
BES Internal Services	1,997	8,974	0	0	0	0	0
Office of Management & Finance	59,323	65,433	39,152	0	7,255	7,255	7,255
Parking Facilities	1,800	1,825	1,980	0	1,980	1,980	1,980
Parks Bureau	443,632	273,491	245,614	0	128,473	128,473	254,605
Parks Capital Const & Maint Fund	60,648	23,906	0	0	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Transportation	0	45,497	0	0	0	0	0
	923,705	719,734	603,049	612,000	449,112	449,112	575,244
Capital Outlay	815,124	456,261	280,000	25,000	200,000	200,000	200,000
Equipment Cash Transfers							
CityFleet Services	0	0	7,100	0	0	0	0
Pension Debt Redemption	0	0	0	916,674	0	0	0
	0	0	7,100	916,674	0	0	0
Minor Equipment Transfers							
Printing & Distribution	0	0	0	7,100	0	0	0
	0	0	0	7,100	0	0	0
Total Bureau Expenses	6,296,567	5,178,663	5,102,867	5,780,774	4,918,356	4,900,500	5,108,632
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	797,019	0	399,987	417,843	536,625
Compensation Adjustment	0	0	0	0	80,000	80,000	80,000
	0	0	797,019	0	479,987	497,843	616,625
General Fund Overhead	119,304	106,032	113,912	113,912	123,000	123,000	123,000
Fund Cash Transfers							
Campaign Finance Fund	0	0	8,139	0	6,218	6,218	3,209
General Fund	0	12,769	0	0	0	0	0
Golf Revenue Bond	797,000	797,403	796,000	0	794,000	794,000	794,000
Health Insurance	0	0	0	0	33,143	33,143	33,143
Pension Debt Redemption Fund	0	0	125,535	916,674	158,997	158,997	158,997
	797,000	810,172	929,674	916,674	992,358	992,358	989,349
Debt Retirement							
Debt Req Net Issue Cost	142,872	215,287	69,864	69,864	27,027	27,027	27,027
	142,872	215,287	69,864	69,864	27,027	27,027	27,027
Ending Balance							
Unappropriated Ending Balance	528,242	22,878	0	556,773	0	0	0
	528,242	22,878	0	556,773	0	0	0
Total Fund Requirements	1,587,418	1,154,369	1,910,469	1,657,223	1,622,372	1,640,228	1,756,001
TOTAL REQUIREMENTS	\$ 7,883,985	\$ 6,333,032	\$ 7,013,336	\$ 7,437,997	\$ 6,540,728	\$ 6,540,728	\$ 6,864,633

FUND OVERVIEW

The Golf Fund (Fund 154) is an enterprise fund and accounts for all resources and requirements of the Portland Parks & Recreation Golf program.

Revenue Sources

The primary sources of external and internal revenues to the Golf Fund include the following:

Concessions

Concession revenues are derived from contracts with concessionaires located at each of the City's golf courses, providing food and beverage services, clothing and equipment sales, golf lessons, cart rental, and collection of greens fees.

Greens Fees

These are fees paid by golfers for each round of golf.

Bond and Note Proceeds

These are funds derived from the sale of bonds (long-term debt) and notes (short-term debt).

Interest Earnings

These are earnings on cash balances within the Golf Fund.

Fund Requirements

Fund requirements include all Golf operating program expenditures, capital outlay, and fund transfers associated with the payment of debt and for General Fund overhead services.

Golf program budget priorities and specific program projects are shown in the program narrative portion of the budget document.

Managing Agency

Portland Parks & Recreation

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	0	0	0	16,354	0	0	0
	0	0	0	16,354	0	0	0
Miscellaneous Revenues							
Interest Earned	7,511	14,028	10,000	0	13,000	13,000	13,000
	7,511	14,028	10,000	0	13,000	13,000	13,000
Total External Revenues	7,511	14,028	10,000	16,354	13,000	13,000	13,000
Internal Revenues							
Other Cash Transfers							
Golf Fund	797,000	797,403	796,000	783,000	794,000	794,000	794,000
	797,000	797,403	796,000	783,000	794,000	794,000	794,000
Total Internal Revenues	797,000	797,403	796,000	783,000	794,000	794,000	794,000
Beginning Fund Balance	639,912	637,930	635,624	642,556	635,000	635,000	635,000
TOTAL RESOURCES	\$ 1,444,423	\$ 1,449,361	\$ 1,441,624	\$ 1,441,910	\$ 1,442,000	\$ 1,442,000	\$ 1,442,000
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	806,493	806,805	806,911	806,910	806,893	806,893	806,893
	806,493	806,805	806,911	806,910	806,893	806,893	806,893
Ending Balance							
Unappropriated Ending Balance	637,930	642,556	634,713	635,000	635,107	635,107	635,107
	637,930	642,556	634,713	635,000	635,107	635,107	635,107
Total Fund Requirements	1,444,423	1,449,361	1,441,624	1,441,910	1,442,000	1,442,000	1,442,000
TOTAL REQUIREMENTS	\$ 1,444,423	\$ 1,449,361	\$ 1,441,624	\$ 1,441,910	\$ 1,442,000	\$ 1,442,000	\$ 1,442,000

FUND OVERVIEW

The Golf Revenue Bond Redemption Fund receives cash transfers from the Golf Fund and pays principal and interest on all debt associated with the Golf program. Debt service is payable from and secured by net revenues of the Golf program. This fund also holds debt service reserves as required by covenants of individual debt issues.

The Golf Revenue Bond Redemption Fund is currently servicing one outstanding debt issue, a line of credit scheduled to be retired in FY 2012-13.

Managing Agency Portland Parks & Recreation

Golf Revenue Bond Redemption Fund – 353

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Golf System Revenue Bonds, 2000 Series A						
02/01/2000 - Due 02/1	3,600,000					
		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
TOTAL FUND DEBT SERVICE			\$ 4,681,000		\$ 969,385	\$ 5,650,385

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	340	425	0	630,000	0	0	0
Parks & Recreation Facilities	2,268	0	0	3,450,000	0	0	0
Public Works/Utility Charge	2,151,870	2,856,808	2,819,595	0	3,500,000	3,500,000	3,500,000
Rents and Reimbursements	180,664	330,397	0	0	0	0	0
	<u>2,335,142</u>	<u>3,187,630</u>	<u>2,819,595</u>	<u>4,080,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Local Sources							
Local Cost Sharing	1,390,207	3,658,601	3,350,400	0	3,475,000	3,475,000	3,475,000
Local Shared Revenue	0	0	0	2,060,000	0	0	0
	<u>1,390,207</u>	<u>3,658,601</u>	<u>3,350,400</u>	<u>2,060,000</u>	<u>3,475,000</u>	<u>3,475,000</u>	<u>3,475,000</u>
Miscellaneous Revenues							
Bond and Note Sales	2,250,000	3,399,047	0	0	1,395,400	0	0
Collection of Assessment	1,024,738	914,913	300,000	0	750,000	750,000	750,000
Interest Earned	37,321	138,293	7,000	0	160,000	160,000	160,000
Other Miscellaneous	0	0	0	0	429,544	429,544	429,544
Private Grants/Donations	143,992	303,689	360,191	0	277,469	277,469	277,469
Sale of Capital Assets	0	0	390,550	0	1,651,963	1,651,963	1,651,963
	<u>3,456,051</u>	<u>4,755,942</u>	<u>1,057,741</u>	<u>0</u>	<u>4,664,376</u>	<u>3,268,976</u>	<u>3,268,976</u>
Total External Revenues	<u>7,181,400</u>	<u>11,602,173</u>	<u>7,227,736</u>	<u>6,140,000</u>	<u>11,639,376</u>	<u>10,243,976</u>	<u>10,243,976</u>
Internal Revenues							
Other Cash Transfers							
General Fund	1,073,676	1,928,044	2,703,227	2,703,227	1,061,104	995,204	995,204
Sewer System Operating Fund	0	400,000	0	0	0	0	0
	<u>1,073,676</u>	<u>2,328,044</u>	<u>2,703,227</u>	<u>2,703,227</u>	<u>1,061,104</u>	<u>995,204</u>	<u>995,204</u>
Federal Grants Transfers	232,832	111,244	1,085,755	710,000	887,408	1,359,379	1,359,379
Interfund Service Reimbursements							
Communications Services	0	25,000	0	0	0	0	0
Environmental Services	59,954	30,582	85,000	0	84,400	84,400	84,400
Golf Fund	60,648	23,907	0	0	0	0	0
Housing & Community Devel Fund	85,615	0	0	0	0	0	0
Sustainable Development	0	20,000	0	0	0	0	0
Office of Transportation	0	31,500	0	0	19,473	19,473	19,473
Parking Facilities Fund	0	8,000	0	0	0	0	0
Parks Bureau	0	0	265,000	0	11,600	11,600	11,600
Parks Bureau	182,008	289,082	0	0	0	0	0
Parks Endowment Fund	0	2,000	0	0	0	0	0
Parks Local Option Levy	1,871,212	3,376,520	6,800,269	6,645,000	6,863,000	6,863,000	6,863,000
Planning Bureau	29,825	5,000	0	0	0	0	0
Portland Parks Memorial Trust	839,983	88,353	320,000	0	80,000	80,000	80,000
Water Bureau	375,037	66,526	50,000	0	50,000	50,000	50,000
	<u>3,504,282</u>	<u>3,966,470</u>	<u>7,520,269</u>	<u>6,645,000</u>	<u>7,108,473</u>	<u>7,108,473</u>	<u>7,108,473</u>
Total Internal Revenues	<u>4,810,790</u>	<u>6,405,758</u>	<u>11,309,251</u>	<u>10,058,227</u>	<u>9,056,985</u>	<u>9,463,056</u>	<u>9,463,056</u>

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Beginning Fund Balance	2,392,916	3,169,566	5,697,061	6,099,270	6,136,698	8,606,934	8,606,934
TOTAL RESOURCES	\$ 14,385,106	\$ 21,177,497	\$ 24,234,048	\$ 22,297,497	\$ 26,833,059	\$ 28,313,966	\$ 28,313,966
REQUIREMENTS							
Bureau Expenses							
Personal Services	1,278,004	1,203,898	1,297,573	1,260,000	1,273,281	1,371,997	1,371,997
External Materials and Services	1,657,541	1,001,983	1,784,804	2,050,000	109,733	109,733	109,733
Internal Materials and Services							
CityFleet Services	6,157	5,394	6,232	0	5,218	5,218	5,218
Communications Services	31,578	10,874	0	0	0	0	0
Facilities Services	478	2,416	0	0	0	0	0
Printing & Distribution	28,138	23,205	20,051	0	24,619	24,619	24,619
Technology Services Fund	972	8,044	31,336	0	30,770	30,770	30,770
BES Internal Services	23,918	0	0	0	0	0	0
Environmental Services	54,313	33,153	0	0	0	0	0
Office of Management & Finance	14,164	11,052	18,073	0	0	0	0
Parking Facilities	3,600	3,650	3,960	0	3,960	3,960	3,960
Parks Bureau	381,137	227,368	131,836	404,000	120,671	120,671	120,671
Parks Local Option Levy Fund	0	0	200,000	0	200,000	200,000	200,000
Special Appropriations	2,400	100	2,937	0	1,140	1,140	1,140
Transportation	114,783	33,798	50,815	0	0	0	0
Water Bureau	2,488	45,069	0	0	0	0	0
	664,126	404,123	465,240	404,000	386,378	386,378	386,378
Capital Outlay	7,218,286	11,393,377	15,048,860	8,899,764	13,899,957	15,450,625	15,450,625
Equipment Cash Transfers							
Campaign Finance Fund	0	0	0	967,142	0	0	0
Pension Debt Redemption	0	0	0	0	0	0	0
	0	0	0	967,142	0	0	0
Minor Equipment Transfers							
Printing & Distribution	3,200	0	0	0	0	0	0
	3,200	0	0	0	0	0	0
Total Bureau Expenses	10,821,157	14,003,381	18,596,477	13,580,906	15,669,349	17,318,733	17,318,733
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	4,560,772	0	9,971,184	9,802,707	9,807,385
	0	0	4,560,772	0	9,971,184	9,802,707	9,807,385
General Fund Overhead	106,059	75,360	109,657	109,657	189,995	189,995	189,995
Fund Cash Transfers							
Campaign Finance Fund	0	0	6,709	0	9,667	9,667	4,989
General Fund	0	4,118	0	0	0	0	0
Governmental Bond Redemption	277,061	936,153	889,725	0	891,325	891,325	891,325
Health Insurance	0	0	0	0	11,983	11,983	11,983
Pension Debt Redemption Fund	11,263	51,299	70,708	0	89,556	89,556	89,556
	288,324	991,570	967,142	0	1,002,531	1,002,531	997,853

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Debt Retirement							
Debt Req Net Issue Cost	0	7,916	0	0	0	0	0
	0	7,916	0	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	3,169,566	6,099,270	0	8,606,934	0	0	0
	3,169,566	6,099,270	0	8,606,934	0	0	0
Total Fund Requirements	3,563,949	7,174,116	5,637,571	8,716,591	11,163,710	10,995,233	10,995,233
TOTAL REQUIREMENTS	\$ 14,385,106	\$ 21,177,497	\$ 24,234,048	\$ 22,297,497	\$ 26,833,059	\$ 28,313,966	\$ 28,313,966

FUND OVERVIEW

The Parks Capital Construction and Maintenance Fund (Fund 505) accounts for all capital resources and requirements for Portland Parks & Recreation with the exception of capital activity relating to the two enterprise funds: The Golf Fund and Portland International Raceway (PIR) Fund.

Revenue Sources

The primary sources of external and internal revenues to the Capital Construction and Maintenance Fund include the following:

System Development Charges

System development charges are charges paid by new development and are restricted by Oregon law to the acquisition of new parks and related facilities.

General Fund Resources

General Fund resources include discretionary resources allocated within the annual budget process as well as resources allocated from the Capital Set-aside, a separate account dedicated to funding capital projects for all General Fund bureaus.

Bond and Note Proceeds

These funds are derived from the sale of bonds (long-term debt) and notes (short-term debt).

Local Cost Sharing

These are funds provided by other governmental agencies to assist in funding capital projects managed by Portland Parks & Recreation.

Grants and Donations

Grants are typically from other governmental entities, and donations typically come from private individuals or businesses.

Parks Local Option Levy

The Parks Local Option Levy was approved by the voters in 2002 and will expire at the end of FY 2007-08. A portion of levy proceeds will be transferred into the Construction Fund.

Project Selection & Prioritization

Capital projects funded within the Capital Construction and Maintenance Fund are first proposed and prioritized within the bureau's five-year Capital Improvement Plan (CIP). Projects within the first year of the CIP are brought forward into the annual budget process for final decision making in regard to scope, priority, and funding.

Two primary objectives guide project selection and prioritization:

- 1. Addressing capital repair and replacement of existing infrastructure.
- 2. Acquiring land and constructing facilities to meet community needs within parks-deficient areas.

Current capital budget priorities and specific projects are shown in the program narrative portion of the budget document.

Managing Agency

Portland Parks & Recreation

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	0	0	0	6,000	0	0	0
	0	0	0	6,000	0	0	0
Miscellaneous Revenues							
Interest Earned	3,678	3,515	3,732	0	3,732	3,732	3,732
Private Grants/Donations	4,500	0	0	0	0	0	0
	8,178	3,515	3,732	0	3,732	3,732	3,732
Total External Revenues	8,178	3,515	3,732	6,000	3,732	3,732	3,732
Internal Revenues							
Beginning Fund Balance	153,919	161,997	161,897	162,261	167,161	167,161	167,161
TOTAL RESOURCES	\$ 162,097	\$ 165,512	\$ 165,629	\$ 168,261	\$ 170,893	\$ 170,893	\$ 170,893
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	100	100	700	650	700	700	700
Internal Materials and Services							
Parks Bureau	0	1,151	500	450	500	500	500
Parks Capital Const & Maint Fund	0	2,000	0	0	0	0	0
	0	3,151	500	450	500	500	500
Total Bureau Expenses	100	3,251	1,200	1,100	1,200	1,200	1,200
Fund Requirements							
Ending Balance							
Unappropriated Ending Balance	161,997	162,261	164,429	167,161	169,693	169,693	169,693
	161,997	162,261	164,429	167,161	169,693	169,693	169,693
Total Fund Requirements	161,997	162,261	164,429	167,161	169,693	169,693	169,693
TOTAL REQUIREMENTS	\$ 162,097	\$ 165,512	\$ 165,629	\$ 168,261	\$ 170,893	\$ 170,893	\$ 170,893

FUND OVERVIEW

The Parks Endowment Fund accounts for gifts, donations, and endowments of a permanent nature, whereby the principal is invested and earnings are available to support programs and services as dictated by the party funding the endowment.

Endowments

There are currently four individual endowments within the Parks Endowment Fund:

F.L. Beach Curbside Rose Award Trust

This endowment was established in 1975. Its purpose is to encourage planting and maintaining roses that will be visible to the public. An incentive system was established through use of awards and annual competitions, which are funded from the trust. Funds not used in a given year are reinvested to increase balances within the trust account.

Parks Maintenance Endowment

This endowment was established in FY 2002-03. Earnings are being reinvested to increase the size of the endowment, with the intent of eventually generating sufficient interest income to help support maintaining the parks system.

Washington Park Children's Playground Endowment

This endowment was established by the Portland Rotary Club to provide funds to maintain the playground in Washington Park. The original donation was \$75,000.

The Dietz Fountain at Wallace Park Endowment

This endowment was established in FY 2003-04. The original gift was \$4,500. Income from this endowment contributes towards maintenance of the Dietz Fountain.

Managing Agency Portland Parks & Recreation

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	8,472,169	9,464,444	9,548,987	11,030,000	10,275,532	10,275,532	10,275,532
Prior Year Property Taxes	0	110,273	254,603	0	310,633	310,633	310,633
	8,472,169	9,574,717	9,803,590	11,030,000	10,586,165	10,586,165	10,586,165
Service Charges and Fees							
Miscellaneous	0	0	0	140,000	0	0	0
Rents and Reimbursements	0	39,571	0	0	0	0	0
	0	39,571	0	140,000	0	0	0
Miscellaneous Revenues							
Interest Earned	44,809	124,898	40,000	0	100,000	100,000	100,000
	44,809	124,898	40,000	0	100,000	100,000	100,000
Total External Revenues	8,516,978	9,739,186	9,843,590	11,170,000	10,686,165	10,686,165	10,686,165
Internal Revenues							
Interfund Service Reimbursements							
Parks Capital Const & Maint Fund	0	0	200,000	200,000	200,000	200,000	200,000
	0	0	200,000	200,000	200,000	200,000	200,000
Total Internal Revenues	0	0	200,000	200,000	200,000	200,000	200,000
Beginning Fund Balance	0	2,837,788	5,573,364	5,166,109	6,979,319	6,979,319	6,979,319
TOTAL RESOURCES	\$ 8,516,978	\$ 12,576,974	\$ 15,616,954	\$ 16,536,109	\$ 17,865,484	\$ 17,865,484	\$ 17,865,484
REQUIREMENTS							
Bureau Expenses							
Internal Materials and Services							
Technology Services Fund	0	0	6,411	0	6,448	6,448	6,448
Parks Bureau	3,807,978	3,979,577	5,047,584	9,525,000	5,037,813	5,037,813	5,026,904
Parks Capital Const & Maint Fund	1,871,212	3,376,520	6,800,269	0	6,863,000	6,863,000	6,863,000
	5,679,190	7,356,097	11,854,264	9,525,000	11,907,261	11,907,261	11,896,352
Equipment Cash Transfers							
Campaign Finance Fund	0	0	0	7,114	0	0	0
	0	0	0	7,114	0	0	0
Total Bureau Expenses	5,679,190	7,356,097	11,854,264	9,532,114	11,907,261	11,907,261	11,896,352
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	3,730,900	0	5,916,470	5,916,470	5,930,581
	0	0	3,730,900	0	5,916,470	5,916,470	5,930,581
General Fund Overhead	0	54,768	24,676	24,676	35,137	35,137	35,137
Fund Cash Transfers							
Campaign Finance Fund	0	0	7,114	0	6,616	6,616	3,414
	0	0	7,114	0	6,616	6,616	3,414

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Ending Balance							
Unappropriated Ending Balance	2,837,788	5,166,109	0	6,979,319	0	0	0
	2,837,788	5,166,109	0	6,979,319	0	0	0
Total Fund Requirements	2,837,788	5,220,877	3,762,690	7,003,995	5,958,223	5,958,223	5,969,132
TOTAL REQUIREMENTS	\$ 8,516,978	\$ 12,576,974	\$ 15,616,954	\$ 16,536,109	\$ 17,865,484	\$ 17,865,484	\$ 17,865,484

FUND OVERVIEW

The Parks Local Option Levy Fund was established following voter approval of the Parks Local Option Levy in November 2002. The purpose of the levy is to accomplish the following:

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

Resources in this fund are derived from property tax revenues and interest earnings. Fund requirements include internal materials and service costs associated with Portland Parks & Recreation operating and capital programs and services.

Managing Agency Portland Parks & Recreation

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Concessions	135,948	185,465	135,000	0	195,000	195,000	195,000
Miscellaneous	0	0	0	5,500	0	0	0
Parks & Recreation Facilities	0	0	0	1,620,000	0	0	0
Rents and Reimbursements	1,311,885	1,452,372	1,372,748	0	1,425,000	1,425,000	1,425,000
	1,447,833	1,637,837	1,507,748	1,625,500	1,620,000	1,620,000	1,620,000
Miscellaneous Revenues							
Interest Earned	0	1,286	2,000	0	5,000	5,000	5,000
	0	1,286	2,000	0	5,000	5,000	5,000
Total External Revenues	1,447,833	1,639,123	1,509,748	1,625,500	1,625,000	1,625,000	1,625,000
Internal Revenues							
Interfund Service Reimbursements							
Police Bureau	32,000	0	0	0	0	0	0
	32,000	0	0	0	0	0	0
Total Internal Revenues	32,000	0	0	0	0	0	0
Beginning Fund Balance	87,485	48,876	118,298	124,522	358,366	358,366	358,366
TOTAL RESOURCES	\$ 1,567,318	\$ 1,687,999	\$ 1,628,046	\$ 1,750,022	\$ 1,983,366	\$ 1,983,366	\$ 1,983,366
REQUIREMENTS							
Bureau Expenses							
Personal Services							
External Materials and Services	643,662	762,778	603,878	580,000	639,000	639,000	639,000
Internal Materials and Services							
CityFleet Services	5,364	5,957	5,878	0	6,535	6,535	6,535
Communications Services	12,147	12,410	0	0	0	0	0
Insurance	36,134	29,427	28,212	0	33,751	33,751	33,751
Printing & Distribution	1,447	670	1,792	0	709	709	709
Technology Services Fund	5,729	7,019	20,808	162,000	24,562	24,562	24,562
BES Internal Services	0	5,975	0	0	0	0	0
Environmental Services	64,462	0	0	0	0	0	0
Golf Fund	23,375	0	0	0	0	0	0
Neighborhood Involvement	0	3,220	0	0	0	0	0
Office of Management & Finance	6,070	7,736	5,316	0	0	0	0
Parks Bureau	167,158	123,495	106,274	0	114,543	114,543	114,543
	321,886	195,909	168,280	162,000	180,100	180,100	180,100
Capital Outlay	43,839	59,113	7,597	7,597	50,000	50,000	50,000
Equipment Cash Transfers							
CityFleet Services	0	0	70,000	0	0	0	0
	0	0	70,000	0	0	0	0
Total Bureau Expenses	1,489,558	1,517,882	1,385,293	1,338,597	1,492,508	1,492,508	1,492,508

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	189,694	0	430,497	430,497	431,228
	0	0	189,694	0	430,497	430,497	431,228
General Fund Overhead	24,425	26,284	27,297	27,297	26,527	26,527	26,527
Fund Cash Transfers							
Campaign Finance Fund	0	0	1,596	0	1,510	1,510	779
General Fund	0	1,778	0	0	0	0	0
Health Insurance	0	0	0	0	1,716	1,716	1,716
Pension Debt Redemption Fund	0	0	24,166	25,762	30,608	30,608	30,608
	0	1,778	25,762	25,762	33,834	33,834	33,103
Debt Retirement							
Debt Req Net Issue Cost	4,459	17,533	0	0	0	0	0
	4,459	17,533	0	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	48,876	124,522	0	358,366	0	0	0
	48,876	124,522	0	358,366	0	0	0
Total Fund Requirements	77,760	170,117	242,753	411,425	490,858	490,858	490,858
TOTAL REQUIREMENTS	\$ 1,567,318	\$ 1,687,999	\$ 1,628,046	\$ 1,750,022	\$ 1,983,366	\$ 1,983,366	\$ 1,983,366

FUND OVERVIEW

The Portland International Raceway Fund is an enterprise fund and accounts for all resources and requirements associated with management and operation of the Portland International Raceway (PIR) located in north Portland.

Revenue Sources

The primary sources of external and internal revenues to the Portland International Raceway Fund include the following:

- ◆ Concession revenues are derived from contracts with concessionaires located at PIR that provide food and beverage services and product and souvenir sales during various events.
- ◆ Users of PIR facilities pay rental income.

Fund Requirements

Fund requirements include all PIR operating program expenditures, overhead services provided by a variety of City bureaus, capital outlay, and fund transfers associated with the payment of pension debt and for General Fund overhead services.

PIR program budget priorities and specific program projects are shown in the program narrative portion of the budget document.

Managing Agency

Portland Parks & Recreation

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Concessions	5,951	6,283	50,000	0	50,000	50,000	50,000
Miscellaneous	0	0	0	105,000	0	0	0
Parking Fees	152,290	175,341	144,000	0	155,000	155,000	155,000
Parks & Recreation Facilities	988,499	822,717	886,408	1,356,555	860,560	860,560	692,600
Rents and Reimbursements	475,729	449,995	383,900	0	347,900	347,900	347,900
	<u>1,622,469</u>	<u>1,454,336</u>	<u>1,464,308</u>	<u>1,461,555</u>	<u>1,413,460</u>	<u>1,413,460</u>	<u>1,245,500</u>
Miscellaneous Revenues							
Interest Earned	36,773	74,779	39,757	0	74,503	74,503	72,003
Other Miscellaneous	19,722	37,126	5,000	0	5,000	5,000	5,000
Private Grants/Donations	647,185	347,368	260,400	385,000	85,400	85,400	85,400
	<u>703,680</u>	<u>459,273</u>	<u>305,157</u>	<u>385,000</u>	<u>164,903</u>	<u>164,903</u>	<u>162,403</u>
Total External Revenues	2,326,149	1,913,609	1,769,465	1,846,555	1,578,363	1,578,363	1,407,903
Internal Revenues							
Interfund Service Reimbursements							
Neighborhood Involvement	47,720	17,000	0	0	0	0	0
Office of Transportation	143,778	66,307	0	0	15,900	15,900	15,900
Parks Bureau	0	0	69,432	65,000	25,000	25,000	25,000
Parks Bureau	146,255	98,000	0	0	0	0	0
	<u>337,753</u>	<u>181,307</u>	<u>69,432</u>	<u>65,000</u>	<u>40,900</u>	<u>40,900</u>	<u>40,900</u>
Total Internal Revenues	337,753	181,307	69,432	65,000	40,900	40,900	40,900
Beginning Fund Balance	2,832,882	3,046,080	2,794,837	3,392,081	3,462,081	3,462,081	3,268,636
TOTAL RESOURCES	\$ 5,496,784	\$ 5,140,996	\$ 4,633,734	\$ 5,303,636	\$ 5,081,344	\$ 5,081,344	\$ 4,717,439
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	924,078	837,292	1,094,161	1,010,000	1,127,875	1,127,875	1,045,875
Internal Materials and Services							
Communications Services	10,688	933	0	0	0	0	0
Printing & Distribution	2,889	2,463	3,297	0	2,549	2,549	2,549
Technology Services Fund	174	1,229	443	0	21,254	21,254	21,254
BES Internal Services	0	0	3,841	0	0	0	0
Environmental Remediation	0	0	40,000	0	0	0	0
Golf Fund	16,860	40,000	40,000	0	40,000	40,000	0
Neighborhood Involvement	8,425	8,200	8,200	0	8,500	8,500	8,500
Parks Bureau	643,515	718,621	700,791	1,025,000	625,436	625,436	499,304
Parks Capital Const & Maint Fund	839,983	88,353	320,000	0	80,000	80,000	80,000
Transportation	217	224	0	0	0	0	0
	<u>1,522,751</u>	<u>860,023</u>	<u>1,116,572</u>	<u>1,025,000</u>	<u>777,739</u>	<u>777,739</u>	<u>611,607</u>
Capital Outlay	2,625	0	0	0	0	0	0
Equipment Cash Transfers							
CityFleet Services	0	51,600	0	0	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Printing & Distribution	800	0	0	0	0	0	0
	800	51,600	0	0	0	0	0
Minor Equipment Transfers							
Printing & Distribution	450	0	0	0	0	0	0
	450	0	0	0	0	0	0
Total Bureau Expenses	2,450,704	1,748,915	2,210,733	2,035,000	1,905,614	1,905,614	1,657,482
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	2,423,001	0	3,175,730	3,175,730	3,059,957
	0	0	2,423,001	0	3,175,730	3,175,730	3,059,957
Ending Balance							
Unappropriated Ending Balance	3,046,080	3,392,081	0	3,268,636	0	0	0
	3,046,080	3,392,081	0	3,268,636	0	0	0
Total Fund Requirements	3,046,080	3,392,081	2,423,001	3,268,636	3,175,730	3,175,730	3,059,957
TOTAL REQUIREMENTS	\$ 5,496,784	\$ 5,140,996	\$ 4,633,734	\$ 5,303,636	\$ 5,081,344	\$ 5,081,344	\$ 4,717,439

FUND OVERVIEW

The Portland Parks Memorial Trust Fund was established to receive proceeds from grants as well as donations from neighborhood associations, foundations, friends organizations, and other entities that provide funding for specific purposes or projects. The fund also receives income from leases and permits for use of park property for non-park purposes.

Fund Requirements

Resources within this fund are typically used for one-time expenditures for specific improvements or services. Individual grants or donations are accounted for in separate accounts within the fund and managed according to the provisions dictated by the grantor or donor. By bureau policy, for income-generating activity on property owned by Portland Parks & Recreation, any remaining income, after property management expenses, is dedicated to one-time expenses associated with the following four activities:

- ◆ The Sponsorship Grant program, which provides matching grants (not to exceed \$25,000) to community groups raising money to make improvements to the park system
- ◆ Internal loans to bureau programs where repayment, in the form of new revenue or reduced costs, occurs within five years
- ◆ Selected capital projects where there may be insufficient funds to complete an approved project
- ◆ Planning expenses necessary to guide development of capital funding requests

Managing Agency

Portland Parks & Recreation

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Parking Fees	1,072,431	1,000,411	1,100,000	1,100,000	1,200,000	1,200,000	1,200,000
Rents and Reimbursements	3,289,481	3,794,993	4,180,000	4,100,000	4,085,000	4,085,000	4,085,000
	4,361,912	4,795,404	5,280,000	5,200,000	5,285,000	5,285,000	5,285,000
Local Sources							
Local Cost Sharing	2,155,412	2,117,728	2,075,173	2,075,173	2,033,000	2,033,000	2,033,000
	2,155,412	2,117,728	2,075,173	2,075,173	2,033,000	2,033,000	2,033,000
Miscellaneous Revenues							
Bond and Note Sales	0	30,101,935	0	0	0	0	0
Interest Earned	173,300	239,880	139,858	279,858	259,858	259,858	259,858
Other Miscellaneous	68,151	64,793	61,242	70,000	57,510	57,510	57,510
Sale of Capital Assets	0	25,000	0	0	0	0	0
	241,451	30,431,608	201,100	349,858	317,368	317,368	317,368
Total External Revenues	6,758,775	37,344,740	7,556,273	7,625,031	7,635,368	7,635,368	7,635,368
Internal Revenues							
Beginning Fund Balance	7,652,138	7,069,722	6,349,583	6,730,330	7,520,811	7,081,297	7,081,297
TOTAL RESOURCES	\$ 14,410,913	\$ 44,414,462	\$ 13,905,856	\$ 14,355,361	\$ 15,156,179	\$ 14,716,665	\$ 14,716,665
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	585,409	788,222	851,700	693,000	721,925	721,925	721,925
Internal Materials and Services							
Facilities Services	215,783	232,212	246,061	225,023	183,100	183,100	183,100
Insurance	16,320	34,811	28,259	28,259	30,770	30,770	30,770
Printing & Distribution	497	1,970	544	300	2,036	2,036	2,036
Technology Services Fund	0	0	8,549	8,549	8,598	8,598	8,598
Office of Management & Finance	98,823	110,992	102,055	102,055	82,582	82,582	82,582
Transportation	0	0	40,000	40,000	40,000	40,000	40,000
	331,423	379,985	425,468	404,186	347,086	347,086	347,086
Capital Outlay	97,456	27,864	200,000	400,000	580,000	580,000	580,000
Total Bureau Expenses	1,014,288	1,196,071	1,477,168	1,497,186	1,649,011	1,649,011	1,649,011
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	6,017,934	0	7,702,012	7,262,498	7,264,988
	0	0	6,017,934	0	7,702,012	7,262,498	7,264,988
General Fund Overhead	41,491	66,759	87,668	87,668	15,473	15,473	15,473
Fund Cash Transfers							
Campaign Finance Fund	0	0	7,733	7,733	5,146	5,146	2,656
Gas Tax Bond Redemption Fund	266,181	0	0	0	0	0	0
General Fund	0	13,046	11,477	11,477	14,537	14,537	14,537
Pension Debt Redemption Fund	1,828	0	0	0	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Transportation Operating	20,000	130,000	90,000	90,000	90,000	90,000	90,000
	288,009	143,046	109,210	109,210	109,683	109,683	107,193
Debt Retirement							
Debt Req Net Issue Cost	5,997,403	36,099,542	6,213,876	5,580,000	5,680,000	5,680,000	5,680,000
Debt Issuance Costs	0	178,714	0	0	0	0	0
	5,997,403	36,278,256	6,213,876	5,580,000	5,680,000	5,680,000	5,680,000
Ending Balance							
Unappropriated Ending Balance	7,069,722	6,730,330	0	7,081,297	0	0	0
	7,069,722	6,730,330	0	7,081,297	0	0	0
Total Fund Requirements	13,396,625	43,218,391	12,428,688	12,858,175	13,507,168	13,067,654	13,067,654
TOTAL REQUIREMENTS	\$ 14,410,913	\$ 44,414,462	\$ 13,905,856	\$ 14,355,361	\$ 15,156,179	\$ 14,716,665	\$ 14,716,665

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.

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.

Managing Agency

Office of Management and Finance, Business Operations

CHANGES FROM PRIOR YEAR

Rose Quarter

The City conducted several studies of alternative uses for the Memorial Coliseum in the recent past. During the study period, investment in the facility was curtailed pending a potential change in use of the building. For the near term, the building is expected to continue to operate as a secondary arena, and staff focus has shifted to planning for and executing an improvement program for the building. For financial planning purposes, \$500,000 is being budgeted for building upgrades. In conjunction with the operator, Global Spectrum, a phased improvement plan is being developed to upgrade key building infrastructure systems including the roof, plumbing, concessions, and electrical systems. This improvement program will address the most critical needs to maintain the building for its current use. A full improvement program for the building is beyond the financial capability of the fund and would cost in the range of \$10 million.

PGE Park

Consistent with Council goals on infrastructure, property maintenance, repair, and capital improvements are receiving greater focus and funding. Several improvements to the park will occur in 2006, including improvements to concessions areas, the club seat section, and the creation of a new group area in left field. The City and park operator will be implementing an annual capital improvement evaluation process as provided for in the new operating agreement.

Spectator Facilities Operating Fund – 160

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Arena Limited Tax Revenue Refunding Bonds, 2005 Series A (Federally Taxable)						
03/03/2005 - Due 6/1	10,555,000					
		2006/07	1,340,000	4.35%	356,918	1,696,918
		2007/08	1,590,000	4.35%	298,628	1,888,628
		2008/09	1,755,000	4.35%	229,463	1,984,463
		2009/10	1,930,000	4.35%	153,120	2,083,120
		2010/11	1,590,000	4.35%	69,165	1,659,165
		TOTAL	8,205,000		1,107,293	9,312,293
Arena Limited Tax Revenue Refunding Bonds, 2005 Series B						
03/03/2005 - Due 6/1	17,810,000					
		2006/07			838,788	838,788
		2007/08			838,788	838,788
		2008/09			838,788	838,788
		2009/10			838,788	838,788
		2010/11	765,000	3.25%	838,788	1,603,788
		2011/12	2,555,000	3.50%	813,925	3,368,925
		2012/13	2,760,000	5.00%	724,500	3,484,500
		2013/14	3,015,000	5.00%	586,500	3,601,500
		2014/15	3,285,000	5.00%	435,750	3,720,750
		2015/16	3,575,000	5.00%	271,500	3,846,500
		2016/17	1,855,000	5.00%	92,750	1,947,750
		TOTAL	17,810,000		7,118,863	24,928,863
Limited Tax Revenue Bonds, 2001 Series D						
	35,000,000					
		2006/07	1,060,000	6.00%	2,077,405	3,137,405
		2007/08	1,125,000	6.50%	2,013,805	3,138,805
		2008/09	1,200,000	6.50%	1,940,680	3,140,680
		2009/10	1,275,000	6.50%	1,862,680	3,137,680
		2010/11	1,360,000	6.38%	1,779,805	3,139,805
		2011/12	1,445,000	6.50%	1,693,105	3,138,105
		2012/13	1,540,000	6.60%	1,599,180	3,139,180
		2013/14	1,640,000	6.70%	1,497,540	3,137,540
		2014/15	1,750,000	6.70%	1,387,660	3,137,660
		2015/16	1,870,000	6.80%	1,270,410	3,140,410
		2016/17	1,995,000	6.80%	1,143,250	3,138,250
		2017/18	2,130,000	6.80%	1,007,590	3,137,590
		2018/19	2,275,000	7.00%	862,750	3,137,750
		2019/20	2,435,000	7.00%	703,500	3,138,500
		2020/21	2,605,000	7.00%	533,050	3,138,050
		2021/22	2,790,000	7.00%	350,700	3,140,700
		2022/23	2,220,000	7.00%	155,400	2,375,400
		TOTAL	30,715,000		21,878,510	52,593,510
COMBINED DEBT SERVICE						
	63,365,000					
		2006/07	2,400,000		3,273,110	5,673,110
		2007/08	2,715,000		3,151,220	5,866,220
		2008/09	2,955,000		3,008,930	5,963,930
		2009/10	3,205,000		2,854,588	6,059,588
		2010/11	3,715,000		2,687,758	6,402,758
		2011/12	4,000,000		2,507,030	6,507,030
		2012/13	4,300,000		2,323,680	6,623,680
		2013/14	4,655,000		2,084,040	6,739,040
		2014/15	5,035,000		1,823,410	6,858,410
		2015/16	5,445,000		1,541,910	6,986,910
		2016/17	3,850,000		1,236,000	5,086,000
		2017/18	2,130,000		1,007,590	3,137,590

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
		2018/19	2,275,000		862,750	3,137,750
		2019/20	2,435,000		703,500	3,138,500
		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
TOTAL FUND DEBT SERVICE			\$ 56,730,000		\$ 30,104,665	\$ 86,834,665

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	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Rents and Reimbursements	644,363	585,009	584,337	526,000	585,000	585,000	585,000
	644,363	585,009	584,337	526,000	585,000	585,000	585,000
Miscellaneous Revenues							
Interest Earned	13,838	36,385	29,522	33,000	25,000	25,000	25,000
Other Miscellaneous	0	2,500	0	0	0	0	0
	13,838	38,885	29,522	33,000	25,000	25,000	25,000
Total External Revenues	658,201	623,894	613,859	559,000	610,000	610,000	610,000
Internal Revenues							
Other Cash Transfers							
General Fund	0	0	0	0	0	500,000	500,000
LID Construction Fund	0	0	0	0	0	0	0
Sewer System Operating Fund	0	1,280,000	2,611,824	2,335,000	3,606,513	3,606,513	3,606,513
	0	1,280,000	2,611,824	2,335,000	3,606,513	4,106,513	4,106,513
Interfund Service Reimbursements							
Portland Parks Memorial Trust	0	0	40,000	40,000	0	0	0
	0	0	40,000	40,000	0	0	0
Total Internal Revenues	0	1,280,000	2,651,824	2,375,000	3,606,513	4,106,513	4,106,513
Beginning Fund Balance	877,105	1,384,955	2,204,762	2,217,768	900,000	900,000	900,000
TOTAL RESOURCES	\$ 1,535,306	\$ 3,288,849	\$ 5,470,445	\$ 5,151,768	\$ 5,116,513	\$ 5,616,513	\$ 5,616,513
REQUIREMENTS							
Bureau Expenses							
Personal Services							
	1,237	0	495,779	485,000	525,304	535,903	535,903
External Materials and Services							
	2,788	0	3,540,970	3,430,000	3,497,090	3,997,090	3,997,090
Internal Materials and Services							
Facilities Services	133,242	149,049	183,557	113,038	177,521	177,521	177,521
Technology Services Fund	0	0	744	744	748	748	748
City Attorney	0	0	0	0	113,880	113,880	113,880
BES Internal Services	8,869	0	0	0	0	0	0
Environmental Services	0	17,903	218,028	218,028	92,571	92,571	92,571
	142,111	166,952	402,329	331,810	384,720	384,720	384,720
Capital Outlay							
	0	0	325,000	0	0	0	0
Total Bureau Expenses	146,136	166,952	4,764,078	4,246,810	4,407,114	4,917,713	4,917,713
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	701,409	0	678,350	667,751	670,207
	0	0	701,409	0	678,350	667,751	670,207
General Fund Overhead							
	4,072	3,121	3,501	3,501	24,833	24,833	24,833
Fund Cash Transfers							
Campaign Finance Fund	0	0	557	557	5,076	5,076	2,620
General Fund	0	356	0	0	0	0	0

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Pension Debt Redemption Fund	0	0	900	900	1,140	1,140	1,140
Sewer System Operating Fund	0	900,000	0	0	0	0	0
	0	900,356	1,457	1,457	6,216	6,216	3,760
Debt Retirement							
Debt Req Net Issue Cost	143	652	0	0	0	0	0
	143	652	0	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	1,384,955	2,217,768	0	900,000	0	0	0
	1,384,955	2,217,768	0	900,000	0	0	0
Total Fund Requirements	1,389,170	3,121,897	706,367	904,958	709,399	698,800	698,800
TOTAL REQUIREMENTS	\$ 1,535,306	\$ 3,288,849	\$ 5,470,445	\$ 5,151,768	\$ 5,116,513	\$ 5,616,513	\$ 5,616,513

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

Portland Harbor Superfund Remediation

Beginning in FY 2005-06, funding for the Portland Harbor Superfund project moved to the Environmental Remediation Fund with resources provided by cash transfers from the Sewer System Operating Fund supplemented by interest earnings from the ERF. Including the Portland Harbor Superfund project within the ERF is consistent with the purposes of the ERF, and distinguishes the project from routine sewer system operations that are budgeted for, and funded within, the Sewer System Operating Fund.

Land Acquisition and Remediation of the Guilds Lake Property

The Guilds Lake property is a former landfill operated by the City from 1910 through the late 1940s. The acquisition and remediation of this site was financed by the Environmental Remediation 1993 Series A Revenue Bonds issued in November 1993. The Guilds Lake remediation was completed in FY 1994-95. The FY 2006-07 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 Facilities 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 No. 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 Department of Environmental Quality. The remedial action consists of constructing an asphalt cap and installing utilities to manage surface water runoff. At an estimated cost of \$365,000, initiation of the project is on hold pending approval from the five tenants.

Brownfields Program

The Bureau is creating a Brownfields Investment Fund within the ERF. This effort is to identify and clean up over 500 contaminated sites in the community ("brownfields"). The clean-ups will benefit the environment through improved stormwater runoff and will return properties to productive, active use.

Resources

External and Internal Revenues

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

Rents and reimbursements revenue of \$585,000 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% paid to Facilities Services for property management services.

Cash transfers from the Sewer System Operating Fund totaling \$3.6 million will fund the majority of the Portland Harbor Superfund Remediation Project. A \$500,000 cash transfer from the General Fund is earmarked for the initial funding for a comprehensive Brownfields program.

Requirements

Personal Services

Portland Harbor Superfund Remediation personal services are budgeted to increase 8.1% over the FY 2005-06 Revised Budget. The significant increase is due to healthcare costs and the reclassification of one position.

Materials and Services

External materials and services for Portland Harbor Superfund are budgeted at \$3.5 million, roughly the same level as FY 2005-06. Payments to the Lower Willamette Group of \$1.9 million are also budgeted.

An additional \$500,000 has been added to the Environmental Remediation Fund external materials and services for an expanded Brownfields program.

Internal materials and services expenditures are budgeted to decrease 5.1% due to reductions in internal field monitoring and laboratory services.

Capital Outlay

There is nothing budgeted in capital outlay in FY 2006-07 unlike the FY 2005-06 Revised Budget. This appropriation was to be used for the Longview City Laundry & Cleaners Remediation. This project is on hold.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Bond and Note Sales	0	0	0	20,657,664	0	0	0
Interest Earned	45,613	92,552	165,100	165,500	186,200	190,500	190,500
Sales Miscellaneous	3,686,764	3,731,290	3,680,625	3,576,900	2,948,600	2,918,560	2,918,560
	<u>3,732,377</u>	<u>3,823,842</u>	<u>3,845,725</u>	<u>24,400,064</u>	<u>3,134,800</u>	<u>3,109,060</u>	<u>3,109,060</u>
Total External Revenues	3,732,377	3,823,842	3,845,725	24,400,064	3,134,800	3,109,060	3,109,060
Internal Revenues							
Beginning Fund Balance	4,240,561	4,291,119	4,434,979	4,447,031	4,609,433	3,211,068	3,211,068
TOTAL RESOURCES	\$ 7,972,938	\$ 8,114,961	\$ 8,280,704	\$ 28,847,095	\$ 7,744,233	\$ 6,320,128	\$ 6,320,128
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Fund Cash Transfers							
Hydroelectric Power Op Fund	0	0	0	20,247	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,247</u>	<u>0</u>	<u>0</u>	<u>0</u>
Debt Retirement							
Debt Req Net Issue Cost	3,681,819	3,667,930	3,672,703	25,615,780	3,633,157	2,218,558	2,218,558
	<u>3,681,819</u>	<u>3,667,930</u>	<u>3,672,703</u>	<u>25,615,780</u>	<u>3,633,157</u>	<u>2,218,558</u>	<u>2,218,558</u>
Ending Balance							
Unappropriated Ending Balance	4,291,119	4,447,031	1,737,751	431,003	1,245,826	1,321,505	1,321,505
Unexpendable Reserve	0	0	2,870,250	2,780,065	2,865,250	2,780,065	2,780,065
	<u>4,291,119</u>	<u>4,447,031</u>	<u>4,608,001</u>	<u>3,211,068</u>	<u>4,111,076</u>	<u>4,101,570</u>	<u>4,101,570</u>
Total Fund Requirements	7,972,938	8,114,961	8,280,704	28,847,095	7,744,233	6,320,128	6,320,128
TOTAL REQUIREMENTS	\$ 7,972,938	\$ 8,114,961	\$ 8,280,704	\$ 28,847,095	\$ 7,744,233	\$ 6,320,128	\$ 6,320,128

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.

Power Sales Revenue As partial payment for the sale of electricity that is generated at the Portland Hydroelectric Project, this fund receives payments from PGE to pay for the annual net debt service that is due on the City's Hydroelectric Power revenue bonds.

Managing Agency Bureau of Water Works

CHANGES FROM PRIOR YEAR

In April of 2006, a new Series of Hydroelectric Power revenue bonds was issued to refund the Series 1979 and 1993 Hydroelectric Power revenue bonds. The FY 2006-07 Sales Miscellaneous revenues, Debt Retirement, and Unexpendable Reserve amounts all relate to the new Series 2006 revenue bonds and represent a change from the prior year.

Hydroelectric Power Bond Redemption Fund – 354

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Hydropower Revenue Refunding Bonds, Series 2006						
04/05/2006 - Due 10/1	21,370,000					
		2006/07	1,090,000	5.52%	1,137,051	2,227,051
		2007/08	1,660,000	5.52%	1,074,224	2,734,224
		2008/09	1,750,000	5.52%	980,056	2,730,056
		2009/10	1,835,000	5.52%	881,057	2,716,057
		2010/11	1,940,000	5.52%	776,810	2,716,810
		2011/12	2,045,000	5.52%	666,764	2,711,764
		2012/13	2,145,000	5.52%	551,057	2,696,057
		2013/14	2,270,000	5.52%	429,137	2,699,137
		2014/15	2,390,000	5.52%	300,451	2,690,451
		2015/16	2,505,000	5.52%	165,276	2,670,276
		2016/17	1,740,000	5.52%	48,050	1,788,050
		TOTAL	\$ 21,370,000		\$ 7,009,933	\$ 28,379,933

Adjustment	Principal	FY 2004–05 Adjustment	Interest	Total P+I Budgeted
2005-06 Interest Accrual Adjustment	1,090,000	(8,493)	1,137,051	2,218,558

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Bond and Note Sales	0	0	0	712,337	0	0	0
Interest Earned	4,619	7,935	8,500	10,500	10,000	10,000	10,000
Other Miscellaneous	0	0	1,000	1,000	1,000	1,000	1,000
Sales Miscellaneous	584,336	620,119	589,600	565,800	678,950	649,450	649,450
	588,955	628,054	599,100	1,289,637	689,950	660,450	660,450
Total External Revenues	588,955	628,054	599,100	1,289,637	689,950	660,450	660,450
Internal Revenues							
Other Cash Transfers							
CityFleet Services	0	65,000	0	0	0	0	0
Hydropower Bond Fund	0	0	0	20,247	0	0	0
Hydropower Renewal & Replacement	139,352	13,511	1,420,000	1,357,107	50,000	220,000	220,000
	139,352	78,511	1,420,000	1,377,354	50,000	220,000	220,000
Interfund Service Reimbursements							
Water Bureau	34,015	38,221	40,000	40,000	40,200	40,200	40,200
	34,015	38,221	40,000	40,000	40,200	40,200	40,200
Total Internal Revenues	173,367	116,732	1,460,000	1,417,354	90,200	260,200	260,200
Beginning Fund Balance	360,753	346,339	291,140	326,241	222,876	209,551	209,551
TOTAL RESOURCES	\$ 1,123,075	\$ 1,091,125	\$ 2,350,240	\$ 3,033,232	\$ 1,003,026	\$ 1,130,201	\$ 1,130,201
REQUIREMENTS							
Bureau Expenses							
Personal Services	200,423	208,137	266,222	225,000	284,020	284,020	284,020
External Materials and Services	163,512	36,150	884,022	833,250	105,000	155,000	155,000
Internal Materials and Services							
CityFleet Services	3,291	3,079	2,847	3,000	3,349	3,349	3,349
Communications Services	5,368	4,942	0	0	0	0	0
Insurance	61,672	57,061	48,221	48,221	52,100	52,100	52,100
Printing & Distribution	2,818	2,893	2,947	3,350	3,742	3,742	3,742
Technology Services Fund	2,520	2,538	12,610	13,300	17,325	17,325	17,325
Office of Management & Finance	25,491	26,269	27,077	27,077	27,668	27,668	27,668
Parking Facilities	1,800	1,825	1,980	1,980	1,980	1,980	1,980
Special Appropriations	349	13	367	367	190	190	190
Water Bureau	52,618	57,961	74,911	64,000	80,279	80,279	80,279
	155,927	156,581	170,960	161,295	186,633	186,633	186,633
Total Bureau Expenses	519,862	400,868	1,321,204	1,219,545	575,653	625,653	625,653
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	129,737	0	133,584	210,759	212,105
Compensation Adjustment	0	0	7,500	0	11,000	11,000	11,000
	0	0	137,237	0	144,584	221,759	223,105
General Fund Overhead	54,426	50,423	58,026	58,026	59,350	59,350	59,350

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Fund Cash Transfers							
Campaign Finance Fund	0	0	3,409	3,409	2,782	2,782	1,436
General Fund	200,000	302,446	815,000	815,000	200,000	200,000	200,000
Health Insurance	0	0	0	0	1,198	1,198	1,198
Pension Debt Redemption Fund	0	0	15,364	15,364	19,459	19,459	19,459
	200,000	302,446	833,773	833,773	223,439	223,439	222,093
Debt Retirement							
Debt Req Net Issue Cost	2,448	11,147	0	0	0	0	0
Debt Issuance Costs	0	0	0	712,337	0	0	0
	2,448	11,147	0	712,337	0	0	0
Ending Balance							
Unappropriated Ending Balance	346,339	326,241	0	209,551	0	0	0
	346,339	326,241	0	209,551	0	0	0
Total Fund Requirements	603,213	690,257	1,029,036	1,813,687	427,373	504,548	504,548
TOTAL REQUIREMENTS	\$ 1,123,075	\$ 1,091,125	\$ 2,350,240	\$ 3,033,232	\$ 1,003,026	\$ 1,130,201	\$ 1,130,201

FUND OVERVIEW

Purpose The Hydroelectric Power 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 Hydroelectric Power 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 the following two types of payments.

Administration and Project Monitoring Payment

PGE pays the City an annually adjusted amount that is specifically designated to reimburse the City's expenses associated with administration and water quality monitoring related to PHP operations. In FY 2006-07, this amount is projected to be \$572,550.

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 PHP. In an average year, this amount comes to about \$280,000, less an annual reduction of \$194,563 in credit to PGE for debt service on a sum of Hydroelectric Power Revenue Bond money previously used by the City for non-project-related purposes. The conditions experienced from September 2005 through May 2006 have resulted in a little less than an average power generation year, so the gross profit is projected to be about 97% of average, some \$271,463.

Cash Transfers**Hydroelectric Power Renewal and Replacement Fund**

The FY 2006-07 budget includes a cash transfer of up to \$220,000 from the Hydroelectric Power Renewal and Replacement Fund for various repairs and replacements of equipment and facilities at PHP. These transfers are made on a reimbursement basis to offset actual renewal and replacement expenditures made from this fund.

General Fund

The FY 2006-07 budget includes a transfer of \$200,000 from the Hydropower Operating Fund to the General Fund as a discretionary revenue. This revenue generation was one of the benefits anticipated from the investment in PHP. Through FY 2005-06, PHP has generated \$8.8 million in discretionary revenue for the City.

Managing Agency

Bureau of Water Works

CHANGES FROM PRIOR YEAR

In FY 2005-06 the Hydroelectric Power Operating Fund had two significant one-time budget adjustments that totaled \$1,370,000. One of those adjustments authorized the funding for a specific \$140,000 repair and replacement project for PHP. The second adjustment to the FY 2005-06 budget was related to a proposed amendment to the Power Sales Agreement for the Portland Hydroelectric Project. That adjustment authorized a one-time transfer of up to \$1,230,000 from the Hydroelectric Power Renewal and Replacement Fund to the Hydroelectric Power Operating Fund, from which half would be transferred to the General Fund and the other half would be transferred to PGE. The budget for FY 2006-07 is down significantly from the prior year because the prior year had these unusual expenditures. The FY 2006-07 budget is in line with normal historical amounts.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Interest Earned	95,670	188,949	311,100	360,000	350,600	408,700	408,700
Sales Miscellaneous	256,860	187,899	185,900	133,982	118,100	57,750	57,750
	<u>352,530</u>	<u>376,848</u>	<u>497,000</u>	<u>493,982</u>	<u>468,700</u>	<u>466,450</u>	<u>466,450</u>
Total External Revenues	352,530	376,848	497,000	493,982	468,700	466,450	466,450
Internal Revenues							
Beginning Fund Balance	8,281,798	8,494,976	8,739,875	8,858,313	7,950,295	7,995,188	7,995,188
TOTAL RESOURCES	\$ 8,634,328	\$ 8,871,824	\$ 9,236,875	\$ 9,352,295	\$ 8,418,995	\$ 8,461,638	\$ 8,461,638
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	7,816,875	0	8,368,995	8,241,638	8,241,638
	<u>0</u>	<u>0</u>	<u>7,816,875</u>	<u>0</u>	<u>8,368,995</u>	<u>8,241,638</u>	<u>8,241,638</u>
Fund Cash Transfers							
Hydroelectric Power Op Fund	139,352	13,511	1,420,000	1,357,107	50,000	220,000	220,000
	<u>139,352</u>	<u>13,511</u>	<u>1,420,000</u>	<u>1,357,107</u>	<u>50,000</u>	<u>220,000</u>	<u>220,000</u>
Ending Balance							
Unappropriated Ending Balance	8,494,976	8,858,313	0	7,995,188	0	0	0
	<u>8,494,976</u>	<u>8,858,313</u>	<u>0</u>	<u>7,995,188</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	8,634,328	8,871,824	9,236,875	9,352,295	8,418,995	8,461,638	8,461,638
TOTAL REQUIREMENTS	\$ 8,634,328	\$ 8,871,824	\$ 9,236,875	\$ 9,352,295	\$ 8,418,995	\$ 8,461,638	\$ 8,461,638

FUND OVERVIEW

- Purpose** The Hydroelectric Power 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 consist of payments of power sales revenue from PGE and a portion of the proceeds from Hydroelectric Power revenue bonds.
- Power Sales Revenue** The total value of the assets in the fund is currently less than the adjusted reserve requirement called for in PHP's Power Sales Agreement with PGE. Additional power sale payments will therefore be required from PGE during FY 2006-07.

Cash Transfers

Hydroelectric Power Operating Fund

The FY 2006-07 budget for this fund includes a cash transfer of up to \$220,000 to the Hydroelectric Power Operating Fund that is intended to enable the City to reimburse PGE for miscellaneous repairs or replacement of equipment at the Portland Hydroelectric Project.

Managing Agency

Bureau of Water Works

CHANGES FROM PRIOR YEAR

In FY 2005-06 the Hydroelectric Power Renewal and Replacement Fund had two significant one-time budget adjustments that totaled \$1,370,000. One of those adjustments authorized \$140,000 for a repair and replacement project for the Portland Hydroelectric Project. The second adjustment was related to an amendment to the PHP Power Sales Agreement, which reduced required reserves. That adjustment authorized a one-time transfer of up to \$1,230,000 from the Hydroelectric Power Renewal and Replacement Fund to the Hydroelectric Power Operating Fund, from which half would be transferred to the General Fund and the other half to PGE. The budget for FY 2006-07 is down significantly from the prior year because the prior year had these unusual expenditures. The FY 2006-07 budget is in line with normal historical amounts.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Public Works/Utility Charge	880	8,770	250,000	50,000	100,000	100,000	100,000
	880	8,770	250,000	50,000	100,000	100,000	100,000
Miscellaneous Revenues							
Interest Earned	11,116	8,866	15,000	9,532	15,000	15,000	15,000
Loan Repayments	15,222	7,081	15,000	9,430	15,000	15,000	15,000
	26,338	15,947	30,000	18,962	30,000	30,000	30,000
Total External Revenues	27,218	24,717	280,000	68,962	130,000	130,000	130,000
Internal Revenues							
Beginning Fund Balance	1,668,873	490,251	508,383	506,358	524,320	524,320	524,320
TOTAL RESOURCES	\$ 1,696,091	\$ 514,968	\$ 788,383	\$ 575,320	\$ 654,320	\$ 654,320	\$ 654,320
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	840	8,610	253,500	51,000	101,500	101,500	101,500
Total Bureau Expenses	840	8,610	253,500	51,000	101,500	101,500	101,500
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	534,883	0	552,820	552,820	552,820
	0	0	534,883	0	552,820	552,820	552,820
Fund Cash Transfers							
Sewer System Safety Net	1,205,000	0	0	0	0	0	0
	1,205,000	0	0	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	490,251	506,358	0	524,320	0	0	0
	490,251	506,358	0	524,320	0	0	0
Total Fund Requirements	1,695,251	506,358	534,883	524,320	552,820	552,820	552,820
TOTAL REQUIREMENTS	\$ 1,696,091	\$ 514,968	\$ 788,383	\$ 575,320	\$ 654,320	\$ 654,320	\$ 654,320

FUND OVERVIEW

This fund was established in FY 1992-93 to administer the Private Plumbing Loan program. This program was part of the Mid-County Financial Assistance program adopted by City Council in March 1992.

The loans 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 reflects 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 was expected to increase in FY 2006-07 because the majority of properties left to connect have deferrals that expire and cannot be renewed. These properties must meet low-income requirements to qualify for a deferral and are expected to take advantage of BES's Private Plumbing Loan program to help pay for the onsite cost of connecting to the City sewer.

As of April 2006, less than 16 developed properties of the original 43,000 mid-county properties remain to be connected. All properties were required to connect before December 31, 2005. The few remaining properties are now delinquent, with enforcement actions to be initiated.

Resources

Revenues for FY 2006-07 include \$100,000 in liens receivable for new private plumbing loans, \$15,000 for repayment of private plumbing loans made in prior years, and \$15,000 in interest on investments.

Requirements

Expenditures include \$101,500 for new private plumbing loans and fees resulting from new sewer extensions and mandatory connections.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Public Works/Utility Charge	1,392,847	1,100,217	588,563	841,373	834,000	834,000	834,000
	1,392,847	1,100,217	588,563	841,373	834,000	834,000	834,000
Local Sources							
Local Cost Sharing	0	0	0	168,652	1,555,500	1,555,500	1,555,500
	0	0	0	168,652	1,555,500	1,555,500	1,555,500
Miscellaneous Revenues							
Bond and Note Sales	0	178,158,094	218,424,000	277,276,685	1,600,000	1,600,000	1,600,000
Interest Earned	1,502,869	2,435,179	2,008,620	3,410,747	7,000,000	7,000,000	7,000,000
Refunds	0	237,091	0	0	0	0	0
	1,502,869	180,830,364	220,432,620	280,687,432	8,600,000	8,600,000	8,600,000
Total External Revenues	2,895,716	181,930,581	221,021,183	281,697,457	10,989,500	10,989,500	10,989,500
Internal Revenues							
Other Cash Transfers							
LID Construction Fund	0	0	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Sewer System Operating Fund	25,000,000	27,100,000	27,945,616	21,000,000	6,000,000	6,000,000	6,000,000
	25,000,000	27,100,000	29,945,616	22,000,000	7,000,000	7,000,000	7,000,000
Federal Grants Transfers	580,467	255,393	2,726,588	0	0	0	0
Total Internal Revenues	25,580,467	27,355,393	32,672,204	22,000,000	7,000,000	7,000,000	7,000,000
Beginning Fund Balance	168,371,012	45,822,208	91,861,161	107,871,722	234,323,950	234,323,950	234,323,950
TOTAL RESOURCES	\$ 196,847,195	\$ 255,108,182	\$ 345,554,548	\$ 411,569,179	\$ 252,313,450	\$ 252,313,450	\$ 252,313,450
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	47,386	3,454,414	0	11,946	0	0	0
Internal Materials and Services							
Printing & Distribution	0	5,247	0	0	0	0	0
Office of Management & Finance	0	0	100,000	100,000	100,000	100,000	100,000
	0	5,247	100,000	100,000	100,000	100,000	100,000
Total Bureau Expenses	47,386	3,459,661	100,000	111,946	100,000	100,000	100,000
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	23,567,593	0	32,838,208	32,838,208	32,838,208
	0	0	23,567,593	0	32,838,208	32,838,208	32,838,208
Fund Cash Transfers							
LID Construction Fund	5,538	1,021	0	1,021	0	0	0
Sewer System Operating Fund	150,972,063	143,775,778	137,194,618	174,231,796	219,375,242	219,375,242	219,375,242
	150,977,601	143,776,799	137,194,618	174,232,817	219,375,242	219,375,242	219,375,242
Debt Retirement							
Debt Issuance Costs	0	0	3,400,000	2,900,466	0	0	0
	0	0	3,400,000	2,900,466	0	0	0

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Ending Balance							
Unappropriated Ending Balance	45,822,208	107,871,722	181,292,337	234,323,950	0	0	0
	45,822,208	107,871,722	181,292,337	234,323,950	0	0	0
Total Fund Requirements	196,799,809	251,648,521	345,454,548	411,457,233	252,213,450	252,213,450	252,213,450
TOTAL REQUIREMENTS	\$ 196,847,195	\$ 255,108,182	\$ 345,554,548	\$ 411,569,179	\$ 252,313,450	\$ 252,313,450	\$ 252,313,450

FUND OVERVIEW

The Sewer System Construction Fund receives revenues to fund sewer system capital projects. Direct expenditures for capital projects are budgeted within the Sewer System Operating Fund and reimbursed by the Sewer System Construction Fund. The primary resources for the capital program are proceeds from the sale of sewer system revenue bonds, transfers from the Sewer 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

For FY 2006-07 the fund's major resources include the following:

- ◆ The beginning fund balance of \$234.3 million, which consists primarily of the proceeds from the \$270 million Series 2006 revenue bond issue.
- ◆ Transfers of \$6.0 million from the Sewer System Operating Fund, representing cash funding of capital improvements from sewer and stormwater rates and other available revenues.
- ◆ Service charges and fees for FY 2006-07, including line and branch charges of about \$500,000 and approximately \$334,000 for engineering permit fees.
- ◆ Interest on investments, budgeted at \$7.0 million. This reflects an estimated beginning balance of \$234.3 million and an estimated interest earnings rate of 4.4%.
- ◆ Transfers of \$1.0 million from the Local Improvement District (LID) Construction Fund, which are proceeds from the sale of special assessment bonds for financed connection and line and branch charges.
- ◆ Bond and note sales of \$1.6 million representing State Revolving Fund loans from the Oregon Department of Environmental Quality.
- ◆ Local sources of \$1.56 million from the sale of a State of Oregon Business Energy Tax Credit the bureau will earn upon the completion of the Columbia Boulevard Wastewater Treatment Co-Generation project.

Requirements

Transfers to the Sewer System Operating Fund to support CIP spending total \$219.4 million.

Cash Transfers

Fund cash transfers to the Sewer System Operating Fund are reimbursements for direct Capital Improvement Plan expenditures and indirect overhead expenses incurred by the capital program. An additional \$1.5 million of CIP expenditures was included for maintenance and repair activities. The total transfers are anticipated to be \$219.4 million.

Contingency

The general operating contingency of \$32.8 million represents bond proceeds and other fund balances that are not required in FY 2006-07, but will be used in the following fiscal year to fund capital improvements until another bond issuance occurs.

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Bond and Note Sales	0	261,428,972	0	0	0	0	0
Interest Earned	7,443	17,548	4,000	27,144	4,000	4,000	4,000
	7,443	261,446,520	4,000	27,144	4,000	4,000	4,000
Total External Revenues	7,443	261,446,520	4,000	27,144	4,000	4,000	4,000
Internal Revenues							
Other Cash Transfers							
Sewer System Operating Fund	66,725,899	72,407,373	84,028,661	81,282,946	102,131,893	102,131,893	102,131,893
	66,725,899	72,407,373	84,028,661	81,282,946	102,131,893	102,131,893	102,131,893
Total Internal Revenues	66,725,899	72,407,373	84,028,661	81,282,946	102,131,893	102,131,893	102,131,893
Beginning Fund Balance	2,840,172	2,839,064	2,836,268	2,848,955	2,841,513	2,841,513	2,841,513
TOTAL RESOURCES	\$ 69,573,514	\$ 336,692,957	\$ 86,868,929	\$ 84,159,045	\$ 104,977,406	\$ 104,977,406	\$ 104,977,406
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	66,734,450	333,844,002	84,029,047	81,317,532	102,132,279	102,132,279	102,029,270
	66,734,450	333,844,002	84,029,047	81,317,532	102,132,279	102,132,279	102,029,270
Ending Balance							
Unappropriated Ending Balance	2,839,064	2,848,955	2,839,882	2,841,513	2,845,127	2,845,127	2,948,136
	2,839,064	2,848,955	2,839,882	2,841,513	2,845,127	2,845,127	2,948,136
Total Fund Requirements	69,573,514	336,692,957	86,868,929	84,159,045	104,977,406	104,977,406	104,977,406
TOTAL REQUIREMENTS	\$ 69,573,514	\$ 336,692,957	\$ 86,868,929	\$ 84,159,045	\$ 104,977,406	\$ 104,977,406	\$ 104,977,406

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 Sewer System Operating Fund, with cash transfers from the operating fund totaling \$102.1 million in FY 2006-07.

Debt Balance The total amount of sewer system debt outstanding at the beginning of FY 2006-07 is estimated to be \$925.1 million for first lien (bonded) debt, and \$331.7 million for second lien debt (bonds, notes, and loans).

Expenditures

Debt service expenditures will increase to \$102.0 million in the FY 2006-07 Adopted Budget compared to \$84.0 million in the FY 2005-06 Revised Budget, as a result of new payments for the \$270 million of Series 2006 revenue bonds sold May 2006.

The fund is managed on a cash basis, with cash transfers from the Sewer 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 required in this budget). Beginning and ending fund balances are higher than cash balances due to changes made in accounting practices in 1997.

Sewer System Debt Redemption Fund – 351

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Sewer System Revenue Refunding Bonds, 1997 Series A						
08/15/1997 - Due 6/1	262,500,000					
		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	222,900,000		63,470,000	286,370,000
Sewer System Revenue Bonds, 1998 Series A						
09/15/1998 - Due 6/1	160,000,000					
		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	127,910,000		51,159,838	179,069,838
First Lien Sewer System Revenue Bonds, 2004 Series A						
11/30/2004 - Due 10/1	163,500,000					
		2006/07	5,180,000	4.00%	7,599,325	12,779,325
		2007/08	5,420,000	5.00%	7,360,225	12,780,225
		2008/09	5,700,000	5.00%	7,082,225	12,782,225
		2009/10	5,990,000	5.00%	6,789,975	12,779,975
		2010/11	6,300,000	5.00%	6,482,725	12,782,725
		2011/12	6,630,000	5.00%	6,159,475	12,789,475
		2012/13	6,970,000	5.00%	5,819,475	12,789,475
		2013/14	7,320,000	5.00%	5,462,225	12,782,225
		2014/15	7,700,000	5.00%	5,086,725	12,786,725
		2015/16	8,090,000	5.00%	4,691,975	12,781,975
		2016/17	8,510,000	5.00%	4,276,975	12,786,975
		2017/18	8,900,000	4.00%	3,886,225	12,786,225
		2018/19	9,310,000	5.00%	3,475,475	12,785,475
		2019/20	9,790,000	5.00%	2,997,975	12,787,975
		2020/21	10,290,000	5.00%	2,495,975	12,785,975
		2021/22	10,770,000	4.25%	2,009,863	12,779,863
		2022/23	11,290,000	5.00%	1,498,750	12,788,750
		2023/24	11,860,000	5.00%	920,000	12,780,000
		2024/25	12,470,000	5.00%	311,750	12,781,750
		TOTAL	158,490,000		84,407,338	242,897,338
First Lien Sewer System Revenue Refunding Bonds, 2004 Series B						
11/30/2004 - Due 6/1	160,000,000					
		2006/07	1,510,000	3.00%	4,575,250	6,085,250
		2007/08	1,555,000	4.00%	4,529,950	6,084,950
		2008/09	1,615,000	4.00%	4,467,750	6,082,750
		2009/10	1,685,000	4.00%	4,403,150	6,088,150
		2010/11	1,750,000	5.00%	4,335,750	6,085,750

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2011/12	1,835,000	5.00%	4,248,250	6,083,250
		2012/13	1,930,000	5.00%	4,156,500	6,086,500
		2013/14	2,020,000	5.00%	4,060,000	6,080,000
		2014/15	2,125,000	5.00%	3,959,000	6,084,000
		2015/16	37,575,000	5.00%	3,852,750	41,427,750
		2016/17	39,480,000	5.00%	1,974,000	41,454,000
		TOTAL	93,080,000		44,562,350	137,642,350
First Lien Sewer System Revenue Refunding Bonds, 2005 Series A						
6/16/2005 - Due 8/1	144,850,000					
		2006/07			7,242,500	7,242,500
		2007/08			7,242,500	7,242,500
		2008/09			7,242,500	7,242,500
		2009/10			7,242,500	7,242,500
		2010/11			7,242,500	7,242,500
		2011/12			7,242,500	7,242,500
		2012/13			7,242,500	7,242,500
		2013/14			7,242,500	7,242,500
		2014/15			7,242,500	7,242,500
		2015/16			7,242,500	7,242,500
		2016/17			7,242,500	7,242,500
		2017/18			7,242,500	7,242,500
		2018/19	45,890,000	5.00%	6,095,250	51,985,250
		2019/20	48,250,000	5.00%	3,741,750	51,991,750
		2020/21	50,710,000	5.00%	1,267,750	51,977,750
		TOTAL	144,850,000		98,014,750	242,864,750
First Lien Sewer System Revenue Bonds, 2006 Series A						
5/25/2006 - Due 6/15	177,845,000					
		2006/07	3,350,000	5.00%	8,876,688	12,226,688
		2007/08	3,985,000	5.00%	8,241,994	12,226,994
		2008/09	4,185,000	5.00%	8,042,744	12,227,744
		2009/10	4,395,000	5.00%	7,833,494	12,228,494
		2010/11	4,615,000	5.00%	7,613,744	12,228,744
		2011/12	4,845,000	5.00%	7,382,994	12,227,994
		2012/13	5,090,000	5.00%	7,140,744	12,230,744
		2013/14	5,340,000	5.00%	6,886,244	12,226,244
		2014/15	5,610,000	5.00%	6,619,244	12,229,244
		2015/16	5,890,000	5.00%	6,338,744	12,228,744
		2016/17	6,185,000	5.00%	6,044,244	12,229,244
		2017/18	6,495,000	5.00%	5,734,994	12,229,994
		2018/19	6,820,000	4.50%	5,410,244	12,230,244
		2019/20	7,125,000	4.50%	5,103,344	12,228,344
		2020/21	7,445,000	4.63%	4,782,719	12,227,719
		2021/22	7,790,000	4.63%	4,438,388	12,228,388
		2022/23	8,150,000	4.75%	4,078,100	12,228,100
		2023/24	8,535,000	4.75%	3,690,975	12,225,975
		2024/25	8,945,000	4.75%	3,285,563	12,230,563
		2025/26	9,370,000	4.75%	2,860,675	12,230,675
		2026/27	9,810,000	4.50%	2,415,600	12,225,600
		2027/28	10,255,000	4.50%	1,974,150	12,229,150
		2028/29	10,715,000	4.50%	1,512,675	12,227,675
		2029/30	11,200,000	4.50%	1,030,500	12,230,500
		2030/31	11,700,000	4.50%	526,500	12,226,500
		TOTAL	177,845,000		127,865,300	305,710,300

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
TOTAL - First Lien Sewer Bonds						
	1,068,695,000					
		2006/07	31,060,000		45,571,413	76,631,413
		2007/08	33,815,000		43,499,519	77,314,519
		2008/09	35,520,000		41,803,219	77,323,219
		2009/10	37,290,000		40,028,694	77,318,694
		2010/11	46,920,000		38,165,494	85,085,494
		2011/12	49,280,000		35,803,044	85,083,044
		2012/13	51,770,000		33,321,931	85,091,931
		2013/14	54,355,000		30,715,619	85,070,619
		2014/15	57,060,000		28,026,469	85,086,469
		2015/16	59,875,000		25,203,519	85,078,519
		2016/17	62,865,000		22,240,869	85,105,869
		2017/18	66,775,000		19,175,819	85,950,819
		2018/19	62,020,000		14,980,969	77,000,969
		2019/20	65,165,000		11,843,069	77,008,069
		2020/21	68,445,000		8,546,444	76,991,444
		2021/22	18,560,000		6,448,250	25,008,250
		2022/23	19,440,000		5,576,850	25,016,850
		2023/24	20,395,000		4,610,975	25,005,975
		2024/25	21,415,000		3,597,313	25,012,313
		2025/26	9,370,000		2,860,675	12,230,675
		2026/27	9,810,000		2,415,600	12,225,600
		2027/28	10,255,000		1,974,150	12,229,150
		2028/29	10,715,000		1,512,675	12,227,675
		2029/30	11,200,000		1,030,500	12,230,500
		2030/31	11,700,000		526,500	12,226,500
TOTAL FIRST LIEN SEWER REVENUE BONDS			925,075,000		469,479,575	1,394,554,575
Second Lien Sewer System Revenue Refunding Bonds, 2003 Series A						
04/03/2003 - Due 6/1	88,370,000					
		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
		TOTAL	70,990,000		26,493,613	97,483,613
Second Lien Sewer System Revenue Bonds, 2003 Series B-1 & B-2 (projected)						
06/19/2003 - Due 6/1	150,000,000					
		2006/07		variable	7,263,577	7,263,577
		2007/08		variable	7,263,577	7,263,577

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2008/09		variable	6,917,217	6,917,217
		2009/10		variable	7,609,938	7,609,938
		2010/11		variable	6,917,217	6,917,217
		2011/12		variable	7,609,938	7,609,938
		2012/13		variable	6,917,217	6,917,217
		2013/14		variable	7,263,577	7,263,577
		2014/15		variable	7,263,577	7,263,577
		2015/16		variable	7,263,577	7,263,577
		2016/17		variable	7,263,577	7,263,577
		2017/18		variable	6,917,217	6,917,217
		2018/19	7,600,000	variable	7,586,188	15,186,188
		2019/20	7,800,000	variable	6,540,724	14,340,724
		2020/21	8,200,000	variable	6,467,271	14,667,271
		2021/22	61,600,000	variable	5,960,578	67,560,578
		2022/23	64,800,000	variable	2,806,974	67,606,974
		TOTAL	150,000,000		115,831,942	265,831,942
Second Lien Sewer System Revenue Bonds, 2006 Series B						
5/25/2006 - Due 6/15	87,135,000					
		2006/07	1,605,000	5.00%	4,510,046	6,115,046
		2007/08	1,925,000	5.00%	4,192,425	6,117,425
		2008/09	2,020,000	5.00%	4,096,175	6,116,175
		2009/10	2,120,000	5.00%	3,995,175	6,115,175
		2010/11	2,225,000	5.00%	3,889,175	6,114,175
		2011/12	2,340,000	5.00%	3,777,925	6,117,925
		2012/13	2,455,000	5.00%	3,660,925	6,115,925
		2013/14	2,580,000	5.00%	3,538,175	6,118,175
		2014/15	2,705,000	5.00%	3,409,175	6,114,175
		2015/16	2,840,000	5.00%	3,273,925	6,113,925
		2016/17	2,985,000	5.00%	3,131,925	6,116,925
		2017/18	3,135,000	5.00%	2,982,675	6,117,675
		2018/19	3,290,000	5.00%	2,825,925	6,115,925
		2019/20	3,455,000	5.00%	2,661,425	6,116,425
		2020/21	3,625,000	5.00%	2,488,675	6,113,675
		2021/22	3,810,000	5.00%	2,307,425	6,117,425
		2022/23	4,000,000	5.00%	2,116,925	6,116,925
		2023/24	4,200,000	5.00%	1,916,925	6,116,925
		2024/25	4,410,000	5.00%	1,706,925	6,116,925
		2025/26	4,630,000	5.00%	1,486,425	6,116,425
		2026/27	4,860,000	5.00%	1,254,925	6,114,925
		2027/28	5,105,000	5.00%	1,011,925	6,116,925
		2028/29	5,360,000	4.50%	756,675	6,116,675
		2029/30	5,600,000	4.50%	515,475	6,115,475
		2030/31	5,855,000	4.50%	263,475	6,118,475
		TOTAL	87,135,000		65,770,846	152,905,846
TOTAL - Second Lien Sewer Bonds						
	325,505,000					
		2006/07	9,420,000		15,273,010	24,693,010
		2007/08	10,125,000		14,564,640	24,689,640
		2008/09	10,550,000		13,794,029	24,344,029
		2009/10	11,075,000		13,959,251	25,034,251
		2010/11	4,335,000		12,712,779	17,047,779
		2011/12	4,565,000		13,183,476	17,748,476
		2012/13	4,760,000		12,291,429	17,051,429
		2013/14	5,005,000		12,394,027	17,399,027
		2014/15	5,260,000		12,137,715	17,397,715
		2015/16	5,530,000		11,868,327	17,398,327

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2016/17	5,815,000		11,585,102	17,400,102
		2017/18	6,110,000		10,940,917	17,050,917
		2018/19	14,025,000		11,296,951	25,321,951
		2019/20	14,555,000		9,922,399	24,477,399
		2020/21	15,295,000		9,502,946	24,797,946
		2021/22	69,055,000		8,641,503	77,696,503
		2022/23	72,625,000		5,115,149	77,740,149
		2023/24	4,200,000		1,916,925	6,116,925
		2024/25	4,410,000		1,706,925	6,116,925
		2025/26	4,630,000		1,486,425	6,116,425
		2026/27	4,860,000		1,254,925	6,114,925
		2027/28	5,105,000		1,011,925	6,116,925
		2028/29	5,360,000		756,675	6,116,675
		2029/30	5,600,000		515,475	6,115,475
		2030/31	5,855,000		263,475	6,118,475
TOTAL SECOND LIEN SEWER REVENUE BONDS			308,125,000		208,096,401	516,221,401
Department of Environmental Quality - Clean Water Loan #R74166						
Due - 4/1 & 10/1	400,000					
		2006/07	87,635	1.130%	3,783	91,418
		2007/08	88,629	1.130%	2,789	91,418
		2008/09	89,633	1.130%	1,785	91,418
		2009/10	90,654	1.130%	769	91,423
		TOTAL	356,551		9,126	365,677
Department of Environmental Quality - Clean Water Loans Projected						
Projected	N/A					
		2006/07	112,365	1.130%	446,217	558,582
		TOTAL	112,365		446,217	558,582
Wastewater Financing - Economic Development Loan						
10/08/1997 - Due 12/1	700,000					
		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
		TOTAL	494,474		175,928	670,402
TOTAL - State Loans	1,100,000					
		2006/07	230,355		474,492	704,847
		2007/08	119,227		25,900	145,127
		2008/09	125,491		23,473	148,964
		2009/10	126,790		20,754	147,544
		2010/11	36,442		18,179	54,621
		2011/12	41,764		16,357	58,121
		2012/13	42,103		14,269	56,372

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2013/14	42,457		12,163	54,620
		2014/15	47,831		10,041	57,872
		2015/16	48,223		7,649	55,872
		2016/17	48,634		5,237	53,871
		2017/18	54,073		2,757	56,830
TOTAL SECOND LIEN SEWER REVENUE BONDS			963,390		631,271	1,594,661
COMBINED DEBT SERVICE						
	1,395,300,000					
		2006/07	40,710,355		61,318,915	102,029,270
		2007/08	44,059,227		58,090,059	102,149,286
		2008/09	46,195,491		55,620,721	101,816,212
		2009/10	48,491,790		54,008,699	102,500,489
		2010/11	51,291,442		50,896,452	102,187,894
		2011/12	53,886,764		49,002,877	102,889,641
		2012/13	56,572,103		45,627,629	102,199,732
		2013/14	59,402,457		43,121,809	102,524,266
		2014/15	62,367,831		40,174,225	102,542,056
		2015/16	65,453,223		37,079,495	102,532,718
		2016/17	68,728,634		33,831,208	102,559,842
		2017/18	72,939,073		30,119,492	103,058,565
		2018/19	76,045,000		26,277,920	102,322,920
		2019/20	79,720,000		21,765,467	101,485,467
		2020/21	83,740,000		18,049,390	101,789,390
		2021/22	87,615,000		15,089,753	102,704,753
		2022/23	92,065,000		10,691,999	102,756,999
		2023/24	24,595,000		6,527,900	31,122,900
		2024/25	25,825,000		5,304,238	31,129,238
		2025/26	14,000,000		4,347,100	18,347,100
		2026/27	14,670,000		3,670,525	18,340,525
		2027/28	15,360,000		2,986,075	18,346,075
		2028/29	16,075,000		2,269,350	18,344,350
		2029/30	16,800,000		1,545,975	18,345,975
		2030/31	17,555,000		789,975	18,344,975
TOTAL FUND DEBT SERVICE			\$1,234,163,390		\$ 678,207,247	\$1,912,370,637

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Licenses and Permits							
Construction Permits	125,897	135,290	114,079	149,685	150,000	150,000	150,000
Other Permits	493,789	511,440	535,903	558,327	572,500	572,500	572,500
	619,686	646,730	649,982	708,012	722,500	722,500	722,500
Service Charges and Fees							
Miscellaneous	102,688	95,841	29,837	135,362	125,000	125,000	125,000
Public Works/Utility Charge	173,900,431	183,560,981	191,764,652	191,881,218	201,912,941	201,999,698	201,999,698
Rents and Reimbursements	77,278	56,291	139,416	55,967	60,000	60,000	60,000
	174,080,397	183,713,113	191,933,905	192,072,547	202,097,941	202,184,698	202,184,698
State Sources							
State Cost Sharing	426,420	(290,346)	0	9,447	0	0	0
State Grants	0	0	15,000	15,000	0	0	0
	426,420	(290,346)	15,000	24,447	0	0	0
Local Sources							
Local Cost Sharing	157,488	635,680	537,542	442,927	469,231	469,231	469,231
	157,488	635,680	537,542	442,927	469,231	469,231	469,231
Miscellaneous Revenues							
Bond and Note Sales	0	624,224	0	654,875	836,434	836,434	836,434
Interest Earned	953,945	722,488	626,554	757,813	650,000	650,000	650,000
Other Miscellaneous	456,226	1,740,494	55,182	193,796	50,000	50,000	50,000
Private Grants/Donations	56,981	87,211	690,597	457,369	0	0	0
Refunds	77,565	55,511	77,261	81,748	50,000	50,000	50,000
Sale of Capital Assets	67,300	1,666,814	0	231,025	50,000	50,000	50,000
Sales Miscellaneous	114,524	122,618	226,070	357,544	200,000	200,000	200,000
	1,726,541	5,019,360	1,675,664	2,734,170	1,836,434	1,836,434	1,836,434
Total External Revenues	177,010,532	189,724,537	194,812,093	195,982,103	205,126,106	205,212,863	205,212,863
Internal Revenues							
Other Cash Transfers							
Environmental Remediation Fund	0	900,000	0	0	0	0	0
General Fund	0	362,056	352,056	352,056	345,488	345,488	345,488
Housing & Community Devel Fund	0	9,264	0	0	0	0	0
LID Construction Fund	0	0	0	0	0	0	0
Sewer System Construction Fund	150,972,063	143,775,778	137,194,618	174,231,796	219,375,242	219,375,242	219,375,242
Sewer System Rate Stabilization	362,215	0	5,420,265	311,289	9,000,000	9,000,000	9,000,000
	151,334,278	145,047,098	142,966,939	174,895,141	228,720,730	228,720,730	228,720,730
Federal Grants Transfers	271,488	1,012,158	1,489,289	745,282	1,360,660	1,360,660	1,360,660
Interfund Service Reimbursements							
BES Modeling Services	0	0	0	0	0	0	0
CityFleet Services	0	0	0	1,680	0	0	0
Development Services	0	20,000	20,000	20,000	20,000	20,000	20,000
Environmental Remediation	8,869	17,902	218,028	218,028	92,571	92,571	92,571
Environmental Services	0	0	0	0	0	0	0
Facilities Services Fund	50,203	29,897	0	0	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Fire Bureau	109,922	86,486	25,000	50,000	0	10,000	10,000
Golf Fund	1,997	8,974	0	0	0	0	0
Housing & Community Devel Fund	0	40,000	0	0	0	0	0
Housing & Community Development	6,595	9,000	0	0	0	0	0
Maintenance Stock	0	803	0	0	0	0	0
Office of Transportation	543,382	795,471	1,174,581	664,078	766,766	766,766	766,766
Parks Bureau	0	0	0	0	127,245	127,245	127,245
Parks Bureau	92,474	115,000	125,000	125,000	0	0	0
Parks Capital Const & Maint Fund	78,231	33,153	0	0	0	0	0
Portland International Raceway	64,462	5,975	0	0	0	0	0
Portland Parks Memorial Trust	0	0	3,841	3,841	0	0	0
Solid Waste Management Fund	15,037	10,433	14,364	14,364	12,363	0	0
Technology Services Fund	0	0	21,000	21,000	21,979	21,979	21,979
Water Bureau	311,490	204,203	280,000	117,517	407,266	407,266	407,266
	1,282,662	1,377,297	1,881,814	1,235,508	1,448,190	1,445,827	1,445,827
Intra-Fund Service Reimbursement	2,701,795	0	3,655,179	3,438,039	3,798,144	3,798,144	3,798,144
Total Internal Revenues	155,590,223	147,436,553	149,993,221	180,313,970	235,327,724	235,325,361	235,325,361
Beginning Fund Balance	40,468,073	33,907,593	29,824,057	34,581,631	21,981,413	21,981,413	21,981,413
TOTAL RESOURCES	\$ 373,068,828	\$ 371,068,683	\$ 374,629,371	\$ 410,877,704	\$ 462,435,243	\$ 462,519,637	\$ 462,519,637
REQUIREMENTS							
Bureau Expenses							
Personal Services	36,029,388	38,070,024	39,670,857	38,562,990	41,724,865	42,575,430	42,575,430
External Materials and Services	33,648,292	37,333,154	37,029,878	36,212,698	36,967,381	36,983,618	36,951,805
Internal Materials and Services							
CityFleet Services	384,391	373,341	403,465	411,178	457,630	457,630	457,630
Communications Services	1,297,467	839,669	0	0	0	0	0
Facilities Services	1,938,005	1,867,363	1,684,851	1,683,101	1,818,747	1,818,747	1,818,747
Insurance	862,312	967,796	891,723	887,520	908,997	908,997	908,997
Printing & Distribution	481,174	491,991	503,864	408,321	627,136	627,136	627,136
Technology Services Fund	1,730,565	1,646,396	3,037,507	3,082,378	3,310,157	3,310,157	3,310,157
City Attorney	196,481	205,469	213,071	213,071	236,509	236,509	236,509
City Auditor	0	1,000	1,000	1,000	4,860	4,860	4,860
Commissioner of Public Affairs	28,869	38,649	0	0	0	0	0
Commissioner of Public Utilities	0	0	54,000	54,000	76,432	76,432	41,096
Development Services	43,377	73,536	47,333	47,334	271,668	271,668	271,668
Fire Bureau	0	25,000	10,000	25,000	15,000	15,000	15,000
Government Relations	14,700	17,755	18,643	18,643	22,745	22,745	22,745
Mayor	0	4,519	0	0	0	0	0
Neighborhood Involvement	391,193	382,565	416,943	374,233	433,893	433,893	433,893
Office of Management & Finance	987,269	813,276	689,711	606,873	194,562	194,562	194,562
OMF - Revenue Bureau	0	1,913,070	6,641,652	5,507,904	9,133,775	9,256,168	9,256,168
Parking Facilities	26,123	26,750	28,920	39,771	32,880	32,880	32,880
Parks Bureau	522,606	630,342	702,993	525,978	625,591	625,591	625,591
Parks Capital Const & Maint Fund	59,954	30,581	85,000	71,998	84,400	84,400	84,400
Planning Bureau	440,000	0	16,000	8,667	17,000	17,000	17,000
Police Bureau	0	5,711	1,160	1,160	0	0	0

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Special Appropriations	57,221	2,326	68,290	4,510	33,625	33,625	33,625
Sustainable Development	52,100	140,000	360,000	360,000	247,500	247,500	247,500
Transportation	14,535,780	15,645,765	16,274,661	16,987,038	17,725,709	17,931,594	17,931,594
Utility Billing System	754,582	2,056,199	2,461,579	2,449,377	0	0	0
Water Bureau	7,337,389	4,796,147	1,004,365	907,210	857,787	857,787	857,787
Same Fund Services	2,701,796	0	3,655,179	3,438,039	3,798,144	3,798,144	3,798,144
	34,843,354	32,995,216	39,271,910	38,114,304	40,934,747	41,263,025	41,227,689
Capital Outlay	119,870,196	104,895,259	108,137,601	136,953,415	185,635,665	185,235,858	184,985,356
Equipment Cash Transfers							
Printing & Distribution	0	25,700	25,000	25,000	0	0	0
	0	25,700	25,000	25,000	0	0	0
Minor Equipment Transfers							
Printing & Distribution	1,000	0	0	0	0	0	0
	1,000	0	0	0	0	0	0
Total Bureau Expenses	224,392,230	213,319,353	224,135,246	249,868,407	305,262,658	306,057,931	305,740,280
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	8,105,427	0	18,249,536	17,538,657	17,963,853
Compensation Adjustment	0	0	558,350	0	1,171,334	1,171,334	1,171,334
	0	0	8,663,777	0	19,420,870	18,709,991	19,135,187
General Fund Overhead	2,155,115	2,610,483	2,687,815	2,687,815	3,852,190	3,852,190	3,852,190
Fund Cash Transfers							
Campaign Finance Fund	0	0	275,598	275,598	222,232	222,232	114,687
Environmental Remediation Fund	0	1,280,000	2,611,824	2,335,000	3,606,513	3,606,513	3,606,513
General Fund	11,538,268	12,684,307	12,809,321	12,809,321	12,809,321	12,809,321	12,809,321
Health Insurance	0	0	0	0	99,068	99,068	99,068
LID Construction Fund	41,095	45,612	46,633	46,633	46,633	46,633	46,633
Parks Capital Const & Maint Fund	0	400,000	0	0	0	0	0
Pension Debt Redemption Fund	0	0	2,004,536	2,004,536	2,538,865	2,538,865	2,538,865
Sewage Disposal Debt Redemption	66,725,899	72,407,373	84,028,661	81,282,946	102,131,893	102,131,893	102,131,893
Sewer System Construction Fund	25,000,000	27,100,000	27,945,616	21,000,000	6,000,000	6,000,000	6,000,000
Sewer System Rate Stabilization	9,187,215	6,100,000	8,825,341	11,000,000	6,000,000	6,000,000	6,000,000
	112,492,477	120,017,292	138,547,530	130,754,034	133,454,525	133,454,525	133,346,980
Debt Retirement							
Debt Req Net Issue Cost	121,413	130,747	220,003	5,213,952	55,000	55,000	55,000
Debt Issuance Costs	0	409,177	375,000	372,083	390,000	390,000	390,000
	121,413	539,924	595,003	5,586,035	445,000	445,000	445,000
Ending Balance							
Unappropriated Ending Balance	33,907,593	34,581,631	0	21,981,413	0	0	0
	33,907,593	34,581,631	0	21,981,413	0	0	0
Total Fund Requirements	148,676,598	157,749,330	150,494,125	161,009,297	157,172,585	156,461,706	156,779,357
TOTAL REQUIREMENTS	\$ 373,068,828	\$ 371,068,683	\$ 374,629,371	\$ 410,877,704	\$ 462,435,243	\$ 462,519,637	\$ 462,519,637

FUND OVERVIEW

The purpose of the Sewer 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 of Environmental Services 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 Sewer System Operating Fund.

Managing Agency Bureau of Environmental Services

CHANGES FROM PRIOR YEAR

Resources

Sewer rate revenues of \$190.4 million are the largest source of revenue.

Rates, Charges, and Miscellaneous

Public Works/Utility Charges, which include sewer rate revenues, connection charges, wholesale contract revenues, and other miscellaneous charges, are forecast to increase to about \$202.0 million for FY 2006-07. Sewer rate revenues, budgeted at approximately \$190.4 million, are based on the following assumptions: an average single family residential bill increase of 5.6%, 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 \$7.7 million in FY 2006-07.

Interfund Cash Transfers and Service Reimbursements

Interfund cash transfers are forecast at approximately \$228.7 million for FY 2006-07. Interfund service reimbursements are budgeted at \$1.4 million.

Transfers from the Sewer System Construction Fund are \$82.2 million higher than such transfers in the FY 2005-06 Revised Budget. This reflects an increase in the bureau's infrastructure expenditures for the Eastside Combined Sewer Overflow Tunnel construction and the completion of the Westside Combined Sewer Overflow Tunnel and Swan Island Pump Station project in FY 2006-07.

Transfers from the General Fund of \$345,488 contribute funding for the City's Endangered Species Act (ESA) program. Other City bureaus - Water, Transportation, and Development Services - and the Portland Development Commission contribute another \$354,000 to support the program.

Requirements

Personal Services

Personal services are budgeted to increase 7.3% over the FY 2005-06 Revised Budget. The significant increase is due to increased healthcare costs and the addition of personnel for the Clean River Rewards Program.

Materials and Services

The external materials and services budget remains relatively unchanged.

Internal materials and services expenditures are budgeted to increase \$2.2 million. The completion of the new Cayenta utility billing system provides the bureau savings; however, the Clean River Rewards Program will require modifications and services of over \$1.0 million that offset the savings from the initial implementation of the billing system.

Capital Outlay

Capital outlay is budgeted at \$185.0 million in FY 2006-07 versus about \$108.1 million of FY 2005-06 revised appropriations. This change reflects the bureau's continued infrastructure expenditures associated with the completion of the Westside CSO Tunnel and Pump Station project and the start up of the Eastside Tunnel project. An additional \$1.5 million was added for capital maintenance which is reflected in all five years of the Capital Improvement Program.

Cash Transfers and General Fund Overhead

General Fund Overhead increased \$1.2 million, including a shift of \$414,000 of Bureau of Human Resources support from Internal Services to General Fund Overhead. Cash transfers to other funds are budgeted at \$133.3 million for FY 2006-07. Reasons for the change from FY 2005-06 revised appropriations of \$138.5 million include:

- ◆ Transfers to the Sewer System Construction Fund are budgeted at \$6.0 million in the FY 2006-07 Adopted Budget, a \$21.9 million decrease from the current year revised budget based on the projected availability of funds at year end.
- ◆ Transfers to the Sewer System Debt Redemption Fund are budgeted in FY 2006-07 at \$102.1 million, an \$18.1 million increase due to the \$270 million revenue bond sale in May 2006.
- ◆ Transfers to the Pension Debt Redemption Fund are budgeted at \$2.5 million, an increase of \$500,000 over current levels, representing BES's allocation of debt service requirements on the pension retirement obligation bonds.
- ◆ Transfers to the Sewer System Rate Stabilization Fund are budgeted at \$6.0 million for FY 2006-07, compared to \$8.8 million in the FY 2005-06 Revised Budget based on the future needs of the Rate Stabilization Fund.
- ◆ Transfers to the Environmental Remediation Fund are budgeted at \$3.6 million to fund Portland Harbor Superfund expenditures, an increase of nearly \$1.0 million. The current year's transfer was lower due to the availability of funds earmarked for the program from a 2005 insurance settlement.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Bond and Note Sales	0	0	3,200,000	3,200,000	0	6,000,000	6,000,000
Interest Eamed	109,622	378,564	1,025,927	761,360	1,500,000	1,559,310	1,559,310
	<u>109,622</u>	<u>378,564</u>	<u>4,225,927</u>	<u>3,961,360</u>	<u>1,500,000</u>	<u>7,559,310</u>	<u>7,559,310</u>
Total External Revenues	109,622	378,564	4,225,927	3,961,360	1,500,000	7,559,310	7,559,310
Internal Revenues							
Other Cash Transfers							
Sewer System Operating Fund	9,187,215	6,100,000	8,825,341	11,000,000	6,000,000	6,000,000	6,000,000
	<u>9,187,215</u>	<u>6,100,000</u>	<u>8,825,341</u>	<u>11,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Total Internal Revenues	9,187,215	6,100,000	8,825,341	11,000,000	6,000,000	6,000,000	6,000,000
Beginning Fund Balance	8,316,232	17,250,854	19,924,392	20,529,418	35,179,489	35,179,489	35,179,489
TOTAL RESOURCES	\$ 17,613,069	\$ 23,729,418	\$ 32,975,660	\$ 35,490,778	\$ 42,679,489	\$ 48,738,799	\$ 48,738,799
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	0	3,200,000	0	0	0	0	0
Total Bureau Expenses	0	3,200,000	0	0	0	0	0
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	27,555,395	0	33,679,489	39,738,799	39,738,799
	<u>0</u>	<u>0</u>	<u>27,555,395</u>	<u>0</u>	<u>33,679,489</u>	<u>39,738,799</u>	<u>39,738,799</u>
Fund Cash Transfers							
Sewer System Operating Fund	362,215	0	5,420,265	311,289	9,000,000	9,000,000	9,000,000
	<u>362,215</u>	<u>0</u>	<u>5,420,265</u>	<u>311,289</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>
Ending Balance							
Reserve for Future Years	0	0	0	35,179,489	0	0	0
Unappropriated Ending Balance	17,250,854	20,529,418	0	0	0	0	0
	<u>17,250,854</u>	<u>20,529,418</u>	<u>0</u>	<u>35,179,489</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	17,613,069	20,529,418	32,975,660	35,490,778	42,679,489	48,738,799	48,738,799
TOTAL REQUIREMENTS	\$ 17,613,069	\$ 23,729,418	\$ 32,975,660	\$ 35,490,778	\$ 42,679,489	\$ 48,738,799	\$ 48,738,799

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 Sewer System Operating Fund transfers to this fund to be treated as operating revenues; similarly, transfers to the Sewer System Operating Fund from this fund are treated as operating expenditures.

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 Sewer System Operating Fund will build the fund balance to offset future rate increases associated with construction of the Eastside Combined Sewer Overflow (CSO) tunnel.

Managing Agency Bureau of Environmental Services

CHANGES FROM PRIOR YEAR

Resources The beginning fund balance for the FY 2006-07 Adopted Budget is estimated to be \$35.2 million. Cash transfers from the Sewer System Operating Fund are budgeted at \$6.0 million, representing a period of rebuilding fund balances. Bond and note sales reflect the \$6.0 million repayment of a short-term bridge loan (made in May 2006) to the Portland Office of Transportation (PDOT) for roadway modernization improvements (projects that rely on completion before reimbursement from the Oregon Department of Transportation). Interest on investments includes \$1.5 million of investment earnings and \$59,310 of interest on the PDOT loan.

Requirements Cash transfers to the Sewer System Operating Fund in the amount of \$9.0 million will fund retroactive stormwater fee rebates associated with the Clean River Rewards Program. The Operating Fund will then repay the Rate Stabilization Fund over a period of three fiscal years, lessening the rate impact of the rebates.

The estimated ending fund balance (shown as contingency) will reach \$39.7 million, up from a low of \$3 million in FY 2001-02, and from the previous high of \$29.3 million in FY 1995-96. This balance will continue to rise in the coming few years until the bulk of the debt associated with the CSO program is issued, and the additional debt service levels off.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Interest Earned	2,774	5,897	2,000	13,000	2,000	2,000	2,000
Loan Repayments	58,394	45,676	0	65,000	50,000	50,000	50,000
	61,168	51,573	2,000	78,000	52,000	52,000	52,000
Total External Revenues	61,168	51,573	2,000	78,000	52,000	52,000	52,000
Internal Revenues							
Other Cash Transfers							
Sewer Revolving Loan	1,205,000	0	0	0	0	0	0
	1,205,000	0	0	0	0	0	0
Total Internal Revenues	1,205,000	0	0	0	0	0	0
Beginning Fund Balance	1,121,732	988,426	989,446	1,039,999	1,117,999	1,117,999	1,117,999
TOTAL RESOURCES	\$ 2,387,900	\$ 1,039,999	\$ 991,446	\$ 1,117,999	\$ 1,169,999	\$ 1,169,999	\$ 1,169,999
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	1,399,474	0	0	0	0	0	0
Total Bureau Expenses	1,399,474	0	0	0	0	0	0
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	991,446	0	1,169,999	1,169,999	1,169,999
	0	0	991,446	0	1,169,999	1,169,999	1,169,999
Ending Balance							
Unappropriated Ending Balance	988,426	1,039,999	0	1,117,999	0	0	0
	988,426	1,039,999	0	1,117,999	0	0	0
Total Fund Requirements	988,426	1,039,999	991,446	1,117,999	1,169,999	1,169,999	1,169,999
TOTAL REQUIREMENTS	\$ 2,387,900	\$ 1,039,999	\$ 991,446	\$ 1,117,999	\$ 1,169,999	\$ 1,169,999	\$ 1,169,999

FUND OVERVIEW

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

Managing Agency Bureau of Environmental Services

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Licenses and Permits							
Other Permits	3,660	3,660	3,600	3,600	3,600	3,600	3,600
Public Utility Licenses	1,697,402	2,143,650	1,691,619	1,764,160	1,850,320	1,850,320	1,850,320
	<u>1,701,062</u>	<u>2,147,310</u>	<u>1,695,219</u>	<u>1,767,760</u>	<u>1,853,920</u>	<u>1,853,920</u>	<u>1,853,920</u>
Service Charges and Fees							
Miscellaneous	1,400	1,700	0	0	1,400	1,400	1,400
Public Works/Utility Charge	1,221,236	1,554,131	1,038,135	1,053,541	1,059,930	1,059,930	1,059,930
Rents and Reimbursements	7,122	0	7,239	0	0	0	0
	<u>1,229,758</u>	<u>1,555,831</u>	<u>1,045,374</u>	<u>1,053,541</u>	<u>1,061,330</u>	<u>1,061,330</u>	<u>1,061,330</u>
Local Sources							
Local Cost Sharing	327,078	407,643	443,750	443,750	315,000	315,000	315,000
	<u>327,078</u>	<u>407,643</u>	<u>443,750</u>	<u>443,750</u>	<u>315,000</u>	<u>315,000</u>	<u>315,000</u>
Miscellaneous Revenues							
Interest Earned	41,399	81,284	62,476	72,640	116,191	116,191	116,191
Other Miscellaneous	12,619	13,389	7,400	14,000	12,500	12,500	12,500
	<u>54,018</u>	<u>94,673</u>	<u>69,876</u>	<u>86,640</u>	<u>128,691</u>	<u>128,691</u>	<u>128,691</u>
Total External Revenues	<u>3,311,916</u>	<u>4,205,457</u>	<u>3,254,219</u>	<u>3,351,691</u>	<u>3,358,941</u>	<u>3,358,941</u>	<u>3,358,941</u>
Internal Revenues							
Other Cash Transfers							
CityFleet Services	11,010	0	0	0	0	0	0
	<u>11,010</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Grants Transfers							
	22,000	16,799	0	7,671	0	0	0
Interfund Service Reimbursements							
Sustainable Development	0	43,963	51,877	51,877	90,411	90,411	90,411
Water Bureau	0	10,000	10,000	10,000	0	0	0
	<u>0</u>	<u>53,963</u>	<u>61,877</u>	<u>61,877</u>	<u>90,411</u>	<u>90,411</u>	<u>90,411</u>
Total Internal Revenues	<u>33,010</u>	<u>70,762</u>	<u>61,877</u>	<u>69,548</u>	<u>90,411</u>	<u>90,411</u>	<u>90,411</u>
Beginning Fund Balance	3,022,550	3,132,785	2,749,355	4,213,470	3,938,779	3,938,779	3,938,779
TOTAL RESOURCES	\$ 6,367,476	\$ 7,409,004	\$ 6,065,451	\$ 7,634,709	\$ 7,388,131	\$ 7,388,131	\$ 7,388,131
REQUIREMENTS							
Bureau Expenses							
Personal Services							
	714,477	876,265	1,042,107	1,042,107	983,017	983,017	983,017
External Materials and Services							
	1,163,882	1,012,133	1,060,740	1,060,740	1,082,900	1,082,900	1,082,900
Internal Materials and Services							
CityFleet Services	2,656	2,549	2,031	2,031	2,053	2,053	2,053
Communications Services	18,038	18,957	0	0	0	0	0
Facilities Services	1,794	286	0	0	0	0	0
Insurance	16,257	13,366	13,346	13,346	14,715	14,715	14,715
Printing & Distribution	128,128	166,534	170,532	170,532	242,861	242,861	242,861
Technology Services Fund	24,817	22,802	53,172	53,172	56,664	56,664	56,664
City Auditor	0	0	1,200	1,200	1,200	1,200	1,200

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Development Services	0	0	0	0	80,095	80,095	80,095
Environmental Services	15,037	10,433	14,364	14,364	12,363	0	0
Neighborhood Involvement	71,492	89,992	84,992	84,992	14,992	14,992	14,992
Office of Management & Finance	11,552	13,540	12,421	12,421	0	0	0
Special Appropriations	504	13	367	367	190	190	190
Sustainable Development	192,510	223,279	266,849	266,849	276,360	276,360	276,360
Transportation	7,114	5,097	3,500	3,500	13,000	13,000	13,000
Water Bureau	0	0	0	0	20,000	20,000	20,000
	489,899	566,848	622,774	622,774	734,493	722,130	722,130
Equipment Cash Transfers							
Printing & Distribution	3,080	0	0	0	0	0	0
	3,080	0	0	0	0	0	0
Total Bureau Expenses	2,371,338	2,455,246	2,725,621	2,725,621	2,800,410	2,788,047	2,788,047
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	2,404,019	0	740,984	753,347	754,744
Compensation Adjustment	0	0	18,433	0	38,360	38,360	38,360
	0	0	2,422,452	0	779,344	791,707	793,104
General Fund Overhead	159,957	38,230	82,599	82,599	52,437	52,437	52,437
Fund Cash Transfers							
Campaign Finance Fund	0	0	4,210	4,210	2,887	2,887	1,490
General Fund	697,187	673,776	791,587	844,518	749,599	749,599	749,599
Health Insurance	0	0	0	0	652	652	652
Pension Debt Redemption Fund	0	0	38,982	38,982	49,373	49,373	49,373
	697,187	673,776	834,779	887,710	802,511	802,511	801,114
Debt Retirement							
Debt Req Net Issue Cost	6,209	28,282	0	0	0	0	0
	6,209	28,282	0	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	3,132,785	4,213,470	0	3,938,779	2,953,429	2,953,429	2,953,429
	3,132,785	4,213,470	0	3,938,779	2,953,429	2,953,429	2,953,429
Total Fund Requirements	3,996,138	4,953,758	3,339,830	4,909,088	4,587,721	4,600,084	4,600,084
TOTAL REQUIREMENTS	\$ 6,367,476	\$ 7,409,004	\$ 6,065,451	\$ 7,634,709	\$ 7,388,131	\$ 7,388,131	\$ 7,388,131

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 the City's efforts to reduce the amount of solid waste through recycling and waste reduction.

The fund supports the Office of Sustainable Development's Solid Waste and Recycling program and Training, Education, and Outreach program. The fund also supports the City's Public Trash Can program and the Office of Neighborhood Involvement's Nuisance Abatement 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 haulers' gross revenue.
- ◆ Commercial tonnage fees are set at \$3.80/ton for garbage disposal.

Managing Agency Office of Sustainable Development

CHANGES FROM PRIOR YEAR

The Solid Waste and Recycling program includes an additional \$100,000 to purchase commercial recycling carts due to increased demand from Portland businesses and the rising cost of containers.

The cost to support the Public Trash Can program increases from \$172,000 to \$213,000 due to increased fuel and labor costs for hauling companies that provide the service.

The FY 2006-07 Adopted Budget also includes \$50,000 to provide small businesses a menu of resource conservation services and incentives that are locally available to them in a simple, one-stop shop format.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Public Works/Utility Charge	1,778,587	145,914	0	0	0	0	0
	<u>1,778,587</u>	<u>145,914</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Local Sources							
Local Cost Sharing	84,008	6,682	0	0	0	0	0
	<u>84,008</u>	<u>6,682</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Miscellaneous Revenues							
Interest Earned	764	1,070	0	0	0	0	0
	<u>764</u>	<u>1,070</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total External Revenues	<u>1,863,359</u>	<u>153,666</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Internal Revenues							
Other Cash Transfers							
Water Fund	195,935	200,300	0	0	0	0	0
	<u>195,935</u>	<u>200,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Internal Revenues	<u>195,935</u>	<u>200,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Fund Balance	<u>1,643,140</u>	<u>1,670,584</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL RESOURCES	\$ 3,702,434	\$ 2,024,550	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	2,031,850	2,024,550	0	0	0	0	0
	<u>2,031,850</u>	<u>2,024,550</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance							
Unappropriated Ending Balance	1,670,584	0	0	0	0	0	0
	<u>1,670,584</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	<u>3,702,434</u>	<u>2,024,550</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REQUIREMENTS	\$ 3,702,434	\$ 2,024,550	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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 were responsible for 90% of the debt service on that issue, while the City of Portland paid the remaining 10%. Debt service terminated in August 2004, and the fund was closed effective June 30, 2005.

Managing Agency Bureau of Water Works

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Bond and Note Sales	64,262,663	0	0	0	0	0	0
Interest Earned	2,158	5,127	0	0	0	0	0
	<u>64,264,821</u>	<u>5,127</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total External Revenues	64,264,821	5,127	0	0	0	0	0
Internal Revenues							
Other Cash Transfers							
Water Construction Fund	466,012	330,307	1,090,621	0	1,489,854	1,760,195	1,760,195
Water Fund	8,349,844	13,009,498	13,163,854	12,820,601	14,139,088	14,278,940	14,278,940
	<u>8,815,856</u>	<u>13,339,805</u>	<u>14,254,475</u>	<u>12,820,601</u>	<u>15,628,942</u>	<u>16,039,135</u>	<u>16,039,135</u>
Total Internal Revenues	8,815,856	13,339,805	14,254,475	12,820,601	15,628,942	16,039,135	16,039,135
Beginning Fund Balance	9,449	11,608	0	5,359	0	0	0
TOTAL RESOURCES	\$ 73,090,126	\$ 13,356,540	\$ 14,254,475	\$ 12,825,960	\$ 15,628,942	\$ 16,039,135	\$ 16,039,135
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	73,078,518	13,351,181	14,254,475	12,825,960	15,628,942	16,039,135	16,039,135
	<u>73,078,518</u>	<u>13,351,181</u>	<u>14,254,475</u>	<u>12,825,960</u>	<u>15,628,942</u>	<u>16,039,135</u>	<u>16,039,135</u>
Ending Balance							
Unappropriated Ending Balance	11,608	5,359	0	0	0	0	0
	<u>11,608</u>	<u>5,359</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	73,090,126	13,356,540	14,254,475	12,825,960	15,628,942	16,039,135	16,039,135
TOTAL REQUIREMENTS	\$ 73,090,126	\$ 13,356,540	\$ 14,254,475	\$ 12,825,960	\$ 15,628,942	\$ 16,039,135	\$ 16,039,135

FUND OVERVIEW

The Water Bond Sinking Fund provides for repayment of bonded debt and interest on debt. The primary resource to this fund in FY 2006-07 is a transfer from the Water Fund of \$14.3 million. The Water Construction Fund also provides a \$1.8 million transfer of interest earnings on bond proceeds in FY 2006-07.

Managing Agency Bureau of Water Works

Water Bond Sinking Fund – 355

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
General Obligation Water Refunding Bonds, 2004 Series C						
06/09/2004 - Due 10/1	7,640,000					
		2006/07	1,405,000	3.00%	212,925	1,617,925
		2007/08	1,450,000	3.00%	170,100	1,620,100
		2008/09	1,495,000	3.00%	125,925	1,620,925
		2009/10	1,545,000	3.20%	78,780	1,623,780
		2010/11	1,590,000	3.40%	27,030	1,617,030
		TOTAL	7,485,000		614,760	8,099,760
Water System Revenue Bonds, 1997 Series A						
11/15/1997 - Due 08/01	30,000,000					
		2006/07	1,000,000	4.75%	1,149,250	2,149,250
		2007/08	1,050,000	5.00%	1,099,250	2,149,250
		2008/09	1,100,000	5.00%	1,045,500	2,145,500
		2009/10	1,160,000	5.00%	989,000	2,149,000
		2010/11	1,220,000	5.00%	929,500	2,149,500
		2011/12	1,280,000	5.00%	867,000	2,147,000
		2012/13	1,350,000	5.00%	801,250	2,151,250
		2013/14	1,410,000	5.00%	732,250	2,142,250
		2014/15	1,490,000	5.00%	659,750	2,149,750
		2015/16	1,560,000	5.00%	583,500	2,143,500
		2016/17	5,310,000	5.00%	411,750	5,721,750
		2017/18	5,580,000	5.00%	139,500	5,719,500
		TOTAL	23,510,000		9,407,500	32,917,500
Water System Revenue Bonds, 2000 Series A						
03/15/2000 - Due 08/01	35,000,000					
		2006/07	620,000	5.00%	1,715,618	2,335,618
		2007/08	650,000	5.00%	1,683,868	2,333,868
		2008/09	690,000	5.00%	1,650,368	2,340,368
		2009/10	720,000	5.00%	1,615,118	2,335,118
		2010/11	760,000	5.00%	1,578,118	2,338,118
		2011/12	800,000	5.00%	1,539,118	2,339,118
		2012/13	840,000	5.13%	1,497,593	2,337,593
		2013/14	890,000	5.20%	1,452,928	2,342,928
		2014/15	930,000	5.25%	1,405,375	2,335,375
		2015/16	990,000	5.25%	1,354,975	2,344,975
		2016/17	1,040,000	5.25%	1,301,688	2,341,688
		2017/18	1,090,000	5.25%	1,245,775	2,335,775
		2018/19	7,030,000	5.38%	1,028,231	8,058,231
		2019/20	7,420,000	5.50%	635,250	8,055,250
		2020/21	7,840,000	5.50%	215,600	8,055,600
		TOTAL	32,310,000		19,919,619	52,229,619
Water System Revenue Refunding Bonds, 2004 Series A						
05/06/04 - Due 10/1	29,900,000					
		2006/07	2,100,000	5.00%	1,211,825	3,311,825
		2007/08	2,215,000	5.00%	1,103,950	3,318,950
		2008/09	2,330,000	5.00%	990,325	3,320,325
		2009/10	2,445,000	5.00%	870,950	3,315,950
		2010/11	2,570,000	5.00%	745,575	3,315,575
		2011/12	2,705,000	5.00%	613,700	3,318,700
		2012/13	2,830,000	4.50%	482,400	3,312,400
		2013/14	2,965,000	4.50%	352,013	3,317,013
		2014/15	3,100,000	4.50%	215,550	3,315,550
		2015/16	3,240,000	4.50%	72,900	3,312,900
		TOTAL	26,500,000		6,659,188	33,159,188

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Water System Revenue Bonds, 2004 Series B						
05/06/04 - Due 10/1	61,900,000					
		2006/07	2,040,000	5.00%	2,693,300	4,733,300
		2007/08	2,150,000	5.00%	2,588,550	4,738,550
		2008/09	2,260,000	5.00%	2,478,300	4,738,300
		2009/10	2,380,000	5.00%	2,362,300	4,742,300
		2010/11	2,500,000	5.00%	2,240,300	4,740,300
		2011/12	2,630,000	5.00%	2,112,050	4,742,050
		2012/13	2,760,000	5.00%	1,977,300	4,737,300
		2013/14	2,900,000	5.00%	1,835,800	4,735,800
		2014/15	3,040,000	4.00%	1,702,500	4,742,500
		2015/16	3,160,000	4.00%	1,578,500	4,738,500
		2016/17	3,310,000	5.00%	1,432,550	4,742,550
		2017/18	3,480,000	5.00%	1,262,800	4,742,800
		2018/19	3,650,000	4.75%	1,089,113	4,739,113
		2019/20	3,830,000	4.75%	911,463	4,741,463
		2020/21	4,010,000	4.50%	730,275	4,740,275
		2021/22	4,190,000	4.50%	545,775	4,735,775
		2022/23	4,400,000	5.00%	341,500	4,741,500
		2023/24	4,630,000	5.00%	115,750	4,745,750
		TOTAL	57,320,000		27,998,125	85,318,125
Projected - 2005 Water System Revenue Bonds						
N/A	N/A					
		TOTAL	-		1,891,216	1,891,216
TOTAL - Water System Revenue Bonds						
	156,800,000					
		2006/07	5,760,000		8,661,209	14,421,209
		2007/08	6,065,000		6,475,618	12,540,618
		2008/09	6,380,000		6,164,493	12,544,493
		2009/10	6,705,000		5,837,368	12,542,368
		2010/11	7,050,000		5,493,493	12,543,493
		2011/12	7,415,000		5,131,868	12,546,868
		2012/13	7,780,000		4,758,543	12,538,543
		2013/14	8,165,000		4,372,990	12,537,990
		2014/15	8,560,000		3,983,175	12,543,175
		2015/16	8,950,000		3,589,875	12,539,875
		2016/17	9,660,000		3,145,988	12,805,988
		2017/18	10,150,000		2,648,075	12,798,075
		2018/19	10,680,000		2,117,344	12,797,344
		2019/20	11,250,000		1,546,713	12,796,713
		2020/21	11,850,000		945,875	12,795,875
		2021/22	4,190,000		545,775	4,735,775
		2022/23	4,400,000		341,500	4,741,500
		2023/24	4,630,000		115,750	4,745,750
			139,640,000		65,875,647	205,515,647
COMBINED DEBT SERVICE						
	164,440,000					
		2006/07	7,165,000		8,874,134	16,039,134
		2007/08	7,515,000		6,645,718	14,160,718
		2008/09	7,875,000		6,290,418	14,165,418
		2009/10	8,250,000		5,916,148	14,166,148
		2010/11	8,640,000		5,520,523	14,160,523
		2011/12	7,415,000		5,131,868	12,546,868
		2012/13	7,780,000		4,758,543	12,538,543

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2013/14	8,165,000		4,372,990	12,537,990
		2014/15	8,560,000		3,983,175	12,543,175
		2015/16	8,950,000		3,589,875	12,539,875
		2016/17	9,660,000		3,145,988	12,805,988
		2017/18	10,150,000		2,648,075	12,798,075
		2018/19	10,680,000		2,117,344	12,797,344
		2019/20	11,250,000		1,546,713	12,796,713
		2020/21	11,850,000		945,875	12,795,875
		2021/22	4,190,000		545,775	4,735,775
		2022/23	4,400,000		341,500	4,741,500
		2023/24	4,630,000		115,750	4,745,750
TOTAL FUND DEBT SERVICE			\$ 147,125,000		\$ 66,490,407	\$ 213,615,407

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Service Charges and Fees							
Public Works/Utility Charge	3,133,299	2,816,595	2,700,000	3,500,000	2,778,300	2,778,300	2,778,300
	3,133,299	2,816,595	2,700,000	3,500,000	2,778,300	2,778,300	2,778,300
Miscellaneous Revenues							
Bond and Note Sales	40,022,477	0	48,032,000	0	53,820,889	68,587,789	68,587,789
Interest Earned	216,579	670,003	1,245,621	445,621	1,709,854	1,980,195	1,980,195
	40,239,056	670,003	49,277,621	445,621	55,530,743	70,567,984	70,567,984
Total External Revenues	43,372,355	3,486,598	51,977,621	3,945,621	58,309,043	73,346,284	73,346,284
Internal Revenues							
Other Cash Transfers							
Water Fund	14,007,155	17,528,432	19,933,675	17,333,675	25,605,104	20,814,104	20,814,104
	14,007,155	17,528,432	19,933,675	17,333,675	25,605,104	20,814,104	20,814,104
Total Internal Revenues	14,007,155	17,528,432	19,933,675	17,333,675	25,605,104	20,814,104	20,814,104
Beginning Fund Balance	15,939,155	37,974,485	16,441,867	20,937,734	5,992,844	5,992,844	5,992,844
TOTAL RESOURCES	\$ 73,318,665	\$ 58,989,515	\$ 88,353,163	\$ 42,217,030	\$ 89,906,991	\$ 100,153,232	\$ 100,153,232
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	44,381	0	0	0	0	0	0
Total Bureau Expenses	44,381	0	0	0	0	0	0
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	7,938,637	0	6,587,761	7,388,987	7,388,987
	0	0	7,938,637	0	6,587,761	7,388,987	7,388,987
Fund Cash Transfers							
Water Bond Sinking	466,012	330,307	1,090,621	0	1,489,854	1,760,195	1,760,195
Water Fund	34,833,787	37,721,474	51,833,628	36,224,186	42,428,555	47,499,715	47,499,715
	35,299,799	38,051,781	52,924,249	36,224,186	43,918,409	49,259,910	49,259,910
Ending Balance							
Unappropriated Ending Balance	37,974,485	20,937,734	27,490,277	5,992,844	39,400,821	43,504,335	43,504,335
	37,974,485	20,937,734	27,490,277	5,992,844	39,400,821	43,504,335	43,504,335
Total Fund Requirements	73,274,284	58,989,515	88,353,163	42,217,030	89,906,991	100,153,232	100,153,232
TOTAL REQUIREMENTS	\$ 73,318,665	\$ 58,989,515	\$ 88,353,163	\$ 42,217,030	\$ 89,906,991	\$ 100,153,232	\$ 100,153,232

FUND OVERVIEW

The Water Construction Fund is the capital fund of the Water Bureau. This fund pays for equipment and 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 \$100.2 million, include the following:

- ◆ \$6.0 million forecasted beginning fund balance
- ◆ \$20.8 million transfer from the Water Fund for capital project revenues and rate-financed capital
- ◆ \$68.6 million from construction revenue bond sales
- ◆ \$2.8 million in system development charges
- ◆ \$2.0 million in interest earnings

Requirements

Requirements, which total \$100.2 million, include the following:

- ◆ \$47.5 million transfer to the Water Operating Fund for capital costs including both direct and indirect costs
- ◆ \$1.8 million transfer to the Water Bond Sinking Fund for interest earnings on unspent bond proceeds
- ◆ \$50.9 million in contingency and reserve for future years

Managing Agency

Bureau of Water Works

CHANGES FROM PRIOR YEAR

The main change from the prior year is in bond and note sales, where a budgeted bond sale in FY 2005-06 did not take place primarily because the revenue was not needed to fund the capital plan. The budget for FY 2006-07 anticipates bond proceeds of \$68.6 million.

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	163,087	156,062	75,000	75,000	75,000	75,000	75,000
Public Works/Utility Charge	75,407,539	74,039,768	81,622,058	79,222,058	85,595,439	83,124,631	83,124,631
Rents and Reimbursements	380,700	392,744	313,263	313,263	330,806	330,806	330,806
	75,951,326	74,588,574	82,010,321	79,610,321	86,001,245	83,530,437	83,530,437
Local Sources							
Local Cost Sharing	1,314,511	429	8,255	8,255	8,681	8,681	8,681
	1,314,511	429	8,255	8,255	8,681	8,681	8,681
Miscellaneous Revenues							
Interest Earned	293,966	710,000	466,373	666,373	658,368	658,368	658,368
Other Miscellaneous	450,515	441,211	2,255,559	1,595,382	1,905,000	405,000	405,000
Refunds	81,637	86,984	84,953	84,953	89,710	89,710	89,710
Sale of Capital Assets	93,725	393,925	0	0	0	0	0
Sales Miscellaneous	130,635	136,542	127,429	127,429	134,565	134,565	134,565
	1,050,478	1,768,662	2,934,314	2,474,137	2,787,643	1,287,643	1,287,643
Total External Revenues	78,316,315	76,357,665	84,952,890	82,092,713	88,797,569	84,826,761	84,826,761
Internal Revenues							
Other Cash Transfers							
Technology Services Fund	0	0	26,392	26,393	0	0	0
Water Construction Fund	34,833,787	37,721,474	51,833,628	36,224,186	42,428,555	47,499,715	47,499,715
	34,833,787	37,721,474	51,860,020	36,250,579	42,428,555	47,499,715	47,499,715
Federal Grants Transfers							
	2,849,568	533,777	5,824,114	2,324,114	3,555,000	5,055,000	5,055,000
Interfund Service Reimbursements							
CityFleet Services	88,768	0	0	0	0	0	0
Environmental Services	7,337,389	4,796,147	1,004,365	804,365	857,787	857,787	857,787
Fire Bureau	426	0	0	0	0	0	0
Housing & Community Devel Fund	0	0	18,348	0	0	0	0
Hydroelectric Power Op Fund	52,618	57,961	74,911	74,911	80,279	80,279	80,279
Office of Transportation	396,365	384,119	567,324	509,675	183,611	183,611	183,611
OMF - Revenue Bureau	0	131,612	371,700	371,700	408,337	408,337	408,337
Parks Capital Const & Maint Fund	2,488	45,069	0	0	0	0	0
Police Bureau	6,155	17,630	0	0	0	0	0
Solid Waste Management Fund	0	0	0	0	20,000	20,000	20,000
Technology Services Fund	0	8,397	32,076	32,076	34,331	34,331	34,331
Utility Billing System	0	0	13,600	0	0	0	0
	7,884,209	5,440,935	2,082,324	1,792,727	1,584,345	1,584,345	1,584,345
Total Internal Revenues	45,567,564	43,696,186	59,766,458	40,367,420	47,567,900	54,139,060	54,139,060
Beginning Fund Balance	13,685,588	30,388,433	23,710,358	25,226,284	26,111,687	26,111,687	26,111,687
TOTAL RESOURCES	\$ 137,569,467	\$ 150,442,284	\$ 168,429,706	\$ 147,686,417	\$ 162,477,156	\$ 165,077,508	\$ 165,077,508
REQUIREMENTS							
Bureau Expenses							
Personal Services	35,184,415	35,535,461	35,372,118	36,288,955	43,414,011	43,414,011	43,414,011

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
External Materials and Services	18,520,379	22,161,310	26,356,304	17,425,523	18,503,436	18,375,256	18,375,256
Internal Materials and Services							
CityFleet Services	1,730,400	1,684,147	1,728,451	2,028,451	2,230,485	2,459,525	2,459,525
Communications Services	1,388,717	1,459,201	0	0	0	0	0
Facilities Services	1,734,318	1,605,797	1,541,211	1,541,211	2,095,290	2,095,290	2,095,290
Insurance	1,131,804	1,023,318	852,955	852,955	891,931	891,931	891,931
Printing & Distribution	920,721	683,809	302,406	302,406	365,750	365,750	365,750
Technology Services Fund	1,904,051	1,892,472	3,840,514	4,270,000	4,050,141	4,203,541	4,203,541
City Attorney	215,501	222,563	230,798	230,798	256,186	256,186	256,186
BES Internal Services	17,969	0	0	0	0	0	0
Commissioner of Public Affairs	21,910	0	17,961	17,961	0	0	0
Development Services	5,224	14,210	4,705	4,705	4,760	4,760	4,760
Environmental Services	293,521	204,204	280,000	280,000	407,266	407,266	407,266
Fire Bureau	75,000	82,000	79,568	79,568	81,955	81,955	81,955
Government Relations	14,700	17,755	18,643	18,643	22,745	22,745	22,745
Housing & Community Development	297,490	0	10,000	10,000	0	10,000	10,000
Hydroelectric Power Op Fund	34,015	38,221	40,000	40,000	40,200	40,200	40,200
Mayor	0	4,519	0	0	0	0	0
Office of Management & Finance	887,223	654,425	478,200	478,200	93,364	93,364	93,364
OMF - Revenue Bureau	0	1,897,372	6,493,790	6,493,790	8,343,789	8,449,396	8,449,396
Parking Facilities	60,092	62,051	67,320	67,320	69,300	69,300	69,300
Parks Bureau	57,430	63,675	90,660	90,660	61,000	61,000	61,000
Parks Capital Const & Maint Fund	375,037	66,526	50,000	50,000	50,000	50,000	50,000
Planning Bureau	75,000	0	16,000	16,000	17,000	17,000	17,000
Police Bureau	0	0	6,000	6,000	6,000	6,000	6,000
Solid Waste Management Fund	0	10,000	10,000	10,000	0	0	0
Special Appropriations	21,951	938	27,536	27,536	13,868	13,868	13,868
Sustainable Development	40,000	105,000	105,000	105,000	115,000	115,000	115,000
Transportation	1,544,719	1,234,840	1,429,410	1,279,410	2,135,593	3,712,593	3,712,593
Utility Billing System	754,582	2,056,200	2,461,578	2,461,578	0	0	0
	13,601,375	15,083,243	20,182,706	20,762,192	21,351,623	23,426,670	23,426,670
Capital Outlay	10,605,409	13,077,916	23,469,704	8,599,502	15,613,443	16,380,443	16,380,443
Equipment Cash Transfers							
Communications Services	0	7,100	0	0	0	0	0
Printing & Distribution	9,200	16,500	12,100	12,100	0	0	0
	9,200	23,600	12,100	12,100	0	0	0
Minor Equipment Transfers							
Communications Services	0	21,964	0	0	0	0	0
Printing & Distribution	0	6,200	0	0	0	0	0
Technology Services	0	0	0	0	35,000	0	0
	0	28,164	0	0	35,000	0	0
Total Bureau Expenses	77,920,778	85,909,694	105,392,932	83,088,272	98,917,513	101,596,380	101,596,380
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	20,944,947	0	14,177,365	18,544,902	18,593,152

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Rate Stabilization Contingency	0	0	0	0	1	1	1
	0	0	20,944,947	0	14,177,366	18,544,903	18,593,153
General Fund Overhead	1,885,396	2,457,471	2,208,678	2,208,678	2,201,831	2,201,831	2,201,831
Fund Cash Transfers							
Campaign Finance Fund	0	0	122,108	122,108	99,703	99,703	51,453
General Fund	4,134,491	4,247,076	4,184,153	4,184,153	4,184,153	4,184,153	4,184,153
Health Insurance	0	0	0	0	205,215	205,215	205,215
Pension Debt Redemption Fund	0	0	1,817,243	1,817,243	2,301,647	2,301,647	2,301,647
Washington County Supply	195,935	200,300	0	0	0	0	0
Water Bond Sinking	8,349,844	13,009,498	13,163,854	12,820,601	14,139,088	14,278,940	14,278,940
Water Construction Fund	14,007,155	17,528,432	19,933,675	17,333,675	25,605,104	20,814,104	20,814,104
	26,687,425	34,985,306	39,221,033	36,277,780	46,534,910	41,883,762	41,835,512
Debt Retirement							
Debt Req Net Issue Cost	687,435	1,863,529	662,116	0	645,536	850,632	850,632
	687,435	1,863,529	662,116	0	645,536	850,632	850,632
Ending Balance							
Unappropriated Ending Balance	30,388,433	25,226,284	0	26,111,687	0	0	0
	30,388,433	25,226,284	0	26,111,687	0	0	0
Total Fund Requirements	59,648,689	64,532,590	63,036,774	64,598,145	63,559,643	63,481,128	63,481,128
TOTAL REQUIREMENTS	\$ 137,569,467	\$ 150,442,284	\$ 168,429,706	\$ 147,686,417	\$ 162,477,156	\$ 165,077,508	\$ 165,077,508

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

Slightly more than half (50.4%) of the Water Fund resources are from water sales. The other main source of revenue is a transfer of \$47.5 million from the Water Construction Fund for capital costs. Beginning fund balance of \$26.1 million represents 15.8% of the fund's resources.

Requirements

Fund requirements include \$59.1 million in the operating budget and \$42.4 million for the Capital Improvement Plan. The largest expenditure category is Personal Services at \$43.4 million, which supports the Water Division's 542.35 FTE. Interfund transfers total \$41.8 million, most of which (\$35.1 million) is to other Water Bureau funds for capital and debt service costs. The fund's budgeted contingency is \$18.6 million. A rate stabilization reserve is funded with \$1 to establish the reserve. Future rate stabilization reserves will be added when actual fund resources exceed requirements.

Managing Agency

Bureau of Water Works

CHANGES FROM PRIOR YEAR

The Water Fund decreases by about \$3.4 million from the FY 2005-06 Revised Budget. The changes in the resources are primarily from a decrease in the transfer from the Water Construction Fund of \$4.3 million, decrease in the transfer from the Federal Grants Fund of \$0.8 million, and reduced interagency revenue of \$0.5 million. These reductions are partially offset by an increase of \$2.4 million in beginning fund balance. The FY 2005-06 federal grants transfer included an estimated \$1.8 million for Hurricane Katrina relief efforts, and the bureau has submitted a reimbursement request of \$1.9 million that reflects actual costs.

The operating budget increased by \$6.2 million primarily due to a \$4.5 million increase for infrastructure maintenance and increases in interagencies with CityFleet, Facilities, and Technology Services. The capital budget decreased in FY 2006-07 by about \$10.0 million.

Interfund transfers to the construction fund, pension debt redemption fund, and sinking fund increased \$2.6 million. These increased transfers are partially offset by a decrease of \$2.3 million in contingency, resulting in an increase in net fund requirements of approximately \$0.4 million.

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Interest Earned	20,106	36,443	33,697	61,116	76,340	77,547	77,547
	20,106	36,443	33,697	61,116	76,340	77,547	77,547
Total External Revenues	20,106	36,443	33,697	61,116	76,340	77,547	77,547
Internal Revenues							
Beginning Fund Balance	1,644,762	1,664,868	1,684,842	1,701,311	1,735,008	1,762,427	1,762,427
TOTAL RESOURCES	\$ 1,664,868	\$ 1,701,311	\$ 1,718,539	\$ 1,762,427	\$ 1,811,348	\$ 1,839,974	\$ 1,839,974
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Ending Balance							
Unappropriated Ending Balance	1,664,868	1,701,311	1,718,539	1,762,427	1,811,348	1,839,974	1,839,974
	1,664,868	1,701,311	1,718,539	1,762,427	1,811,348	1,839,974	1,839,974
Total Fund Requirements	1,664,868	1,701,311	1,718,539	1,762,427	1,811,348	1,839,974	1,839,974
TOTAL REQUIREMENTS	\$ 1,664,868	\$ 1,701,311	\$ 1,718,539	\$ 1,762,427	\$ 1,811,348	\$ 1,839,974	\$ 1,839,974

FUND OVERVIEW

The Water Growth Impact Charge Trust Fund was established to collect and keep contributions from wholesale customers to help pay for expanded facilities required by growth in their demand for water. 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, and establishment of this fund ensured that those contributions would be kept separate from other bureau revenues. In 1995, wholesale contributions were suspended with the deletion of the growth section in the wholesale agreements, so the only revenue in this fund is interest earned on the fund balance.

Managing Agency Bureau of Water Works

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	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	6,376,326	6,125,897	5,578,434	5,578,434	4,884,191	4,884,191	4,884,191
Prior Year Property Taxes	185,384	159,737	190,000	190,000	150,000	150,000	150,000
	<u>6,561,710</u>	<u>6,285,634</u>	<u>5,768,434</u>	<u>5,768,434</u>	<u>5,034,191</u>	<u>5,034,191</u>	<u>5,034,191</u>
Miscellaneous Revenues							
Interest Earned	48,500	101,968	115,809	115,809	96,707	96,707	96,707
	<u>48,500</u>	<u>101,968</u>	<u>115,809</u>	<u>115,809</u>	<u>96,707</u>	<u>96,707</u>	<u>96,707</u>
Total External Revenues	<u>6,610,210</u>	<u>6,387,602</u>	<u>5,884,243</u>	<u>5,884,243</u>	<u>5,130,898</u>	<u>5,130,898</u>	<u>5,130,898</u>
Internal Revenues							
Other Cash Transfers							
Special Revenue and Finance	0	0	25,000	25,000	0	0	0
	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Internal Revenues	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Fund Balance	1,620,689	2,046,434	2,669,891	2,782,619	3,028,819	3,028,819	3,028,819
TOTAL RESOURCES	\$ 8,230,899	\$ 8,434,036	\$ 8,579,134	\$ 8,691,862	\$ 8,159,717	\$ 8,159,717	\$ 8,159,717
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	6,184,465	5,651,417	5,663,043	5,663,043	5,397,738	5,397,738	5,397,738
	<u>6,184,465</u>	<u>5,651,417</u>	<u>5,663,043</u>	<u>5,663,043</u>	<u>5,397,738</u>	<u>5,397,738</u>	<u>5,397,738</u>
Ending Balance							
Unappropriated Ending Balance	2,046,434	0	0	0	0	0	0
Unexpendable Reserve	0	2,782,619	2,916,091	3,028,819	2,761,979	2,761,979	2,761,979
	<u>2,046,434</u>	<u>2,782,619</u>	<u>2,916,091</u>	<u>3,028,819</u>	<u>2,761,979</u>	<u>2,761,979</u>	<u>2,761,979</u>
Total Fund Requirements	<u>8,230,899</u>	<u>8,434,036</u>	<u>8,579,134</u>	<u>8,691,862</u>	<u>8,159,717</u>	<u>8,159,717</u>	<u>8,159,717</u>
TOTAL REQUIREMENTS	\$ 8,230,899	\$ 8,434,036	\$ 8,579,134	\$ 8,691,862	\$ 8,159,717	\$ 8,159,717	\$ 8,159,717

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 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
Urban Renewal & Redevelopment Bonds, 2000 Series A						
06/01/2000 - Due 6/15	51,000,000					
		2006/07	925,000	5.10%	154,788	1,079,788
		2007/08	965,000	5.50%	107,613	1,072,613
		2008/09	1,015,000	5.37%	54,538	1,069,538
		TOTAL	2,905,000		316,938	3,221,938
Urban Renewal & Redevelopment Bonds, 2002 Series A						
10/01/2002 - Due 6/15	13,500,000					
		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
		TOTAL	8,500,000		816,625	9,316,625
Urban Renewal & Redevelopment Refunding Bonds, 2005 Series A						
9/29/2005 - Due 6/15	45,370,000					
		2006/07	245,000	3.00%	2,083,950	2,328,950
		2007/08	250,000	3.00%	2,076,600	2,326,600
		2008/09	260,000	3.00%	2,069,100	2,329,100
		2009/10	120,000	3.00%	2,061,300	2,181,300
		2010/11	3,530,000	4.00%	2,057,700	5,587,700
		2011/12	3,675,000	4.00%	1,916,500	5,591,500
		2012/13	3,815,000	5.00%	1,769,500	5,584,500
		2013/14	4,010,000	5.00%	1,578,750	5,588,750
		2014/15	4,210,000	5.00%	1,378,250	5,588,250
		2015/16	4,420,000	5.00%	1,167,750	5,587,750
		2016/17	4,640,000	5.00%	946,750	5,586,750
		2017/18	4,875,000	5.00%	714,750	5,589,750
		2018/19	5,120,000	5.00%	471,000	5,591,000
		2019/20	5,375,000	4.00%	215,000	5,590,000
		TOTAL	44,545,000		20,506,900	65,051,900
COMBINED DEBT SERVICE						
	109,870,000					
		2006/07	2,870,000		2,527,738	5,397,738
		2007/08	2,970,000		2,422,213	5,392,213
		2008/09	3,090,000		2,300,213	5,390,213
		2009/10	3,350,000		2,174,350	5,524,350
		2010/11	3,530,000		2,057,700	5,587,700
		2011/12	3,675,000		1,916,500	5,591,500
		2012/13	3,815,000		1,769,500	5,584,500
		2013/14	4,010,000		1,578,750	5,588,750
		2014/15	4,210,000		1,378,250	5,588,250
		2015/16	4,420,000		1,167,750	5,587,750
		2016/17	4,640,000		946,750	5,586,750
		2017/18	4,875,000		714,750	5,589,750
		2018/19	5,120,000		471,000	5,591,000
		2019/20	5,375,000		215,000	5,590,000
TOTAL FUND DEBT SERVICE			\$ 55,950,000		\$ 21,640,463	\$ 77,590,463

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Collection of Assessment	450	141	500	340	250	250	250
Interest Earned	1,718	1,590	1,100	2,125	1,850	1,850	1,850
	<u>2,168</u>	<u>1,731</u>	<u>1,600</u>	<u>2,465</u>	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>
Total External Revenues	2,168	1,731	1,600	2,465	2,100	2,100	2,100
Internal Revenues							
Beginning Fund Balance	60,091	61,927	62,879	63,388	65,376	65,376	65,376
TOTAL RESOURCES	\$ 62,259	\$ 63,658	\$ 64,479	\$ 65,853	\$ 67,476	\$ 67,476	\$ 67,476
REQUIREMENTS							
Bureau Expenses							
Internal Materials and Services							
Technology Services Fund	0	0	268	268	270	270	270
	<u>0</u>	<u>0</u>	<u>268</u>	<u>268</u>	<u>270</u>	<u>270</u>	<u>270</u>
Total Bureau Expenses	0	0	268	268	270	270	270
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	64,002	0	67,103	67,103	67,103
	<u>0</u>	<u>0</u>	<u>64,002</u>	<u>0</u>	<u>67,103</u>	<u>67,103</u>	<u>67,103</u>
General Fund Overhead	332	270	209	209	103	103	103
Ending Balance							
Unappropriated Ending Balance	61,927	63,388	0	65,376	0	0	0
	<u>61,927</u>	<u>63,388</u>	<u>0</u>	<u>65,376</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	62,259	63,658	64,211	65,585	67,206	67,206	67,206
TOTAL REQUIREMENTS	\$ 62,259	\$ 63,658	\$ 64,479	\$ 65,853	\$ 67,476	\$ 67,476	\$ 67,476

FUND OVERVIEW

The Assessment Collection Fund (ACF) is relatively inactive, with a minimal number of 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 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Collection of Assessment	5,971,296	4,302,957	2,781,189	2,797,770	2,561,660	2,561,660	2,561,660
Interest Earned	2,244,777	2,015,749	2,284,203	1,669,472	2,037,475	2,037,475	2,037,475
	<u>8,216,073</u>	<u>6,318,706</u>	<u>5,065,392</u>	<u>4,467,242</u>	<u>4,599,135</u>	<u>4,599,135</u>	<u>4,599,135</u>
Total External Revenues	8,216,073	6,318,706	5,065,392	4,467,242	4,599,135	4,599,135	4,599,135
Internal Revenues							
Beginning Fund Balance	10,553,093	11,698,811	11,585,307	12,655,582	13,560,138	13,560,138	13,560,138
TOTAL RESOURCES	\$ 18,769,166	\$ 18,017,517	\$ 16,650,699	\$ 17,122,824	\$ 18,159,273	\$ 18,159,273	\$ 18,159,273
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Fund Cash Transfers							
General Fund	0	0	0	0	5,000,000	5,000,000	5,000,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Debt Retirement							
Debt Req Net Issue Cost	7,070,355	5,361,935	3,861,179	3,562,686	3,461,615	3,461,615	3,461,615
	<u>7,070,355</u>	<u>5,361,935</u>	<u>3,861,179</u>	<u>3,562,686</u>	<u>3,461,615</u>	<u>3,461,615</u>	<u>3,461,615</u>
Ending Balance							
Unappropriated Ending Balance	11,698,811	12,655,582	12,789,520	13,560,138	0	0	0
Unexpendable Reserve	0	0	0	0	9,697,658	9,697,658	9,697,658
	<u>11,698,811</u>	<u>12,655,582</u>	<u>12,789,520</u>	<u>13,560,138</u>	<u>9,697,658</u>	<u>9,697,658</u>	<u>9,697,658</u>
Total Fund Requirements	18,769,166	18,017,517	16,650,699	17,122,824	18,159,273	18,159,273	18,159,273
TOTAL REQUIREMENTS	\$ 18,769,166	\$ 18,017,517	\$ 16,650,699	\$ 17,122,824	\$ 18,159,273	\$ 18,159,273	\$ 18,159,273

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

CHANGES FROM PRIOR YEAR

In FY 2005-06, \$5 million of the fund's balance was determined to be excess reserves related to bond issues that are now retired. For FY 2006-07, this amount is transferred to the General Fund.

Bancroft Bond Interest & Sinking Fund – 311

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Improvement Bonds, 1998 Series A						
03/01/1998 - Due 6/1	8,460,000					
		2006/07			18,525	18,525
		2007/08			18,525	18,525
		2008/09			18,525	18,525
		2009/10			18,525	18,525
		2010/11			18,525	18,525
		2011/12			18,525	18,525
		2012/13			18,525	18,525
		2013/14			18,525	18,525
		2014/15			18,525	18,525
		2015/16			18,525	18,525
		2016/17			18,525	18,525
		2017/18	380,000	4.88%	18,525	398,525
		TOTAL	380,000		222,300	602,300
Limited Tax Improvement Bonds, 1999 Series A						
04/01/1999 - Due 6/1	8,685,000					
		2006/07			95,550	95,550
		2007/08			95,550	95,550
		2008/09			95,550	95,550
		2009/10			95,550	95,550
		2010/11			95,550	95,550
		2011/12			95,550	95,550
		2012/13			95,550	95,550
		2013/14			95,550	95,550
		2014/15			95,550	95,550
		2015/16			95,550	95,550
		2016/17			95,550	95,550
		2017/18			95,550	95,550
		2018/19	1,960,000	4.88%	95,550	2,055,550
		TOTAL	1,960,000		1,242,150	3,202,150
Limited Tax Improvement Bonds, 2003 Series A						
05/22/2003 - Due 6/1	21,430,000					
		2006/07	1,100,000	3.00%	551,033	1,651,033
		2007/08	1,065,000	3.25%	518,033	1,583,033
		2008/09			483,420	483,420
		2009/10			483,420	483,420
		2010/11			483,420	483,420
		2011/12			483,420	483,420
		2012/13	810,000	3.40%	483,420	1,293,420
		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	13,455,000		8,044,966	21,499,966
Projected - Improvement Bond, 2006 Series						
2006	6,210,000					
		2006/07	285,000		407,843	692,843
		TOTAL	285,000		407,843	692,843

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Proposed Calls						
		2006/07	1,003,664		-	1,003,664
		TOTAL	1,003,664			1,003,664
COMBINED DEBT SERVICE						
	44,785,000					
		2006/07	2,388,664		1,072,951	3,461,615
		2007/08	1,065,000		632,108	1,697,108
		2008/09	-		597,495	597,495
		2009/10	-		597,495	597,495
		2010/11	-		597,495	597,495
		2011/12	-		597,495	597,495
		2012/13	810,000		597,495	1,407,495
		2013/14	-		569,955	569,955
		2014/15	-		569,955	569,955
		2015/16	-		569,955	569,955
		2016/17	-		569,955	569,955
		2017/18	380,000		569,955	949,955
		2018/19	1,960,000		551,430	2,511,430
		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
TOTAL FUND DEBT SERVICE			\$ 17,083,664		\$ 9,917,259	\$ 27,000,923

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Licenses and Permits							
Public Utility Licenses	922,602	977,493	969,863	969,863	996,665	996,665	996,665
	922,602	977,493	969,863	969,863	996,665	996,665	996,665
Miscellaneous Revenues							
Interest Earned	27,960	53,037	34,000	60,000	58,000	58,000	58,000
Other Miscellaneous	1,836,497	1,945,748	1,938,982	1,938,982	1,998,522	1,998,522	1,998,522
	1,864,457	1,998,785	1,972,982	1,998,982	2,056,522	2,056,522	2,056,522
Total External Revenues	2,787,059	2,976,278	2,942,845	2,968,845	3,053,187	3,053,187	3,053,187
Internal Revenues							
Interfund Service Reimbursements							
Cable Communications	226,460	248,290	258,114	258,114	281,365	281,365	281,365
	226,460	248,290	258,114	258,114	281,365	281,365	281,365
Total Internal Revenues	226,460	248,290	258,114	258,114	281,365	281,365	281,365
Beginning Fund Balance	2,357,680	2,240,271	1,633,898	2,383,979	1,690,692	1,690,692	1,690,692
TOTAL RESOURCES	\$ 5,371,199	\$ 5,464,839	\$ 4,834,857	\$ 5,610,938	\$ 5,025,244	\$ 5,025,244	\$ 5,025,244
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	2,587,436	2,475,836	2,743,384	3,506,107	2,793,100	2,793,100	2,793,100
Internal Materials and Services							
CityFleet Services	0	41	104	104	104	104	104
Communications Services	3,311	3,330	0	0	0	0	0
Facilities Services	22,307	22,504	23,008	23,008	23,910	23,910	23,910
Insurance	14,624	9,140	9,830	9,830	8,243	8,243	8,243
Printing & Distribution	6,227	7,604	7,137	7,137	8,190	8,190	8,190
Technology Services Fund	12,063	23,000	14,791	14,791	14,541	14,541	14,541
City Attorney	7,500	9,200	9,476	9,476	10,521	10,521	10,521
Cable Communications	309,592	317,242	333,212	333,212	359,637	359,637	359,637
	375,624	392,061	397,558	397,558	425,146	425,146	425,146
Total Bureau Expenses	2,963,060	2,867,897	3,140,942	3,903,665	3,218,246	3,218,246	3,218,246
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	746,142	0	941,963	941,963	942,843
	0	0	746,142	0	941,963	941,963	942,843
General Fund Overhead	14,772	11,307	14,521	14,521	13,843	13,843	13,843
Fund Cash Transfers							
Campaign Finance Fund	0	0	2,060	2,060	1,819	1,819	939
Communication Services	153,096	200,316	0	0	0	0	0
General Fund	0	1,340	0	0	0	0	0
	153,096	201,656	2,060	2,060	1,819	1,819	939

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Ending Balance							
Unappropriated Ending Balance	2,240,271	2,383,979	931,192	1,690,692	849,373	849,373	849,373
	2,240,271	2,383,979	931,192	1,690,692	849,373	849,373	849,373
Total Fund Requirements	2,408,139	2,596,942	1,693,915	1,707,273	1,806,998	1,806,998	1,806,998
TOTAL REQUIREMENTS	\$ 5,371,199	\$ 5,464,839	\$ 4,834,857	\$ 5,610,938	\$ 5,025,244	\$ 5,025,244	\$ 5,025,244

FUND OVERVIEW

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

Resources

The primary sources of revenue are a beginning balance of \$1.7 million, which includes \$1.3 million carried over and reserved for grants awarded in prior years; an interagency agreement with the Cable Office for \$281,365 representing the City of Portland's 67% share of the MHCRC operating budget; and cable franchise fees from the East County jurisdictions of \$1.0 million. In addition, \$2.0 million in PEG revenues from all MHCRC jurisdictions will support the PEG capital grant program.

Expenditures

The PEG capital grants are budgeted at \$1.85 million in the Adopted Budget and represent the majority of Cable Fund expenditures. These grants consist of \$850,000 in Community Access Capital grants and \$999,261 in Access Corporation Capital grants to public cable access organizations, Portland Community Media, and MetroEast Community Media.

The MHCRC operating budget is \$424,313. Personal services expenses for the MHCRC are 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

The FY 2006-07 Cable franchise fees and PEG revenues in the Adopted Budget are 3% higher than the FY 2005-06 year-end estimates. On the expenditure side, the bureau estimates a 10% decrease in the FY 2006-07 Adopted Budget from the FY 2005-06 year-end estimate. The higher year-end estimate for FY 2005-06 primarily resulted from appropriating additional funds in external materials and services as a reserve to cover the PEG grant payments encumbered in prior years.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	3,848,244	3,939,915	4,111,314	3,990,829	3,766,166	3,766,166	3,766,166
Prior Year Property Taxes	101,670	93,027	105,000	105,000	90,000	90,000	90,000
	<u>3,949,914</u>	<u>4,032,942</u>	<u>4,216,314</u>	<u>4,095,829</u>	<u>3,856,166</u>	<u>3,856,166</u>	<u>3,856,166</u>
Miscellaneous Revenues							
Interest Earned	25,343	19,441	55,503	55,503	74,570	74,570	74,570
	<u>25,343</u>	<u>19,441</u>	<u>55,503</u>	<u>55,503</u>	<u>74,570</u>	<u>74,570</u>	<u>74,570</u>
Total External Revenues	<u>3,975,257</u>	<u>4,052,383</u>	<u>4,271,817</u>	<u>4,151,332</u>	<u>3,930,736</u>	<u>3,930,736</u>	<u>3,930,736</u>
Internal Revenues							
Beginning Fund Balance	158,778	266,951	127,187	127,187	0	0	0
TOTAL RESOURCES	\$ 4,134,035	\$ 4,319,334	\$ 4,399,004	\$ 4,278,519	\$ 3,930,736	\$ 3,930,736	\$ 3,930,736
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	3,867,084	4,192,147	4,399,004	4,278,519	3,930,736	3,930,736	3,930,736
	<u>3,867,084</u>	<u>4,192,147</u>	<u>4,399,004</u>	<u>4,278,519</u>	<u>3,930,736</u>	<u>3,930,736</u>	<u>3,930,736</u>
Ending Balance							
Unappropriated Ending Balance	266,951	127,187	0	0	0	0	0
	<u>266,951</u>	<u>127,187</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	<u>4,134,035</u>	<u>4,319,334</u>	<u>4,399,004</u>	<u>4,278,519</u>	<u>3,930,736</u>	<u>3,930,736</u>	<u>3,930,736</u>
TOTAL REQUIREMENTS	\$ 4,134,035	\$ 4,319,334	\$ 4,399,004	\$ 4,278,519	\$ 3,930,736	\$ 3,930,736	\$ 3,930,736

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 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 Svc Fd – 310

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
Estimated - Du Jour and Line of Credit	2,298,536	2006/07	2,298,536	variable	1,632,200	3,930,736
TOTAL FUND DEBT SERVICE			\$ 2,298,536		\$ 1,632,200	\$ 3,930,736

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	8,751,362	9,767,298	11,022,897	11,189,634	10,895,773	10,895,773	10,895,773
Prior Year Property Taxes	0	113,906	166,737	0	320,675	320,675	320,675
	8,751,362	9,881,204	11,189,634	11,189,634	11,216,448	11,216,448	11,216,448
Miscellaneous Revenues							
Interest Earned	54,059	202,130	18,277	52,013	194,277	194,277	194,277
	54,059	202,130	18,277	52,013	194,277	194,277	194,277
Total External Revenues	8,805,421	10,083,334	11,207,911	11,241,647	11,410,725	11,410,725	11,410,725
Internal Revenues							
Other Cash Transfers							
Housing Investment Fund	1,045,000	0	0	0	0	0	0
	1,045,000	0	0	0	0	0	0
Total Internal Revenues	1,045,000	0	0	0	0	0	0
Beginning Fund Balance	3,622	6,298,186	7,828,331	7,886,705	6,293,071	11,587,443	11,587,443
TOTAL RESOURCES	\$ 9,854,043	\$ 16,381,520	\$ 19,036,242	\$ 19,128,352	\$ 17,703,796	\$ 22,998,168	\$ 22,998,168
REQUIREMENTS							
Bureau Expenses							
Personal Services	0	234,490	290,046	301,053	369,024	369,024	369,024
External Materials and Services	2,248,089	8,192,197	17,273,995	7,158,856	15,831,797	21,126,169	21,126,169
Internal Materials and Services							
Communications Services	0	4,311	0	0	0	0	0
Facilities Services	0	175	0	0	0	0	0
Insurance	0	0	0	0	6,049	6,049	6,049
Printing & Distribution	0	386	0	56,000	397	397	397
Technology Services Fund	0	8,256	12,113	0	11,725	11,725	11,725
Commissioner of Public Affairs	211,969	0	0	0	0	0	0
Housing & Community Development	50,799	30,000	0	0	0	0	0
Office of Management & Finance	0	0	4,574	0	0	0	0
	262,768	43,128	16,687	56,000	18,171	18,171	18,171
Total Bureau Expenses	2,510,857	8,469,815	17,580,728	7,515,909	16,218,992	21,513,364	21,513,364
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	1,430,514	0	1,459,804	1,459,804	1,459,804
	0	0	1,430,514	0	1,459,804	1,459,804	1,459,804
General Fund Overhead	0	25,000	25,000	25,000	25,000	25,000	25,000
Fund Cash Transfers							
Housing Investment Fund	1,045,000	0	0	0	0	0	0
	1,045,000	0	0	0	0	0	0

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Ending Balance							
Unappropriated Ending Balance	6,298,186	7,886,705	0	11,587,443	0	0	0
	6,298,186	7,886,705	0	11,587,443	0	0	0
Total Fund Requirements	7,343,186	7,911,705	1,455,514	11,612,443	1,484,804	1,484,804	1,484,804
TOTAL REQUIREMENTS	\$ 9,854,043	\$ 16,381,520	\$ 19,036,242	\$ 19,128,352	\$ 17,703,796	\$ 22,998,168	\$ 22,998,168

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 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 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Lodging Taxes	2,220,804	2,361,691	2,253,606	2,255,618	2,431,979	2,431,979	2,671,979
Miscellaneous Revenues							
Interest Earned	3,518	5,947	5,000	9,226	9,226	9,226	9,226
	3,518	5,947	5,000	9,226	9,226	9,226	9,226
Total External Revenues	2,224,322	2,367,638	2,258,606	2,264,844	2,441,205	2,441,205	2,681,205
Internal Revenues							
Beginning Fund Balance	143,824	147,342	163,554	152,072	144,398	144,398	144,398
TOTAL RESOURCES	\$ 2,368,146	\$ 2,514,980	\$ 2,422,160	\$ 2,416,916	\$ 2,585,603	\$ 2,585,603	\$ 2,825,603
REQUIREMENTS							
Bureau Expenses							
External Materials and Services	2,153,968	2,294,037	2,177,201	2,193,125	2,194,526	2,194,526	2,419,526
Internal Materials and Services							
Technology Services Fund	0	0	1,435	1,435	1,443	1,443	1,443
Bureau of Licenses	60,254	61,700	68,272	68,272	0	0	0
OMF - Revenue Bureau	0	0	0	0	69,707	69,707	69,707
	60,254	61,700	69,707	69,707	71,150	71,150	71,150
Total Bureau Expenses	2,214,222	2,355,737	2,246,908	2,262,832	2,265,676	2,265,676	2,490,676
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	165,566	0	165,714	165,714	181,344
	0	0	165,566	0	165,714	165,714	181,344
General Fund Overhead	6,582	6,257	8,163	8,163	8,514	8,514	8,514
Fund Cash Transfers							
Campaign Finance Fund	0	0	1,523	1,523	1,301	1,301	671
General Fund	0	914	0	0	0	0	0
	0	914	1,523	1,523	1,301	1,301	671
Ending Balance							
Unappropriated Ending Balance	147,342	152,072	0	144,398	144,398	144,398	144,398
	147,342	152,072	0	144,398	144,398	144,398	144,398
Total Fund Requirements	153,924	159,243	175,252	154,084	319,927	319,927	334,927
TOTAL REQUIREMENTS	\$ 2,368,146	\$ 2,514,980	\$ 2,422,160	\$ 2,416,916	\$ 2,585,603	\$ 2,585,603	\$ 2,825,603

FUND OVERVIEW

The Convention and Tourism Fund receives revenues from 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 for this service.

The Revenue Bureau manages the Convention and Tourism Fund, administers the collection of the taxes, and charges the fund an administrative fee.

Managing Agency

Office of Management & Finance, Revenue Bureau

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	6,340,842	6,476,553	6,641,232	6,641,232	6,891,379	6,891,379	6,891,379
Prior Year Property Taxes	166,098	150,952	170,000	170,000	145,000	145,000	145,000
	6,506,940	6,627,505	6,811,232	6,811,232	7,036,379	7,036,379	7,036,379
Miscellaneous Revenues							
Interest Earned	32,930	39,245	88,094	88,094	136,449	136,449	136,449
	32,930	39,245	88,094	88,094	136,449	136,449	136,449
Total External Revenues	6,539,870	6,666,750	6,899,326	6,899,326	7,172,828	7,172,828	7,172,828
Internal Revenues							
Beginning Fund Balance	245,234	196,510	187,531	187,531	0	0	0
TOTAL RESOURCES	\$ 6,785,104	\$ 6,863,260	\$ 7,086,857	\$ 7,086,857	\$ 7,172,828	\$ 7,172,828	\$ 7,172,828
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	6,588,594	6,675,729	7,086,857	7,086,857	7,172,828	7,172,828	7,172,828
	6,588,594	6,675,729	7,086,857	7,086,857	7,172,828	7,172,828	7,172,828
Ending Balance							
Unappropriated Ending Balance	196,510	187,531	0	0	0	0	0
	196,510	187,531	0	0	0	0	0
Total Fund Requirements	6,785,104	6,863,260	7,086,857	7,086,857	7,172,828	7,172,828	7,172,828
TOTAL REQUIREMENTS	\$ 6,785,104	\$ 6,863,260	\$ 7,086,857	\$ 7,086,857	\$ 7,172,828	\$ 7,172,828	\$ 7,172,828

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 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
Urban Renewal & Redevelopment Bonds, 2000 Series A						
08/01/2000 - Due 6/15	32,900,000					
		2006/07	-	0.00%	1,852,083	1,852,083
		2007/08	-	0.00%	1,852,083	1,852,083
		2008/09	-	0.00%	1,852,083	1,852,083
		2009/10	-	0.00%	1,852,083	1,852,083
		2010/11	-	0.00%	1,852,083	1,852,083
		2011/12	-	0.00%	1,852,083	1,852,083
		2012/13	-	0.00%	1,852,083	1,852,083
		2013/14	3,630,000	5.65%	1,852,083	5,482,083
		2014/15	4,230,000	5.70%	1,647,008	5,877,008
		2015/16	4,470,000	5.73%	1,405,718	5,875,718
		2016/17	4,725,000	5.70%	1,149,705	5,874,705
		2017/18	4,995,000	5.71%	880,555	5,875,555
		2018/19	5,280,000	5.47%	595,250	5,875,250
		2019/20	5,570,000	5.50%	306,350	5,876,350
		TOTAL	32,900,000		20,801,245	53,701,245
Urban Renewal & Redevelopment Bonds, 2000 Series B						
08/01/2000 - Due 6/15	16,480,000					
		2006/07	-		1,251,318	1,251,318
		2007/08	-		1,251,318	1,251,318
		2008/09	2,775,000	7.45%	1,251,318	4,026,318
		2009/10	2,980,000	7.50%	1,044,580	4,024,580
		2010/11	3,205,000	7.60%	821,080	4,026,080
		2011/12	3,445,000	7.65%	577,500	4,022,500
		2012/13	3,710,000	7.70%	313,958	4,023,958
		2013/14	365,000	7.75%	28,288	393,288
		TOTAL	16,480,000		6,539,358	23,019,358
Estimated - Du Jour and Line of Credit						
	9,388,927					
		2006/07	3,038,927	variable	1,030,500	4,069,427
TOTAL FUND DEBT SERVICE			\$ 3,038,927		\$ 1,030,500	\$ 4,069,427
COMBINED DEBT SERVICE						
	58,768,927					
		2006/07	3,038,927		4,133,900	7,172,827
		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
TOTAL FUND DEBT SERVICE			\$ 52,418,927		\$ 28,371,103	\$ 80,790,030

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Licenses and Permits							
Construction Permits	20,204,258	22,696,520	20,950,000	24,072,540	24,383,000	24,383,000	24,383,000
Other Permits	378,700	380,807	366,000	380,000	387,000	387,000	387,000
	<u>20,582,958</u>	<u>23,077,327</u>	<u>21,316,000</u>	<u>24,452,540</u>	<u>24,770,000</u>	<u>24,770,000</u>	<u>24,770,000</u>
Service Charges and Fees							
Inspection Fees	1,702,519	1,646,405	1,750,000	1,780,000	1,892,000	1,892,000	1,892,000
Miscellaneous	3,951,607	5,145,629	6,309,000	6,400,000	6,658,211	6,658,211	6,656,390
	<u>5,654,126</u>	<u>6,792,034</u>	<u>8,059,000</u>	<u>8,180,000</u>	<u>8,550,211</u>	<u>8,550,211</u>	<u>8,548,390</u>
Miscellaneous Revenues							
Collection of Assessment	412,201	347,519	385,500	240,000	1,431,900	1,431,900	1,431,900
Interest Earned	147,993	183,051	133,500	235,000	487,100	487,100	487,100
	<u>560,194</u>	<u>530,570</u>	<u>519,000</u>	<u>475,000</u>	<u>1,919,000</u>	<u>1,919,000</u>	<u>1,919,000</u>
Total External Revenues	<u>26,797,278</u>	<u>30,399,931</u>	<u>29,894,000</u>	<u>33,107,540</u>	<u>35,239,211</u>	<u>35,239,211</u>	<u>35,237,390</u>
Internal Revenues							
Other Cash Transfers							
General Fund	1,193,072	1,153,361	1,349,837	1,349,837	1,762,083	1,762,083	1,762,083
General Reserve Fund	0	0	0	0	92,750	92,750	92,750
Transportation Operating Fund	50,000	0	0	0	0	0	0
	<u>1,243,072</u>	<u>1,153,361</u>	<u>1,349,837</u>	<u>1,349,837</u>	<u>1,854,833</u>	<u>1,854,833</u>	<u>1,854,833</u>
Interfund Service Reimbursements							
Environmental Services	43,377	73,536	47,333	47,333	271,668	271,668	271,668
Fire Bureau	20,898	31,741	19,595	19,595	19,041	19,041	19,041
Neighborhood Involvement	20,940	14,161	0	0	0	0	0
Office of Transportation	41,795	69,283	49,966	49,966	72,602	72,602	72,602
Parks Bureau	6,224	5,770	5,997	5,997	5,760	5,760	5,760
Police Bureau	0	0	0	0	20,000	20,000	20,000
Solid Waste Management Fund	0	0	0	0	80,095	80,095	80,095
Water Bureau	5,224	14,210	4,705	4,705	4,760	4,760	4,760
	<u>138,458</u>	<u>208,701</u>	<u>127,596</u>	<u>127,596</u>	<u>473,926</u>	<u>473,926</u>	<u>473,926</u>
Total Internal Revenues	<u>1,381,530</u>	<u>1,362,062</u>	<u>1,477,433</u>	<u>1,477,433</u>	<u>2,328,759</u>	<u>2,328,759</u>	<u>2,328,759</u>
Beginning Fund Balance	<u>5,042,870</u>	<u>4,820,624</u>	<u>4,995,184</u>	<u>6,922,134</u>	<u>9,918,848</u>	<u>9,918,848</u>	<u>9,918,848</u>
TOTAL RESOURCES	\$ 33,221,678	\$ 36,582,617	\$ 36,366,617	\$ 41,507,107	\$ 47,486,818	\$ 47,486,818	\$ 47,484,997
REQUIREMENTS							
Bureau Expenses							
Personal Services							
Personal Services	19,612,684	21,262,072	23,904,250	22,780,000	27,422,241	27,578,433	27,630,633
External Materials and Services							
External Materials and Services	1,330,556	1,266,499	1,596,042	1,060,000	2,257,594	2,101,402	2,055,922
Internal Materials and Services							
CityFleet Services	284,683	314,565	313,658	313,658	430,692	430,692	430,692
Communications Services	385,921	393,705	0	0	0	0	0
Facilities Services	2,122,864	2,123,061	2,221,448	2,221,448	2,716,052	2,716,052	2,716,052
Insurance	490,308	597,541	621,235	621,235	690,070	690,070	690,070
Printing & Distribution	450,144	484,038	477,751	477,751	495,064	495,064	495,064

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Technology Services Fund	955,003	1,010,822	1,761,878	1,761,878	2,128,987	2,128,987	2,113,728
City Auditor	59,066	22,626	31,425	31,425	61,965	61,965	61,965
Environmental Services	0	20,000	20,000	20,000	20,000	20,000	20,000
Mayor	0	4,519	0	0	0	0	0
Neighborhood Involvement	0	0	0	0	0	0	13,438
Office of Management & Finance	289,136	304,547	309,463	309,463	23,250	23,250	23,250
Planning Bureau	27,500	70,370	103,576	103,576	215,688	215,688	215,688
Special Appropriations	30,044	1,188	34,878	34,657	17,097	17,097	17,097
Transportation	288,689	299,912	308,909	308,909	323,556	323,556	323,556
	5,383,358	5,646,894	6,204,221	6,204,000	7,122,421	7,122,421	7,120,600
Equipment Cash Transfers							
CityFleet Services	0	22,340	0	0	0	0	0
Printing & Distribution	2,000	0	0	0	0	0	0
	2,000	22,340	0	0	0	0	0
Total Bureau Expenses	26,328,598	28,197,805	31,704,513	30,044,000	36,802,256	36,802,256	36,807,155
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	1,404,738	0	1,708,242	1,708,242	1,751,907
Compensation Adjustment	0	0	883,925	0	1,138,746	1,138,746	1,138,746
	0	0	2,288,663	0	2,846,988	2,846,988	2,890,653
General Fund Overhead	1,198,440	856,318	771,634	771,634	1,095,056	1,095,056	1,095,056
Fund Cash Transfers							
Campaign Finance Fund	0	0	40,292	40,292	36,213	36,213	18,688
General Fund	27,000	75,051	0	0	0	0	0
General Reserve Fund	730,360	0	0	0	0	0	0
Health Insurance	0	0	0	0	62,202	62,202	62,202
Pension Debt Redemption Fund	116,656	531,309	732,333	732,333	927,544	927,544	927,544
	874,016	606,360	772,625	772,625	1,025,959	1,025,959	1,008,434
Ending Balance							
Unappropriated Ending Balance	4,820,624	6,922,134	829,182	9,918,848	5,716,559	5,716,559	5,683,699
	4,820,624	6,922,134	829,182	9,918,848	5,716,559	5,716,559	5,683,699
Total Fund Requirements	6,893,080	8,384,812	4,662,104	11,463,107	10,684,562	10,684,562	10,677,842
TOTAL REQUIREMENTS	\$ 33,221,678	\$ 36,582,617	\$ 36,366,617	\$ 41,507,107	\$ 47,486,818	\$ 47,486,818	\$ 47,484,997

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 (BDS).

Revenues

Revenues include construction and land use permit fees, inspection fees, and collections of penalties and liens. These categories account for over \$35 million (95%) of bureau revenues. The City's General Fund provides \$1.8 million (4%) of the bureau's funding, for the Land Use Services, Noise Control, and Neighborhood Inspections programs. The balance of the resources comes from other City bureaus for BDS services.

The bureau's FY 2006-11 five-year financial plan forecasts sufficient revenues and reserves in the building/mechanical and plumbing programs, but shortfalls or low reserve levels in electrical, facilities permits, site development, environmental soils, zoning, signs, and land use services. Consequently, FY 2006-07 budgeted revenues include 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. Fund-level expenditures include the bureau's share of the City's General Fund overhead and pension obligation bond debt service.

Managing Agency

Bureau of Development Services

CHANGES FROM PRIOR YEAR

In the FY 2006-07 budget, the Neighborhood Inspections Team will be transferred back to BDS from the Office of Neighborhood Involvement. This transfer includes \$2,068,104 and 18.80 FTE.

BDS will increase fees for the following programs by 5% in FY 2006-07: Electrical, Site Development, Facilities Permit, and Land Use Review. The following programs will have a fee increase of 3.8%: Zoning and Noise Control.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	998,667	1,284,836	1,474,829	1,474,829	1,575,222	1,575,222	1,575,222
Prior Year Property Taxes	10,661	16,629	15,000	15,000	16,000	16,000	16,000
	1,009,328	1,301,465	1,489,829	1,489,829	1,591,222	1,591,222	1,591,222
Miscellaneous Revenues							
Interest Earned	2,589	6,668	19,910	19,910	31,189	31,189	31,189
	2,589	6,668	19,910	19,910	31,189	31,189	31,189
Total External Revenues	1,011,917	1,308,133	1,509,739	1,509,739	1,622,411	1,622,411	1,622,411
Internal Revenues							
Beginning Fund Balance	22,440	68,455	34,911	34,911	0	0	0
TOTAL RESOURCES	\$ 1,034,357	\$ 1,376,588	\$ 1,544,650	\$ 1,544,650	\$ 1,622,411	\$ 1,622,411	\$ 1,622,411
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	965,902	1,341,677	1,544,650	1,544,650	1,622,411	1,622,411	1,622,411
	965,902	1,341,677	1,544,650	1,544,650	1,622,411	1,622,411	1,622,411
Ending Balance							
Unappropriated Ending Balance	68,455	34,911	0	0	0	0	0
	68,455	34,911	0	0	0	0	0
Total Fund Requirements	1,034,357	1,376,588	1,544,650	1,544,650	1,622,411	1,622,411	1,622,411
TOTAL REQUIREMENTS	\$ 1,034,357	\$ 1,376,588	\$ 1,544,650	\$ 1,544,650	\$ 1,622,411	\$ 1,622,411	\$ 1,622,411

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 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
Estimated - Du Jour and Line of Credit	Variable	2006/07	1,096,161	variable	526,250	1,622,411
TOTAL FUND DEBT SERVICE			\$ 1,096,161		\$ 526,250	\$ 1,622,411

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Federal Sources							
Federal Grants	5,821,975	6,528,847	12,648,832	8,716,538	7,471,239	7,471,239	7,504,526
	5,821,975	6,528,847	12,648,832	8,716,538	7,471,239	7,471,239	7,504,526
Miscellaneous Revenues							
Loan Repayments	429,923	542,585	479,668	0	445,000	445,000	445,000
Other Miscellaneous	0	494	0	0	0	0	0
	429,923	543,079	479,668	0	445,000	445,000	445,000
Total External Revenues	6,251,898	7,071,926	13,128,500	8,716,538	7,916,239	7,916,239	7,949,526
Internal Revenues							
TOTAL RESOURCES	\$ 6,251,898	\$ 7,071,926	\$ 13,128,500	\$ 8,716,538	\$ 7,916,239	\$ 7,916,239	\$ 7,949,526
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	5,951,913	6,736,841	12,689,838	8,299,484	7,530,566	7,530,566	7,563,853
Internal Materials and Services							
Housing & Community Development	299,985	335,085	438,662	417,054	385,673	385,673	385,673
	299,985	335,085	438,662	417,054	385,673	385,673	385,673
Total Bureau Expenses	6,251,898	7,071,926	13,128,500	8,716,538	7,916,239	7,916,239	7,949,526
Fund Requirements							
Total Fund Requirements	0	0	0	0	0	0	0
TOTAL REQUIREMENTS	\$ 6,251,898	\$ 7,071,926	\$ 13,128,500	\$ 8,716,538	\$ 7,916,239	\$ 7,916,239	\$ 7,949,526

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 Grant Fund is an entitlement grant fund that 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 2006-07 is \$4,426,600, a decrease of \$351,900 (5.1%) from FY 2005-06. The HOME American Dream Downpayment Initiative (ADDI) entitlement has been reduced to \$87,916, a 50.1% drop from FY 2005-06 funding levels.

The FY 2006-07 budget for the Bureau of Housing and Community Development includes \$600,000 in one-time General Fund discretionary funding to offset and supplement the loss of the ADDI money, as well as continue the support provided in FY 2005-06 with \$309,000 of one-time General Fund discretionary.

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Federal Sources							
Federal Grants	12,392,921	14,407,718	17,773,520	11,119,307	12,190,479	12,190,479	12,210,479
	12,392,921	14,407,718	17,773,520	11,119,307	12,190,479	12,190,479	12,210,479
Miscellaneous Revenues							
Collection of Assessment	45,165	19,004	50,000	0	50,000	50,000	50,000
Interest Earned	17,930	9,217	0	0	0	0	0
Loan Repayments	2,790,071	2,104,727	1,880,000	0	1,729,600	1,729,600	1,729,600
Other Miscellaneous	0	2,251	2,250	0	0	0	0
	2,853,166	2,135,199	1,932,250	0	1,779,600	1,779,600	1,779,600
Total External Revenues	15,246,087	16,542,917	19,705,770	11,119,307	13,970,079	13,970,079	13,990,079
Internal Revenues							
TOTAL RESOURCES	\$ 15,246,087	\$ 16,542,917	\$ 19,705,770	\$ 11,119,307	\$ 13,970,079	\$ 13,970,079	\$ 13,990,079
REQUIREMENTS							
Bureau Expenses							
External Materials and Services	12,470,333	14,111,830	17,463,968	9,187,476	11,906,566	11,906,566	11,926,566
Internal Materials and Services							
Environmental Services	0	40,000	0	0	0	0	0
Housing & Community Development	1,367,625	1,598,205	1,780,696	1,780,696	1,594,813	1,594,813	1,594,813
LID Construction Fund	596,450	22,471	0	0	0	0	0
Neighborhood Involvement	189,701	37,052	25,984	25,984	25,984	25,984	25,984
Office of Management & Finance	30,779	16,791	44,000	44,000	44,000	44,000	44,000
Parks Bureau	0	13,435	0	0	0	0	0
Parks Capital Const & Maint Fund	85,615	0	0	0	0	0	0
Planning Bureau	99,100	8,395	8,395	8,395	8,647	8,647	8,647
Police Bureau	72,756	66,322	72,756	72,756	74,938	74,938	74,938
Transportation	51,128	281,661	0	0	0	0	0
Water Bureau	0	0	18,348	0	0	0	0
	2,493,154	2,084,332	1,950,179	1,931,831	1,748,382	1,748,382	1,748,382
Total Bureau Expenses	14,963,487	16,196,162	19,414,147	11,119,307	13,654,948	13,654,948	13,674,948
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	56,542	0	56,542	56,542	56,542
	0	0	56,542	0	56,542	56,542	56,542
Fund Cash Transfers							
General Fund	228,771	237,700	235,081	0	258,589	258,589	258,589
Sewer System Operating Fund	0	9,264	0	0	0	0	0
Transportation Operating	53,829	27,816	0	0	0	0	0
	282,600	274,780	235,081	0	258,589	258,589	258,589

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Debt Retirement							
Debt Req Net Issue Cost	0	71,975	0	0	0	0	0
	0	71,975	0	0	0	0	0
Total Fund Requirements	282,600	346,755	291,623	0	315,131	315,131	315,131
TOTAL REQUIREMENTS	\$ 15,246,087	\$ 16,542,917	\$ 19,705,770	\$ 11,119,307	\$ 13,970,079	\$ 13,970,079	\$ 13,990,079

FUND OVERVIEW

- Revenues** The Housing and Community Development Fund accounts for the City’s Community Development Block Grant (CDBG) entitlement from the United States Department of Housing and Urban Development (HUD), loan repayments, lien payments, revenue generated from CDBG-funded activities, carryover funds from prior years, private leveraged resources, and interest and repayments for float activities.
- Structure** This fund is an annual entitlement grant fund that is reimbursed by the federal government for actual expenditures less any program income received. 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 of the following fiscal year. The supplemental budget includes obligated carryover, appropriation for projects that 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

- Decrease in Entitlement** The CDBG entitlement for FY 2006-07 is \$10,433,400, a decrease of \$1,055,300 (9.2%) from FY 2005-06. This reduction is on top of a 5.1% reduction in FY 2005-06.
 The Bureau of Housing and Community Development is receiving approximately \$1.4 million in one-time General Fund discretionary funds to offset the loss of CDBG entitlement funds.
- Changes in Carryover** Obligated carryover (funds tied to specific continuing projects) include amounts for:
- ◆ Multi-family housing activities - Rental Housing: \$809,900
 - ◆ The CDBG portion of the Section 108 loan repayment for the Housing Authority of Portland New Columbia project: \$1,020,000
 - ◆ The CDBG portion of the Healthy Homes initiative: \$20,000

In addition to the ongoing funding, the Adopted Budget includes \$2.4 million in one-time General Fund resources. This amount will be transferred as needed to BHCD for the Key Not a Card homeless services program (\$1.1 million) and affordable rental housing development and preservation projects (\$1.3 million).

Funding obligated in FY 2005-06 that will not be expended is rebudgeted for FY 2006-07 includes \$350,000 of the housing risk mitigation funds, \$150,000 for the Housing Authority’s Fresh Start program, \$41,336 for the HIF portion of the homeless management information system, and \$12,000 for work at Dignity Village by the Office of Transportation.

City Lights

The City Lights Housing program funded its first project (Headwaters/Tryon Creek) in FY 2004-05. Approximately \$11 million in revenue bond sales were sold for this project, which will be owned by the City of Portland. The fund will complete the disbursement of the proceeds of this debt instrument during FY 2006-07.

Housing Opportunity Bonds

This program will complete the disbursement of the proceeds of the debt issuance in FY 2006-07, which flow through the HIF to the Portland Development Commission. PDC is the managing agency for these projects. The approximately \$9 million in bond proceeds are being repaid by an annual allocation of \$750,000 in General Fund discretionary resources.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	2,770,410	4,024,462	4,838,999	4,838,999	5,674,018	5,674,018	5,674,018
Prior Year Property Taxes	37,328	52,127	40,000	40,000	50,000	50,000	50,000
	<u>2,807,738</u>	<u>4,076,589</u>	<u>4,878,999</u>	<u>4,878,999</u>	<u>5,724,018</u>	<u>5,724,018</u>	<u>5,724,018</u>
Miscellaneous Revenues							
Interest Earned	6,875	24,070	61,610	61,610	112,346	112,346	112,346
	<u>6,875</u>	<u>24,070</u>	<u>61,610</u>	<u>61,610</u>	<u>112,346</u>	<u>112,346</u>	<u>112,346</u>
Total External Revenues	<u>2,814,613</u>	<u>4,100,659</u>	<u>4,940,609</u>	<u>4,940,609</u>	<u>5,836,364</u>	<u>5,836,364</u>	<u>5,836,364</u>
Internal Revenues							
Other Cash Transfers							
Special Revenue and Finance	0	6,489	0	0	0	0	0
	<u>0</u>	<u>6,489</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Internal Revenues	<u>0</u>	<u>6,489</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Fund Balance	36,471	45,928	82,325	82,325	0	0	0
TOTAL RESOURCES	\$ 2,851,084	\$ 4,153,076	\$ 5,022,934	\$ 5,022,934	\$ 5,836,364	\$ 5,836,364	\$ 5,836,364
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	2,805,156	4,070,751	5,022,934	5,022,934	5,836,364	5,836,364	5,836,364
	<u>2,805,156</u>	<u>4,070,751</u>	<u>5,022,934</u>	<u>5,022,934</u>	<u>5,836,364</u>	<u>5,836,364</u>	<u>5,836,364</u>
Ending Balance							
Unappropriated Ending Balance	45,928	0	0	0	0	0	0
Unexpendable Reserve	0	82,325	0	0	0	0	0
	<u>45,928</u>	<u>82,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	<u>2,851,084</u>	<u>4,153,076</u>	<u>5,022,934</u>	<u>5,022,934</u>	<u>5,836,364</u>	<u>5,836,364</u>	<u>5,836,364</u>
TOTAL REQUIREMENTS	\$ 2,851,084	\$ 4,153,076	\$ 5,022,934	\$ 5,022,934	\$ 5,836,364	\$ 5,836,364	\$ 5,836,364

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 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
Interstate Corridor Urban Renewal & Redevelopment Refunding Bonds, 2004 Series A						
02/09/2004 - Due 06/15	32,310,000					
		2006/07	1,135,000	2.50%	1,395,681	2,530,681
		2007/08	1,165,000	3.00%	1,367,306	2,532,306
		2008/09	1,200,000	3.00%	1,332,356	2,532,356
		2009/10	1,235,000	3.50%	1,296,356	2,531,356
		2010/11	1,280,000	3.50%	1,253,131	2,533,131
		2011/12	1,325,000	4.00%	1,208,331	2,533,331
		2012/13	1,380,000	4.00%	1,155,331	2,535,331
		2013/14	1,435,000	4.00%	1,100,131	2,535,131
		2014/15	1,490,000	4.00%	1,042,731	2,532,731
		2015/16	1,550,000	5.00%	983,131	2,533,131
		2016/17	1,625,000	5.00%	905,631	2,530,631
		2017/18	1,710,000	5.25%	824,381	2,534,381
		2018/19	1,800,000	5.25%	734,606	2,534,606
		2019/20	1,890,000	5.25%	640,106	2,530,106
		2020/21	1,990,000	5.25%	540,881	2,530,881
		2021/22	2,095,000	4.38%	436,406	2,531,406
		2022/23	2,190,000	5.00%	344,750	2,534,750
		2023/24	2,295,000	5.00%	235,250	2,530,250
		2024/25	2,410,000	5.00%	120,500	2,530,500
		TOTAL	31,200,000		16,917,000	48,117,000
Estimated - Du Jour and Line of Credit						
	3,100,432					
		2006/07	3,100,432	Variable	205,250	3,305,682
		TOTAL	3,100,432		205,250	3,305,682
COMBINED DEBT SERVICE						
	35,410,432					
		2006/07	4,235,432		1,600,931	5,836,363
		2007/08	1,165,000		1,367,306	2,532,306
		2008/09	1,200,000		1,332,356	2,532,356
		2009/10	1,235,000		1,296,356	2,531,356
		2010/11	1,280,000		1,253,131	2,533,131
		2011/12	1,325,000		1,208,331	2,533,331
		2012/13	1,380,000		1,155,331	2,535,331
		2013/14	1,435,000		1,100,131	2,535,131
		2014/15	1,490,000		1,042,731	2,532,731
		2015/16	1,550,000		983,131	2,533,131
		2016/17	1,625,000		905,631	2,530,631
		2017/18	1,710,000		824,381	2,534,381
		2018/19	1,800,000		734,606	2,534,606
		2019/20	1,890,000		640,106	2,530,106
		2020/21	1,990,000		540,881	2,530,881
		2021/22	2,095,000		436,406	2,531,406
		2022/23	2,190,000		344,750	2,534,750
		2023/24	2,295,000		235,250	2,530,250
		2024/25	2,410,000		120,500	2,530,500
TOTAL FUND DEBT SERVICE			\$ 34,300,432		\$ 17,122,250	\$ 51,422,682

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	3,984,114	4,665,186	4,983,238	4,983,238	5,625,372	5,625,372	5,625,372
Prior Year Property Taxes	78,477	84,524	80,000	80,000	80,000	80,000	80,000
	<u>4,062,591</u>	<u>4,749,710</u>	<u>5,063,238</u>	<u>5,063,238</u>	<u>5,705,372</u>	<u>5,705,372</u>	<u>5,705,372</u>
Miscellaneous Revenues							
Interest Earned	10,591	20,279	67,274	67,274	111,382	111,382	111,382
	<u>10,591</u>	<u>20,279</u>	<u>67,274</u>	<u>67,274</u>	<u>111,382</u>	<u>111,382</u>	<u>111,382</u>
Total External Revenues	<u>4,073,182</u>	<u>4,769,989</u>	<u>5,130,512</u>	<u>5,130,512</u>	<u>5,816,754</u>	<u>5,816,754</u>	<u>5,816,754</u>
Internal Revenues							
Beginning Fund Balance	94,400	205,689	105,297	105,297	0	0	0
TOTAL RESOURCES	\$ 4,167,582	\$ 4,975,678	\$ 5,235,809	\$ 5,235,809	\$ 5,816,754	\$ 5,816,754	\$ 5,816,754
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	3,961,893	4,870,381	5,235,809	5,235,809	5,816,754	5,816,754	5,816,754
	<u>3,961,893</u>	<u>4,870,381</u>	<u>5,235,809</u>	<u>5,235,809</u>	<u>5,816,754</u>	<u>5,816,754</u>	<u>5,816,754</u>
Ending Balance							
Unappropriated Ending Balance	205,689	105,297	0	0	0	0	0
	<u>205,689</u>	<u>105,297</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	<u>4,167,582</u>	<u>4,975,678</u>	<u>5,235,809</u>	<u>5,235,809</u>	<u>5,816,754</u>	<u>5,816,754</u>	<u>5,816,754</u>
TOTAL REQUIREMENTS	\$ 4,167,582	\$ 4,975,678	\$ 5,235,809	\$ 5,235,809	\$ 5,816,754	\$ 5,816,754	\$ 5,816,754

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 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 URA Debt Redemption Fund – 309

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
Estimated - Du Jour and Line of Credit	5,061,254	2006/07	5,061,254	variable	755,500	5,816,754
TOTAL FUND DEBT SERVICE			\$ 5,061,254		\$ 755,500	\$ 5,816,754

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	1,527,647	1,341,943	1,357,900	1,363,000	1,316,320	1,316,320	1,316,320
	1,527,647	1,341,943	1,357,900	1,363,000	1,316,320	1,316,320	1,316,320
Miscellaneous Revenues							
Bond and Note Sales	0	1,157,991	21,460,973	17,575,000	49,861,407	49,861,407	49,861,407
Collection of Assessment	179,976	295,213	425,000	415,000	2,024,100	2,024,100	2,024,100
Interest Earned	106,268	162,248	117,500	171,000	327,410	327,410	327,410
Other Miscellaneous	987	807	0	0	0	0	0
	287,231	1,616,259	22,003,473	18,161,000	52,212,917	52,212,917	52,212,917
Total External Revenues	1,814,878	2,958,202	23,361,373	19,524,000	53,529,237	53,529,237	53,529,237
Internal Revenues							
Other Cash Transfers							
Sewer System Construction Fund	5,538	1,021	0	0	0	0	0
Sewer System Operating Fund	41,095	45,612	46,633	46,633	46,633	46,633	46,633
Transportation Operating Fund	1,770	326	0	0	0	0	0
	48,403	46,959	46,633	46,633	46,633	46,633	46,633
Interfund Service Reimbursements							
Housing & Community Devel Fund	596,449	22,471	0	0	0	0	0
	596,449	22,471	0	0	0	0	0
Total Internal Revenues	644,852	69,430	46,633	46,633	46,633	46,633	46,633
Beginning Fund Balance	2,174,264	2,381,613	2,283,957	2,730,915	2,734,333	2,734,333	2,734,333
TOTAL RESOURCES	\$ 4,633,994	\$ 5,409,245	\$ 25,691,963	\$ 22,301,548	\$ 56,310,203	\$ 56,310,203	\$ 56,310,203
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	15,280	9,261	0	0	0	0	0
Internal Materials and Services							
Technology Services Fund	0	0	11,368	11,368	11,433	11,433	11,433
City Auditor	1,199,398	1,000,438	1,417,387	1,293,000	814,567	814,567	814,567
Office of Management & Finance	56,894	53,360	51,589	51,589	51,531	51,531	51,531
OMF - Revenue Bureau	0	0	0	0	592,634	592,634	592,634
Transportation	257,391	1,337,774	14,220,973	12,370,000	10,781,005	10,781,005	10,781,005
	1,513,683	2,391,572	15,701,317	13,725,957	12,251,170	12,251,170	12,251,170
Capital Outlay	703,524	43,822	0	0	0	0	0
Total Bureau Expenses	2,232,487	2,444,655	15,701,317	13,725,957	12,251,170	12,251,170	12,251,170
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	2,079,388	0	2,700,869	2,700,869	2,707,787
	0	0	2,079,388	0	2,700,869	2,700,869	2,707,787
General Fund Overhead	0	73,510	81,497	81,497	73,207	73,207	73,207
Fund Cash Transfers							
Campaign Finance Fund	0	0	12,526	12,526	14,296	14,296	7,378

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
General Fund	0	5,201	0	0	0	0	0
Pension Debt Redemption Fund	8,320	37,897	52,235	52,235	66,159	66,159	66,159
Sewer System Construction Fund	0	0	2,000,000	1,875,000	1,000,000	1,000,000	1,000,000
	8,320	43,098	2,064,761	1,939,761	1,080,455	1,080,455	1,073,537
Debt Retirement							
Debt Req Net Issue Cost	11,574	117,067	5,665,000	3,745,000	40,104,502	40,104,502	40,104,502
Debt Issuance Costs	0	0	100,000	75,000	100,000	100,000	100,000
	11,574	117,067	5,765,000	3,820,000	40,204,502	40,204,502	40,204,502
Ending Balance							
Unappropriated Ending Balance	2,381,613	2,730,915	0	2,734,333	0	0	0
	2,381,613	2,730,915	0	2,734,333	0	0	0
Total Fund Requirements	2,401,507	2,964,590	9,990,646	8,575,591	44,059,033	44,059,033	44,059,033
TOTAL REQUIREMENTS	\$ 4,633,994	\$ 5,409,245	\$ 25,691,963	\$ 22,301,548	\$ 56,310,203	\$ 56,310,203	\$ 56,310,203

FUND OVERVIEW

The Local Improvement District (LID) Construction Fund accounts for the activities of the Assessments, Finance, and Foreclosure Division of the Auditor's Office. The fund finances local infrastructure improvements. The Assessments, Finance, and Foreclosure Division records assessments for local improvements financed by the fund, and also for sidewalk repairs, code enforcement violation fee revenue, and system development charges for the bureaus of Parks, Environmental Services, and Transportation. The division provides property owners with 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 in the coming fiscal years with the commencement or completion of the Portland Aerial Tram, NE 148th Avenue, Gibbs Streetcar, Lents III, and SW Texas LID projects. In addition, significant budget changes can occur with the sale of special assessment bonds for the financing of large LID projects, and the increased use of system development charges to pay for city infrastructure.

Managing Agency Office of the City Auditor

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	1,357,036	1,877,706	1,754,522	1,754,522	1,164,303	1,164,303	1,164,303
Prior Year Property Taxes	21,085	25,622	25,000	25,000	30,000	30,000	30,000
	<u>1,378,121</u>	<u>1,903,328</u>	<u>1,779,522</u>	<u>1,779,522</u>	<u>1,194,303</u>	<u>1,194,303</u>	<u>1,194,303</u>
Miscellaneous Revenues							
Interest Earned	3,492	15,840	23,686	23,686	27,129	27,129	27,129
	<u>3,492</u>	<u>15,840</u>	<u>23,686</u>	<u>23,686</u>	<u>27,129</u>	<u>27,129</u>	<u>27,129</u>
Total External Revenues	<u>1,381,613</u>	<u>1,919,168</u>	<u>1,803,208</u>	<u>1,803,208</u>	<u>1,221,432</u>	<u>1,221,432</u>	<u>1,221,432</u>
Internal Revenues							
Beginning Fund Balance	28,423	166,971	49,424	49,424	600,000	600,000	600,000
TOTAL RESOURCES	<u>\$ 1,410,036</u>	<u>\$ 2,086,139</u>	<u>\$ 1,852,632</u>	<u>\$ 1,852,632</u>	<u>\$ 1,821,432</u>	<u>\$ 1,821,432</u>	<u>\$ 1,821,432</u>
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	1,243,065	2,036,715	1,852,632	1,252,632	1,821,432	1,821,432	1,821,432
	<u>1,243,065</u>	<u>2,036,715</u>	<u>1,852,632</u>	<u>1,252,632</u>	<u>1,821,432</u>	<u>1,821,432</u>	<u>1,821,432</u>
Ending Balance							
Unappropriated Ending Balance	166,971	49,424	0	600,000	0	0	0
	<u>166,971</u>	<u>49,424</u>	<u>0</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	<u>1,410,036</u>	<u>2,086,139</u>	<u>1,852,632</u>	<u>1,852,632</u>	<u>1,821,432</u>	<u>1,821,432</u>	<u>1,821,432</u>
TOTAL REQUIREMENTS	<u>\$ 1,410,036</u>	<u>\$ 2,086,139</u>	<u>\$ 1,852,632</u>	<u>\$ 1,852,632</u>	<u>\$ 1,821,432</u>	<u>\$ 1,821,432</u>	<u>\$ 1,821,432</u>

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 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

N Macadam URA Debt Redemption Fund – 313

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Estimated - Du Jour and Line of Credit	Variable	2006/07	-	variable	1,821,432	1,821,432
TOTAL FUND DEBT SERVICE			\$ -		\$ 1,821,432	\$ 1,821,432

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Licenses and Permits							
Business Licenses	4,177,839	4,231,978	4,586,063	4,592,663	4,592,663	4,592,663	4,592,663
	4,177,839	4,231,978	4,586,063	4,592,663	4,592,663	4,592,663	4,592,663
Miscellaneous Revenues							
Interest Earned	4,387	11,024	6,600	18,000	18,000	18,000	18,000
	4,387	11,024	6,600	18,000	18,000	18,000	18,000
Total External Revenues	4,182,226	4,243,002	4,592,663	4,610,663	4,610,663	4,610,663	4,610,663
Internal Revenues							
Beginning Fund Balance	7,337	28,943	20,943	32,969	32,969	32,969	32,969
TOTAL RESOURCES	\$ 4,189,563	\$ 4,271,945	\$ 4,613,606	\$ 4,643,632	\$ 4,643,632	\$ 4,643,632	\$ 4,643,632
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	4,160,620	4,238,976	4,546,736	4,564,736	4,564,736	4,564,736	4,564,736
Internal Materials and Services							
Bureau of Licenses	0	0	45,927	0	0	0	0
OMF - Revenue Bureau	0	0	0	45,927	45,927	45,927	45,927
	0	0	45,927	45,927	45,927	45,927	45,927
Total Bureau Expenses	4,160,620	4,238,976	4,592,663	4,610,663	4,610,663	4,610,663	4,610,663
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	20,943	0	0	0	0
	0	0	20,943	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	28,943	32,969	0	32,969	32,969	32,969	32,969
	28,943	32,969	0	32,969	32,969	32,969	32,969
Total Fund Requirements	28,943	32,969	20,943	32,969	32,969	32,969	32,969
TOTAL REQUIREMENTS	\$ 4,189,563	\$ 4,271,945	\$ 4,613,606	\$ 4,643,632	\$ 4,643,632	\$ 4,643,632	\$ 4,643,632

FUND OVERVIEW

The Property Management License Fund receives revenue from 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 Revenue Bureau 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. The program is administered by Portland Downtown Services, Inc. and the Portland Business Alliance.

Fee Structure

The business property management license fees are based on factors that measure the need-for-services load created by the use of property. The factors include:

- ◆ Value of improvements
- ◆ 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 in accordance with 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

Office of Management & Finance, Revenue Bureau

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	8,873,135	10,306,256	12,063,566	13,027,566	14,913,501	14,913,501	14,913,501
Prior Year Property Taxes	155,980	182,865	160,000	160,000	175,000	175,000	175,000
	9,029,115	10,489,121	12,223,566	13,187,566	15,088,501	15,088,501	15,088,501
Miscellaneous Revenues							
Interest Earned	134,217	176,352	296,220	296,220	503,625	503,625	503,625
	134,217	176,352	296,220	296,220	503,625	503,625	503,625
Total External Revenues	9,163,332	10,665,473	12,519,786	13,483,786	15,592,126	15,592,126	15,592,126
Internal Revenues							
Beginning Fund Balance	7,608,040	4,990,765	5,031,514	5,031,514	4,734,950	4,734,950	4,734,950
TOTAL RESOURCES	\$ 16,771,372	\$ 15,656,238	\$ 17,551,300	\$ 18,515,300	\$ 20,327,076	\$ 20,327,076	\$ 20,327,076
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	11,780,607	10,624,724	12,816,350	13,780,350	15,592,126	15,592,126	15,592,126
	11,780,607	10,624,724	12,816,350	13,780,350	15,592,126	15,592,126	15,592,126
Ending Balance							
Unappropriated Ending Balance	4,990,765	0	0	0	0	0	0
Unexpendable Reserve	0	5,031,514	4,734,950	4,734,950	4,734,950	4,734,950	4,734,950
	4,990,765	5,031,514	4,734,950	4,734,950	4,734,950	4,734,950	4,734,950
Total Fund Requirements	16,771,372	15,656,238	17,551,300	18,515,300	20,327,076	20,327,076	20,327,076
TOTAL REQUIREMENTS	\$ 16,771,372	\$ 15,656,238	\$ 17,551,300	\$ 18,515,300	\$ 20,327,076	\$ 20,327,076	\$ 20,327,076

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 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 URA Debt Redemption Fund – 301

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Urban Renewal & Redevelopment Bonds, 2003 Series A (Tax-Exempt)						
06/26/2003 - Due 06/15	33,180,000					
		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
		TOTAL	33,180,000		21,676,928	54,856,928
Urban Renewal & Redevelopment Bonds, 2003 Series B (Taxable)						
06/26/2003 - Due 06/15	28,760,000					
		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
		TOTAL	21,765,000		3,830,753	25,595,753
Estimated - Du Jour and Line of Credit						
	10,057,413					
		2006/07	10,057,413	variable	802,500	10,859,913
					802,500	10,859,913
COMBINED DEBT SERVICE						
	71,997,413					
		2006/07	12,437,413		3,154,713	15,592,126
		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
		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
TOTAL FUND DEBT SERVICE			\$ 65,002,413		\$ 26,310,181	\$ 91,312,594

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	6,452,233	6,593,374	6,758,540	6,758,540	6,997,735	6,997,735	6,997,735
Prior Year Property Taxes	169,052	154,088	170,000	170,000	150,000	150,000	150,000
	<u>6,621,285</u>	<u>6,747,462</u>	<u>6,928,540</u>	<u>6,928,540</u>	<u>7,147,735</u>	<u>7,147,735</u>	<u>7,147,735</u>
Miscellaneous Revenues							
Interest Earned	42,535	43,743	89,608	89,608	138,555	138,555	138,555
	<u>42,535</u>	<u>43,743</u>	<u>89,608</u>	<u>89,608</u>	<u>138,555</u>	<u>138,555</u>	<u>138,555</u>
Total External Revenues	<u>6,663,820</u>	<u>6,791,205</u>	<u>7,018,148</u>	<u>7,018,148</u>	<u>7,286,290</u>	<u>7,286,290</u>	<u>7,286,290</u>
Internal Revenues							
Beginning Fund Balance	801,509	185,087	176,878	176,878	0	0	0
TOTAL RESOURCES	<u>\$ 7,465,329</u>	<u>\$ 6,976,292</u>	<u>\$ 7,195,026</u>	<u>\$ 7,195,026</u>	<u>\$ 7,286,290</u>	<u>\$ 7,286,290</u>	<u>\$ 7,286,290</u>
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	7,280,242	6,799,414	7,195,026	7,195,026	7,286,290	7,286,290	7,286,290
	<u>7,280,242</u>	<u>6,799,414</u>	<u>7,195,026</u>	<u>7,195,026</u>	<u>7,286,290</u>	<u>7,286,290</u>	<u>7,286,290</u>
Ending Balance							
Unappropriated Ending Balance	185,087	176,878	0	0	0	0	0
	<u>185,087</u>	<u>176,878</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	<u>7,465,329</u>	<u>6,976,292</u>	<u>7,195,026</u>	<u>7,195,026</u>	<u>7,286,290</u>	<u>7,286,290</u>	<u>7,286,290</u>
TOTAL REQUIREMENTS	<u>\$ 7,465,329</u>	<u>\$ 6,976,292</u>	<u>\$ 7,195,026</u>	<u>\$ 7,195,026</u>	<u>\$ 7,286,290</u>	<u>\$ 7,286,290</u>	<u>\$ 7,286,290</u>

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 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 Block Redemption Fund – 306

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Urban Renewal & Redevelopment Bonds, 2000 Series A (Tax-Exempt)						
10/15/2000 - Due 06/15	23,325,000					
		2006/07	-		1,329,973	1,329,973
		2007/08	-		1,329,973	1,329,973
		2008/09	-		1,329,973	1,329,973
		2009/10	-		1,329,973	1,329,973
		2010/11	-		1,329,973	1,329,973
		2011/12	-		1,329,973	1,329,973
		2012/13	2,095,000	5.52%	1,329,973	3,424,973
		2013/14	2,550,000	5.69%	1,214,310	3,764,310
		2014/15	2,695,000	5.75%	1,069,310	3,764,310
		2015/16	2,850,000	5.73%	914,348	3,764,348
		2016/17	3,015,000	5.71%	751,073	3,766,073
		2017/18	3,190,000	5.75%	578,835	3,768,835
		2018/19	3,370,000	5.67%	395,410	3,765,410
		2019/20	3,560,000	5.74%	204,400	3,764,400
		TOTAL	23,325,000		14,437,493	37,762,493
Urban Renewal & Redevelopment Bonds, 2000 Series B (Taxable)						
10/15/2000 - Due 06/15	16,560,000					
		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
		TOTAL	11,750,000		3,207,143	14,957,143
Estimated - Du Jour and Line of Credit						
	3,316,447					
		2006/07	3,316,447	variable	205,500	3,521,947
			3,316,447		205,500	3,521,947
COMBINED DEBT SERVICE						
	43,201,447					
		2006/07	4,911,447		2,374,843	7,286,290
		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
TOTAL FUND DEBT SERVICE			\$ 38,391,447		\$ 17,850,135	\$ 56,241,582

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	13,303,204	13,481,943	13,648,972	13,648,972	13,878,299	13,878,299	13,878,299
Prior Year Property Taxes	355,009	319,478	360,000	360,000	300,000	300,000	300,000
	<u>13,658,213</u>	<u>13,801,421</u>	<u>14,008,972</u>	<u>14,008,972</u>	<u>14,178,299</u>	<u>14,178,299</u>	<u>14,178,299</u>
Miscellaneous Revenues							
Interest Earned	113,076	145,302	257,406	257,406	348,776	348,776	348,776
	<u>113,076</u>	<u>145,302</u>	<u>257,406</u>	<u>257,406</u>	<u>348,776</u>	<u>348,776</u>	<u>348,776</u>
Total External Revenues	<u>13,771,289</u>	<u>13,946,723</u>	<u>14,266,378</u>	<u>14,266,378</u>	<u>14,527,075</u>	<u>14,527,075</u>	<u>14,527,075</u>
Internal Revenues							
Other Cash Transfers							
Parking Facilities Fund	343,776	0	0	0	0	0	0
	<u>343,776</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Internal Revenues	<u>343,776</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Fund Balance	3,674,775	2,368,256	2,038,630	2,038,630	1,681,500	1,681,500	1,681,500
TOTAL RESOURCES	<u>\$ 17,789,840</u>	<u>\$ 16,314,979</u>	<u>\$ 16,305,008</u>	<u>\$ 16,305,008</u>	<u>\$ 16,208,575</u>	<u>\$ 16,208,575</u>	<u>\$ 16,208,575</u>
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	15,421,584	14,276,349	14,623,508	14,623,508	14,527,075	14,527,075	14,527,075
	<u>15,421,584</u>	<u>14,276,349</u>	<u>14,623,508</u>	<u>14,623,508</u>	<u>14,527,075</u>	<u>14,527,075</u>	<u>14,527,075</u>
Ending Balance							
Unappropriated Ending Balance	2,368,256	2,038,630	0	0	0	0	0
Unexpendable Reserve	0	0	1,681,500	1,681,500	1,681,500	1,681,500	1,681,500
	<u>2,368,256</u>	<u>2,038,630</u>	<u>1,681,500</u>	<u>1,681,500</u>	<u>1,681,500</u>	<u>1,681,500</u>	<u>1,681,500</u>
Total Fund Requirements	<u>17,789,840</u>	<u>16,314,979</u>	<u>16,305,008</u>	<u>16,305,008</u>	<u>16,208,575</u>	<u>16,208,575</u>	<u>16,208,575</u>
TOTAL REQUIREMENTS	<u>\$ 17,789,840</u>	<u>\$ 16,314,979</u>	<u>\$ 16,305,008</u>	<u>\$ 16,305,008</u>	<u>\$ 16,208,575</u>	<u>\$ 16,208,575</u>	<u>\$ 16,208,575</u>

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 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
Community Development Service Area

Fund Summary

Waterfront Renewal Bond Sinking Fund – 303

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Urban Renewal & Redevelopment Bonds, 2000 Series A						
10/15/2000 - Due 6/15	33,060,000					
		2006/07	-		1,866,274	1,866,274
		2007/08	-		1,866,274	1,866,274
		2008/09	-		1,866,274	1,866,274
		2009/10	-		1,866,274	1,866,274
		2010/11	-		1,866,274	1,866,274
		2011/12	-		1,866,274	1,866,274
		2012/13	170,000	5.10%	1,866,274	2,036,274
		2013/14	3,960,000	5.59%	1,857,604	5,817,604
		2014/15	4,185,000	5.55%	1,636,298	5,821,298
		2015/16	4,415,000	5.70%	1,404,228	5,819,228
		2016/17	4,665,000	5.75%	1,152,515	5,817,515
		2017/18	4,935,000	5.70%	884,465	5,819,465
		2018/19	5,215,000	5.75%	603,188	5,818,188
		2019/20	5,515,000	5.50%	303,325	5,818,325
		TOTAL	33,060,000		20,905,538	53,965,538
Urban Renewal & Redevelopment Bonds, 2000 Series B						
10/15/2000 - Due 6/15	24,970,000					
		2006/07	1,775,000	6.89%	1,327,897	3,102,897
		2007/08	1,900,000	6.99%	1,205,600	3,105,600
		2008/09	1,635,000	7.09%	1,072,790	2,707,790
		2009/10	2,995,000	7.26%	956,868	3,951,868
		2010/11	3,215,000	7.26%	739,431	3,954,431
		2011/12	3,445,000	7.26%	506,022	3,951,022
		2012/13	3,525,000	7.26%	255,915	3,780,915
		TOTAL	18,490,000		6,064,522	24,554,522
Urban Renewal & Redevelopment Bonds, 2002 Series A (AMT)						
09/15/02 - Due 06/01	3,765,000					
		2006/07	1,090,000	3.00%	32,700	1,122,700
		2007/08	-		-	-
		TOTAL	1,090,000		32,700	1,122,700
Urban Renewal & Redevelopment Bonds, 2002 Series B (Non-AMT)						
09/15/02 - Due 06/01	13,050,000					
		2006/07	2,020,000	3.00%	179,075	2,199,075
		2007/08	3,385,000	3.50%	118,475	3,503,475
		TOTAL	5,405,000		297,550	5,702,550
Estimated - Du Jour and Line of Credit						
	5,983,629					
		2006/07	5,983,629	Variable	252,500	6,236,129
		TOTAL	5,983,629		252,500	6,236,129
COMBINED DEBT SERVICE						
	80,828,629					
		2006/07	10,868,629		3,658,446	14,527,075
		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

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2016/17	4,665,000		1,152,515	5,817,515
		2017/18	4,935,000		884,465	5,819,465
		2018/19	5,215,000		603,188	5,818,188
		2019/20	5,515,000		303,325	5,818,325
TOTAL FUND DEBT SERVICE			\$ 64,028,629		\$ 27,552,810	\$ 91,581,439

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Property Taxes							
Current Property Taxes	0	0	175,940	0	0	0	0
	0	0	175,940	0	0	0	0
Miscellaneous Revenues							
Interest Earned	0	0	2,375	0	0	0	0
	0	0	2,375	0	0	0	0
Total External Revenues	0	0	178,315	0	0	0	0
Internal Revenues							
TOTAL RESOURCES	\$ 0	\$ 0	\$ 178,315	\$ 0	\$ 0	\$ 0	\$ 0
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	0	0	178,315	0	0	0	0
	0	0	178,315	0	0	0	0
Total Fund Requirements	0	0	178,315	0	0	0	0
TOTAL REQUIREMENTS	\$ 0	\$ 0	\$ 178,315	\$ 0	\$ 0	\$ 0	\$ 0

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the newly created Willamette Industrial Urban Renewal District. Specifically, this fund will account 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.

There are no appropriations in this fund because there has been insufficient activity to generate tax increment revenue.

The Portland Development Commission 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

CHANGES FROM PRIOR YEAR

Revenues were projected in the FY 2005-06 budget, but none of the revenues have been produced. No revenues are expected in FY 2006-07, so there is no money budgeted.



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	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Bond and Note Sales	0	4,293,833	0	0	0	0	0
Interest Earned	0	2,902	0	0	0	0	0
	0	4,296,735	0	0	0	0	0
Total External Revenues	0	4,296,735	0	0	0	0	0
Internal Revenues							
Other Cash Transfers							
Spectator Facilities Operating	266,181	0	0	0	0	0	0
Transportation Operating Fund	1,650,526	1,939,044	2,749,225	2,749,225	3,281,571	3,281,571	3,281,571
	1,916,707	1,939,044	2,749,225	2,749,225	3,281,571	3,281,571	3,281,571
Total Internal Revenues	1,916,707	1,939,044	2,749,225	2,749,225	3,281,571	3,281,571	3,281,571
Beginning Fund Balance	617	401	401	3,604	401	401	401
TOTAL RESOURCES	\$ 1,917,324	\$ 6,236,180	\$ 2,749,626	\$ 2,752,829	\$ 3,281,972	\$ 3,281,972	\$ 3,281,972
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	1,916,923	6,232,576	2,749,225	2,752,428	3,281,571	3,281,571	3,281,571
	1,916,923	6,232,576	2,749,225	2,752,428	3,281,571	3,281,571	3,281,571
Ending Balance							
Unappropriated Ending Balance	401	3,604	401	401	401	401	401
	401	3,604	401	401	401	401	401
Total Fund Requirements	1,917,324	6,236,180	2,749,626	2,752,829	3,281,972	3,281,972	3,281,972
TOTAL REQUIREMENTS	\$ 1,917,324	\$ 6,236,180	\$ 2,749,626	\$ 2,752,829	\$ 3,281,972	\$ 3,281,972	\$ 3,281,972

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. Resources include gas tax revenues, which consist of the City's share of the state and county collections.

Managing Agency Office of Transportation

Gas Tax Bond Redemption Fund – 308

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Gas Tax Revenue Bonds, 1998 Series A						
06/01/1998 - Due 6/1	3,070,000					
		2006/07	140,000	4.40%	102,585	242,585
		2007/08	140,000	4.40%	96,425	236,425
		2008/09	150,000	4.50%	90,265	240,265
		2009/10	160,000	4.60%	83,515	243,515
		2010/11	160,000	4.70%	76,155	236,155
		2011/12	170,000	4.75%	68,635	238,635
		2012/13	180,000	4.80%	60,560	240,560
		2013/14	190,000	4.80%	51,920	241,920
		2014/15	200,000	4.90%	42,800	242,800
		2015/16	200,000	5.00%	33,000	233,000
		2016/17	220,000	5.00%	23,000	243,000
		2017/18	240,000	5.00%	12,000	252,000
		TOTAL	2,150,000		740,860	2,890,860
Gas Tax Revenue Refunding Bonds, 2005 Series A						
03/17/2005 - Due 6/1	4,400,000					
		2006/07	370,000	4.50%	145,160	515,160
		2007/08	385,000	2.75%	128,510	513,510
		2008/09	400,000	2.85%	117,923	517,923
		2009/10	410,000	3.00%	106,523	516,523
		2010/11	420,000	3.15%	94,223	514,223
		2011/12	430,000	3.25%	80,993	510,993
		2012/13	450,000	3.35%	67,018	517,018
		2013/14	460,000	3.50%	51,943	511,943
		2014/15	480,000	3.60%	35,843	515,843
		2015/16	495,000	3.75%	18,563	513,563
		TOTAL	4,300,000		846,695	5,146,695
Estimated - Line of Credit						
	Variable					
		2006-07	2,200,877	variable	322,949	2,523,826
			2,200,877		322,949	2,523,826
COMBINED DEBT SERVICE						
	7,470,000					
		2006/07	2,710,877		570,694	3,281,571
		2007/08	525,000		224,935	749,935
		2008/09	550,000		208,188	758,188
		2009/10	570,000		190,038	760,038
		2010/11	580,000		170,378	750,378
		2011/12	600,000		149,628	749,628
		2012/13	630,000		127,578	757,578
		2013/14	650,000		103,863	753,863
		2014/15	680,000		78,643	758,643
		2015/16	695,000		51,563	746,563
		2016/17	220,000		23,000	243,000
		2017/18	240,000		12,000	252,000
TOTAL FUND DEBT SERVICE			\$ 8,650,877		\$ 1,910,504	\$ 10,561,381

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Interest Earned	127	235	0	211	0	0	0
	127	235	0	211	0	0	0
Total External Revenues	127	235	0	211	0	0	0
Internal Revenues							
Other Cash Transfers							
Parking Facilities Fund	3,735,279	3,490,177	3,073,776	3,073,776	3,074,438	3,074,475	3,074,475
	3,735,279	3,490,177	3,073,776	3,073,776	3,074,438	3,074,475	3,074,475
Total Internal Revenues	3,735,279	3,490,177	3,073,776	3,073,776	3,074,438	3,074,475	3,074,475
Beginning Fund Balance	1,947	128	0	364	613	576	576
TOTAL RESOURCES	\$ 3,737,353	\$ 3,490,540	\$ 3,073,776	\$ 3,074,351	\$ 3,075,051	\$ 3,075,051	\$ 3,075,051
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	3,737,225	3,490,176	3,073,776	3,073,775	3,075,051	3,075,051	3,075,051
	3,737,225	3,490,176	3,073,776	3,073,775	3,075,051	3,075,051	3,075,051
Ending Balance							
Unappropriated Ending Balance	128	364	0	576	0	0	0
	128	364	0	576	0	0	0
Total Fund Requirements	3,737,353	3,490,540	3,073,776	3,074,351	3,075,051	3,075,051	3,075,051
TOTAL REQUIREMENTS	\$ 3,737,353	\$ 3,490,540	\$ 3,073,776	\$ 3,074,351	\$ 3,075,051	\$ 3,075,051	\$ 3,075,051

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.

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
Limited Tax Revenue Bonds, 1999 Series A (Central City Streetcar)						
04/15/1999 - Due 04/01	29,160,000					
		2006/07	930,000	4.00%	1,163,613	2,093,613
		2007/08	970,000	4.13%	1,126,413	2,096,413
		2008/09	1,000,000	4.25%	1,086,400	2,086,400
		2009/10	1,050,000	4.38%	1,043,900	2,093,900
		2010/11	1,090,000	4.38%	997,963	2,087,963
		2011/12	1,140,000	4.50%	950,275	2,090,275
		2012/13	1,190,000	4.63%	898,975	2,088,975
		2013/14	1,250,000	4.63%	843,938	2,093,938
		2014/15	1,310,000	4.75%	786,125	2,096,125
		2015/16	1,370,000	4.75%	723,900	2,093,900
		2016/17	1,430,000	4.75%	658,825	2,088,825
		2017/18	1,500,000	4.75%	590,900	2,090,900
		2018/19	1,570,000	4.75%	519,650	2,089,650
		2019/20	1,650,000	4.75%	445,075	2,095,075
		2020/21	1,720,000	4.75%	366,700	2,086,700
		2021/22	1,810,000	5.00%	285,000	2,095,000
		2022/23	1,900,000	5.00%	194,500	2,094,500
		2023/24	1,990,000	5.00%	99,500	2,089,500
		TOTAL	24,870,000		12,781,650	37,651,650
Parking System Revenue Refunding Bonds, 2001 Series A						
08/15/2001 - Due 04/01	10,200,000					
		2006/07	775,000	3.75%	206,438	981,438
		2007/08	810,000	4.00%	177,375	987,375
		2008/09	840,000	4.00%	144,975	984,975
		2009/10	870,000	4.00%	111,375	981,375
		2010/11	905,000	4.00%	76,575	981,575
		2011/12	465,000	4.25%	40,375	505,375
		2012/13	485,000	4.25%	20,613	505,613
		TOTAL	5,150,000		777,725	5,927,725
COMBINED DEBT SERVICE						
	39,360,000					
		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
TOTAL FUND DEBT SERVICE			\$ 30,020,000		\$ 13,559,375	\$ 43,579,375

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Parking Fees	7,818,630	8,283,000	8,245,917	9,170,000	9,832,100	9,832,100	9,832,100
Rents and Reimbursements	763,337	832,525	851,928	810,000	874,570	874,570	874,570
	8,581,967	9,115,525	9,097,845	9,980,000	10,706,670	10,706,670	10,706,670
Miscellaneous Revenues							
Bond and Note Sales	0	0	0	0	0	0	2,306,000
Interest Earned	49,009	82,672	45,813	175,000	95,000	95,000	95,000
Other Miscellaneous	5,803	3,334	3,200	9,900	3,168	3,168	3,168
	54,812	86,006	49,013	184,900	98,168	98,168	2,404,168
Total External Revenues	8,636,779	9,201,531	9,146,858	10,164,900	10,804,838	10,804,838	13,110,838
Internal Revenues							
Other Cash Transfers							
Insurance & Claims Fund	0	0	0	0	0	2,306,000	0
	0	0	0	0	0	2,306,000	0
Interfund Service Reimbursements							
BES Internal Services	1,800	1,825	1,980	1,860	1,980	1,980	1,980
Commissioner of Public Utilities	0	900	0	0	0	0	0
Communications Services	3,600	3,650	0	0	0	0	0
Development Services	0	0	0	286	0	0	0
Environmental Services	24,323	24,925	26,940	28,242	30,900	30,900	30,900
Facilities Services Fund	169,063	152,385	148,791	146,691	151,468	151,468	151,468
Golf Fund	1,800	1,825	1,980	1,860	1,980	1,980	1,980
Hydroelectric Power Op Fund	1,800	1,825	1,980	1,860	1,980	1,980	1,980
Insurance & Claims	3,600	3,650	3,960	2,790	2,970	2,970	2,970
Management & Finance	0	1,825	0	0	0	0	0
Neighborhood Involvement	3,600	19,735	23,760	22,320	0	0	0
Office of Transportation	34,997	30,111	19,800	21,000	22,200	22,200	22,200
Parks Bureau	0	0	23,760	13,879	13,860	13,860	13,860
Parks Bureau	23,538	20,491	0	0	0	0	0
Parks Capital Const & Maint Fund	3,600	3,650	3,960	3,720	3,960	3,960	3,960
Police Bureau	344,627	360,802	392,040	372,866	392,040	392,040	392,040
Printing & Distribution	7,200	7,300	7,920	7,440	7,920	7,920	7,920
Technology Services Fund	0	0	3,960	3,720	3,960	3,960	3,960
Water Bureau	60,091	62,051	67,320	66,389	69,300	69,300	69,300
Workers' Compensation Fund	3,600	3,650	3,960	4,650	4,950	4,950	4,950
	687,239	700,600	732,111	699,573	709,468	709,468	709,468
Intra-Fund Service Reimbursement	0	0	1,980	1,860	0	0	0
Total Internal Revenues	687,239	700,600	734,091	701,433	709,468	3,015,468	709,468
Beginning Fund Balance	3,444,363	2,661,136	3,103,551	3,804,920	4,577,254	3,265,661	3,265,661
TOTAL RESOURCES	\$ 12,768,381	\$ 12,563,267	\$ 12,984,500	\$ 14,671,253	\$ 16,091,560	\$ 17,085,967	\$ 17,085,967

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
REQUIREMENTS							
Bureau Expenses							
Personal Services	0	0	98,612	60,507	0	0	0
External Materials and Services	2,526,124	2,687,194	2,806,089	2,855,000	3,093,979	3,093,979	3,093,979
Internal Materials and Services							
CityFleet Services	18	0	0	0	0	0	0
Communications Services	17,222	21,388	0	0	0	0	0
Facilities Services	2,024,306	1,145,604	3,619,274	1,551,312	2,704,110	2,704,110	2,704,110
Insurance	83,404	68,287	72,809	72,809	77,451	77,451	77,451
Printing & Distribution	724	3,092	2,136	3,822	3,201	3,201	3,201
Technology Services Fund	234	664	34,079	34,079	35,736	35,736	35,736
Office of Management & Finance	258,989	254,268	170,544	170,544	116,280	116,280	116,280
Parks Capital Const & Maint Fund	0	8,000	0	0	0	0	0
Transportation	0	644	0	0	0	0	0
Same Fund Services	0	0	1,980	1,860	0	0	0
	2,384,897	1,501,947	3,900,822	1,834,426	2,936,778	2,936,778	2,936,778
Capital Outlay	23,900	0	150,000	155,302	844,000	844,000	844,000
Total Bureau Expenses	4,934,921	4,189,141	6,955,523	4,905,235	6,874,757	6,874,757	6,874,757
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	1,831,205	0	4,963,793	5,958,163	5,961,364
Compensation Adjustment	0	0	3,415	0	0	0	0
	0	0	1,834,620	0	4,963,793	5,958,163	5,961,364
General Fund Overhead	103,057	77,865	93,288	93,288	144,590	144,590	144,590
Fund Cash Transfers							
Campaign Finance Fund	0	0	6,548	6,548	6,615	6,615	3,414
Downtown Parking Bond	3,735,279	3,490,176	3,073,776	3,073,776	3,074,438	3,074,475	3,074,475
General Fund	308,074	320,265	320,745	320,745	327,367	327,367	327,367
Insurance & Claims Fund	0	0	0	2,306,000	0	0	0
Transportation Operating	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Waterfront Renewal Bond	343,776	0	0	0	0	0	0
	5,087,129	4,510,441	4,101,069	6,407,069	4,108,420	4,108,457	4,105,256
Debt Retirement							
Debt Req Net Issue Cost	(17,862)	(19,100)	0	0	0	0	0
	(17,862)	(19,100)	0	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	2,661,136	3,804,920	0	3,265,661	0	0	0
	2,661,136	3,804,920	0	3,265,661	0	0	0
Total Fund Requirements	7,833,460	8,374,126	6,028,977	9,766,018	9,216,803	10,211,210	10,211,210
TOTAL REQUIREMENTS	\$ 12,768,381	\$ 12,563,267	\$ 12,984,500	\$ 14,671,253	\$ 16,091,560	\$ 17,085,967	\$ 17,085,967

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: Third & Alder Garage, Fourth & Yamhill Garage, Naito & Davis Garage, Tenth & Yamhill Garage, O'Bryant Square Garage, and First & Jefferson Garage.

Transportation Program Support

A portion of the fund's revenue supports programs in the City of Portland's Office of Transportation. Beginning in FY 1998-99, it was decided the fund would make a transfer to the Office of Transportation for the annual debt payments on \$29,000,000 of the bonded debt incurred for the construction of the Portland Streetcar, a transportation initiative aimed at relieving traffic congestion and enhancing the livability of the downtown area.

Managing Agency

Office of Management and Finance, Business Operations

CHANGES FROM PRIOR YEAR

The Parking Facilities Fund has been realigned under the Facilities Services division for FY 2006-07. The Parking Fund manager position has been eliminated to create savings. The fund will be managed within the Facilities division by the Spectator Facilities division manager.

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Licenses and Permits							
Other Permits	14,655	0	8,000	8,000	0	0	0
	14,655	0	8,000	8,000	0	0	0
Miscellaneous Revenues							
Interest Earned	263	6,215	4,000	4,000	1,000	1,000	1,000
Other Miscellaneous	65,372	96,855	72,000	84,897	84,897	84,897	84,897
	65,635	103,070	76,000	88,897	85,897	85,897	85,897
Total External Revenues	80,290	103,070	84,000	96,897	85,897	85,897	85,897
Internal Revenues							
Other Cash Transfers							
General Fund	205,000	0	0	0	0	0	0
	205,000	0	0	0	0	0	0
Total Internal Revenues	205,000	0	0	0	0	0	0
Beginning Fund Balance	0	285,290	8,897	14,905	21,802	21,802	21,802
TOTAL RESOURCES	\$ 285,290	\$ 388,360	\$ 92,897	\$ 111,802	\$ 107,699	\$ 107,699	\$ 107,699
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	0	246,390	10,000	10,000	66,849	66,849	66,849
Internal Materials and Services							
Bureau of Licenses	0	14,528	12,000	12,000	0	0	0
OMF - Revenue Bureau	0	0	0	0	12,000	12,000	12,000
	0	14,528	12,000	12,000	12,000	12,000	12,000
Total Bureau Expenses	0	260,918	22,000	22,000	78,849	78,849	78,849
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	1,955	0	1,956	1,956	1,962
	0	0	1,955	0	1,956	1,956	1,962
General Fund Overhead							
	0	437	942	0	1,981	1,981	1,981
Fund Cash Transfers							
Campaign Finance Fund	0	0	0	0	13	13	7
General Fund	0	112,100	68,000	68,000	24,900	24,900	24,900
	0	112,100	68,000	68,000	24,913	24,913	24,907
Ending Balance							
Unappropriated Ending Balance	285,290	14,905	0	21,802	0	0	0
	285,290	14,905	0	21,802	0	0	0
Total Fund Requirements	285,290	127,442	70,897	89,802	28,850	28,850	28,850
TOTAL REQUIREMENTS	\$ 285,290	\$ 388,360	\$ 92,897	\$ 111,802	\$ 107,699	\$ 107,699	\$ 107,699

FUND OVERVIEW

The Private for Hire Transportation Safety Fund was created to provide a grant program for the purchase and replacement of cameras for Portland area taxicabs. This fund was established by Ordinance #177794 passed by Council August 6, 2003.

The initial purchase of the cameras was funded with a one-time loan from the General Fund of \$205,000. The ongoing source of revenue for repayment of the loan, and replacement funds for future camera purchases, comes from an increase in taxicab and limited passenger transportation fees. The bureau projects that the loan will be paid in full by end of FY 2006-07.

Managing Agency Office of Management & Finance, Revenue Bureau

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Property Taxes							
Prior Year Property Taxes	56	0	0	0	0	0	0
	56	0	0	0	0	0	0
Licenses and Permits							
Construction Permits	924,359	981,110	1,067,000	1,067,000	1,246,555	1,452,167	1,452,167
Other Permits	110,199	61,610	85,444	85,444	104,200	104,200	104,200
	1,034,558	1,042,720	1,152,444	1,152,444	1,350,755	1,556,367	1,556,367
Service Charges and Fees							
Inspection Fees	227,032	233,658	0	200,000	0	0	0
Miscellaneous	466,716	896,679	2,015,301	500,000	650,242	929,482	929,482
Parking Fees	12,971,191	14,002,828	17,294,500	14,744,500	19,200,958	19,200,958	19,200,958
Parks & Recreation Facilities	25	25	0	0	0	0	0
Public Works/Utility Charge	5,333,791	5,601,085	4,966,712	8,832,013	5,141,995	5,225,167	5,225,167
Rents and Reimbursements	4,860	136,002	0	0	0	0	0
	19,003,615	20,870,277	24,276,513	24,276,513	24,993,195	25,355,607	25,355,607
State Sources							
State Cost Sharing	1,548,566	8,028,699	20,686,837	17,798,157	14,450,330	14,450,330	14,450,330
State Grants	100,000	0	1,548,600	0	0	0	0
State Shared Revenue	24,454,563	26,573,538	27,067,671	27,067,671	27,216,925	27,216,925	27,216,925
	26,103,129	34,602,237	49,303,108	44,865,828	41,667,255	41,667,255	41,667,255
Local Sources							
Local Cost Sharing	14,092,208	14,343,099	20,663,073	13,332,457	19,159,947	19,209,947	19,209,947
Local Shared Revenue	21,901,800	20,826,750	22,492,487	22,055,102	22,085,090	22,085,090	22,085,090
Multnomah County Cost Sharing	169,097	158,220	0	0	208,220	158,220	158,220
	36,163,105	35,328,069	43,155,560	35,387,559	41,453,257	41,453,257	41,453,257
Miscellaneous Revenues							
Bond and Note Sales	0	8,103,828	9,109,422	17,000,000	1,925,000	1,925,000	1,925,000
Collection of Assessment	1,213,151	1,283,762	1,400,000	737,016	1,400,000	1,400,000	1,400,000
Interest Earned	221,537	340,445	240,000	440,000	500,000	500,000	500,000
Other Miscellaneous	1,792,803	447,908	152,594	200,000	538,000	538,000	538,000
Private Grants/Donations	1,000	170,000	1,675,000	0	302,000	302,000	302,000
Refunds	50,064	41,487	5,000	0	5,000	5,000	5,000
Sale of Capital Assets	0	17,865	0	0	0	0	0
Sales Miscellaneous	560,703	572,292	35,000	240,000	370,000	370,000	370,000
	3,839,258	10,977,587	12,617,016	18,617,016	5,040,000	5,040,000	5,040,000
Total External Revenues	86,143,721	102,820,890	130,504,641	124,299,360	114,504,462	115,072,486	115,072,486
Internal Revenues							
Other Cash Transfers							
CityFleet Services	14,083	0	0	0	0	0	0
General Fund	3,955,201	6,542,610	5,989,552	5,989,552	7,647,154	7,647,154	7,647,154
Housing & Community Devel Fund	53,829	27,816	0	0	0	0	0
Parking Facilities Fund	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Spectator Facilities Operating	20,000	130,000	90,000	90,000	90,000	90,000	90,000

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Technology Services Fund	0	306,527	0	0	0	0	0
	4,743,113	7,706,953	6,779,552	6,779,552	8,437,154	8,437,154	8,437,154
Federal Grants Transfers	6,289,347	3,142,748	9,060,141	4,529,271	13,710,756	13,841,315	13,841,315
Interfund Service Reimbursements							
BES Internal Services	1,115	0	0	0	0	0	0
BFRES Facilities Bond Const Fund	41,931	0	0	0	292,572	292,572	292,572
CityFleet Services	121,809	30,684	5,000	5,000	5,000	5,000	5,000
Communications Services	10,573	7,565	0	0	0	0	0
Development Services	288,689	299,912	308,909	308,909	323,556	323,556	323,556
Emergency Communications	1,903	0	0	0	0	0	0
Environmental Services	14,534,662	15,645,560	16,272,661	15,947,208	17,723,709	17,929,594	17,929,594
Environmental Services	0	203	2,000	2,000	2,000	2,000	2,000
Facilities Services Fund	29,538	19,380	0	11,192	0	0	0
Fire Bureau	493	2,946	0	0	0	0	0
Golf Fund	0	45,497	0	13,503	0	0	0
Housing & Community Devel Fund	51,128	281,661	0	0	0	0	0
Housing & Community Development	0	0	0	0	0	0	12,000
Insurance & Claims	0	861	0	0	0	0	0
LID Construction Fund	257,391	1,337,773	14,220,973	10,220,973	10,781,005	10,781,005	10,781,005
Neighborhood Involvement	1,591	175	0	0	0	0	0
Sustainable Development	0	96,565	0	0	0	0	0
Parking Facilities Fund	0	644	0	0	0	0	0
Parks Bureau	0	0	20,000	20,000	217,523	217,523	217,523
Parks Bureau	4,907	20,512	0	0	0	0	0
Parks Capital Const & Maint Fund	114,784	33,799	50,815	0	0	0	0
Planning Bureau	0	99,473	0	0	116,000	116,000	116,000
Police Bureau	15,289	22,754	0	2,377	0	0	0
Portland Parks Memorial Trust	217	223	0	0	0	0	0
Solid Waste Management Fund	7,114	5,097	3,500	3,500	13,000	13,000	13,000
Spectator Facilities	0	0	40,000	40,000	40,000	40,000	40,000
Technology Services Fund	117,429	153,456	160,574	154,151	191,885	191,885	191,885
Water Bureau	1,544,720	1,234,837	1,429,410	1,343,645	2,135,593	3,712,593	3,712,593
	17,145,283	19,339,577	32,513,842	28,072,458	31,841,843	33,624,728	33,636,728
Total Internal Revenues	28,177,743	30,189,278	48,353,535	39,381,281	53,989,753	55,903,197	55,915,197
Beginning Fund Balance	18,622,597	20,686,205	13,633,195	14,752,890	20,706,394	26,706,394	26,706,394
TOTAL RESOURCES	\$ 132,944,061	\$ 153,696,373	\$ 192,491,371	\$ 178,433,531	\$ 189,200,609	\$ 197,682,077	\$ 197,694,077
REQUIREMENTS							
Bureau Expenses							
Personal Services	48,818,129	51,037,301	56,578,525	53,226,893	60,513,332	62,911,863	62,897,759
External Materials and Services	30,093,673	30,989,162	36,094,135	26,636,715	36,139,847	36,868,223	36,894,327
Internal Materials and Services							
CityFleet Services	7,140,885	7,256,799	7,911,310	7,211,310	7,891,023	7,891,023	7,891,023
Communications Services	1,105,902	1,097,564	0	0	0	0	0
Facilities Services	2,020,314	2,142,504	2,090,592	2,090,592	2,052,929	2,052,929	2,052,929
Insurance	1,507,456	1,722,977	1,662,417	1,662,417	1,623,552	1,623,552	1,623,552
Printing & Distribution	377,220	505,539	367,423	362,723	391,373	391,373	391,373

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Technology Services Fund	2,662,302	2,943,177	4,340,223	4,340,223	4,412,929	4,622,929	4,622,929
City Attorney	111,350	121,228	125,713	125,713	139,541	139,541	139,541
City Auditor	0	0	0	0	31,042	31,042	31,042
BES Internal Services	1,638	5,507	0	0	0	0	0
Commissioner of Public Utilities	0	0	52,453	52,453	74,885	74,885	40,562
Development Services	41,795	69,284	49,966	49,966	72,602	72,602	72,602
Environmental Services	0	426	0	0	0	0	0
Environmental Services	541,746	790,347	1,174,581	1,174,581	766,766	766,766	766,766
Facilities Services	0	0	9,000	9,000	0	0	0
Government Relations	13,990	13,990	14,690	14,690	16,306	16,306	16,306
Mayor	0	4,519	0	0	0	0	0
Neighborhood Involvement	5,957	5,344	25,000	25,000	0	0	0
Office of Management & Finance	789,065	843,680	809,882	809,882	40,944	40,944	40,944
Parking Facilities	34,997	30,111	19,800	19,800	22,200	22,200	22,200
Parks Bureau	0	0	633,334	391,794	338,512	338,512	338,512
Parks Bureau	200,678	453,992	(241,540)	0	0	0	0
Parks Capital Const & Maint Fund	0	31,500	0	0	19,473	19,473	19,473
Planning Bureau	198,055	0	16,000	16,000	57,000	57,000	57,000
Police Bureau	362,783	352,960	442,500	442,500	410,000	410,000	410,000
Portland Parks Memorial Trust	143,778	66,307	0	0	15,900	15,900	15,900
Special Appropriations	35,077	1,338	39,284	39,284	21,276	21,276	21,276
Sustainable Development	20,450	20,770	21,449	21,449	24,522	24,522	24,522
Water Bureau	396,365	384,119	567,324	567,324	183,611	183,611	183,611
	17,711,803	18,863,982	20,131,401	19,426,701	18,606,386	18,816,386	18,782,063
Capital Outlay	9,914,322	30,511,429	67,129,129	43,321,535	47,976,168	48,334,832	48,334,832
Equipment Cash Transfers							
CityFleet Services	474,310	291,487	1,190,293	0	1,158,393	1,158,393	1,158,393
Printing & Distribution	0	9,800	5,300	0	0	0	0
	474,310	301,287	1,195,593	0	1,158,393	1,158,393	1,158,393
Minor Equipment Transfers							
Communications Services	3,191	25,128	0	0	0	0	0
Printing & Distribution	2,500	1,780	0	0	0	0	0
	5,691	26,908	0	0	0	0	0
Total Bureau Expenses	107,017,928	131,730,069	181,128,783	142,611,844	164,394,126	168,089,697	168,067,374
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	784,892	0	11,855,787	10,582,374	10,692,181
Prior Years Encumbered	0	0	462,403	0	500,000	500,000	500,000
Compensation Adjustment	0	0	1,000,000	0	1,000,000	1,000,000	1,000,000
	0	0	2,247,295	0	13,355,787	12,082,374	12,192,181
General Fund Overhead	2,588,334	2,670,467	3,038,670	3,038,670	4,148,689	4,148,689	4,148,689
Fund Cash Transfers							
Campaign Finance Fund	0	0	151,758	151,758	155,980	155,980	80,496
Development Services Fund	50,000	0	0	0	0	0	0
Gas Tax Bond Redemption Fund	1,650,526	1,939,043	2,749,225	2,749,225	3,281,571	3,281,571	3,281,571
General Fund	0	170,919	0	0	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Health Insurance	0	0	0	0	292,040	292,040	292,040
LID Construction Fund	1,770	326	0	0	0	0	0
Pension Debt Redemption Fund	449,298	2,046,325	2,820,566	2,820,566	3,572,416	3,572,416	3,572,416
Technology Services Fund	500,000	0	0	0	0	0	0
	2,651,594	4,156,613	5,721,549	5,721,549	7,302,007	7,302,007	7,226,523
Debt Retirement							
Debt Req Net Issue Cost	0	386,334	355,074	355,074	0	6,059,310	59,310
Internal Loan Remittance	0	0	0	0	0	0	6,000,000
	0	386,334	355,074	355,074	0	6,059,310	6,059,310
Ending Balance							
Unappropriated Ending Balance	20,686,205	14,752,890	0	26,706,394	0	0	0
	20,686,205	14,752,890	0	26,706,394	0	0	0
Total Fund Requirements	25,926,133	21,966,304	11,362,588	35,821,687	24,806,483	29,592,380	29,626,703
TOTAL REQUIREMENTS	\$ 132,944,061	\$ 153,696,373	\$ 192,491,371	\$ 178,433,531	\$ 189,200,609	\$ 197,682,077	\$ 197,694,077

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 (PDOT).

Fund revenues come from a variety of sources.

- ◆ External revenues include gas taxes; parking fees and fines; intergovernmental revenues from federal, state, and local sources; and cost recovery revenues (service charges, licenses, and permits).
- ◆ Internal revenues include reimbursement for services from other City funds and operations. The largest of these are from the Bureau of Environmental Services for maintenance of the sewer system and from the LID Construction Fund for work associated with local improvement districts.
- ◆ The Transportation Operating Fund receives General Fund support for a portion of street lighting operations, maintenance, and capital costs.

Managing Agency Office of Transportation

CHANGES FROM PRIOR YEAR

The Adopted Budget for the Transportation Operating Fund reflects funding decisions that address the flat growth in discretionary transportation revenues (gas tax and parking fees and fines) and the growing costs of providing transportation services. The costs for health benefits, PERS debt, and asphalt are prime examples of areas with increasing costs. PDOT has used a combination of cuts and targeted savings in discretionary spending totaling \$8.3 million for FY 2006-07. This will bring PDOT in balance for the next four fiscal years. The funding gap is projected to re-emerge in FY 2010-11. PDOT still faces significant challenges in finding adequate resources to maintain a deteriorating infrastructure, to manage congestion, and to provide for a safe and reliable transportation system.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Interest Earned	8,265	14,980	10,000	7,019	22,000	22,000	22,000
	8,265	14,980	10,000	7,019	22,000	22,000	22,000
Total External Revenues	8,265	14,980	10,000	7,019	22,000	22,000	22,000
Internal Revenues							
Beginning Fund Balance	676,077	684,342	694,342	699,322	706,341	706,341	706,341
TOTAL RESOURCES	\$ 684,342	\$ 699,322	\$ 704,342	\$ 706,341	\$ 728,341	\$ 728,341	\$ 728,341
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	704,342	0	728,341	728,341	728,341
	0	0	704,342	0	728,341	728,341	728,341
Ending Balance							
Unappropriated Ending Balance	684,342	699,322	0	706,341	0	0	0
	684,342	699,322	0	706,341	0	0	0
Total Fund Requirements	684,342	699,322	704,342	706,341	728,341	728,341	728,341
TOTAL REQUIREMENTS	\$ 684,342	\$ 699,322	\$ 704,342	\$ 706,341	\$ 728,341	\$ 728,341	\$ 728,341

FUND OVERVIEW

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 policy sets this reserve amount at 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 policy sets this reserve amount at 5% of Transportation’s discretionary Adopted Budget appropriations excluding contingency.

Due to revenue shortfalls, the Reserve Fund is budgeted at roughly 1% of discretionary appropriations in FY 2006-07. This is the same reserve level as in FY 2005-06

Managing Agency Office of Transportation



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	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Licenses and Permits							
Business Licenses	18,431,973	8,142,959	2,100,000	3,500,000	4,582,892	4,582,892	4,582,892
	18,431,973	8,142,959	2,100,000	3,500,000	4,582,892	4,582,892	4,582,892
Miscellaneous Revenues							
Interest Earned	43,260	152,979	30,000	30,000	20,000	20,000	20,000
	43,260	152,979	30,000	30,000	20,000	20,000	20,000
Total External Revenues	18,475,233	8,295,938	2,130,000	3,530,000	4,602,892	4,602,892	4,602,892
Internal Revenues							
Other Cash Transfers							
General Fund	5,100,000	0	0	0	0	0	0
	5,100,000	0	0	0	0	0	0
Total Internal Revenues	5,100,000	0	0	0	0	0	0
Beginning Fund Balance	0	2,908,361	4,709,483	4,895,701	1,699,461	1,699,461	1,699,461
TOTAL RESOURCES	\$ 23,575,233	\$ 11,204,299	\$ 6,839,483	\$ 8,425,701	\$ 6,302,353	\$ 6,302,353	\$ 6,302,353
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	6,000,000	6,000,000	6,000,000	6,386,702	6,000,000	6,000,000	6,001,769
Internal Materials and Services							
Technology Services Fund	0	0	439	439	441	441	441
Bureau of Licenses	304,594	304,736	312,374	312,374	0	0	0
OMF - Revenue Bureau	0	0	0	0	256,025	256,025	256,025
	304,594	304,736	312,813	312,813	256,466	256,466	256,466
Total Bureau Expenses	6,304,594	6,304,736	6,312,813	6,699,515	6,256,466	6,256,466	6,258,235
Fund Requirements							
General Fund Overhead							
	0	3,862	26,290	26,290	42,232	42,232	42,232
Fund Cash Transfers							
Campaign Finance Fund	0	0	435	435	3,655	3,655	1,886
General Fund	0	0	0	0	0	0	0
Governmental Bond Redemption	14,362,278	0	0	0	0	0	0
	14,362,278	0	435	435	3,655	3,655	1,886
Ending Balance							
Unappropriated Ending Balance	2,908,361	4,895,701	499,945	1,699,461	0	0	0
	2,908,361	4,895,701	499,945	1,699,461	0	0	0
Total Fund Requirements	17,270,639	4,899,563	526,670	1,726,186	45,887	45,887	44,118
TOTAL REQUIREMENTS	\$ 23,575,233	\$ 11,204,299	\$ 6,839,483	\$ 8,425,701	\$ 6,302,353	\$ 6,302,353	\$ 6,302,353

FUND OVERVIEW

The Business License Surcharge Fund was created to provide funding for schools within the City of Portland over a four-year period, from FY 2002-03 through FY 2005-06. Each year the appropriate surcharge rate was calculated to reach total collections for allocation to the school districts of \$38 million net of costs. Since the economy improved by FY 2004-05, collections were sufficient to allow a 0% surcharge rate for tax year 2005. The final payment to the schools on the initial surcharge approved by Council was made in June 2006.

In June 2006, Council passed an ordinance to continue the business license surcharge for tax years 2006 and 2007. The surcharge will allow additional payments of \$6 million and \$3 million to the school districts in June 2007 and June 2008 respectively. In FY 2006-07, the Revenue Bureau will continue final collection and reconciliation work for the initial surcharge and begin collection for subsequent tax years.

Managing Agency Office of Management & Finance, Revenue Bureau

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	0	0	0	2,680	0	0	0
	0	0	0	2,680	0	0	0
Local Sources							
Local Cost Sharing	0	0	0	0	1,043	1,043	0
	0	0	0	0	1,043	1,043	0
Miscellaneous Revenues							
Interest Earned	0	0	0	0	27,494	27,494	27,494
	0	0	0	0	27,494	27,494	27,494
Total External Revenues	0	0	0	2,680	28,537	28,537	27,494
Internal Revenues							
Other Cash Transfers							
BFRES Facilities Bond Const Fund	0	0	9,317	9,317	4,160	4,160	2,147
Business License Surcharge	0	0	435	435	3,655	3,655	1,886
Cable Fund	0	0	2,060	2,060	1,819	1,819	939
CityFleet Services	0	0	30,422	30,422	19,235	19,235	9,927
Convention & Tourism Fund	0	0	1,523	1,523	1,301	1,301	671
Development Services Fund	0	0	40,292	40,292	36,213	36,213	18,688
Emergency Communication Fund	0	0	18,108	18,108	15,573	15,573	8,037
Environmental Remediation Fund	0	0	557	557	5,076	5,076	2,620
Facilities Services Fund	0	0	19,047	19,047	22,880	22,880	11,808
General Fund	0	0	447,526	447,526	542,241	542,241	280,368
Golf Fund	0	0	8,139	8,139	6,218	6,218	3,209
Health Insurance Fund	0	0	47,665	47,665	0	0	0
Hydropower Operating Fund	0	0	3,409	3,409	2,782	2,782	1,436
Insurance & Claims Fund	0	0	10,023	10,023	7,631	7,631	3,938
LID Construction Fund	0	0	12,526	12,526	14,296	14,296	7,378
Parking Facilities Fund	0	0	6,548	6,548	6,615	6,615	3,414
Parks Capital Const & Maint Fund	0	0	6,709	6,709	9,667	9,667	4,989
Parks Local Option Levy	0	0	7,114	7,114	6,616	6,616	3,414
Portland International Raceway	0	0	1,596	1,596	1,510	1,510	779
PPA Health Insurance Fund	0	0	0	0	0	0	0
Printing & Distribution	0	0	9,093	9,093	7,080	7,080	3,654
Private for Hire Trans Safety	0	0	0	0	13	13	7
Public Safety Fund	0	0	236	236	883	883	456
Sewer System Operating Fund	0	0	275,598	275,598	222,232	222,232	114,687
Solid Waste Management Fund	0	0	4,210	4,210	2,887	2,887	1,490
Spectator Facilities Operating	0	0	7,733	7,733	5,146	5,146	2,656
Technology Services Fund	0	0	41,615	41,615	45,229	45,229	23,341
FPD&R Fund	0	0	2,925	2,925	2,856	2,856	1,474
Transportation Operating Fund	0	0	151,758	151,758	155,980	155,980	80,496
Water Fund	0	0	122,108	122,108	99,703	99,703	51,453

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Workers Compensation Fund	0	0	7,708	7,708	5,112	5,112	2,638
	0	0	1,296,000	1,296,000	1,254,609	1,254,609	648,000
Total Internal Revenues	0	0	1,296,000	1,296,000	1,254,609	1,254,609	648,000
Beginning Fund Balance	0	0	0	0	916,476	916,476	916,476
TOTAL RESOURCES	\$ 0	\$ 0	\$ 1,296,000	\$ 1,298,680	\$ 2,199,622	\$ 2,199,622	\$ 1,591,970
REQUIREMENTS							
Bureau Expenses							
Personal Services	0	0	54,312	18,104	0	0	0
External Materials and Services	0	0	1,241,688	364,100	1,202,887	1,202,887	50,235
Internal Materials and Services							
City Auditor	0	0	0	0	53,316	53,316	53,316
	0	0	0	0	53,316	53,316	53,316
Total Bureau Expenses	0	0	1,296,000	382,204	1,256,203	1,256,203	103,551
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	0	0	936,196	936,196	1,481,196
	0	0	0	0	936,196	936,196	1,481,196
General Fund Overhead	0	0	0	0	7,223	7,223	7,223
Ending Balance							
Unappropriated Ending Balance	0	0	0	916,476	0	0	0
	0	0	0	916,476	0	0	0
Total Fund Requirements	0	0	0	916,476	943,419	943,419	1,488,419
TOTAL REQUIREMENTS	\$ 0	\$ 0	\$ 1,296,000	\$ 1,298,680	\$ 2,199,622	\$ 2,199,622	\$ 1,591,970

FUND OVERVIEW

The Office of the City Auditor administers the Campaign Finance Fund. The City Council passed Ordinance #179258 on May 18, 2005 creating this fund as a voluntary system of public campaign financing for Auditor, City Commissioner, and Mayoral elections. Candidates may choose to participate in the system and receive public funds after qualification, or they may choose to raise funds in the traditional manner. The City Council intends to place the issue before voters in 2010 to decide whether to continue the system.

Managing Agency Office of the City Auditor

CHANGES FROM PRIOR YEAR

The FY 2006-07 cash transfer funding is half that of FY 2005-06, reflecting lower than expected expenses in the first election cycle (FY 2005-06 and FY 2006-07) as well as Council's intent to refer the issue to voters in 2010.

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	73,744	138,536	30,000	130,000	30,000	30,000	30,000
	73,744	138,536	30,000	130,000	30,000	30,000	30,000
Miscellaneous Revenues							
Interest Earned	239,529	406,381	264,800	600,000	542,000	542,000	542,000
Other Miscellaneous	125,394	133,934	1,000	65,000	1,000	1,000	1,000
Refunds	950	10,977	0	0	0	0	0
Sale of Capital Assets	689,093	544,261	824,155	725,000	568,000	568,000	568,000
Sales Miscellaneous	367	2,883	1,000	1,000	1,000	1,000	1,000
	1,055,333	1,098,436	1,090,955	1,391,000	1,112,000	1,112,000	1,112,000
Total External Revenues	1,129,077	1,236,972	1,120,955	1,521,000	1,142,000	1,142,000	1,142,000
Internal Revenues							
Other Cash Transfers							
General Fund	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Federal Grants Transfers							
	0	0	25,000	6,000	0	0	0
Interfund Service Reimbursements							
City Attorney	3,027	3,067	4,160	4,160	1,040	1,040	1,040
City Auditor	1,076	710	2,380	2,380	520	520	520
BES Internal Services	34,433	18,317	19,273	19,273	3,671	3,671	3,671
Bureau of Licenses	1,288	2,183	2,600	2,600	0	0	0
Cable	0	41	104	104	104	104	104
Cable Communications	36	62	416	416	104	104	104
CityFleet Services	473	0	0	0	0	0	0
Commissioner of Public Affairs	0	0	208	208	0	0	0
Commissioner of Public Safety	574	46	520	520	520	520	520
Commissioner of Public Utilities	0	192	0	0	0	0	0
Commissioner of Public Works	458	697	520	520	520	520	520
Communications Services	58,011	63,509	0	0	0	0	0
Development Services	284,680	314,564	313,658	325,000	430,692	430,692	430,692
Emergency Communications	2,308	4,046	1,899	1,899	33,143	5,769	5,769
Emergency Management	2,737	4,494	3,767	3,767	2,940	2,940	2,940
Environmental Services	349,963	355,026	384,192	416,172	453,959	453,959	453,909
Facilities Services Fund	57,370	57,712	50,224	65,000	52,342	52,342	52,342
Fire Bureau	648,155	858,283	815,900	900,000	912,649	912,649	912,649
Golf Fund	250,407	195,880	205,901	205,901	202,320	202,320	202,320
Government Relations	5,264	11,336	0	10,000	17,000	17,000	17,000
Health Insurance	124	213	208	2,000	0	0	0
Housing & Community Development	959	532	1,560	1,560	1,040	1,040	1,040
Hydroelectric Power Op Fund	3,290	3,080	2,847	2,847	3,349	3,349	3,349
Insurance & Claims	1,775	1,526	2,704	2,704	208	208	208
Management & Finance	9,624	14,995	14,040	14,040	6,760	6,760	6,760
Mayor	11	29	5,273	5,273	3,632	3,632	3,632
Neighborhood Involvement	44,896	40,332	39,477	39,477	0	0	0

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Sustainable Development	379	78	312	312	208	208	208
Office of Transportation	7,140,891	7,256,800	7,911,310	8,363,690	7,891,023	7,891,023	7,891,023
Parking Facilities Fund	18	0	0	0	0	0	0
Parks Bureau	1,447,267	1,505,241	1,446,076	1,800,000	1,637,830	1,637,830	1,637,830
Parks Capital Const & Maint Fund	6,157	5,395	6,232	6,232	5,218	5,218	5,218
Planning Bureau	5,939	4,535	4,280	4,280	2,600	2,600	2,600
Police Bureau	5,209,124	7,073,904	6,505,373	7,000,000	7,045,834	7,045,834	7,045,834
Portland International Raceway	5,364	5,957	5,878	5,878	6,535	6,535	6,535
Printing & Distribution	22,937	27,082	28,156	40,000	30,574	30,574	30,574
Solid Waste Management Fund	2,656	2,549	2,031	2,031	2,053	2,053	2,053
Technology Services Fund	9,745	13,921	86,255	86,255	102,917	102,917	102,917
Water Bureau	1,730,407	1,684,129	1,728,451	2,500,000	2,230,485	2,459,525	2,459,525
Workers' Compensation Fund	767	1,487	1,092	1,092	208	208	208
	17,342,590	19,531,950	19,597,277	21,835,591	21,081,998	21,283,664	21,283,664
Equipment Cash Transfers							
Communications Services	31,278	2,799	0	0	0	0	0
Development Services	0	22,340	0	0	0	0	0
Fire Bureau	4,900	8,775	30,000	30,000	0	0	0
Golf Fund	0	0	7,100	7,100	0	0	0
Office of Transportation	474,310	291,487	1,190,293	1,276,793	1,158,393	1,158,393	1,158,393
Parks Bureau	140,314	112,652	0	0	0	0	0
Parks Trust	0	51,600	0	0	0	0	0
Police Bureau	95,586	338,942	31,000	31,000	0	0	0
Portland International Raceway	0	0	70,000	70,000	0	0	0
Public Safety Fund	0	368,584	0	0	0	0	0
Technical Services	0	0	34,000	34,000	0	0	0
	746,388	1,197,179	1,362,393	1,448,893	1,158,393	1,158,393	1,158,393
Intra-Fund Service Reimbursement	0	0	76,499	83,407	0	0	0
Total Internal Revenues	18,088,978	20,729,129	21,061,169	23,373,891	22,240,391	22,442,057	22,442,057
Beginning Fund Balance	18,886,971	19,913,643	19,033,664	18,279,617	18,585,131	18,585,131	18,585,131
TOTAL RESOURCES	\$ 38,105,026	\$ 41,879,744	\$ 41,215,788	\$ 43,174,508	\$ 41,967,522	\$ 42,169,188	\$ 42,169,188
REQUIREMENTS							
Bureau Expenses							
Personal Services	5,133,807	5,119,836	5,399,386	5,865,994	5,764,075	5,764,075	5,764,075
External Materials and Services	6,495,620	8,192,372	8,420,859	10,029,173	8,956,761	9,142,561	9,142,561
Internal Materials and Services							
CityFleet Services	473	0	0	0	0	0	0
Communications Services	52,335	67,659	0	0	0	0	0
Facilities Services	468,860	585,821	594,790	594,790	602,335	602,335	602,335
Insurance	225,689	143,744	153,946	153,946	140,977	140,977	140,977
Printing & Distribution	17,522	17,067	18,065	18,065	17,983	17,983	17,983
Technology Services Fund	92,589	102,123	168,986	198,986	190,995	190,995	190,995
Office of Management & Finance	365,300	394,912	391,602	391,602	297,685	297,685	297,685
Parks Bureau	0	0	7,570	0	7,795	7,795	7,795
Parks Bureau	0	10,031	0	7,570	0	0	0
Sustainable Development	330	1,166	1,536	1,536	2,016	2,016	2,016

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Transportation	121,809	30,684	5,000	5,000	5,000	5,000	5,000
Water Bureau	88,768	0	0	0	0	0	0
Same Fund Services	0	0	76,499	76,499	0	0	0
	1,433,675	1,353,207	1,417,994	1,447,994	1,264,786	1,264,786	1,264,786
Capital Outlay	3,151,056	8,017,088	6,894,434	6,135,358	4,831,628	4,831,628	4,831,628
Total Bureau Expenses	16,214,158	22,682,503	22,132,673	23,478,519	20,817,250	21,003,050	21,003,050
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	839,606	0	19,845,422	19,861,288	19,870,596
Prior Years Encumbered	0	0	500,000	0	0	0	0
Compensation Adjustment	0	0	266,608	0	110,056	110,056	110,056
	0	0	1,606,214	0	19,955,478	19,971,344	19,980,652
General Fund Overhead	877,260	609,771	787,192	787,192	764,457	764,457	764,457
Fund Cash Transfers							
Campaign Finance Fund	0	0	30,422	30,422	19,235	19,235	9,927
Facilities Services	940,000	0	0	0	0	0	0
General Fund	37,486	30,104	0	0	0	0	0
Golf Fund	50,674	0	0	0	0	0	0
Health Insurance	0	0	0	0	39,692	39,692	39,692
Hydroelectric Power Op Fund	0	65,000	0	0	0	0	0
Pension Debt Redemption Fund	0	0	293,244	293,244	371,410	371,410	371,410
Solid Waste Management Fund	11,010	0	0	0	0	0	0
Transportation Operating	14,083	0	0	0	0	0	0
	1,053,253	95,104	323,666	323,666	430,337	430,337	421,029
Debt Retirement							
Debt Req Net Issue Cost	46,712	212,749	0	0	0	0	0
	46,712	212,749	0	0	0	0	0
Ending Balance							
Reserve for Future Years	0	0	1,124,554	0	0	0	0
Unappropriated Ending Balance	19,913,643	18,279,617	201,489	18,585,131	0	0	0
Unexpendable Reserve	0	0	15,040,000	0	0	0	0
	19,913,643	18,279,617	16,366,043	18,585,131	0	0	0
Total Fund Requirements	21,890,868	19,197,241	19,083,115	19,695,989	21,150,272	21,166,138	21,166,138
TOTAL REQUIREMENTS	\$ 38,105,026	\$ 41,879,744	\$ 41,215,788	\$ 43,174,508	\$ 41,967,522	\$ 42,169,188	\$ 42,169,188

FUND OVERVIEW

The CityFleet Operating Fund accounts for the revenues and expenses associated with CityFleet’s 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, Business Operations

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	3,552,556	3,656,298	0	0	0	0	0
Rents and Reimbursements	87,958	89,126	0	0	0	0	0
	<u>3,640,514</u>	<u>3,745,424</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Miscellaneous Revenues							
Bond and Note Sales	685,708	0	0	0	0	0	0
Interest Earned	125,218	253,136	0	0	0	0	0
Other Miscellaneous	42	78	0	0	0	0	0
Refunds	236,390	10,904	0	0	0	0	0
Sales Miscellaneous	149,241	110,311	0	0	0	0	0
	<u>1,196,599</u>	<u>374,429</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total External Revenues	4,837,113	4,119,853	0	0	0	0	0
Internal Revenues							
Other Cash Transfers							
Cable Fund	153,096	200,316	0	0	0	0	0
General Fund	250,000	692,500	0	0	0	0	0
	<u>403,096</u>	<u>892,816</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Interfund Service Reimbursements							
City Attorney	46,097	49,240	0	0	0	0	0
City Auditor	64,072	62,165	0	0	0	0	0
BES Internal Services	48,520	29,533	0	0	0	0	0
BES Laboratory Services	0	12,040	0	0	0	0	0
BES Modeling Services	0	4,155	0	0	0	0	0
BFRES Facilities Bond Const Fund	64,253	71,792	0	0	0	0	0
Bureau of Licenses	108,023	129,696	0	0	0	0	0
Cable	3,311	3,330	0	0	0	0	0
Cable Communications	3,830	3,687	0	0	0	0	0
Children's Investment Fund	0	4,310	0	0	0	0	0
CityFleet Services	52,334	67,660	0	0	0	0	0
Commissioner of Public Affairs	8,635	8,600	0	0	0	0	0
Commissioner of Public Safety	9,280	8,614	0	0	0	0	0
Commissioner of Public Utilities	8,460	9,867	0	0	0	0	0
Commissioner of Public Works	8,389	8,609	0	0	0	0	0
Development Services	385,921	393,706	0	0	0	0	0
Emergency Communications	377,141	398,624	0	0	0	0	0
Emergency Management	58,830	66,007	0	0	0	0	0
Environmental Services	1,248,948	784,735	0	0	0	0	0
Environmental Services	0	9,202	0	0	0	0	0
Facilities Services Fund	528,656	296,517	0	0	0	0	0
Fire Bureau	997,353	1,003,582	0	0	0	0	0
FPD&R	21,938	19,914	0	0	0	0	0
Golf Fund	15,787	17,321	0	0	0	0	0
Government Relations	22,731	23,539	0	0	0	0	0
Health Insurance	7,487	7,101	0	0	0	0	0

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Housing & Community Development	25,061	26,599	0	0	0	0	0
Hydroelectric Power Op Fund	5,369	4,941	0	0	0	0	0
Insurance & Claims	10,117	12,532	0	0	0	0	0
Management & Finance	165,769	164,115	0	0	0	0	0
Mayor	22,268	24,295	0	0	0	0	0
Neighborhood Involvement	100,770	135,561	0	0	0	0	0
Sustainable Development	13,915	17,894	0	0	0	0	0
Office of Transportation	1,105,905	1,097,564	0	0	0	0	0
OMF - Revenue Bureau	0	77,082	0	0	0	0	0
Parking Facilities Fund	17,223	21,386	0	0	0	0	0
Parks Bureau	522,279	560,115	0	0	0	0	0
Parks Capital Const & Maint Fund	31,579	10,874	0	0	0	0	0
Planning Bureau	57,432	52,637	0	0	0	0	0
Police Bureau	3,293,495	3,337,887	0	0	0	0	0
Portland International Raceway	12,147	12,410	0	0	0	0	0
Portland Parks Memorial Trust	10,688	933	0	0	0	0	0
Printing & Distribution	31,308	32,210	0	0	0	0	0
Solid Waste Management Fund	18,036	18,957	0	0	0	0	0
Technology Services Fund	211,011	250,003	0	0	0	0	0
Utility Billing System	0	19,719	0	0	0	0	0
Water Bureau	1,388,719	1,459,193	0	0	0	0	0
Workers' Compensation Fund	11,566	13,841	0	0	0	0	0
	11,144,653	10,844,294	0	0	0	0	0
Equipment Cash Transfers							
Police Bureau	89,003	84,250	0	0	0	0	0
Water Bureau	0	7,100	0	0	0	0	0
	89,003	91,350	0	0	0	0	0
Minor Equipment and Tools							
Fire Bureau	16,500	13,548	0	0	0	0	0
Office of Transportation	3,191	25,128	0	0	0	0	0
Police Bureau	201,640	66,158	0	0	0	0	0
Public Safety Fund	0	37,044	0	0	0	0	0
Water Bureau	0	21,964	0	0	0	0	0
	221,331	163,842	0	0	0	0	0
Total Internal Revenues	11,858,083	11,992,302	0	0	0	0	0
Beginning Fund Balance	8,775,281	11,774,107	0	0	0	0	0
TOTAL RESOURCES	\$ 25,470,477	\$ 27,886,262	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
REQUIREMENTS							
Bureau Expenses							
Personal Services	2,900,176	3,236,375	0	0	0	0	0
External Materials and Services	6,704,734	7,193,501	0	0	0	0	0
Internal Materials and Services							
CityFleet Services	58,010	63,509	0	0	0	0	0
Facilities Services	343,137	433,381	0	0	0	0	0
Insurance	83,408	99,344	0	0	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Printing & Distribution	6,302	6,191	0	0	0	0	0
Technology Services Fund	215,183	138,814	0	0	0	0	0
Cable Communications	10,000	10,000	0	0	0	0	0
Office of Management & Finance	372,855	398,534	0	0	0	0	0
Parking Facilities	3,600	3,650	0	0	0	0	0
Parks Bureau	842	991	0	0	0	0	0
Parks Capital Const & Maint Fund	0	25,000	0	0	0	0	0
Special Appropriations	1,742	75	0	0	0	0	0
Transportation	10,573	7,565	0	0	0	0	0
	1,105,652	1,187,054	0	0	0	0	0
Capital Outlay	941,371	487,531	0	0	0	0	0
Equipment Cash Transfers							
CityFleet Services	31,278	2,799	0	0	0	0	0
	31,278	2,799	0	0	0	0	0
Total Bureau Expenses	11,683,211	12,107,260	0	0	0	0	0
Fund Requirements							
General Fund Overhead	539,623	326,195	0	0	0	0	0
Fund Cash Transfers							
Facilities Services	0	1,603	0	0	0	0	0
General Fund	0	80,775	0	0	0	0	0
	0	82,378	0	0	0	0	0
Debt Retirement							
Debt Req Net Issue Cost	1,473,536	1,566,111	0	0	0	0	0
	1,473,536	1,566,111	0	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	11,774,107	13,804,318	0	0	0	0	0
	11,774,107	13,804,318	0	0	0	0	0
Total Fund Requirements	13,787,266	15,779,002	0	0	0	0	0
TOTAL REQUIREMENTS	\$ 25,470,477	\$ 27,886,262	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

FUND OVERVIEW

The Communications Services Operating Fund operated and maintained the City’s telecommunication system, radios, 800 MHz radio system, and other electronic systems such as 911 dispatch, sirens, radar guns, and video systems. These systems have provided service to all City bureaus as well as to a growing number of other jurisdictions in the metropolitan area. In FY 2005-06, these fund activities became part of the Technology Services Fund, and the Communications Services Operating Fund was consolidated into the Technology Services Fund.

Managing Agency Office of Management and Finance, Communications Services

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	196,431	99,106	0	180,000	0	0	0
Parking Fees	30,890	13,891	18,923	18,923	19,000	19,000	19,000
Rents and Reimbursements	1,560,573	1,729,683	1,629,357	1,629,357	1,570,590	1,570,590	1,570,590
	1,787,894	1,842,680	1,648,280	1,828,280	1,589,590	1,589,590	1,589,590
State Sources							
State Cost Sharing	165,120	49,054	0	0	0	0	0
State Grants	0	0	0	0	680,406	680,406	680,406
	165,120	49,054	0	0	680,406	680,406	680,406
Local Sources							
Local Cost Sharing	869,363	272,493	0	55,000	60,000	60,000	60,000
Multnomah County Cost Sharing	697,023	705,857	722,030	722,030	751,700	751,700	751,700
	1,566,386	978,350	722,030	777,030	811,700	811,700	811,700
Miscellaneous Revenues							
Bond and Note Sales	22,556,732	0	0	0	0	0	0
Interest Earned	156,283	309,525	150,000	370,000	150,000	150,000	150,000
Other Miscellaneous	42,109	163,874	0	25,000	0	0	0
Sale of Capital Assets	0	0	0	0	1,995,000	1,995,000	1,995,000
	22,755,124	473,399	150,000	395,000	2,145,000	2,145,000	2,145,000
Total External Revenues	26,274,524	3,343,483	2,520,310	3,000,310	5,226,696	5,226,696	5,226,696
Internal Revenues							
Other Cash Transfers							
CityFleet Services	940,000	0	0	0	0	0	0
Communication Services Fund	0	1,603	0	0	0	0	0
General Fund	2,879,202	2,516,660	2,393,550	2,393,550	2,715,010	2,715,010	2,715,010
	3,819,202	2,518,263	2,393,550	2,393,550	2,715,010	2,715,010	2,715,010
Federal Grants Transfers							
	61,428	23,429	1,025,531	335,125	0	0	0
Interfund Service Reimbursements							
City Attorney	203,028	217,550	257,413	257,413	276,680	276,680	276,680
City Auditor	372,289	390,830	442,065	442,065	529,924	529,924	529,924
BES Internal Services	29,003	26,287	25,125	25,125	29,032	29,032	29,032
BES Laboratory Services	0	375	0	0	0	0	0
BES Modeling Services	0	45	0	0	0	0	0
BFRES Facilities Bond Const Fund	1,247,976	1,129,561	2,087,470	2,087,470	2,577,000	2,577,000	2,577,000
Bureau of Licenses	836,634	7,501	6,264	6,264	0	0	0
Cable	22,308	22,504	23,008	23,008	23,910	23,910	23,910
Cable Communications	14,472	14,630	15,217	15,217	15,928	15,928	15,928
Children's Investment Fund	0	175	0	0	0	0	0
CityFleet Services	468,859	585,822	594,790	594,790	602,335	602,335	602,335
Commissioner of Public Affairs	56,387	59,454	71,386	71,386	74,703	74,703	74,703
Commissioner of Public Safety	51,807	55,547	66,244	66,244	69,325	69,325	69,325
Commissioner of Public Utilities	55,877	59,597	70,559	70,559	73,839	73,839	73,839
Commissioner of Public Works	51,126	54,631	65,616	65,616	68,667	68,667	68,667

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Communications Services	343,138	433,380	0	0	0	0	0
Development Services	2,122,865	2,123,062	2,221,448	2,221,448	2,716,052	2,716,052	2,716,052
Emergency Communications	273,471	356,984	394,824	394,824	419,815	419,815	419,815
Emergency Management	166,947	74,576	58,676	58,676	166,639	166,639	166,639
Environmental Remediation	133,242	149,049	183,557	183,557	177,521	177,521	177,521
Environmental Services	1,909,007	1,840,654	1,659,726	1,659,726	1,789,715	1,789,715	1,789,715
Fire Bureau	5,374	4,646	5,482	5,482	5,242	5,242	5,242
FPD&R	36	1,386	0	0	0	0	0
Government Relations	28,468	30,360	36,634	36,634	38,337	38,337	38,337
Health Insurance	30,097	27,915	28,905	28,905	30,045	30,045	30,045
Housing & Community Development	733	1,345	2,280	2,280	2,387	2,387	2,387
Insurance & Claims	44,473	66,531	70,758	70,758	77,728	77,728	77,728
Management & Finance	905,033	855,061	878,340	878,340	919,284	919,284	919,284
Mayor	119,637	129,593	151,057	151,057	158,081	158,081	158,081
Neighborhood Involvement	230,539	138,606	94,959	94,959	101,005	89,145	89,145
Sustainable Development	923	390	2,797	2,797	254	254	254
Office of Transportation	2,020,309	2,142,497	2,090,592	2,090,592	2,052,929	2,052,929	2,052,929
OMF - Revenue Bureau	0	41,582	323,292	323,292	1,723,513	1,723,513	1,723,513
Parking Facilities Fund	2,024,307	1,145,604	3,619,274	3,619,274	2,704,110	2,704,110	2,704,110
Parks Bureau	425,400	437,938	414,463	414,463	433,830	433,830	433,830
Parks Capital Const & Maint Fund	477	2,416	0	0	0	0	0
Planning Bureau	551,020	564,299	566,185	566,185	716,621	716,621	716,621
Police Bureau	5,176,749	5,280,787	4,261,629	4,261,629	4,598,854	4,610,714	4,610,714
Printing & Distribution	181,678	219,737	204,498	204,498	215,160	215,160	215,160
Public Safety Fund	0	0	237,000	237,000	0	150,000	150,000
Purchases	60	501	0	0	0	0	0
Solid Waste Management Fund	1,793	285	0	0	0	0	0
Spectator Facilities	215,783	232,212	246,061	246,061	183,100	183,100	183,100
Technology Services Fund	486,543	557,805	1,103,783	1,103,783	1,876,421	1,876,421	1,876,421
Utility Billing System	214	140,318	158,345	158,345	342,915	342,915	342,915
Water Bureau	1,734,319	1,605,792	1,541,211	1,541,211	2,095,290	2,095,290	2,095,290
Workers' Compensation Fund	45,635	65,994	75,984	75,984	74,810	74,810	74,810
	22,588,036	21,295,814	24,356,917	24,356,917	27,961,001	28,111,001	28,111,001
Equipment Cash Transfers							
Emergency Management	0	0	100,000	0	0	0	0
Fire Facilities Bond Constrctn	0	0	300,000	250,000	0	0	0
	0	0	400,000	250,000	0	0	0
Intra-Fund Service Reimbursement	0	0	1,791,611	221,611	0	0	0
Total Internal Revenues	26,468,666	23,837,506	29,967,609	27,557,203	30,676,011	30,826,011	30,826,011
Beginning Fund Balance	10,922,430	12,602,072	12,892,112	12,924,249	7,401,507	7,401,507	13,931,603
TOTAL RESOURCES	\$ 63,665,620	\$ 39,783,061	\$ 45,380,031	\$ 43,481,762	\$ 43,304,214	\$ 43,454,214	\$ 49,984,310
REQUIREMENTS							
Bureau Expenses							
Personal Services	2,556,083	2,643,012	2,923,459	2,855,459	2,981,670	2,981,670	2,981,670
External Materials and Services	12,727,183	12,414,901	23,389,586	16,117,636	20,134,939	18,938,640	18,938,640

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Internal Materials and Services							
CityFleet Services	57,371	57,711	50,224	50,224	52,342	52,342	52,342
Communications Services	528,654	296,516	0	0	0	0	0
Insurance	203,522	196,326	174,632	174,632	185,618	185,618	185,618
Printing & Distribution	26,853	48,880	32,748	39,248	55,028	55,028	55,028
Technology Services Fund	136,212	107,583	617,705	617,705	533,123	533,123	533,123
Environmental Services	50,203	29,898	0	0	0	0	0
Fire Bureau	26,621	4,671	0	0	0	0	0
Office of Management & Finance	607,019	649,381	735,940	735,940	621,175	621,175	621,175
Parking Facilities	169,063	152,385	148,791	148,791	151,468	151,468	151,468
Parks Bureau	110,406	86,726	85,600	85,600	71,940	71,940	71,940
Special Appropriations	155	13	367	367	190	190	190
Sustainable Development	17,586	13,429	15,000	15,000	12,317	12,317	12,317
Transportation	29,538	19,379	0	0	0	0	0
Same Fund Services	0	0	1,791,611	221,611	0	0	0
	1,963,203	1,662,898	3,652,618	2,089,118	1,683,201	1,683,201	1,683,201
Capital Outlay	26,146	0	0	0	0	1,367,860	1,367,860
Total Bureau Expenses	17,272,615	16,720,811	29,965,663	21,062,213	24,799,810	24,971,371	24,971,371
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	845,340	0	9,321,049	9,299,488	15,840,653
Compensation Adjustment	0	0	140,500	0	100,000	100,000	100,000
	0	0	985,840	0	9,421,049	9,399,488	15,940,653
General Fund Overhead	1,510,382	1,106,950	814,887	814,887	568,479	568,479	568,479
Fund Cash Transfers							
Campaign Finance Fund	0	0	19,047	0	22,880	22,880	11,808
General Fund	0	23,480	0	0	0	0	0
Health Insurance	0	0	0	0	14,424	14,424	14,424
Pension Debt Redemption Fund	0	0	124,788	143,835	158,052	158,052	158,052
	0	23,480	143,835	143,835	195,356	195,356	184,284
Debt Retirement							
Debt Req Net Issue Cost	32,280,551	9,007,571	7,529,224	7,529,224	8,319,520	8,319,520	8,319,523
	32,280,551	9,007,571	7,529,224	7,529,224	8,319,520	8,319,520	8,319,523
Ending Balance							
Unappropriated Ending Balance	12,602,072	12,924,249	0	0	0	0	0
Unexpendable Reserve	0	0	5,940,582	13,931,603	0	0	0
	12,602,072	12,924,249	5,940,582	13,931,603	0	0	0
Total Fund Requirements	46,393,005	23,062,250	15,414,368	22,419,549	18,504,404	18,482,843	25,012,939
TOTAL REQUIREMENTS	\$ 63,665,620	\$ 39,783,061	\$ 45,380,031	\$ 43,481,762	\$ 43,304,214	\$ 43,454,214	\$ 49,984,310

FUND OVERVIEW

The Facilities Services Fund accounts for all of the facilities-related programs and capital projects managed by OMF Business Operations. 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, janitorial services, and property and capital project management. Debt issuance has been a resource for capital projects in the past, with the resulting principal and interest obligations being incorporated into the rental rates.

Managing Agency

Office of Management and Finance, Business Operations

CHANGES FROM PRIOR YEAR

Included in the FY 2006-07 Adopted Budget is a project to relocate the Police property evidence warehouse. Revenue from the sale of the existing building has been included in the budget to cover project costs. In addition, Facilities Services will be moving several bureaus during FY 2006-07 in order to more efficiently utilize City buildings.

Management of the City's off-street parking program has been added to the responsibilities of the Facilities Services Division. A portion of the Spectator Facilities Division manager is being funded by the Parking Fund for the Parking Program work.

Facilities Services Operating Fund – 704

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+i
Limited Tax Revenue Bonds, 1998						
Series A (Facilities Portion Only)						
04/15/1998 - Due 6/1	28,900,000					
		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	20,970,000		7,313,580	28,283,580
Limited Tax Revenue Bonds, 1999						
Series B (Facilities Portion Only)						
04/15/1998 - Due 6/1	2,935,000					
		2006/07	485,000	4.50%	28,500	513,500
		2007/08	85,000	4.55%	4,250	89,250
		TOTAL	570,000		32,750	602,750
Limited Tax Revenue Bonds, 2002						
Series A (Facilities Portion Only)						
04/1/2002 - Due 2/1	220,000					
		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	140,000		22,800	162,800
Limited Tax Revenue Refunding						
Bonds, 2003 Series A (Facilities Portion Only)						
01/15/2003 - Due 4/1	17,550,000					
		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	6,695,000		382,625	7,077,625
Limited Tax Revenue Refunding						
Bonds, 2004 Series A (Facilities Portion Only)						
03/25/2004 - Due 6/1	21,096,000					
		2006/07	1,589,000	5.00%	831,700	2,420,700
		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
		TOTAL	19,723,000		4,475,150	24,198,150

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
COMBINED DEBT SERVICE						
	70,701,000					
		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
TOTAL FUND DEBT SERVICE			\$ 48,098,000		\$ 12,226,905	\$ 60,324,905

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Federal Sources							
Federal Grants	22,370,793	26,998,078	56,842,066	56,842,066	31,260,291	34,412,821	35,235,814
Unaccrued Prior Years Grants	2,578,681	495,335	0	0	0	0	0
	24,949,474	27,493,413	56,842,066	56,842,066	31,260,291	34,412,821	35,235,814
State Sources							
State Grants	689,843	40,110	449,125	449,125	366,346	372,346	372,346
	689,843	40,110	449,125	449,125	366,346	372,346	372,346
Miscellaneous Revenues							
Interest Earned	10,299	10,046	0	0	0	0	0
Private Grants/Donations	797,573	1,178,164	1,361,298	1,361,298	762,005	762,005	807,791
	807,872	1,188,210	1,361,298	1,361,298	762,005	762,005	807,791
Total External Revenues	26,447,189	28,721,733	58,652,489	58,652,489	32,388,642	35,547,172	36,415,951
Internal Revenues							
TOTAL RESOURCES	\$ 26,447,189	\$ 28,721,733	\$ 58,652,489	\$ 58,652,489	\$ 32,388,642	\$ 35,547,172	\$ 36,415,951
REQUIREMENTS							
Bureau Expenses							
External Materials and Services	116,904	436,415	1,638,782	1,638,782	0	0	0
Total Bureau Expenses	116,904	436,415	1,638,782	1,638,782	0	0	0
Fund Requirements							
Federal Grants Transfers							
BES Internal Services	10,204	104,176	171,552	0	0	0	0
CityFleet Services	0	0	25,000	25,000	0	0	0
Environmental Services	261,284	907,982	1,317,737	1,489,289	1,360,660	1,360,660	1,360,660
Facilities Services	61,428	23,429	1,025,531	1,025,531	0	0	0
Fire Bureau	694,124	2,262,160	5,072,507	5,072,507	1,200,000	1,200,000	1,200,000
Housing & Community Development	9,605,223	4,535,867	8,589,102	8,589,102	2,314,175	2,314,175	2,613,724
Neighborhood Involvement	50,667	145,670	57,072	57,072	0	0	0
Office of Emergency Management	316,557	4,783,799	9,554,756	9,554,756	7,269,810	8,319,810	8,843,254
Sustainable Development	144,137	510,961	932,096	932,096	494,291	494,291	540,077
Parks Bureau	0	0	276,258	276,258	66,802	66,802	66,802
Parks Bureau	216,221	219,397	0	0	0	0	0
Parks Capital Const & Maint Fund	232,832	111,244	1,085,755	1,085,755	887,408	1,359,379	1,359,379
Planning Bureau	6,721	212,945	11,500	11,500	0	6,000	6,000
Police Bureau	4,989,507	4,800,882	5,978,581	5,978,581	1,529,740	1,529,740	1,529,740
Public Safety Fund	0	405,628	681,417	681,417	0	0	0
Sewer System Construction Fund	580,467	255,393	2,726,588	2,726,588	0	0	0
Solid Waste Management Fund	22,000	16,799	0	0	0	0	0
Transportation	6,289,345	3,142,744	9,060,141	9,060,141	13,710,756	13,841,315	13,841,315
Water Bureau	2,849,568	533,777	5,824,114	5,824,114	3,555,000	5,055,000	5,055,000
	26,330,285	22,972,853	52,389,707	52,389,707	32,388,642	35,547,172	36,415,951

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Debt Retirement							
Loan Transfer Thru Grants	0	5,312,465	4,624,000	4,624,000	0	0	0
	0	5,312,465	4,624,000	4,624,000	0	0	0
Total Fund Requirements	26,330,285	28,285,318	57,013,707	57,013,707	32,388,642	35,547,172	36,415,951
TOTAL REQUIREMENTS	\$ 26,447,189	\$ 28,721,733	\$ 58,652,489	\$ 58,652,489	\$ 32,388,642	\$ 35,547,172	\$ 36,415,951

FUND OVERVIEW

The Federal Grants Fund serves as the centralized clearing fund for all federal financial assistance received by the City in any form including grants, contracts, and funds passed to the City through other local agencies. The City receives funds from two federal entitlement programs, HOME and the Community Development Block Grant, which are budgeted in separate individual funds. In some cases state and private grants are also processed through this fund depending on specific criteria or requirements. 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 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Bond and Note Sales	3,785,392	132,327	390,000	332,923	415,000	415,000	415,000
Interest Earned	35	287	0	0	0	0	0
Other Miscellaneous	2,356	668,492	0	0	0	0	0
	<u>3,787,783</u>	<u>801,106</u>	<u>390,000</u>	<u>332,923</u>	<u>415,000</u>	<u>415,000</u>	<u>415,000</u>
Total External Revenues	3,787,783	801,106	390,000	332,923	415,000	415,000	415,000
Internal Revenues							
Other Cash Transfers							
Business License Surcharge	14,362,278	0	0	0	0	0	0
General Fund	7,746,852	2,129,713	1,962,950	1,962,950	1,665,001	1,665,001	1,665,001
Housing Investment Fund	7,560	5,658	533,097	533,097	559,518	559,518	559,518
Parks Capital Const & Maint Fund	277,061	936,153	889,725	889,725	891,325	891,325	891,325
Special Revenue and Finance Fund	540	0	0	0	0	0	0
	<u>22,394,291</u>	<u>3,071,524</u>	<u>3,385,772</u>	<u>3,385,772</u>	<u>3,115,844</u>	<u>3,115,844</u>	<u>3,115,844</u>
Interfund Service Reimbursements							
Parks Bureau	0	0	0	0	13,012	13,012	13,012
Parks Bureau	12,096	12,096	12,097	12,097	0	0	0
	<u>12,096</u>	<u>12,096</u>	<u>12,097</u>	<u>12,097</u>	<u>13,012</u>	<u>13,012</u>	<u>13,012</u>
Total Internal Revenues	22,406,387	3,083,620	3,397,869	3,397,869	3,128,856	3,128,856	3,128,856
Beginning Fund Balance	7,209	14,826	0	57,077	0	0	0
TOTAL RESOURCES	\$ 26,201,379	\$ 3,899,552	\$ 3,787,869	\$ 3,787,869	\$ 3,543,856	\$ 3,543,856	\$ 3,543,856
REQUIREMENTS							
Bureau Expenses							
External Materials and Services	24,533	6,157	0	0	0	0	0
Total Bureau Expenses	24,533	6,157	0	0	0	0	0
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	26,162,020	3,836,318	3,787,869	3,787,869	3,543,856	3,543,856	3,543,856
	<u>26,162,020</u>	<u>3,836,318</u>	<u>3,787,869</u>	<u>3,787,869</u>	<u>3,543,856</u>	<u>3,543,856</u>	<u>3,543,856</u>
Ending Balance							
Unappropriated Ending Balance	14,826	57,077	0	0	0	0	0
	<u>14,826</u>	<u>57,077</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	26,176,846	3,893,395	3,787,869	3,787,869	3,543,856	3,543,856	3,543,856
TOTAL REQUIREMENTS	\$ 26,201,379	\$ 3,899,552	\$ 3,787,869	\$ 3,787,869	\$ 3,543,856	\$ 3,543,856	\$ 3,543,856

FUND OVERVIEW

This fund is used to achieve a proper matching of revenues and expenditures for financing the acquisition of equipment and facilities for 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. The obligations include lines of credit for parkland acquisition and funding for the Children’s Receiving Center. In addition to the lines of credit, this fund also matches revenues with debt service on bonds issued to finance projects including the Clark Center, East Permanent Housing Facility, the Housing Opportunity Bond Program, the Headwaters Apartment project, and improvements backed by Parks System Development Charges.

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
State of Oregon Energy Loan - Multnomah Arts Center						
	100,902					
		2006/07	12,289	7.50%	723	13,012
		2007/08	6,789	7.50%	120	6,909
		TOTAL	19,078		843	19,921
Limited Tax Revenue Bonds, 1998 Series B (General Fund Portion Only)						
06/15/1998 - Due 6/1	8,499,490					
		2006/07	125,000	4.30%	91,803	216,803
		2007/08	130,000	4.35%	86,428	216,428
		2008/09	140,000	4.40%	80,773	220,773
		2009/10	145,000	4.45%	74,613	219,613
		2010/11	150,000	4.55%	68,160	218,160
		2011/12	155,000	4.65%	61,335	216,335
		2012/13	165,000	4.75%	54,128	219,128
		2013/14	170,000	4.80%	46,290	216,290
		2014/15	180,000	4.85%	38,130	218,130
		2015/16	190,000	4.90%	29,400	219,400
		2016/17	200,000	4.90%	20,090	220,090
		2017/18	210,000	4.90%	10,290	220,290
		TOTAL	1,960,000		661,438	2,621,438
Limited Tax Revenue Bonds, 1999 Series B (General Fund Portion Only)						
11/01/1999 - Due 4/1	10,135,000					
		2006/07	220,000	5.00%	246,890	466,890
		2007/08	235,000	5.00%	235,890	470,890
		2008/09	245,000	5.10%	224,140	469,140
		2009/10	260,000	5.25%	211,645	471,645
		2010/11	270,000	5.30%	197,995	467,995
		2011/12	285,000	5.40%	183,685	468,685
		2012/13	300,000	5.50%	168,295	468,295
		2013/14	315,000	5.63%	151,795	466,795
		2014/15	335,000	5.70%	134,076	469,076
		2015/16	355,000	5.75%	114,981	469,981
		2016/17	375,000	5.75%	94,569	469,569
		2017/18	395,000	5.75%	73,006	468,006
		2018/19	420,000	5.75%	50,294	470,294
		2019/20	445,000	5.88%	26,144	471,144
		TOTAL	4,455,000		2,113,405	6,568,405
Limited Tax Revenue Bonds, 2002 Series A (Parks SDC & Streetcar Portion Only)						
4/01/2002 - Due 2/1	3,305,000					
		2006/07	245,000	4.25%	58,825	303,825
		2007/08	255,000	4.25%	48,413	303,413
		2008/09	265,000	4.50%	37,575	302,575
		2009/10	280,000	4.50%	25,650	305,650
		2010/11	290,000	4.50%	13,050	303,050
		TOTAL	1,335,000		183,513	1,518,513
Limited Tax Revenue Bonds, 2004 Series A (Parks SDC Portion Only)						
3/25/2004 - Due 6/1	3,420,000					
		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

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2009/10	535,000	5.00%	54,750	589,750
		2010/11	560,000	5.00%	28,000	588,000
		TOTAL	2,550,000		395,000	2,945,000
TOTAL - Limited Tax Revenue Bonds	25,359,490					
		2006/07	1,050,000		525,018	1,575,018
		2007/08	1,105,000		475,230	1,580,230
		2008/09	1,160,000		422,738	1,582,738
		2009/10	1,220,000		366,658	1,586,658
		2010/11	1,270,000		307,205	1,577,205
		2011/12	440,000		245,020	685,020
		2012/13	465,000		222,423	687,423
		2013/14	485,000		198,085	683,085
		2014/15	515,000		172,206	687,206
		2015/16	545,000		144,381	689,381
		2016/17	575,000		114,659	689,659
		2017/18	605,000		83,296	688,296
		2018/19	420,000		50,294	470,294
		2019/20	445,000		26,144	471,144
TOTAL LIMITED TAX REVENUE			10,300,000		3,353,355	13,653,355
Limited Tax Housing Revenue Bonds, 2005 Series A (Headwaters Apartments Project)						
4/18/2005 - Due 4/1	10,480,000					
		2006/07			500,298	500,298
		2007/08	155,000	3.00%	500,298	655,298
		2008/09	170,000	3.17%	495,648	665,648
		2009/10	190,000	3.35%	490,259	680,259
		2010/11	210,000	3.51%	483,894	693,894
		2011/12	230,000	3.69%	476,523	706,523
		2012/13	245,000	3.83%	468,036	713,036
		2013/14	255,000	3.93%	458,653	713,653
		2014/15	270,000	4.03%	448,631	718,631
		2015/16	280,000	5.00%	437,750	717,750
		2016/17	295,000	5.00%	423,750	718,750
		2017/18	305,000	5.00%	409,000	714,000
		2018/19	320,000	5.00%	393,750	713,750
		2019/20	335,000	5.00%	377,750	712,750
		2020/21	350,000	5.00%	361,000	711,000
		2021/22	365,000	5.00%	343,500	708,500
		2022/23	380,000	5.00%	325,250	705,250
		2023/24	395,000	5.00%	306,250	701,250
		2024/25	415,000	5.00%	286,500	701,500
		2025/26	430,000	5.00%	265,750	695,750
		2026/27	450,000	5.00%	244,250	694,250
		2027/28	475,000	5.00%	221,750	696,750
		2028/29	495,000	5.00%	198,000	693,000
		2029/30	520,000	5.00%	173,250	693,250
		2030/31	545,000	5.00%	147,250	692,250
		2031/32	570,000	5.00%	120,000	690,000
		2032/33	595,000	5.00%	91,500	686,500
		2033/34	625,000	5.00%	61,750	686,750
		2034/35	610,000	5.00%	30,500	640,500
		TOTAL	10,480,000		9,540,740	20,020,740

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Housing Revenue Bonds, 2005 Series B (Headwaters Apartments Project)						
4/18/2005 - Due 4/1	1,260,000					
		2006/07			59,220	59,220
		2007/08	20,000	4.70%	59,220	79,220
		2008/09	20,000	4.70%	58,280	78,280
		2009/10	20,000	4.70%	57,340	77,340
		2010/11	25,000	4.70%	56,400	81,400
		2011/12	25,000	4.70%	55,225	80,225
		2012/13	30,000	4.70%	54,050	84,050
		2013/14	30,000	4.70%	52,640	82,640
		2014/15	30,000	4.70%	51,230	81,230
		2015/16	35,000	4.70%	49,820	84,820
		2016/17	35,000	4.70%	48,175	83,175
		2017/18	35,000	4.70%	46,530	81,530
		2018/19	40,000	4.70%	44,885	84,885
		2019/20	40,000	4.70%	43,005	83,005
		2020/21	40,000	4.70%	41,125	81,125
		2021/22	45,000	4.70%	39,245	84,245
		2022/23	45,000	4.70%	37,130	82,130
		2023/24	50,000	4.70%	35,015	85,015
		2024/25	50,000	4.70%	32,665	82,665
		2025/26	50,000	4.70%	30,315	80,315
		2026/27	55,000	4.70%	27,965	82,965
		2027/28	55,000	4.70%	25,380	80,380
		2028/29	60,000	4.70%	22,795	82,795
		2029/30	65,000	4.70%	19,975	84,975
		2030/31	65,000	4.70%	16,920	81,920
		2031/32	70,000	4.70%	13,865	83,865
		2032/33	70,000	4.70%	10,575	80,575
		2033/34	75,000	4.70%	7,285	82,285
		2034/35	80,000	4.70%	3,760	83,760
		TOTAL	1,260,000		1,100,035	2,360,035
Limited Tax Housing Revenue Bonds, 2005 Series C (Housing Opportunity Bonds)						
6/21/2005 - Due 6/1	3,170,000					
		2006/07	350,000	4.00%	118,883	468,883
		2007/08	360,000	4.10%	104,883	464,883
		2008/09	375,000	4.20%	90,123	465,123
		2009/10	395,000	4.25%	74,373	469,373
		2010/11	410,000	4.30%	57,585	467,585
		2011/12	295,000	4.30%	39,955	334,955
		2012/13	320,000	4.35%	27,270	347,270
		2013/14	300,000	4.45%	13,350	313,350
		TOTAL	2,805,000		526,420	3,331,420
Limited Tax Housing Revenue Bonds, 2005 Series D (Housing Opportunity Bonds)						
6/21/2005 - Due 6/1	6,975,000					
		2006/07			282,425	282,425
		2007/08			282,425	282,425
		2008/09			282,425	282,425
		2009/10			282,425	282,425
		2010/11			282,425	282,425
		2011/12	130,000	3.25%	282,425	412,425

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2012/13	125,000	3.50%	278,200	403,200
		2013/14	165,000	5.00%	273,825	438,825
		2014/15	485,000	4.25%	265,575	750,575
		2015/16	505,000	4.25%	244,963	749,963
		2016/17	525,000	4.00%	223,500	748,500
		2017/18	545,000	4.00%	202,500	747,500
		2018/19	570,000	4.00%	180,700	750,700
		2019/20	590,000	4.00%	157,900	747,900
		2020/21	615,000	4.00%	134,300	749,300
		2021/22	640,000	4.00%	109,700	749,700
		2022/23	665,000	4.00%	84,100	749,100
		2023/24	695,000	4.00%	57,500	752,500
		2024/25	720,000	4.13%	29,700	749,700
		TOTAL	6,975,000		3,937,013	10,912,013
TOTAL - Limited Tax Housing Revenue Bonds	21,885,000					
		2006/07	350,000		960,826	1,310,826
		2007/08	535,000		946,826	1,481,826
		2008/09	565,000		926,476	1,491,476
		2009/10	605,000		904,397	1,509,397
		2010/11	645,000		880,304	1,525,304
		2011/12	680,000		854,128	1,534,128
		2012/13	720,000		827,556	1,547,556
		2013/14	750,000		798,468	1,548,468
		2014/15	785,000		765,436	1,550,436
		2015/16	820,000		732,533	1,552,533
		2016/17	855,000		695,425	1,550,425
		2017/18	885,000		658,030	1,543,030
		2018/19	930,000		619,335	1,549,335
		2019/20	965,000		578,655	1,543,655
		2020/21	1,005,000		536,425	1,541,425
		2021/22	1,050,000		492,445	1,542,445
		2022/23	1,090,000		446,480	1,536,480
		2023/24	1,140,000		398,765	1,538,765
		2024/25	1,185,000		348,865	1,533,865
		2025/26	480,000		296,065	776,065
		2026/27	505,000		272,215	777,215
		2027/28	530,000		247,130	777,130
		2028/29	555,000		220,795	775,795
		2029/30	585,000		193,225	778,225
		2030/31	610,000		164,170	774,170
		2031/32	640,000		133,865	773,865
		2032/33	665,000		102,075	767,075
		2033/34	700,000		69,035	769,035
		2034/35	690,000		34,260	724,260
TOTAL LIMITED TAX REVENUE			21,520,000		15,104,207	36,624,207
Parks Property Acquisition						
Projected Short-term Line of Credit Repayment						
		2006/07	0	Variable	165,000	165,000
		TOTAL	0		165,000	165,000
Children's Receiving Center						
Projected Short-term Line of Credit Repayment						
		2006/07	200,000		30,000	230,000
		TOTAL	200,000		30,000	230,000

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Streetcar Extension						
Projected Short-term Line of Credit Repayment						
		2006/07	0		250,000	250,000
		TOTAL	0		250,000	250,000
COMBINED DEBT SERVICE						
	47,345,392					
		2006/07	1,612,289		1,931,566	3,543,855
		2007/08	1,646,789		1,422,175	3,068,964
		2008/09	1,725,000		1,349,213	3,074,213
		2009/10	1,825,000		1,271,054	3,096,054
		2010/11	1,915,000		1,187,509	3,102,509
		2011/12	1,120,000		1,099,148	2,219,148
		2012/13	1,185,000		1,049,979	2,234,979
		2013/14	1,235,000		996,553	2,231,553
		2014/15	1,300,000		937,642	2,237,642
		2015/16	1,365,000		876,914	2,241,914
		2016/17	1,430,000		810,084	2,240,084
		2017/18	1,490,000		741,326	2,231,326
		2018/19	1,350,000		669,629	2,019,629
		2019/20	1,410,000		604,799	2,014,799
		2020/21	1,005,000		536,425	1,541,425
		2021/22	1,050,000		492,445	1,542,445
		2022/23	1,090,000		446,480	1,536,480
		2023/24	1,140,000		398,765	1,538,765
		2024/25	1,185,000		348,865	1,533,865
		2025/26	480,000		296,065	776,065
		2026/27	505,000		272,215	777,215
		2027/28	530,000		247,130	777,130
		2028/29	555,000		220,795	775,795
		2029/30	585,000		193,225	778,225
		2030/31	610,000		164,170	774,170
		2031/32	640,000		133,865	773,865
		2032/33	665,000		102,075	767,075
		2033/34	700,000		69,035	769,035
		2034/35	690,000		34,260	724,260
TOTAL FUND DEBT SERVICE			\$ 32,039,078		\$ 18,903,405	\$ 50,942,483

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Health Care Charges	25,882,233	22,313,629	24,341,495	24,075,833	33,524,562	31,716,954	31,716,954
	25,882,233	22,313,629	24,341,495	24,075,833	33,524,562	31,716,954	31,716,954
Miscellaneous Revenues							
Interest Earned	238,737	361,020	242,999	0	423,907	423,907	423,907
Other Miscellaneous	2,392,857	2,469,335	2,845,469	1,479,481	2,597,918	2,597,918	2,597,918
	2,631,594	2,830,355	3,088,468	1,479,481	3,021,825	3,021,825	3,021,825
Total External Revenues	28,513,827	25,143,984	27,429,963	25,555,314	36,546,387	34,738,779	34,738,779
Internal Revenues							
Other Cash Transfers							
CityFleet Services	0	0	0	0	39,692	39,692	39,692
Development Services Fund	0	0	0	0	62,202	62,202	62,202
Emergency Communication Fund	0	0	0	0	108,772	108,772	108,772
Facilities Services Fund	0	0	0	0	14,424	14,424	14,424
General Fund	0	3,180,000	0	0	0	0	0
General Reserve Fund	3,958	0	0	0	0	0	0
Golf Fund	0	0	0	0	33,143	33,143	33,143
Hydropower Operating Fund	0	0	0	0	1,198	1,198	1,198
Parks Capital Const & Maint Fund	0	0	0	0	11,983	11,983	11,983
Portland International Raceway	0	0	0	0	1,716	1,716	1,716
Printing & Distribution	0	0	0	0	6,805	6,805	6,805
Sewer System Operating Fund	0	0	0	0	99,068	99,068	99,068
Solid Waste Management Fund	0	0	0	0	652	652	652
Technology Services Fund	0	0	0	0	23,189	23,189	23,189
Transportation Operating Fund	0	0	0	0	292,040	292,040	292,040
Water Fund	0	0	0	0	205,215	205,215	205,215
Workers Compensation Fund	0	0	0	0	993	993	993
	3,958	3,180,000	0	0	901,092	901,092	901,092
Interfund Service Reimbursements							
PPA Health Insurance	0	276,312	308,122	308,122	342,860	321,387	321,387
	0	276,312	308,122	308,122	342,860	321,387	321,387
Total Internal Revenues	3,958	3,456,312	308,122	308,122	1,243,952	1,222,479	1,222,479
Beginning Fund Balance	20,391,169	14,483,307	13,503,230	14,301,529	3,686,968	7,002,948	7,002,948
TOTAL RESOURCES	\$ 48,908,954	\$ 43,083,603	\$ 41,241,315	\$ 40,164,965	\$ 41,477,307	\$ 42,964,206	\$ 42,964,206
REQUIREMENTS							
Bureau Expenses							
Personal Services							
	462,327	451,628	536,471	594,461	623,242	623,242	623,242
External Materials and Services							
	32,726,348	27,670,398	34,077,708	31,816,390	33,306,192	33,383,593	33,383,593
Internal Materials and Services							
CityFleet Services	124	213	208	0	0	0	0
Communications Services	7,487	7,100	0	0	0	0	0
Facilities Services	30,097	27,916	28,905	0	30,045	30,045	30,045

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Insurance	6,117	8,000	155	0	2,796	2,796	2,796
Printing & Distribution	39,078	48,306	42,798	0	50,176	50,176	50,176
Technology Services Fund	386,325	212,528	280,055	305,771	254,886	254,886	254,886
City Attorney	99,986	122,721	144,330	0	171,549	171,549	171,549
Office of Management & Finance	171,952	77,214	89,891	234,221	62,970	62,970	62,970
	741,166	503,998	586,342	539,992	572,422	572,422	572,422
Total Bureau Expenses	33,929,841	28,626,024	35,200,521	32,950,843	34,501,856	34,579,257	34,579,257
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	5,765,861	0	6,704,834	8,114,332	8,114,332
Compensation Adjustment	0	0	16,094	0	23,909	23,909	23,909
	0	0	5,781,955	0	6,728,743	8,138,241	8,138,241
General Fund Overhead	229,835	109,603	188,003	188,003	217,360	217,360	217,360
Fund Cash Transfers							
Campaign Finance Fund	0	0	47,665	0	0	0	0
General Fund	0	29,636	0	0	0	0	0
General Reserve Fund	262,281	0	0	0	0	0	0
Pension Debt Redemption Fund	0	0	23,171	23,171	29,348	29,348	29,348
	262,281	29,636	70,836	23,171	29,348	29,348	29,348
Debt Retirement							
Debt Req Net Issue Cost	3,690	16,811	0	0	0	0	0
	3,690	16,811	0	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	14,483,307	14,301,529	0	7,002,948	0	0	0
	14,483,307	14,301,529	0	7,002,948	0	0	0
Total Fund Requirements	14,979,113	14,457,579	6,040,794	7,214,122	6,975,451	8,384,949	8,384,949
TOTAL REQUIREMENTS	\$ 48,908,954	\$ 43,083,603	\$ 41,241,315	\$ 40,164,965	\$ 41,477,307	\$ 42,964,206	\$ 42,964,206

FUND OVERVIEW

Fund Purpose

The Health Insurance Fund is primarily used to pay medical and prescription claims for non-Portland Police Association (PPA) City employees, dependents, retirees, and other participants in the City's self-insured medical plans.

Expenditures

Health Insurance Fund expenses include medical and prescription claims, claims and premium administration, a variety of fees and other benefits administration costs, and General Fund overhead charges. Small subsidies for life and long-term disability insurance premiums for certain groups are also paid from the fund. The City's benefits administration staff and related materials and services are budgeted within the fund as well.

Reserves The Health Insurance Fund reserve must be sufficient to cover Incurred But Not Reported (IBNR) claims (those claims incurred but submitted for payment in another plan year). In FY 2006-07, stop loss insurance, intended to cover large claims (those exceeding \$250,000 in a plan year), is being purchased in lieu of maintaining a large claim fund reserve.

Managing Agency Office of Management and Finance, Human Resources

CHANGES FROM PRIOR YEAR

FY 2006-07 Assumptions Health Insurance Fund claims expenditures are projected to be \$30.5 million in FY 2006-07. In prior years the difference between the City's healthcare contribution and the costs of the medical plan was covered by a reserve drawdown of the Health Fund. As a result of collective bargaining agreements, health premiums will now be paid 95% by the City and 5% by the employee.

The medical component of the Consumer Price Index (CPI) continues to outpace the general CPI for wage earners. The City's medical claim trend inflation rate is projected to be 15% in FY 2006-07, excluding large claims. While the general prescription drug trend is roughly 16%, the City's experience reflects a lower trend of approximately 11%.

Oregon Medical Insurance Pool (OMIP) rates charged to the fund are expected to decrease to \$100,000 in FY 2006-07.

Other Changes The City has made significant changes to its health benefit plans to moderate costs over the last several years. Annual reviews of plan design will continue as a means of identifying possible future savings. In addition, a negotiated employee premium share was implemented in FY 2004-05, and is expanded and increased in FY 06-07. The premium share is expected to generate roughly \$1.4 million in FY 2006-07.

In response to a charge from Council, the City's Labor-Management Benefits Committee reviewed a number of potential actions to address the projected depletion of excess Health Insurance Fund reserves, which have been used to subsidize the medical plans. The committee's report was presented to Council on November 30, 2004. The report included numerous findings and recommendations to control health plan cost increases, such as enhanced employee education on costs and health care issues, wellness and disease management programs, and plan benefit design changes.

As a result of interest arbitration between the City and the PPA, in June 2004 PPA employees moved to CityNet, a new benefits plan exclusively for PPA members. Costs associated with this plan are budgeted in the PPA Health Insurance Fund.

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Interest Earned	194,905	380,278	446,878	520,000	657,510	657,510	657,510
Other Miscellaneous	113,881	173,814	116,622	139,293	184,860	184,860	184,860
	<u>308,786</u>	<u>554,092</u>	<u>563,500</u>	<u>659,293</u>	<u>842,370</u>	<u>842,370</u>	<u>842,370</u>
Total External Revenues	308,786	554,092	563,500	659,293	842,370	842,370	842,370
Internal Revenues							
Other Cash Transfers							
General Fund	0	10,000	0	10,000	0	0	0
Parking Facilities Fund	0	0	0	2,306,000	0	0	0
	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>2,316,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Interfund Service Reimbursements							
City Attorney	35,856	38,287	37,306	37,306	40,731	40,731	40,731
City Auditor	34,676	42,916	40,604	40,604	39,594	39,594	39,594
Bureau of Licenses	30,246	28,533	42,188	42,188	0	0	0
Cable	10,268	3,456	3,399	3,399	3,224	3,224	3,224
Cable Communications	6,846	2,304	2,266	2,266	3,223	3,223	3,223
Children's Investment Fund	0	0	0	0	2,252	2,252	2,252
CityFleet Services	59,252	57,333	56,888	56,888	59,640	59,640	59,640
Commissioner of Public Affairs	5,675	5,562	6,713	6,713	6,758	6,758	6,758
Commissioner of Public Safety	6,638	2,664	4,926	4,926	5,390	5,390	5,390
Commissioner of Public Utilities	6,203	4,708	4,237	4,237	5,047	5,047	5,047
Commissioner of Public Works	6,595	5,036	4,655	4,655	4,947	4,947	4,947
Communications Services	43,646	49,218	0	0	0	0	0
Development Services	307,077	249,334	220,372	220,372	257,601	257,601	257,601
Emergency Communications	94,541	90,803	78,778	78,778	81,659	81,659	81,659
Emergency Management	0	5,212	3,952	3,952	6,374	6,374	6,374
Environmental Services	566,826	683,193	610,277	610,277	654,573	654,573	654,573
Facilities Services Fund	165,206	156,704	133,807	133,807	144,224	144,224	144,224
Fire Bureau	319,166	475,796	454,608	454,608	491,425	491,425	491,425
Golf Fund	32,381	31,346	27,560	27,560	29,881	29,881	29,881
Government Relations	5,381	7,395	6,977	6,977	4,139	4,139	4,139
Health Insurance	3,567	4,081	70	70	1,037	1,037	1,037
Housing & Community Development	16,986	17,715	15,664	15,664	18,154	18,154	18,154
Hydroelectric Power Op Fund	58,449	53,854	44,869	44,869	48,845	48,845	48,845
Management & Finance	83,207	114,944	54,451	54,451	57,146	57,146	57,146
Mayor	12,761	10,295	9,111	9,111	11,414	11,414	11,414
Neighborhood Involvement	57,362	27,122	35,039	35,039	28,281	28,281	28,281
Sustainable Development	9,711	5,073	4,678	4,678	5,567	5,567	5,567
Office of Transportation	686,665	687,512	646,564	646,564	678,385	678,385	678,385
OMF - Revenue Bureau	0	28,791	61,534	61,534	91,276	91,276	91,276
Parking Facilities Fund	83,404	68,286	72,809	72,809	77,451	77,451	77,451
Parks Bureau	308,577	382,071	373,936	373,936	394,310	394,310	394,310
Planning Bureau	238,803	48,458	42,585	42,585	40,394	40,394	40,394
Police Bureau	3,093,903	2,668,118	2,533,474	2,533,474	2,816,548	2,816,548	2,816,548
Portland International Raceway	30,348	21,492	20,080	20,080	25,433	25,433	25,433

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Printing & Distribution	25,602	21,510	19,627	19,627	20,533	20,533	20,533
Solid Waste Management Fund	9,917	5,072	4,678	4,678	5,568	5,568	5,568
Spectator Facilities	16,320	34,811	28,259	28,259	30,770	30,770	30,770
Technology Services Fund	27,111	88,376	92,281	92,281	116,624	116,624	116,624
Utility Billing System	0	0	11,422	11,422	0	0	0
Water Bureau	682,770	494,330	375,420	375,420	430,719	430,719	430,719
Workers' Compensation Fund	5,068	6,121	269	269	9,406	9,406	9,406
	7,187,010	6,727,832	6,186,333	6,186,333	6,748,543	6,748,543	6,748,543
Intra-Fund Service Reimbursement	0	0	206	206	0	0	0
Total Internal Revenues	7,187,010	6,737,832	6,186,539	8,502,539	6,748,543	6,748,543	6,748,543
Beginning Fund Balance	15,850,107	17,640,686	18,089,950	16,694,779	15,152,484	17,522,597	17,522,597
TOTAL RESOURCES	\$ 23,345,903	\$ 24,932,610	\$ 24,839,989	\$ 25,856,611	\$ 22,743,397	\$ 25,113,510	\$ 25,113,510
REQUIREMENTS							
Bureau Expenses							
Personal Services	580,200	767,307	891,227	931,697	969,507	969,507	969,507
External Materials and Services	3,391,027	5,932,733	3,983,937	5,510,214	5,052,557	5,062,557	5,062,557
Internal Materials and Services							
CityFleet Services	1,775	1,526	2,704	0	208	208	208
Communications Services	10,118	12,533	0	0	0	0	0
Facilities Services	44,474	66,532	70,758	70,758	77,728	77,728	77,728
Insurance	3,624	5,225	149	269	10,131	10,131	10,131
Printing & Distribution	12,303	10,188	12,965	15,500	9,403	9,403	9,403
Technology Services Fund	14,959	84,095	107,685	103,000	119,759	119,759	119,759
City Attorney	1,156,121	1,178,023	1,418,930	1,418,930	1,586,142	1,586,142	1,586,142
Office of Management & Finance	307,295	81,190	86,916	86,916	53,156	53,156	53,156
Parking Facilities	3,600	3,650	3,960	2,790	2,970	2,970	2,970
Transportation	0	861	0	0	0	0	0
Same Fund Services	0	0	206	206	0	0	0
	1,554,269	1,443,823	1,704,273	1,698,369	1,859,497	1,859,497	1,859,497
Capital Outlay	0	0	10,000	0	5,000	5,000	5,000
Equipment Cash Transfers							
Printing & Distribution	3,775	0	0	0	0	0	0
	3,775	0	0	0	0	0	0
Total Bureau Expenses	5,529,271	8,143,863	6,589,437	8,140,280	7,886,561	7,896,561	7,896,561
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	59,217	0	14,564,023	14,618,136	14,621,829
Compensation Adjustment	0	0	44,472	0	47,759	47,759	47,759
	0	0	103,689	0	14,611,782	14,665,895	14,669,588
General Fund Overhead	167,224	47,036	128,953	128,953	168,068	168,068	168,068
Fund Cash Transfers							
Campaign Finance Fund	0	0	10,023	10,023	7,631	7,631	3,938
General Fund	0	7,205	0	0	0	0	0
Parking Facilities Fund	0	0	0	0	0	2,306,000	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Pension Debt Redemption Fund	0	0	54,758	0	69,355	69,355	69,355
	0	7,205	64,781	10,023	76,986	2,382,986	73,293
Debt Retirement							
Debt Req Net Issue Cost	8,722	39,727	0	54,758	0	0	0
Internal Loan Remittance	0	0	0	0	0	0	2,306,000
	8,722	39,727	0	54,758	0	0	2,306,000
Ending Balance							
Unappropriated Ending Balance	17,640,686	16,694,779	17,953,129	17,522,597	0	0	0
Unexpendable Reserve	0	0	0	0	0	0	0
	17,640,686	16,694,779	17,953,129	17,522,597	0	0	0
Total Fund Requirements	17,816,632	16,788,747	18,250,552	17,716,331	14,856,836	17,216,949	17,216,949
TOTAL REQUIREMENTS	\$ 23,345,903	\$ 24,932,610	\$ 24,839,989	\$ 25,856,611	\$ 22,743,397	\$ 25,113,510	\$ 25,113,510

FUND OVERVIEW

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

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

Fund expenditures are primarily for claims payments, which are budgeted at \$3,028,100 for FY 2006-07. Projected claims are based upon an independent actuarial study for the period ending June 30, 2005. The interagency agreements for Insurance and Claims are increasing by 9.1% for the City as a whole in FY 2006-07, as compared to FY 2005-06.

The reserve requirement assumed in the FY 2006-07 budget is also based on the actuarial study, which recommends a range for the reserve levels needed to cover outstanding incurred liabilities. The range is produced by calculating reserves at various confidence levels (i.e., the probability that actual losses will not exceed the reserve level). In addition, reserves are stated at a discounted level, which takes into account the fact that the fund earns interest on fund balances. The liability reserve requirement is forecast to be \$14,405,000, based on a discounted confidence level of 60%.

Managing Agency

Office of Management and Finance, Business Operations

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Interest Earned	163,959	187,696	230,000	230,000	420,906	420,906	420,906
Other Miscellaneous	251,566	305,528	421,127	421,127	533,383	533,383	533,383
	415,525	493,224	651,127	651,127	954,289	954,289	954,289
Total External Revenues	415,525	493,224	651,127	651,127	954,289	954,289	954,289
Internal Revenues							
Other Cash Transfers							
CityFleet Services	0	0	293,244	293,244	371,410	371,410	371,410
Communication Services Fund	0	0	0	123,524	0	0	0
Development Services Fund	116,656	531,309	732,333	732,333	927,544	927,544	927,544
Emergency Communication Fund	23,244	105,866	145,921	145,921	184,817	184,817	184,817
Environmental Remediation Fund	0	0	900	900	1,140	1,140	1,140
Facilities Services Fund	0	0	124,788	124,788	158,052	158,052	158,052
General Fund	1,417,168	4,185,559	6,033,880	6,033,880	7,642,270	7,642,270	7,642,270
Golf Fund	0	0	125,535	125,535	158,997	158,997	158,997
Health Insurance Fund	0	0	23,171	23,171	29,348	29,348	29,348
Hydropower Operating Fund	0	0	15,364	15,364	19,459	19,459	19,459
Insurance & Claims Fund	0	0	54,758	54,758	69,355	69,355	69,355
LID Construction Fund	8,320	37,897	52,235	52,235	66,159	66,159	66,159
Parks Capital Const & Maint Fund	11,263	51,299	70,708	70,708	89,556	89,556	89,556
Portland International Raceway	0	0	24,166	24,166	30,608	30,608	30,608
Printing & Distribution	0	0	99,374	99,374	125,863	125,863	125,863
Sewer System Operating Fund	0	0	2,004,536	2,004,536	2,538,865	2,538,865	2,538,865
Solid Waste Management Fund	0	0	38,982	38,982	49,373	49,373	49,373
Spectator Facilities Operating	1,828	0	0	0	0	0	0
Technology Services Fund	0	0	348,526	225,002	441,429	441,429	441,429
FPD&R Fund	0	0	31,264	31,264	39,598	39,598	39,598
Transportation Operating Fund	449,298	2,046,325	2,820,566	2,820,566	3,572,416	3,572,416	3,572,416
Water Fund	0	0	1,817,243	1,817,243	2,301,647	2,301,647	2,301,647
Workers Compensation Fund	0	0	51,220	51,220	64,873	64,873	64,873
	2,027,777	6,958,255	14,908,714	14,908,714	18,882,779	18,882,779	18,882,779
Total Internal Revenues	2,027,777	6,958,255	14,908,714	14,908,714	18,882,779	18,882,779	18,882,779
Beginning Fund Balance	15,515,027	7,528,082	5,008,214	6,330,436	6,322,222	6,322,222	6,322,222
TOTAL RESOURCES	\$ 17,958,329	\$ 14,979,561	\$ 20,568,055	\$ 21,890,277	\$ 26,159,290	\$ 26,159,290	\$ 26,159,290
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	411,187	404,516	0	0	0	0	0
Internal Materials and Services							
Office of Management & Finance	110,921	109,992	114,312	114,312	123,012	123,012	123,012
	110,921	109,992	114,312	114,312	123,012	123,012	123,012
Total Bureau Expenses	522,108	514,508	114,312	114,312	123,012	123,012	123,012

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Fund Requirements							
Fund Cash Transfers							
General Fund	500,000	0	0	0	0	0	0
	500,000	0	0	0	0	0	0
Debt Retirement							
Debt Req Net Issue Cost	9,408,139	8,134,617	15,038,543	15,038,543	19,414,689	19,414,689	19,414,689
Debt Issuance Costs	0	0	415,200	415,200	415,200	415,200	415,200
	9,408,139	8,134,617	15,453,743	15,453,743	19,829,889	19,829,889	19,829,889
Ending Balance							
Unappropriated Ending Balance	7,528,082	0	0	0	0	0	0
Unexpendable Reserve	0	6,330,436	5,000,000	6,322,222	6,206,389	6,206,389	6,206,389
	7,528,082	6,330,436	5,000,000	6,322,222	6,206,389	6,206,389	6,206,389
Total Fund Requirements	17,436,221	14,465,053	20,453,743	21,775,965	26,036,278	26,036,278	26,036,278
TOTAL REQUIREMENTS	\$ 17,958,329	\$ 14,979,561	\$ 20,568,055	\$ 21,890,277	\$ 26,159,290	\$ 26,159,290	\$ 26,159,290

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
Limited Tax Pension Obligation Revenue Bonds, 1999 Series C						
11/10/1999 - Due 6/1	150,848,346					
		2006/07	2,570,000	7.27%	8,503,282	11,073,282
		2007/08	4,755,000	7.32%	8,316,443	13,071,443
		2008/09	5,990,000	7.37%	7,968,377	13,958,377
		2009/10	3,030,000	7.42%	7,526,914	10,556,914
		2010/11	0		7,302,088	7,302,088
		2011/12	0		7,302,088	7,302,088
		2012/13	0		7,302,088	7,302,088
		2013/14	0		7,302,088	7,302,088
		2014/15	0		7,302,088	7,302,088
		2015/16	0		7,302,088	7,302,088
		2016/17	0		7,302,088	7,302,088
		2017/18	0		7,302,088	7,302,088
		2018/19	0		7,302,088	7,302,088
		2019/20	27,935,000	7.70%	7,302,088	35,237,088
		2020/21	31,495,000	7.70%	5,150,814	36,645,814
		2021/22	35,390,000	7.70%	2,725,384	38,115,384
		2022/23	6,345,175	7.70%	33,294,825	39,640,000
		2023/24	6,105,423	7.93%	35,119,578	41,225,000
		2024/25	5,874,733	7.93%	37,000,268	42,875,000
		2025/26	5,652,228	7.93%	38,937,772	44,590,000
		2026/27	5,438,274	7.93%	40,931,726	46,370,000
		2027/28	5,232,955	7.93%	42,997,045	48,230,000
		2028/29	5,034,559	7.93%	45,120,441	50,155,000
		TOTAL	150,848,346		386,613,751	537,462,097
Limited Tax Pension Obligation Revenue Bonds, 1999 Series D & E						
Periodic Auction Reset Securities (PARS)						
11/10/1999 - Due 6/1	150,000,000					
		2006/07	0	variable	8,341,407	8,341,407
		2007/08	0	variable	10,875,000	10,875,000
		2008/09	0	variable	10,875,000	10,875,000
		2009/10	4,325,000	variable	10,875,000	15,200,000
		2010/11	8,775,000	variable	10,561,438	19,336,438
		2011/12	10,300,000	variable	9,925,250	20,225,250
		2012/13	11,950,000	variable	9,178,500	21,128,500
		2013/14	13,725,000	variable	8,312,125	22,037,125
		2014/15	15,650,000	variable	7,317,063	22,967,063
		2015/16	17,750,000	variable	6,182,438	23,932,438
		2016/17	20,000,000	variable	4,895,563	24,895,563
		2017/18	22,450,000	variable	3,445,563	25,895,563
		2018/19	25,075,000	variable	1,817,938	26,892,938
		TOTAL	150,000,000		102,602,282	252,602,282
COMBINED DEBT SERVICE						
	300,848,346					
		2006/07	2,570,000		16,844,689	19,414,689
		2007/08	4,755,000		19,191,443	23,946,443
		2008/09	5,990,000		18,843,377	24,833,377
		2009/10	7,355,000		18,401,914	25,756,914
		2010/11	8,775,000		17,863,526	26,638,526
		2011/12	10,300,000		17,227,338	27,527,338
		2012/13	11,950,000		16,480,588	28,430,588
		2013/14	13,725,000		15,614,213	29,339,213
		2014/15	15,650,000		14,619,151	30,269,151
		2015/16	17,750,000		13,484,526	31,234,526
		2016/17	20,000,000		12,197,651	32,197,651

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2017/18	22,450,000		10,747,651	33,197,651
		2018/19	25,075,000		9,120,026	34,195,026
		2019/20	27,935,000		7,302,088	35,237,088
		2020/21	31,495,000		5,150,814	36,645,814
		2021/22	35,390,000		2,725,384	38,115,384
		2022/23	6,345,175		33,294,825	39,640,000
		2023/24	6,105,423		35,119,578	41,225,000
		2024/25	5,874,733		37,000,268	42,875,000
		2025/26	5,652,228		38,937,772	44,590,000
		2026/27	5,438,274		40,931,726	46,370,000
		2027/28	5,232,955		42,997,045	48,230,000
		2028/29	5,034,559		45,120,441	50,155,000
TOTAL FUND DEBT SERVICE			\$ 300,848,346		\$ 489,216,033	\$ 790,064,378

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Health Care Charges	0	7,417,122	8,285,518	8,285,518	9,860,637	9,860,637	9,860,637
	0	7,417,122	8,285,518	8,285,518	9,860,637	9,860,637	9,860,637
Miscellaneous Revenues							
Interest Earned	0	10,520	16,775	16,775	53,158	53,158	53,158
Other Miscellaneous	0	376,773	156,926	156,926	467,136	467,136	467,136
	0	387,293	173,701	173,701	520,294	520,294	520,294
Total External Revenues	0	7,804,415	8,459,219	8,459,219	10,380,931	10,380,931	10,380,931
Internal Revenues							
Beginning Fund Balance	0	0	592,010	592,883	847,945	847,945	847,945
TOTAL RESOURCES	\$ 0	\$ 7,804,415	\$ 9,051,229	\$ 9,052,102	\$ 11,228,876	\$ 11,228,876	\$ 11,228,876
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
Health Insurance	0	6,881,852	7,996,140	7,854,772	9,407,248	9,427,807	9,427,807
	0	276,312	308,122	308,122	342,860	321,387	321,387
	0	276,312	308,122	308,122	342,860	321,387	321,387
Total Bureau Expenses	0	7,158,164	8,304,262	8,162,894	9,750,108	9,749,194	9,749,194
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	705,704	0	1,437,881	1,438,795	1,438,795
	0	0	705,704	0	1,437,881	1,438,795	1,438,795
General Fund Overhead							
	0	53,368	41,263	41,263	40,887	40,887	40,887
Fund Cash Transfers							
Campaign Finance Fund	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Ending Balance							
Unappropriated Ending Balance	0	592,883	0	847,945	0	0	0
	0	592,883	0	847,945	0	0	0
Total Fund Requirements	0	646,251	746,967	889,208	1,478,768	1,479,682	1,479,682
TOTAL REQUIREMENTS	\$ 0	\$ 7,804,415	\$ 9,051,229	\$ 9,052,102	\$ 11,228,876	\$ 11,228,876	\$ 11,228,876

FUND OVERVIEW

Fund Purpose

The PPA Health Insurance Fund is used to pay medical and prescription drug claims for Portland Police Association (PPA) City employees, dependents, retirees, and other participants. In July 2004 PPA members moved to CityNet, a new benefits plan exclusively for PPA employees, as the result of interest arbitration between the City and PPA.

Expenditures	PPA Health Insurance Fund expenses include medical and prescription claims, claims and premium administration, and a variety of fees and other benefits administration costs. Benefits administration staff and related materials and services are budgeted in the Health Insurance Fund (Fund 701). The PPA Health Insurance Fund reimburses the Health Insurance Fund for benefits administration services.
Reserves	The PPA Health Insurance Fund is required to have sufficient reserves or insurance for large claims (those exceeding \$100,000 in a plan year) and Incurred But Not Reported (IBNR) claims (those claims incurred in one plan year but submitted for payment in another plan year). Stop loss insurance has been purchased to provide large claims coverage for the fund in FY 2006-07. The IBNR reserve for FY 2006-07 is approximately \$727,000.
Managing Agency	Office of Management and Finance, Human Resources

CHANGES FROM PRIOR YEAR

FY 2006-07 Assumptions	<p>The PPA Health Insurance Fund has \$11.2 million in budgeted resources and requirements for FY 2006-07. Total City and participant contributions to the fund are estimated to be 19% higher than FY 2006-07 contributions. Medical claims expenses are projected to increase 21%, from \$7.0 million in FY 2005-06 to \$8.5 million in FY 2006-07.</p> <p>Oregon Medical Insurance Pool (OMIP) rates charged to the fund are expected to total \$26,000.</p>
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	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	262,266	297,282	280,886	257,300	329,871	329,871	329,871
	262,266	297,282	280,886	257,300	329,871	329,871	329,871
State Sources							
State Cost Sharing	255,995	351,172	271,502	295,900	365,608	365,608	365,608
	255,995	351,172	271,502	295,900	365,608	365,608	365,608
Local Sources							
Local Cost Sharing	255,767	342,397	238,828	185,000	297,237	297,237	297,237
Multnomah County Cost Sharing	547,996	580,414	571,687	504,400	595,589	595,589	595,589
	803,763	922,811	810,515	689,400	892,826	892,826	892,826
Miscellaneous Revenues							
Interest Earned	9,651	25,839	11,627	50,000	46,000	46,000	46,000
Other Miscellaneous	182	5,103	3,500	830	3,500	3,500	3,500
Sale of Capital Assets	1,000	275	0	0	0	0	0
Sales Miscellaneous	0	200	0	0	0	0	0
	10,833	31,417	15,127	50,830	49,500	49,500	49,500
Total External Revenues	1,332,857	1,602,682	1,378,030	1,293,430	1,637,805	1,637,805	1,637,805
Internal Revenues							
Interfund Service Reimbursements							
City Attorney	57,334	60,788	59,292	65,060	67,976	67,976	67,976
City Auditor	130,004	126,059	186,237	223,224	156,186	156,186	156,186
BES Internal Services	4,282	2,701	4,606	2,817	2,885	2,885	2,885
BES Laboratory Services	0	713	311	0	0	0	0
BFRES Facilities Bond Const Fund	1,715	0	0	0	0	0	0
Bureau of Licenses	92,318	246,354	139,040	384,745	0	0	0
Cable	6,228	7,605	7,137	8,208	8,190	8,190	8,190
Cable Communications	2,127	2,345	3,915	2,756	3,319	3,319	3,319
Children's Investment Fund	0	385	0	59,967	397	397	397
CityFleet Services	17,520	17,066	18,065	12,973	17,983	17,983	17,983
Commissioner of Public Affairs	6,494	5,641	6,676	58,147	6,080	6,080	6,080
Commissioner of Public Safety	3,896	4,064	4,211	3,718	4,063	4,063	4,063
Commissioner of Public Utilities	5,375	6,981	5,703	5,964	7,432	7,432	7,432
Commissioner of Public Works	4,584	4,023	4,856	3,503	4,256	4,256	4,256
Communications Services	6,301	6,190	0	0	0	0	0
Development Services	450,133	484,031	477,751	417,797	495,064	495,064	495,064
Emergency Communications	15,169	19,346	19,673	23,582	20,028	20,028	20,028
Emergency Management	42,442	12,457	44,570	19,156	13,496	13,496	13,496
Environmental Services	476,892	488,571	498,947	401,976	624,251	624,251	624,251
Facilities Services Fund	26,853	48,876	32,748	272,784	55,028	55,028	55,028
Fire Bureau	125,198	134,134	144,410	124,051	143,020	143,020	143,020
FPD&R	44,948	46,697	48,411	43,924	50,185	50,185	50,185
Golf Fund	374	500	710	0	510	510	510
Government Relations	3,299	3,704	3,452	3,541	3,565	3,565	3,565
Health Insurance	39,078	48,306	42,798	21,499	50,176	50,176	50,176

	Actual FY 2003-04	Actual FY 2004-05	Revised FY 2005-06	Yr End Est. FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07
Housing & Community Development	26,050	39,422	28,239	27,278	40,136	40,136	40,136
Hydroelectric Power Op Fund	2,819	2,893	2,947	3,468	3,742	3,742	3,742
Insurance & Claims	12,303	10,187	12,965	13,094	9,403	9,403	9,403
Maintenance Stock	1,800	4,500	0	0	0	0	0
Management & Finance	249,956	284,828	268,305	253,000	274,802	274,802	274,802
Mayor	12,019	15,634	12,284	23,624	16,814	16,814	16,814
Neighborhood Involvement	88,827	94,525	90,824	82,716	61,320	61,320	61,320
Sustainable Development	40,935	48,093	54,366	52,040	75,390	75,390	75,390
Office of Transportation	375,408	501,023	367,423	467,118	391,373	391,373	391,373
OMF - Revenue Bureau	0	200,622	725,953	586,059	1,032,435	1,032,435	1,032,435
Parking Facilities Fund	722	3,094	2,136	2,436	3,201	3,201	3,201
Parks Bureau	611,234	524,322	627,292	491,678	500,517	500,517	500,517
Parks Capital Const & Maint Fund	28,138	23,205	20,051	24,319	24,619	24,619	24,619
Planning Bureau	108,997	166,889	109,233	97,558	180,027	180,027	180,027
Police Bureau	607,442	659,078	645,710	662,120	705,880	705,880	705,880
Portland International Raceway	1,447	669	1,792	575	709	709	709
Portland Parks Memorial Trust	2,887	2,462	3,297	6,696	2,549	2,549	2,549
Sewer System Construction Fund	0	5,247	0	0	0	0	0
Solid Waste Management Fund	128,128	166,532	170,532	79,386	242,861	242,861	242,861
Special Appropriations	0	0	0	564	0	0	0
Spectator Facilities	500	1,970	544	167	2,036	2,036	2,036
Technology Services Fund	10,401	10,574	18,906	18,444	17,543	17,543	17,543
Utility Billing System	0	4,578	7,474	13,081	4,979	4,979	4,979
Water Bureau	920,711	683,801	302,406	295,463	365,750	365,750	365,750
Workers' Compensation Fund	11,156	13,401	18,940	17,427	16,568	16,568	16,568
	4,804,444	5,245,086	5,245,138	5,377,703	5,706,744	5,706,744	5,706,744
Equipment Cash Transfers							
City Attorney	0	9,400	0	0	0	0	0
City Auditor	0	0	6,300	6,300	0	0	0
Bureau of Licenses	0	14,300	0	0	0	0	0
Development Services	2,000	0	0	0	0	0	0
Emergency Communications	0	2,700	0	0	0	0	0
Emergency Management	9,200	0	0	0	0	0	0
Environmental Services	0	25,700	25,000	5,200	0	0	0
Fire Bureau	0	0	0	4,600	0	0	0
Government Relations	0	0	0	6,300	0	0	0
Housing & Community Development	0	4,500	0	0	0	0	0
Insurance & Claims	3,775	0	0	0	0	0	0
Management & Finance	3,500	825	7,000	11,000	0	0	0
Neighborhood Involvement	0	3,100	0	0	0	0	0
Sustainable Development	3,920	0	700	350	0	0	0
Office of Transportation	0	9,800	5,300	10,800	0	0	0
OMF - Revenue Bureau	0	5,100	3,900	0	0	0	0
OMF Citywide Projects	0	9,000	0	0	0	0	0
Parks Bureau	0	0	3,300	3,300	0	0	0
Parks Trust	800	0	0	0	0	0	0
Police Bureau	60,550	56,475	25,755	25,755	0	0	0
Solid Waste Management	3,080	0	0	350	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Technical Services	0	8,600	0	1,400	0	0	0
Water Bureau	9,200	16,500	12,100	12,100	0	0	0
Workers Compensation Fund	3,775	0	0	0	0	0	0
	99,800	166,000	89,355	87,455	0	0	0
Minor Equipment and Tools							
Environmental Services	1,000	0	0	0	0	0	0
Management & Finance	1,500	0	0	0	0	0	0
Office of Transportation	2,500	1,780	0	0	0	0	0
Parks Bureau	2,500	2,500	0	0	0	0	0
Parks Construction	3,200	0	0	0	0	0	0
Parks Trust	450	0	0	0	0	0	0
Police Bureau	0	15,384	0	0	0	0	0
Water Bureau	0	6,200	0	0	0	0	0
	11,150	25,864	0	0	0	0	0
Intra-Fund Service Reimbursement	0	0	4,722	25,000	0	0	0
Total Internal Revenues	4,915,394	5,436,950	5,339,215	5,490,158	5,706,744	5,706,744	5,706,744
Beginning Fund Balance	741,277	914,913	990,100	1,486,008	1,580,571	1,901,454	1,901,454
TOTAL RESOURCES	\$ 6,989,528	\$ 7,954,545	\$ 7,707,345	\$ 8,269,596	\$ 8,925,120	\$ 9,246,003	\$ 9,246,003
REQUIREMENTS							
Bureau Expenses							
Personal Services	1,574,354	1,580,637	1,753,216	1,658,464	1,871,076	1,871,076	1,871,076
External Materials and Services	3,244,613	3,571,416	3,554,256	3,371,890	4,070,715	4,070,715	4,070,715
Internal Materials and Services							
CityFleet Services	22,937	27,082	28,156	38,156	30,574	30,574	30,574
Communications Services	31,308	32,209	0	0	0	0	0
Facilities Services	181,676	219,737	204,498	186,500	215,160	215,160	215,160
Insurance	48,021	46,311	44,359	44,359	43,185	43,185	43,185
Technology Services Fund	102,730	98,714	168,888	166,800	202,804	202,804	202,804
Office of Management & Finance	159,556	180,049	174,223	174,223	110,424	110,424	110,424
Parking Facilities	7,200	7,300	7,920	7,440	7,920	7,920	7,920
Same Fund Services	0	0	4,722	25,000	0	0	0
	553,428	611,402	632,766	642,478	610,067	610,067	610,067
Capital Outlay	277,954	377,840	356,897	305,680	280,875	280,875	280,875
Total Bureau Expenses	5,650,349	6,141,295	6,297,135	5,978,512	6,832,733	6,832,733	6,832,733
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	918,773	0	1,606,993	1,927,876	1,931,302
Compensation Adjustment	0	0	88,397	0	82,104	82,104	82,104
	0	0	1,007,170	0	1,689,097	2,009,980	2,013,406
General Fund Overhead	408,436	189,302	281,163	281,163	263,542	263,542	263,542
Fund Cash Transfers							
Campaign Finance Fund	0	0	9,093	9,093	7,080	7,080	3,654
General Fund	0	49,301	0	0	0	0	0
Health Insurance	0	0	0	0	6,805	6,805	6,805

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Pension Debt Redemption Fund	0	0	99,374	0	125,863	125,863	125,863
	0	49,301	108,467	9,093	139,748	139,748	136,322
Debt Retirement							
Debt Req Net Issue Cost	15,830	88,639	0	99,374	0	0	0
	15,830	88,639	0	99,374	0	0	0
Ending Balance							
Unappropriated Ending Balance	914,913	1,486,008	13,410	1,901,454	0	0	0
	914,913	1,486,008	13,410	1,901,454	0	0	0
Total Fund Requirements	1,339,179	1,813,250	1,410,210	2,291,084	2,092,387	2,413,270	2,413,270
TOTAL REQUIREMENTS	\$ 6,989,528	\$ 7,954,545	\$ 7,707,345	\$ 8,269,596	\$ 8,925,120	\$ 9,246,003	\$ 9,246,003

FUND OVERVIEW

The Printing and Distribution (P&D) Services Operating 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 blueprints, 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 \$5.7 million in FY 2006-07. Revenues from non-City governmental agencies are projected at \$1.6 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, Business Operations

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Bond and Note Sales	41,152,187	45,689,003	114,159,261	113,801,362	148,250,000	148,250,000	148,250,000
Interest Earned	12,740	34,456	0	0	0	0	0
	<u>41,164,927</u>	<u>45,723,459</u>	<u>114,159,261</u>	<u>113,801,362</u>	<u>148,250,000</u>	<u>148,250,000</u>	<u>148,250,000</u>
Total External Revenues	41,164,927	45,723,459	114,159,261	113,801,362	148,250,000	148,250,000	148,250,000
Internal Revenues							
Beginning Fund Balance	375,534	335,978	0	357,899	0	0	0
TOTAL RESOURCES	\$ 41,540,461	\$ 46,059,437	\$ 114,159,261	\$ 114,159,261	\$ 148,250,000	\$ 148,250,000	\$ 148,250,000
REQUIREMENTS							
Bureau Expenses							
External Materials and Services							
	41,169,459	45,683,136	112,742,731	112,742,531	147,116,500	147,116,500	147,116,500
Internal Materials and Services							
Office of Management & Finance	29,458	0	0	0	0	0	0
	<u>29,458</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Bureau Expenses	41,198,917	45,683,136	112,742,731	112,742,531	147,116,500	147,116,500	147,116,500
Fund Requirements							
Fund Cash Transfers							
Airport Way Debt Service	0	0	25,000	25,000	0	0	0
Bond Debt Interest & Sinking Fnd	0	11,913	0	0	0	0	0
Governmental Bond Redemption	540	0	0	0	0	0	0
Interstate Corridor Debt Service	0	6,489	0	0	0	0	0
Special Projects Debt Redemption	5,026	0	0	0	0	0	0
	<u>5,566</u>	<u>18,402</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Debt Retirement							
Debt Issuance Costs	0	0	1,391,530	1,391,730	1,133,500	1,133,500	1,133,500
	<u>0</u>	<u>0</u>	<u>1,391,530</u>	<u>1,391,730</u>	<u>1,133,500</u>	<u>1,133,500</u>	<u>1,133,500</u>
Ending Balance							
Unappropriated Ending Balance	335,978	357,899	0	0	0	0	0
	<u>335,978</u>	<u>357,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Requirements	341,544	376,301	1,416,530	1,416,730	1,133,500	1,133,500	1,133,500
TOTAL REQUIREMENTS	\$ 41,540,461	\$ 46,059,437	\$ 114,159,261	\$ 114,159,261	\$ 148,250,000	\$ 148,250,000	\$ 148,250,000

FUND OVERVIEW

The Special Finance and Resource Fund primarily serves 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 the Portland Development Commission (PDC). PDC is responsible for managing and expending the proceeds. In accordance with Oregon Revised Statutes, a debt service fund has been set up for each of the City's urban renewal areas. The servicing of the urban renewal debt that flows through this fund occurs in the various tax increment debt service funds.

In addition to urban renewal bonds, this fund also serves as the staging area for other City issued bonds when necessary. None is planned for this budget cycle.

Managing Agency

Office of Management and Finance, Financial Services

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Bond and Note Sales	0	32,686,221	0	0	0	0	0
Interest Earned	14,815	13,412	0	0	0	0	0
Other Miscellaneous	4,669,893	5,148,293	5,311,093	5,309,177	5,512,263	5,512,263	5,512,263
	4,684,708	37,847,926	5,311,093	5,309,177	5,512,263	5,512,263	5,512,263
Total External Revenues	4,684,708	37,847,926	5,311,093	5,309,177	5,512,263	5,512,263	5,512,263
Internal Revenues							
Other Cash Transfers							
Special Revenue and Finance	5,026	0	0	0	0	0	0
	5,026	0	0	0	0	0	0
Total Internal Revenues	5,026	0	0	0	0	0	0
Beginning Fund Balance	1,506,192	543,533	0	1,916	0	0	0
TOTAL RESOURCES	\$ 6,195,926	\$ 38,391,459	\$ 5,311,093	\$ 5,311,093	\$ 5,512,263	\$ 5,512,263	\$ 5,512,263
REQUIREMENTS							
Bureau Expenses							
Fund Requirements							
Debt Retirement							
Debt Req Net Issue Cost	5,652,393	38,389,543	5,311,093	5,311,093	5,512,263	5,512,263	5,512,263
	5,652,393	38,389,543	5,311,093	5,311,093	5,512,263	5,512,263	5,512,263
Ending Balance							
Unappropriated Ending Balance	543,533	1,916	0	0	0	0	0
	543,533	1,916	0	0	0	0	0
Total Fund Requirements	6,195,926	38,391,459	5,311,093	5,311,093	5,512,263	5,512,263	5,512,263
TOTAL REQUIREMENTS	\$ 6,195,926	\$ 38,391,459	\$ 5,311,093	\$ 5,311,093	\$ 5,512,263	\$ 5,512,263	\$ 5,512,263

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).

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.

Managing Agency Office of Management and Finance, Financial Services

Special Projects Debt Service Fund – 314

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Revenue Bonds, 2001 Series A						
02/01/2001 - Due 6/1	81,940,000					
		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	79,820,000		75,728,938	155,548,938
Limited Tax Revenue Bonds, 2001 Series B						
02/13/2001 - Due 6/1	18,058,888					
		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
Limited Tax Revenue Bonds, 2001 Series C						
05/01/2001 - Due 6/1	2,100,000					
		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

Debt Redemption Schedule

Special Projects Debt Service Fund
 Legislative, Administrative, and Support Service Area

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
		2016/17	130,000	5.10%	37,840	167,840
		2017/18	140,000	5.15%	31,210	171,210
		2018/19	150,000	5.20%	24,000	174,000
		2019/20	150,000	5.20%	16,200	166,200
		2020/21	160,000	5.25%	8,400	168,400
		TOTAL	1,740,000		780,510	2,520,510
COMBINED DEBT SERVICE	102,098,888					
		2006/07	1,350,000		4,162,263	5,512,263
		2007/08	1,650,000		4,089,053	5,739,053
		2008/09	1,960,000		3,999,383	5,959,383
		2009/10	1,629,780		4,572,793	6,202,573
		2010/11	1,609,440		4,628,083	6,237,523
		2011/12	1,665,734		4,764,189	6,429,923
		2012/13	1,808,250		4,953,473	6,761,723
		2013/14	1,853,112		5,157,831	7,010,943
		2014/15	1,940,530		5,321,023	7,261,553
		2015/16	2,006,940		5,651,613	7,658,553
		2016/17	2,349,000		6,010,553	8,359,553
		2017/18	2,335,720		6,083,703	8,419,423
		2018/19	2,599,480		6,145,233	8,744,713
		2019/20	2,897,480		6,184,433	9,081,913
		2020/21	3,901,250		5,538,363	9,439,613
		2021/22	4,282,172		5,098,540	9,380,713
		2022/23	6,640,000		3,251,713	9,891,713
		2023/24	6,970,000		2,919,713	9,889,713
		2024/25	7,320,000		2,571,213	9,891,213
		2025/26	7,700,000		2,196,063	9,896,063
		2026/27	8,090,000		1,801,438	9,891,438
		2027/28	8,510,000		1,386,825	9,896,825
		2028/29	9,040,000		950,688	9,990,688
		2029/30	9,510,000		487,388	9,997,388
TOTAL FUND DEBT SERVICE			\$ 99,618,888		\$ 97,925,559	\$ 197,544,448

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Service Charges and Fees							
Miscellaneous	0	0	3,581,140	3,634,674	3,496,041	3,496,041	3,496,041
Rents and Reimbursements	0	0	89,680	89,680	68,826	68,826	68,826
	0	0	3,670,820	3,724,354	3,564,867	3,564,867	3,564,867
Local Sources							
Local Cost Sharing	233,253	198,097	206,768	202,650	420,679	420,679	420,679
	233,253	198,097	206,768	202,650	420,679	420,679	420,679
Miscellaneous Revenues							
Bond and Note Sales	0	0	2,164,430	0	4,913,416	7,038,076	6,851,205
Interest Earned	57,997	116,324	200,000	585,000	500,000	500,000	500,000
Other Miscellaneous	21,001	92,282	30,000	31,050	30,000	30,000	30,000
Refunds	0	0	0	9,971	0	0	0
Sale of Capital Assets	0	11,550	0	0	0	0	0
Sales Miscellaneous	0	0	2,000	153,417	2,000	2,000	2,000
	78,998	220,156	2,396,430	779,438	5,445,416	7,570,076	7,383,205
Total External Revenues	312,251	418,253	6,274,018	4,706,442	9,430,962	11,555,622	11,368,751
Internal Revenues							
Other Cash Transfers							
General Fund	618,616	1,086,145	868,957	868,957	952,197	952,197	852,961
Transportation Operating Fund	500,000	0	0	0	0	0	0
	1,118,616	1,086,145	868,957	868,957	952,197	952,197	852,961
Federal Grants Transfers							
	0	0	0	206,526	0	0	0
Interfund Service Reimbursements							
Assessment Collection	0	0	268	268	270	270	270
City Attorney	109,452	86,738	166,519	160,078	186,590	186,590	186,590
City Auditor	264,442	241,927	317,793	398,954	471,735	471,735	471,735
BES Internal Services	559	101	23,708	28,320	11,038	11,038	11,038
BES Laboratory Services	0	981	14,003	12,653	32,332	32,332	32,332
BES Modeling Services	0	0	4,499	6,617	4,605	4,605	4,605
BFRES Facilities Bond Const Fund	0	0	274,774	47,824	87,325	87,325	87,325
Bureau of Licenses	407,837	362,871	382,170	618,638	0	0	0
Business License Surcharge	0	0	439	439	441	441	441
Cable	12,063	23,000	14,791	67,452	14,541	14,541	14,541
Cable Communications	8,559	8,010	15,439	20,219	16,223	16,223	16,223
Children's Investment Fund	0	8,256	12,113	22,519	11,725	11,725	11,725
CityFleet Services	92,589	102,123	168,986	184,378	190,995	190,995	190,995
Commissioner of Public Affairs	13,693	24,720	27,857	27,803	28,602	28,602	28,602
Commissioner of Public Safety	11,509	13,095	23,004	23,586	25,657	25,657	25,657
Commissioner of Public Utilities	13,276	24,803	25,574	67,445	40,064	40,064	40,064
Commissioner of Public Works	14,166	19,719	27,320	26,821	28,563	28,563	28,563
Communications Services	215,183	138,814	0	0	0	0	0
Convention and Tourism	0	0	1,435	1,435	1,443	1,443	1,443
Development Services	955,003	1,010,823	1,761,878	2,253,537	2,128,987	2,128,987	2,113,728
Emergency Communications	1,327,350	1,601,380	2,260,966	2,065,506	2,656,019	2,656,019	2,656,019

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Emergency Management	65,533	56,659	130,535	126,849	279,630	279,630	279,630
Environmental Remediation	0	0	744	744	748	748	748
Environmental Services	1,730,007	1,645,317	2,995,297	3,048,176	3,262,182	3,262,182	3,262,182
Facilities Services Fund	136,212	107,583	617,705	513,939	533,123	533,123	533,123
Fire Bureau	1,121,130	1,056,285	2,148,540	2,671,203	2,352,583	2,352,583	2,352,583
FPD&R	11,232	39,373	54,604	73,655	67,896	67,896	67,896
Golf Fund	10,173	9,634	39,248	35,878	38,870	38,870	38,870
Government Relations	14,443	19,406	38,150	45,110	47,799	47,799	47,799
Health Insurance	386,325	212,528	280,055	215,134	254,886	254,886	254,886
Housing & Community Development	120,651	165,463	157,929	169,510	129,312	129,312	129,312
Hydroelectric Power Op Fund	2,519	2,538	12,610	13,401	17,325	17,325	17,325
Insurance & Claims	14,959	84,095	107,685	101,338	119,759	119,759	119,759
LID Construction Fund	0	0	11,368	11,368	11,433	11,433	11,433
Management & Finance	3,433,855	2,883,005	3,020,925	2,986,721	3,295,665	3,303,165	3,303,165
Mayor	41,658	39,781	76,827	137,357	83,291	83,291	83,291
Neighborhood Involvement	137,720	144,701	269,088	258,162	177,238	177,238	192,497
Sustainable Development	43,157	41,009	65,542	81,250	74,312	74,312	74,312
Office of Transportation	2,662,301	2,943,182	4,340,223	4,779,998	4,412,929	4,622,929	4,622,929
OMF - Revenue Bureau	0	381,863	2,800,222	2,236,036	3,792,226	3,792,226	3,792,226
Parking Facilities Fund	234	664	34,079	34,462	35,736	35,736	35,736
Parks Bureau	708,571	736,523	1,369,989	1,626,482	1,549,848	1,549,848	1,549,848
Parks Capital Const & Maint Fund	972	8,044	31,336	32,714	30,770	30,770	30,770
Parks Local Option Levy	0	0	6,411	6,411	6,448	6,448	6,448
Planning Bureau	179,275	149,389	220,925	218,113	346,768	346,768	346,768
Police Bureau	2,209,665	2,475,907	6,607,641	6,432,277	7,451,935	7,451,935	7,451,935
Portland International Raceway	5,729	7,019	20,808	18,844	24,562	24,562	24,562
Portland Parks Memorial Trust	174	1,229	443	28,193	21,254	21,254	21,254
Printing & Distribution	102,730	98,714	168,888	179,238	202,804	202,804	202,804
Public Safety Fund	0	0	269	411,078	96,370	96,370	96,370
Solid Waste Management Fund	24,818	22,803	53,172	64,754	56,664	56,664	56,664
Spectator Facilities	0	0	8,549	8,549	8,598	8,598	8,598
Utility Billing System	99,370	167,004	159,930	658,735	84,019	84,019	89,443
Water Bureau	1,904,052	1,892,471	3,840,514	4,157,630	4,050,141	4,203,541	4,203,541
Workers' Compensation Fund	16,991	84,607	108,583	104,744	119,295	119,295	119,295
	18,630,137	19,144,157	35,322,370	37,522,545	38,973,574	39,344,474	39,349,898
Equipment Cash Transfers							
Emergency Communications	0	0	13,417	13,417	0	0	0
OMF - Revenue Bureau	0	0	600,000	233,325	0	0	0
OMF Citywide Projects	0	225,000	0	0	0	0	0
Police Bureau	0	0	29,086	29,086	0	0	0
Public Safety Fund	0	0	450,000	195,000	0	0	0
Water Bureau	0	0	0	6,500	0	0	0
	0	225,000	1,092,503	477,328	0	0	0
Minor Equipment and Tools							
Fire Bureau	0	0	96,500	96,500	0	0	0
Office of Transportation	0	0	0	4,300	0	0	0
Police Bureau	0	0	3,518	72,398	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Public Safety Fund	0	0	0	44,417	0	0	0
Water Bureau	0	0	0	3,500	35,000	0	0
	0	0	100,018	221,115	35,000	0	0
Intra-Fund Service Reimbursement	0	0	533,476	533,476	0	0	0
Total Internal Revenues	19,748,753	20,455,302	37,917,324	39,829,947	39,960,771	40,296,671	40,202,859
Beginning Fund Balance	4,987,040	5,845,574	18,807,534	18,913,168	13,869,198	17,934,026	17,934,026
TOTAL RESOURCES	\$ 25,048,044	\$ 26,719,129	\$ 62,998,876	\$ 63,449,557	\$ 63,260,931	\$ 69,786,319	\$ 69,505,636
REQUIREMENTS							
Bureau Expenses							
Personal Services	11,782,205	12,692,146	18,921,209	19,241,613	20,610,538	20,610,538	20,610,538
External Materials and Services	3,863,980	4,125,299	14,059,633	14,323,809	13,205,735	13,541,635	13,959,922
Internal Materials and Services							
CityFleet Services	9,746	13,923	86,255	84,939	102,917	102,917	102,917
Communications Services	211,012	250,004	0	0	0	0	0
Facilities Services	486,544	557,807	1,103,783	1,088,762	1,876,421	1,876,421	1,876,421
Insurance	46,498	174,707	203,529	203,529	236,311	236,311	236,311
Printing & Distribution	10,401	10,577	18,906	18,444	17,543	17,543	17,543
Cable Communications	0	0	10,000	10,000	10,000	10,000	10,000
Environmental Services	0	0	21,000	21,000	21,979	21,979	21,979
Fire Bureau	0	10,014	10,354	10,354	10,837	10,837	10,837
Office of Management & Finance	499,210	558,914	919,447	919,447	811,486	811,486	811,486
Parking Facilities	0	0	3,960	3,960	3,960	3,960	3,960
Police Bureau	0	16,237	19,385	19,385	17,576	17,576	17,576
Special Appropriations	35,503	1,351	41,855	41,855	23,556	23,556	23,556
Transportation	117,429	153,457	160,574	160,574	191,885	191,885	191,885
Utility Billing System	0	320,862	4,330,430	2,166,000	7,471,205	9,204,076	9,017,205
Water Bureau	0	8,397	32,076	32,076	34,331	34,331	34,331
Same Fund Services	0	0	533,476	533,476	0	0	0
	1,416,343	2,076,250	7,495,030	5,313,801	10,830,007	12,562,878	12,376,007
Capital Outlay	466,609	262,113	5,137,421	3,118,500	1,256,000	1,256,000	1,256,000
Equipment Cash Transfers							
CityFleet Services	0	0	34,000	34,000	0	0	0
Printing & Distribution	0	8,600	0	1,400	0	0	0
	0	8,600	34,000	35,400	0	0	0
Total Bureau Expenses	17,529,137	19,164,408	45,647,293	42,033,123	45,902,280	47,971,051	48,202,467
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	3,652,939	0	12,940,277	17,396,894	16,906,683
Prior Years Encumbered	0	0	841,667	0	0	0	0
Compensation Adjustment	0	0	864,285	0	1,115,949	1,115,949	1,115,949
	0	0	5,358,891	0	14,056,226	18,512,843	18,022,632
General Fund Overhead	503,097	408,228	844,595	844,595	1,221,575	1,221,575	1,221,575
Fund Cash Transfers							
Campaign Finance Fund	0	0	41,615	41,615	45,229	45,229	23,341

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
General Fund	0	39,814	324,567	324,567	13,000	13,000	13,000
Health Insurance	0	0	0	0	23,189	23,189	23,189
Pension Debt Redemption Fund	0	0	348,526	0	441,429	441,429	441,429
Transportation Operating	0	306,527	0	0	0	0	0
Water Fund	0	0	26,392	26,392	0	0	0
	0	346,341	741,100	392,574	522,847	522,847	500,959
Debt Retirement							
Debt Req Net Issue Cost	1,170,236	1,691,302	1,896,713	2,245,239	1,558,003	1,558,003	1,558,003
	1,170,236	1,691,302	1,896,713	2,245,239	1,558,003	1,558,003	1,558,003
Ending Balance							
Unappropriated Ending Balance	5,845,574	5,108,850	0	9,423,742	0	0	0
Unexpendable Reserve	0	0	8,510,284	8,510,284	0	0	0
	5,845,574	5,108,850	8,510,284	17,934,026	0	0	0
Total Fund Requirements	7,518,907	7,554,721	17,351,583	21,416,434	17,358,651	21,815,268	21,303,169
TOTAL REQUIREMENTS	\$ 25,048,044	\$ 26,719,129	\$ 62,998,876	\$ 63,449,557	\$ 63,260,931	\$ 69,786,319	\$ 69,505,636

FUND OVERVIEW

The Technology Services Fund provides technology support through its nine primary programs: Strategic Support, Operations, Strategic Technology, Telecommunications, 800 MHz Operations, Engineering, Customer Service, Information Security, and Radio Shop 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 and outside agencies. Purchase of new capital equipment for use by other bureaus is supported through cash transfers. The fund also receives resources from the General Fund in support of the Corporate Geographic Information Systems and the 800 MHz System.

On June 30, 2005, the Communications Services Operating Fund was consolidated into the Technology Services Fund, adding \$13.8 million to beginning balance.

Managing Agency

Office of Management and Finance, Technology Services

CHANGES FROM PRIOR YEAR

Technology Services has a number of high priority capital improvement projects to complete that will deplete the fund's Technology Reserve in FY 2006-07. The fund will be absorbing the application staff from the Cayenta (new utility billing system) project and will assume responsibility for system maintenance and technical staff to work with Cayenta on enhancements.

Technology Services Fund – 711

Debt Redemption Schedule

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Limited Tax Revenue Bonds, 2002 Series A (Communication's Portion Only)						
04/01/2002 - Due 2/1	7,795,000					
		2006/07	875,000	4.25%	276,013	1,151,013
		2007/08	935,000	4.25%	238,825	1,173,825
		2008/09	870,000	4.50%	199,088	1,069,088
		2009/10	940,000	4.50%	159,938	1,099,938
		2010/11	1,010,000	4.50%	117,638	1,127,638
		2011/12	1,080,000	4.50%	72,188	1,152,188
		2012/13	510,000	4.63%	23,588	533,588
		TOTAL	6,220,000		1,087,275	7,307,275
Limited Tax Revenue Refunding Bonds, 2003 Series A (Communication's Portion Only)						
01/15/2003 - Due 4/1	2,635,000					
		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
		TOTAL	1,930,000		293,825	2,223,825
Limited Tax Revenue Refunding Bonds, 2004 Series A (Communication Portion Only)						
06/01/1996 - Due 6/1	624,000					
		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
		TOTAL	532,000		99,330	631,330
COMBINED DEBT SERVICE						
	11,054,000					
		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
TOTAL FUND DEBT SERVICE			\$ 8,682,000		\$ 1,480,430	\$ 10,162,430

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
RESOURCES							
External Revenues							
Miscellaneous Revenues							
Interest Earned	158,189	301,827	263,470	469,350	659,090	659,090	659,090
Other Miscellaneous	193,900	215,461	115,329	305,200	102,903	102,903	102,903
	352,089	517,288	378,799	774,550	761,993	761,993	761,993
Total External Revenues	352,089	517,288	378,799	774,550	761,993	761,993	761,993
Internal Revenues							
Interfund Service Reimbursements							
City Attorney	32,913	57,181	62,947	62,947	61,002	61,002	61,002
City Auditor	34,089	62,592	66,369	66,369	61,006	61,006	61,006
Bureau of Licenses	36,208	39,103	54,872	54,872	0	0	0
Cable	4,356	5,684	6,431	6,431	5,019	5,019	5,019
Cable Communications	2,904	3,789	4,287	4,287	5,019	5,019	5,019
Children's Investment Fund	0	0	0	0	3,797	3,797	3,797
CityFleet Services	166,437	86,411	97,058	97,058	81,337	81,337	81,337
Commissioner of Public Affairs	6,286	9,188	12,611	12,611	7,546	7,546	7,546
Commissioner of Public Safety	7,192	4,002	9,242	9,242	8,902	8,902	8,902
Commissioner of Public Utilities	6,892	7,808	7,999	7,999	8,403	8,403	8,403
Commissioner of Public Works	7,276	8,250	8,712	8,712	8,189	8,189	8,189
Communications Services	39,762	50,125	0	0	0	0	0
Development Services	183,231	348,207	400,863	400,863	432,469	432,469	432,469
Emergency Communications	137,960	137,296	110,153	110,153	110,127	110,127	110,127
Emergency Management	0	8,688	7,096	7,096	10,441	10,441	10,441
Environmental Services	295,486	284,603	281,446	281,446	254,424	254,424	254,424
Facilities Services Fund	38,316	39,622	40,825	40,825	41,394	41,394	41,394
Fire Bureau	359,904	194,468	144,134	144,134	179,114	179,114	179,114
Golf Fund	47,184	45,929	42,884	42,884	39,823	39,823	39,823
Government Relations	5,661	7,134	7,646	7,646	6,856	6,856	6,856
Health Insurance	2,550	3,919	85	85	1,759	1,759	1,759
Housing & Community Development	17,336	27,826	28,317	28,317	29,133	29,133	29,133
Hydroelectric Power Op Fund	3,223	3,207	3,352	3,352	3,255	3,255	3,255
Insurance & Claims	3,624	5,225	149	149	10,131	10,131	10,131
Management & Finance	78,068	110,205	63,931	63,931	100,261	100,261	100,261
Mayor	13,020	16,717	16,894	16,894	22,120	22,120	22,120
Neighborhood Involvement	48,198	43,759	60,308	60,308	41,027	41,027	41,027
Sustainable Development	10,569	8,294	8,666	8,666	9,147	9,147	9,147
Office of Transportation	820,794	1,035,465	1,015,853	1,015,853	945,167	945,167	945,167
OMF - Revenue Bureau	0	47,908	141,516	141,516	138,575	138,575	138,575
Parks Bureau	518,837	538,194	667,964	667,964	671,164	671,164	671,164
Planning Bureau	34,908	58,527	69,881	69,881	60,821	60,821	60,821
Police Bureau	327,129	404,304	646,031	646,031	644,994	644,994	644,994
Portland International Raceway	5,786	7,935	8,132	8,132	8,318	8,318	8,318
Printing & Distribution	22,419	24,802	24,732	24,732	22,652	22,652	22,652
Solid Waste Management Fund	6,340	8,294	8,668	8,668	9,147	9,147	9,147
Technology Services Fund	19,387	86,331	111,248	111,248	119,687	119,687	119,687
Utility Billing System	0	0	27,250	27,250	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Water Bureau	449,034	528,988	477,535	477,535	461,212	461,212	461,212
	3,793,279	4,359,980	4,746,087	4,746,087	4,623,438	4,623,438	4,623,438
Intra-Fund Service Reimbursement	0	0	154	154	0	0	0
Total Internal Revenues	3,793,279	4,359,980	4,746,241	4,746,241	4,623,438	4,623,438	4,623,438
Beginning Fund Balance	13,155,985	13,219,685	13,399,846	14,169,028	15,224,407	15,920,003	15,920,003
TOTAL RESOURCES	\$ 17,301,353	\$ 18,096,953	\$ 18,524,886	\$ 19,689,819	\$ 20,609,838	\$ 21,305,434	\$ 21,305,434
REQUIREMENTS							
Bureau Expenses							
Personal Services	700,102	894,328	892,767	840,387	875,919	875,919	875,919
External Materials and Services	2,500,623	2,342,216	2,972,253	2,200,000	2,844,367	2,844,367	2,844,367
Internal Materials and Services							
CityFleet Services	766	1,487	1,092	0	208	208	208
Communications Services	11,566	13,841	0	0	0	0	0
Facilities Services	45,635	65,995	75,984	69,000	74,810	74,810	74,810
Insurance	5,068	6,121	269	269	9,406	9,406	9,406
Printing & Distribution	11,156	13,401	18,940	18,000	16,568	16,568	16,568
Technology Services Fund	16,991	84,606	108,583	102,000	119,295	119,295	119,295
City Attorney	270,100	296,877	230,896	230,896	180,530	180,530	180,530
Office of Management & Finance	307,294	81,191	86,918	86,918	53,157	53,157	53,157
Parking Facilities	3,600	3,650	3,960	4,650	4,950	4,950	4,950
Same Fund Services	0	0	154	154	0	0	0
	672,176	567,169	526,796	511,887	458,924	458,924	458,924
Capital Outlay	0	0	10,000	0	5,000	5,000	5,000
Equipment Cash Transfers							
Printing & Distribution	3,775	0	0	0	0	0	0
	3,775	0	0	0	0	0	0
Total Bureau Expenses	3,876,676	3,803,713	4,401,816	3,552,274	4,184,210	4,184,210	4,184,210
Fund Requirements							
General Operating Contingency							
General Operating Contingency	0	0	56,328	0	16,148,320	16,843,916	16,846,390
Compensation Adjustment	0	0	43,261	0	41,368	41,368	41,368
	0	0	99,589	0	16,189,688	16,885,284	16,887,758
General Fund Overhead	196,833	81,294	158,614	158,614	164,962	164,962	164,962
Fund Cash Transfers							
Campaign Finance Fund	0	0	7,708	7,708	5,112	5,112	2,638
General Fund	0	5,758	0	0	0	0	0
Health Insurance	0	0	0	0	993	993	993
Pension Debt Redemption Fund	0	0	51,220	0	64,873	64,873	64,873
	0	5,758	58,928	7,708	70,978	70,978	68,504
Debt Retirement							
Debt Req Net Issue Cost	8,159	37,160	0	51,220	0	0	0
	8,159	37,160	0	51,220	0	0	0

	Actual FY 2003–04	Actual FY 2004–05	Revised FY 2005–06	Yr End Est. FY 2005–06	Proposed FY 2006–07	Approved FY 2006–07	Adopted FY 2006–07
Ending Balance							
Unappropriated Ending Balance	13,219,685	14,169,028	13,805,939	15,920,003	0	0	0
Unexpendable Reserve	0	0	0	0	0	0	0
	13,219,685	14,169,028	13,805,939	15,920,003	0	0	0
Total Fund Requirements	13,424,677	14,293,240	14,123,070	16,137,545	16,425,628	17,121,224	17,121,224
TOTAL REQUIREMENTS	\$ 17,301,353	\$ 18,096,953	\$ 18,524,886	\$ 19,689,819	\$ 20,609,838	\$ 21,305,434	\$ 21,305,434

FUND OVERVIEW

The Workers' Compensation Operating Fund supports the City's self-insured Workers' Compensation program, including claims administration and Citywide loss prevention and occupational health activities aimed at minimizing occupational injury and illness from work-related infectious diseases.

Budgeted fund expenditures are primarily driven by actuarial claims projections.

Fund expenditures are primarily for claims payments, which are budgeted at \$1,858,000 for FY 2006-07. Projected claims are based upon an independent actuarial study for the period ending June 30, 2005. Interagency agreements for Workers' Compensation are decreasing by 2.6% in FY 2006-07 over FY 2005-06.

The reserve requirement assumed in the FY 2006-07 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 \$16,665,000, based on a discounted confidence level of 75%.

Managing Agency

Office of Management and Finance, Business Operations



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Office of Management & Finance

Current 5-Year Financial Forecast

General Fund-City Of Portland

As Of... 26-Jun-2006 Previous Forecast..... 13-Mar-2006

Adopted Budget Forecast Shows Very Small Year 5th GAP -- Adopted Budget Balanced Without Cuts

Item	March 13th Forecast	Adopted Budget	Difference vs. March 13th
Council Discretionary			
Available FY2006-07..	\$327,800,992	\$333,900,490	\$6,099,498
Requirements:			
Capital Set-Aside.....	\$1,915,000	\$1,260,000	(\$655,000)
Council Set-Asides.....	\$28,837,308	\$34,830,217	\$5,992,909
One-Time Budgets.....	\$260,639	\$22,384,664	\$22,124,025
Bureaus & Programs...	\$276,364,171	\$275,425,609	(\$938,562)
CAL Requirements....	\$307,377,118	\$333,900,490	\$26,523,373
Resources Less CAL	\$20,423,874	\$0	(\$20,423,874)
Programs FY06-07.....	(\$2,500,000)	\$0	\$2,500,000
Available One-Time...	\$22,923,874	\$0	(\$22,923,874)
Programs FY07-08.....	(\$2,500,000)	\$0	\$2,500,000
Available One-Time...	\$11,192,673	\$8,253,738	(\$2,938,935)

Adopted Budget Balanced On Bureau CAL Requirements

- ◆ Council's Adopted Budget balances the General Fund at bureau current appropriation levels of \$275.4 million. This was made possible by a revised health benefits cost forecast that unexpectedly reduced the the FY2006-07 increase in health benefits costs. Expected out-year health benefits costs increases are also lower. This allows the General Fund to balance on current service levels and ends five consecutive years of budget cutting. Council's Adopted Budget allocates about \$22.2 million of one-time funds with about \$10 million earmarked for Portland's K-12 schools.
- ◆ This forecast now shows that the out-year gaps between resources and requirements have faded away because of better revenue growth due to local area economic expansion and lower health benefits cost increases. There remains a small fifth year gap of about \$2.9 million (0.8% of forecast CAL). Given this small difference, OMF believes that the General Fund is balanced for the life of the five-year forecast.

Current Outlook

Regional, State Economies Continue To Expand

Both the state and region grew briskly throughout calendar 2005 and into the first quarter of calendar 2006. The U.S. economy, although slowed by rising energy prices and two devastating hurricanes, continues on a growth path that creates jobs at a pretty fair clip, lowering unemployment rates. Both Oregon and the regional economy have surpassed the previous cycle's employment peaks and entered and expansion phase. Cyclical revenues will continue to follow suit.

Health Benefits Costs

This five-year financial forecast is predicated on a revised health-care cost sharing assumption in which the City's share of health-care premium's is set at 95% for the life of the forecast. The City's health benefits consultant also revised projected healthcare cost increases downward significantly when compared to previous forecasts. These lower increase estimates helped to significantly improve financial forecast out-year CAL requirements.

Some Key Forecast Assumptions	M50 Assess. Value \$1000....	\$38,175,070	State Cigarette & Liquor Tax Revenues To City.....	\$10,199,408	
	FY2006-07 M50 Tax Base.....	\$174,727,297		CPI-W Increase (2nd Half '04 To 2nd Half '05, for COLAs)....	2.8%
	M50 Compression Loss.....	(\$5,591,274)		Measure 50 FPD&R Levy.....	\$86,550,496
	Est. Tax Base Imposed.....	\$169,136,024		Beginning General Fund FY2006-07 Balance.....	\$19,314,473
	Delinquency/Discount(%)....	-5.5%		Estimated Urban Renewal Divide-The-Taxes (11 Districts)..	\$61,863,490
	Delinquency/Discount (\$)....	(\$9,217,913)		Current Forecast: FY2006-07 to FY2010-11	
	FY07 Tax Base Revenues....	\$159,918,111			
	County M50 Levy.....	\$199,662,829			
	Library-Local Option.....	\$34,706,782			
	Total-County Levies.....	\$234,369,611			

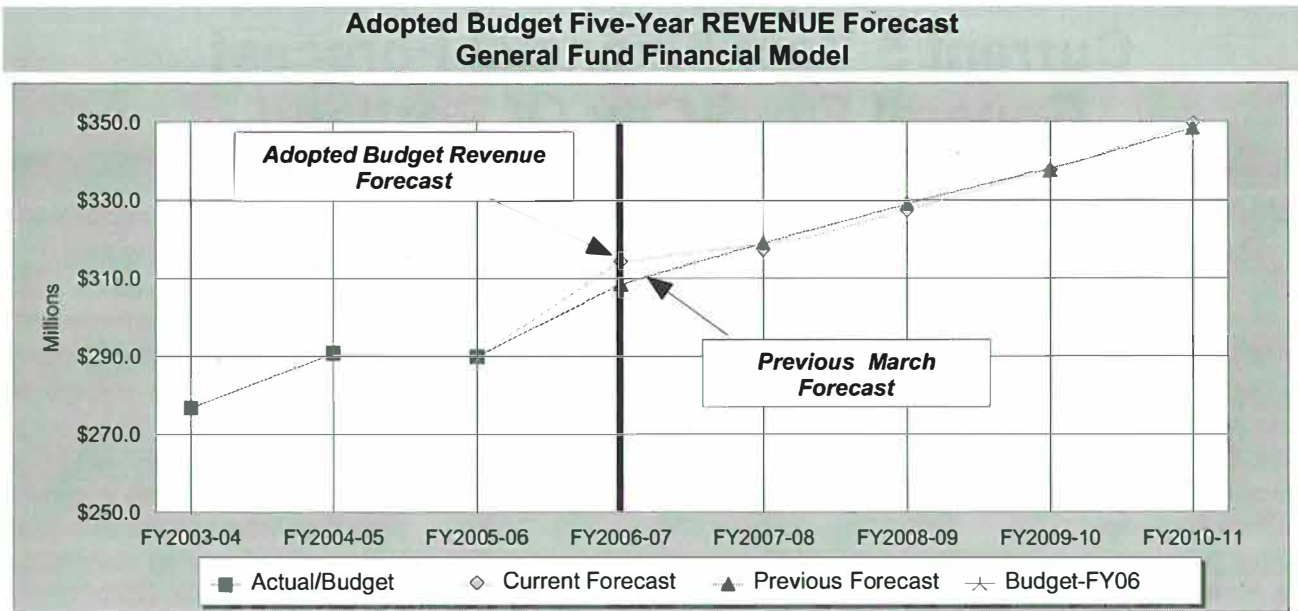


Figure 1-Current General Fund 5-Year Revenue Forecast

A key forecast assumption is a national economy that continues to expand at moderate rates, as well as a growing regional economy. The metro area's economy is finally surpassing previous peak employment levels and appears to have entered the expansion phase of this cycle for the coming months.

Figure 1 summarizes the 5-year revenue forecast off of the FY2005-06 base. Revenue growth remains critically dependent on assessed value growth. Revenue growth is forecast to average 3.4 percent over the next five years reflecting improved regional economic performance over the next couple of years. This means that cyclical revenues, transient lodging taxes and business license revenues, will grow at higher rates consistent with an expanding economy.

Adopted Budget FY2006-07 General Fund current allocation level (CAL) costs are \$275.4 million, versus March's \$276.4 million forecast. Budgeted CAL targets are essentially unchanged compared to last March. CAL targets incorporate about \$5.2 million of expected FY2006-07 "95/5" health benefits cost increases directly into bureau CAL targets. Similarly, about \$1.2 million of PERS cost increases are included in bureau targets. Increased labor contract costs for both for Police and Fire added another \$4.5 million

to CAL targets last December with about \$2.2 million of this increase resulting from a "true-up" of actual experience with Police (sworn personnel) "95/5" health benefits cost sharing. Actual experience for this labor unit has come in well above initial cost estimates. Otherwise, the forecast is based on an expected 2.8 percent COLA that reflects Bureau of Labor Statistics published Portland CPI-W data.

Estimated Current Allocation Level Forecast	
Assumptions	FY2006-07
FY2006-07 Bureau CAL Targets	
Spring CAL Targets Forecast..	\$276,364,171
Adopted Budget CAL Targets..	\$275,425,609
Difference In CAL Forecasts.....	(\$938,562)
General Inflation Rates.....	
GDP Price Deflator.....	2.8%
CPI-W% (Dec.'04-Dec.'05).....	2.8%
Benefits CAP Escalation.(*).....	5.8%
Producer Price Index.....	2.3%
CPI-Energy.....	2.5%
External M&S.....	
General-Overall.....	2.7%
Energy-Electricity.....	4.0%
Energy-Gas.....	18.0%
Sewer.....	8.9%
Water.....	4.0%
Utilities-Overall.....	8.3%
Internal M&S.....	
General-Overall.....	2.7%
Risk/Workers' Comp.....	3.2%
Wage & Salary % Increase.....	
Public Safety.....	2.8%
All Other.....	2.8%

(*) Not applicable to sworn Police personnel.

Forecast Council Set-Asides		
Forecast FY2006-07		
Set-Aside Item	March	Budget
Compensation.....	\$4,559,943	\$4,559,943
ESA Planning(*).....	\$369,342	\$0
Street Light O&M.....	\$4,867,727	\$4,876,282
Gen. Fund Contingency	\$3,200,000	\$4,804,805
Unforeseen & Inventory	\$2,000,000	\$2,000,000
Subtotal-Contingency	\$5,200,000	\$6,804,805
Capital Set-Aside.....	\$1,915,000	\$1,260,000
Transfer To PDOT.....	\$0	\$715,000
ESA Set-Aside/BES.....	\$341,900	\$345,488
Voter Owned Elections	\$447,526	\$280,368
City Hall Debt Service..	\$2,420,700	\$2,420,700
POBS Debt Service.....	\$7,307,031	\$7,307,031
Other Debt Service.....	\$1,665,000	\$1,665,000
Healthcare to "95/5"(*)..	\$0	\$0
City Hall Maint. Reserve	\$294,310	\$294,310
Housing Trust Fund.....	\$495,622	\$928,122
Park-CAL/Maint.....	\$448,622	\$795,204
Environ. Remediation...	\$0	\$500,000
Trans. General Reserve	\$0	\$0
Unused Line.....	\$0	\$0
Transfer Hous. Invest...	\$0	\$2,400,000
Miscellaneous Transfer	\$419,586	\$937,961
Adopted Budget Council Set-Asides.....	\$30,752,308	\$36,090,214
Difference versus Previous Forecast	\$5,337,906	

(*) Moved into bureau CAL targets.

COUNCIL set-asides, FY2006-07, as found in Council's Adopted Budget are as summarized in the table to the right:

- The compensation set-aside remains at \$4.6 million, down \$1.6 million compared with the original December estimate. It includes wage and salary increases. Estimated FY2006-07 healthcare cost increases are included in bureau CAL targets. The "comp" set-aside was estimated using the actual December to December CPI-W (Portland-Salem) 2.8 percent increase.

- The capital set-aside (net of related debt service requirements) is set at \$1.3 million net of \$1 million for equipment included in Fire's CAL target. Capital related "Other Debt Service" totals about \$1.67 million for FY2006-07 and now includes \$757,000 of debt service on new affordable housing projects.

- Council's Adopted Budget includes \$500,000 of "seed money" for environmental remediation efforts.

- The transfer to the Housing Trust Fund is increased from \$495,622 (last March) to an Adopted Budget amount of \$928,122. In addition, Council's Adopted Budget includes a new \$2.4 million one-time housing related set-aside.

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

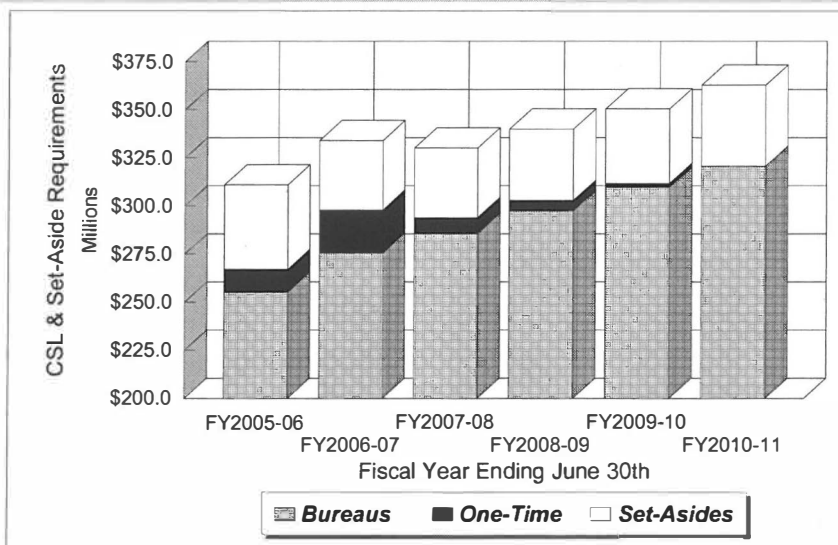


Figure 2-Current Service Level (CAL) Requirements

Other set-asides in Council's current financial plan are Pension Obligation Bond debt service costs of about \$7.31 million as estimated by Debt Management.

This financial forecast includes a contingency totaling \$4.8 million. This amount is composed of a general contingency of \$1.4 million with \$1.6 million earmark-for Police. The rest of the contingency is earmarked for various other projects.

Set-asides are up net by about \$5.4 million in this forecast. This results, for the most part, from a \$2.4 million one-time housing related transfer and the \$1.6 million increase in contingency.

The table below combines the FY2006-07 resource forecast with Adopted Budget CAL targets

Sources & Uses of Funds: FY2006-07		
Item	Budget	FY2006-07
	FY2005-06	Budget
FUND Revenues.....	\$289,930,293	\$314,586,017
Beginning Balance.....	\$21,005,245	\$19,314,473
FUND RESOURCES	\$310,935,538	\$333,900,490
Less: Council Set-Aside	(\$42,171,887)	(\$34,830,217)
Less: Capital Set-Aside	(\$1,789,327)	(\$1,260,000)
EQUALS: AVAILABLE	0	0
BUREAUS-PROGRAM	\$266,974,329	\$297,810,273
Reaquired Bureaus CAL	\$266,974,329	\$297,810,273
GAP/DIFFERENCE.....	\$0	\$0
AVAILABLE On-Going FY2006-07.....		\$0
New One-Time...FY2006-07.....		\$0

for FY2006-07. Adopted Budget discretionary resources total \$333.9 million. Deducting set-asides of \$36.1 million leaves \$297.8 million against Adopted Budget bureau CAL targets and one-time budgets of about \$297.8 million. Council's Adopted Budget is balanced without the need for further on-going reductions. In addition, OMF now estimates that the discretionary side of the General Fund is balanced for this five-year financial planning period, given crucial cost escalation assumptions for healthcare costs. The forecast anticipates no CAL reductions will be required for the FY2007-08 budget process and projects about \$8.5 million one-time available, FY2007-08.

The out-years of the financial forecast continue to improve so that large out-year deficits are gone, and replaced with a relatively small (less than 1 percent) deficit forecast for only FY2010-11. Increased resources and lower personal services costs have combined to improve the financial outlook:

- The previous March forecast showed that balancing the General Fund required \$2.5 million in CAL reductions in each of the next two budget cycles. The current forecast shows that out-year gaps are mostly gone, with only an estimated year five gap of \$2.9 million (see page 7).
- OMF believes that Council's Adopted Budget decisions balance the General Fund for the life of this five-year forecast. No CAL reductions are anticipated at this time for the FY2007-08 budget cycle.

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

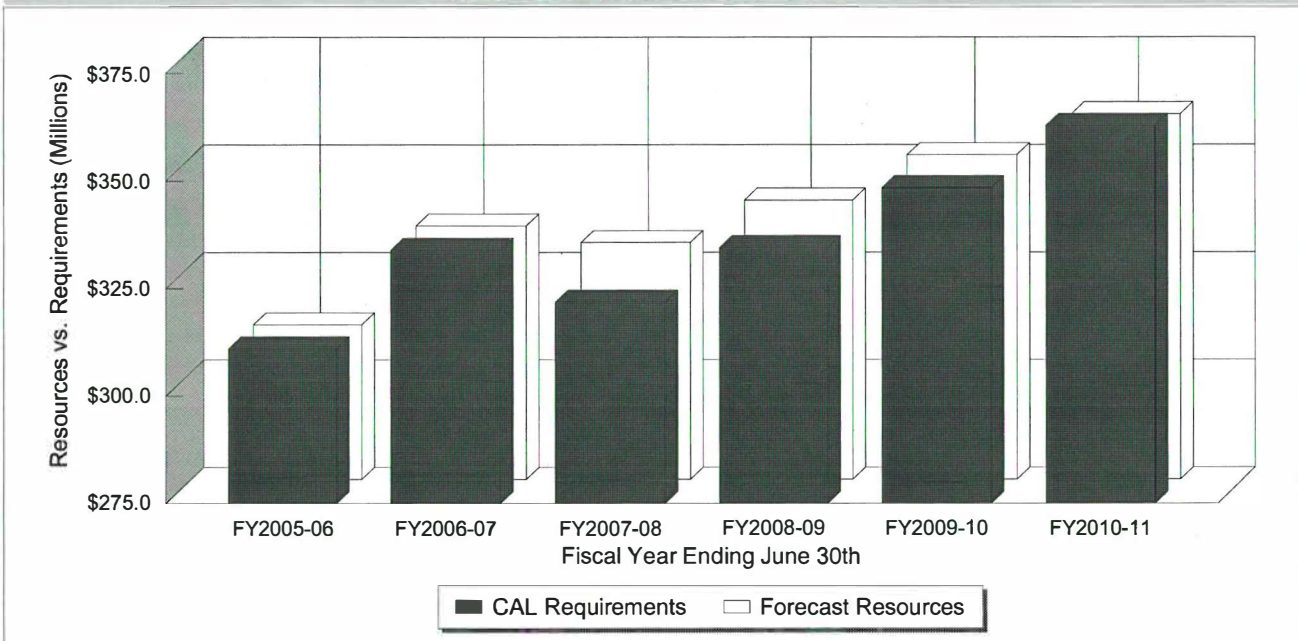


Figure 3-Financial Forecast Resources Compared To Requirements

2-YEAR FINANCIAL FORECAST RESOURCES & REQUIREMENTS DETAIL

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

- Resources total \$663.958 million for two-years ending FY2007-08.
- Requirements are currently estimated at \$655.705 million over two-years with one-time available to Council for FY2007-08.
- The General Fund is balanced for the life of the forecast with an estimated \$8.3 million available one-time FY2007-08.

Item-Category	Resources & Requirements Summary Next Two Years			
	Budget FY2005-06	Budget FY2006-07	Forecast FY2007-08	Two-Year Total Total
Resources	\$310,935,538	\$333,900,490	\$330,058,428	\$663,958,918
Less: Assumed Set-Asides				
TANS Interest Expense.....	\$0	\$0	\$0	\$0
Compensation Set-Aside.....	\$6,670,526	\$4,559,943	\$7,933,628	\$12,493,571
Other Set-Asides				
Contingency.....	\$3,759,326	\$4,804,805	\$3,200,000	\$8,004,805
Unforeseen Reimbursable.....	\$2,000,000	\$2,000,000	\$2,000,000	\$4,000,000
Subtotal-Contingency.....	\$5,759,326	\$6,804,805	\$5,200,000	\$12,004,805
Capital Set-Aside.....	\$1,789,327	\$1,260,000	\$1,915,000	\$3,175,000
PERS Debt Service.....	\$6,033,880	\$7,307,031	\$8,486,412	\$15,793,443
Other General Fund Debt Service.....	\$1,962,949	\$1,665,000	\$1,664,625	\$3,329,625
City Hall/Precincts-Debt Service.....	\$1,624,240	\$2,420,700	\$2,419,250	\$4,839,950
Street Light O&M Transfer.....	\$4,664,552	\$4,876,282	\$5,103,456	\$9,979,738
Transfer To General Reserve.....	\$5,568,149	\$0	\$589,936	\$589,936
ESA Set-Aside (BES).....	\$352,056	\$345,488	\$355,205	\$700,693
1900 Building Offset.....	\$475,000	\$0	\$0	\$0
PERS Increase.....	\$1,159,580	\$0	\$0	\$0
City Hall Maintenance Reserve.....	\$294,310	\$294,310	\$294,310	\$588,620
ESA ('06)/ PDOT Transfer ('07).....	\$359,349	\$715,000	\$0	\$715,000
Voter Elections.....	\$447,526	\$280,368	\$280,368	\$560,736
City PFFA Contract Set-Aside	\$1,868,638	\$0	\$0	\$0
Housing Transfer.....	\$0	\$2,400,000	\$0	\$2,400,000
Housing Trust Fund.....	\$2,482,122	\$928,122	\$954,226	\$1,882,348
Parks On-Going Maintenance.....	\$436,484	\$795,204	\$461,240	\$1,256,443
Public Safety Fund.....	\$17,500	\$0	\$0	\$0
Parks ('06)/Env. Remediation ('07).....	\$1,478,743	\$500,000	\$0	\$500,000
BIT & Miscellaneous Transfers.....	\$516,957	\$937,961	\$533,569	\$1,471,530
Subtotal, Assumed Set-Asides.....	\$43,961,214	\$36,090,214	\$36,191,224	\$72,281,438
Bureau Requirements & One-Time.....	\$266,974,325	\$297,810,281	\$285,613,467	\$583,423,748
Total Requirements.....	\$310,935,538	\$333,900,490	\$321,804,691	\$655,705,186
Resources less Requirements				
Equals Excess(+)/CAL Gap(-).....	\$0	\$0	\$8,253,737	
on going Program Reductions.....	\$0	\$0	\$0	\$0
Available One-Time.....	\$0	\$0	\$8,253,738	\$8,253,738

FY2006-07 Through FY2010-11 Financial Plan Summary

The five-year financial forecast shows that the General Fund faces a small resources-requirements gap of about \$2.9 million in the last year of the forecast, FY2010-11. Resources are sufficient to fund existing service levels through to FY2009-10. In FY2009-10 a small positive gap exists and is currently estimated at \$2.1 million. This works out to minuscule percentage of FY2009-10 resources and/or bureau requirements. The deficit in the fifth year of this forecast is estimated at only \$2.9 million which is less than 1 percent of FY2010-11 resources and well within the expected accuracy of out-year forecasts. A growing economy and lower than personal services related cost increases have significantly reduced the gap.

Item	Budget	Forecast	Financial Forecast Out-Years		
	2007	2008	2009	2010	2011
Resources.....	\$333,900,490	\$330,058,428	\$339,862,782	\$350,426,786	\$359,868,531
Requirements.....					
Bureau Requirements.....	\$275,425,612	\$285,613,467	\$297,443,692	\$309,638,804	\$320,637,809
One-Time Budgets.....	\$22,384,664	\$0	\$0	\$0	\$0
Council Set-Asides.....	\$36,090,214	\$36,191,224	\$37,002,804	\$38,746,783	\$42,170,891
GAP-Surplus(Deficit)...	\$0	\$8,253,737	\$5,416,286	\$2,041,199	(\$2,940,170)

Out-Year Detail Of Adopted Budget & 5-Year Financial Plan

The financial forecast shows that the General Fund's Adopted Budget is balanced in the current budget cycle without significant CAL reductions for FY2006-07. Council's Adopted Budget and five-year financial plan stabilizes the General Fund at bureau current appropriation levels (CAL) over the life of this five-year forecast horizon: Council's Adopted Budget balances the General Fund for the life of the forecast. Resource estimates, particularly business licenses, will show further improvement next fall. In the next cycle, and next budget process Council will likely have both on-going and one-time money available for allocation in fashioning a budget for FY2007-08 and a financial plan for the five-year period ending FY2011-12.

Item	Budget	Forecast	Financial Plan Out-Years		
	2007	2008	2009	2010	2011
Total Resources.....	\$332,855,923	\$330,058,428	\$339,862,782	\$350,426,786	\$359,868,531
Transfer In From General Reserve.....	\$1,044,567	\$0	\$0	\$0	\$2,940,170
Bureaus & Programs.....	\$275,425,612	\$285,613,467	\$297,443,692	\$309,638,804	\$320,637,809
Capital Set-Aside.....	\$1,260,000	\$1,915,000	\$1,915,000	\$1,915,000	\$1,915,000
Est. CAL Reduction.....	\$0	\$0	\$0	\$0	\$0
Planned One-Time.....	\$22,384,664	\$0	\$0	\$0	\$0
New One-Time.....	\$0	\$8,253,738	\$5,416,286	\$2,041,199	\$0
Pension Bonds P&I.....	\$7,307,031	\$8,486,412	\$8,820,200	\$9,167,761	\$9,514,697
Council Set-Asides.....	\$27,523,183	\$25,789,812	\$26,267,604	\$27,664,023	\$30,741,194
Total Requirements	\$333,900,490	\$330,058,429	\$339,862,782	\$350,426,786	\$362,808,701
Difference	\$0	(\$1)	\$0	\$0	(\$0)
Reserve Fund As A Percent Net Revenues	10.6%	11.9%	12.1%	12.4%	11.9%

Risks To The Financial Forecast

This forecast assumes continued national economic expansion as well as continued local recovery. There are several uncertainties that could adversely affect this forecast:

- The long term effect of the Shilo-Inn rule on property tax compression is not known.
- Hurricanes Katrina and Rita and the related problem of steep energy cost increases could easily pitch the national economy back into recession if higher oil prices persist.
- Failure of voters to reauthorize the Parks local option levy would probably pressure Council to "backfill" Parks' revenues loss, upsetting the forecast beginning FY2008-09.
- Geopolitical uncertainties and problems could easily start the next recession.

Forecast FY2006-07 resources are up net \$9.9 million compared to the March forecast done prior to the Mayor's Proposed Budget. Revenues are up 3.0% (\$9.0 million). This is due in large part to a \$5 million one-time transfer from the LID Fund. In addition, a small \$1,047,000 transfer of General Fund reserves has been budgeted for FY2006-07. Adjustments to the revenue forecast since last March total about \$2.9 million net. Transient lodging tax revenues are now well above their pre-911 or recession peak level of about \$11.1 million and the FY2006-07 revenue estimate is increased \$0.67 million to \$13.5 million. The business

license revenue estimate is up about \$1.7 million. Both of these increases result from a regional economy that continues to expand and has entered the expansion phase of the business cycle.

Interest income estimates continue to benefit from the continuing rise in interest rates engineered by "The Fed."

Utility license and fran-

chise fees are unchanged. The only new data is Pacific's recent rate filing with the Oregon PUC for a large 12% to 13% revenue increase. The outcome of this rate case will probably be resolved next fiscal year.

A key revenue forecast assumption is a "Measure 50" General Fund tax base levy of \$174.7 million. This is not different from December or March. The forecast calls for 2.95% assessed value growth on taxable assessed values. About 0.25% of this growth is the result of expected new construction. Assessed value growth under Measure 50 continues to fall below the "advertised" 3 percent minimum. Taxable assessed value growth has averaged about 2.4% over the past four years. This puts property tax revenue growth well below the region's average inflation rate and lowers the General Fund's overall potential revenue growth rate making it more difficult to fund current service levels.

The FPD&R levy is now set at \$86.6 million. This is down \$2.6 million compared to December and unchanged from FPD&R's FY2005-06 certified levy. The lower compression assumption used in this forecast of 3.2% reflects the expected impact of a "flat" FPD&R levy that is well below historical norms and continued strong real market values growth.

Revenue Forecast RECAP-First Year Adopted Budget, FY2006-07			
General Fund Revenue Category	March Forecast	Adopted Budget	Difference
Property Taxes.....	\$163,948,095	\$164,437,521	\$489,427
Transient Lodgings.....	\$12,833,539	\$13,502,206	\$668,666
Business Licenses.....	\$51,104,490	\$52,830,754	\$1,726,264
Utility License/Franchise.....	\$59,162,137	\$59,143,137	(\$19,000)
State Revenues.....	\$10,323,038	\$10,199,408	(\$123,630)
Interest Income.....	\$2,598,141	\$2,784,196	\$186,055
Transfers IN.....	\$756,252	\$6,867,960	\$6,111,708
Miscellaneous.....	\$4,820,836	\$4,820,836	\$0
Revenue Forecast.....	\$305,546,528	\$314,586,017	\$9,039,489
Beginning FUND Balance.....	\$18,451,146	\$19,314,473	\$863,326
Forecast Resources.....	\$323,997,674	\$333,900,490	\$9,902,816
% Change In Revenues.....		2.96%	
% Change In Resources.....		3.06%	

Revenue Forecast ASSUMPTIONS	
Revenue Category	FY2006-07
CITY Property Tax Levies.....	
Measure 50 Taxbase Levy.....	\$174,727,297
Local Option & UR Collections	\$107,106,034
Measure 50 FPD&R Levy.....	\$86,550,496
City Local Government Total...	\$368,383,827
MULTNOMAH County Levies	
Measure 50 Levy Authority.....	\$199,662,829
Local Option Levy (Library).....	\$34,706,782
Mult. County Levy Total.....	\$234,369,611
M50 Assessed Value Growth....	2.95%
Percent of FY2004-05 Levies	
Not Received First Year.....	-5.45%
Measure 50 Compression.....	-3.20%
Est. Portland Population.....	561,307
GDP Growth (Economy.Com)...	0.9%
Revenue Sharing (State).....	\$10,199,408

THE BOTTOM LINE: The forecast shows that General Fund resources are improved over March. Increased resources along with a lower CPI-W/Cola increase that is a full 1 percentage point lower than assumed last December combine to improve the General Fund's financial outlook in this forecast. This forecast shows only a relatively small deficit in the last year of the forecast. OMF believes Council's Adopted Budget balances the General Fund for the life of this forecast.

BUREAU OF DEVELOPMENT SERVICES

Five-Year Financial Plan: Executive Summary

This five-year financial plan is for fiscal years 2006-07 through 2010-11.

FINANCIAL FORECAST

- ◆ Construction is one of the most volatile sectors of the economy, and it is difficult to project revenue.
- ◆ The Oregon Office of Economic Analysis predicts that the state economy will be stable, but there will be a slowdown in residential construction.
- ◆ Portland's Office of Management and Finance projects inflationary rates will vary between 2.1% and 3.8% through FY 2010-11.
- ◆ Large projects, such as the South Waterfront project, will continue to bring in more work and higher revenues in the next several years.
- ◆ Costs will grow at a slightly faster rate than revenues (without accounting for fee increases), at about 3% per year.

FINANCIAL ISSUES

- ◆ Reserves in the Building/Mechanical program will be transferred to Electrical and Facilities Permit programs to bring their cumulative deficits to zero.
- ◆ A new development services fee, implemented in FY 2005-06, has stabilized the funding for the Land Use Services program.
- ◆ Health care costs are unknown at this time, but recommended estimates are negatively impacting cost recovery in all programs.

PROGRAM SUMMARY

Construction Programs (Building/Mechanical, Electrical, Plumbing, Facilities Permit)

- ◆ Revenues from commercial construction are expected to decrease only slightly in FY 2006-07.
- ◆ Revenues from residential construction are expected to decrease by 5% in FY 2006-07.
- ◆ Reserves in the Building/Mechanical program are adequate.
- ◆ Annual fee increases are recommended in the Electrical and Facilities Permit programs to cover inflationary cost increases and meet reserve goals.

Land Use Services (LUS)

- ◆ Costs are artificially low in FY 2005-06, due to positions being vacant.
- ◆ A new development services fee and increased construction activity have resolved the program's financial crisis.

Other Local Programs (Site Development, Environmental Soils, Signs, Zoning, and Noise Control)

- ◆ These programs are dependent upon fees and have no General Fund support, except for Noise Control.
- ◆ General Fund resources from the Land Use Services program are being transferred to the Noise Control program to cover administrative overhead costs.
- ◆ The Sign code and A-board program need review in 2006.
- ◆ The Environmental Soils program continues to carry a negative reserve.

BUREAU OF ENVIRONMENTAL SERVICES

Five-Year Financial Plan: Executive Summary

The bureau's five-year financial plan for FY 2006-07 through FY 2010-11 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 table at the end of this summary shows forecast expenses, interfund 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 \$73.4 million. Debt service on outstanding and planned revenue bonds accounts for approximately 55% of this growth.

- ◆ Annual system costs decline by \$57.6 million over the five-year forecast interval. This reflects lower CIP expenditures in FY 2010-11, as Combined Sewer Overflow (CSO) control facilities near completion.
- ◆ CIP expenditures increase by \$131.9 million over the forecast interval. Cash transfers from the Operating Fund to the Construction Fund increase by \$28.1 million over the forecast interval.
- ◆ Costs other than CIP and cash transfers to the Construction Fund increase by \$46.1 million over the forecast interval. \$40.6 million, or 88% of the increase, is new debt service on proposed revenue bonds to be sold to finance capital construction activity. The financial forecast includes \$443.8 million in additional bonded indebtedness over the five-year forecast interval. Bond sales are planned in FY 2007-08 and FY 2009-10.
- ◆ Total operations and maintenance expenditures increase by \$13.5 million over the interval, an average annual increase of 3.7%.
- ◆ Utility license fees, which are capped until they reach 5% of revenues, remain constant at \$12.8 million over the forecast interval.
- ◆ CIP expenditures total \$769.9 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 (\$63.8 million over the five-year forecast interval) made necessary by coverage requirements on sewer system revenue bonds.

CIP expenditures occur in five programmatic areas:

- ◆ CSO projects account for the largest portion, at \$626.0 million over the interval. Major projects include the westside tunnel and pump station (to be completed in FY 2006-07), CSO-related improvements at the Columbia Boulevard Treatment Plant, the eastside tunnel, and the Portsmouth force main.
- ◆ Maintenance and Reliability expenditures are forecast at \$78.4 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 \$16.8 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 \$32.7 million over the interval. Major projects during that time include outfall line repair, pump station improvements, and construction of cogeneration facilities.
- ◆ Surface Water Management expenditures are forecast at \$15.8 million over the interval. Major projects include flood mitigation, sump restoration, and construction of water quality facilities.

SYSTEM RESOURCES

Annual revenue requirements from rates increase by \$56.5 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 6.1% over the next five years (see *Revenue Requirement from Rates* table at the end of this Executive Summary). 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 (balance not a revenue) increase by \$25.1 million over the five-year forecast interval. This is due primarily to an increase in transfers from the Rate Stabilization Fund, which grow to \$22.3 million in FY 2010-11.
- ◆ Reimbursements from the Construction Fund to the Operating Fund decrease by \$131.0 million over the forecast interval. This decrease reflects declining expenditures for CSO control facilities as that program nears completion.
- ◆ System development charge revenues are forecast to increase by \$1.7 million over the forecast interval, reflecting an assumption of modest regional economic growth.
- ◆ Annual revenue requirements from rates must increase by \$56.5 million from the current year's forecast rate revenues to FY 2010-11, an average increase of 6.1%.

RISKS TO THE FORECAST

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

Portland Harbor Sediments

Costs associated with the City's share of the Portland Harbor Superfund site are unknown. The City cannot at this time predict the financial impact on the sewer system, but the costs are potentially significant.

Willamette Basin TMDLs

Costs associated with implementation of 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.

Fanno Basin Infiltration and Inflow

Costs of either reducing infiltration and inflow from the Fanno Basin or expanding wet weather treatment capacity at the Tryon Creek treatment facility for Fanno Basin flows 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.

ADDENDUM: CHANGES SUBSEQUENT TO THE FIVE-YEAR PLAN

- ◆ Several changes subsequent to the completion of the five-year plan had impacts on expenditures, and therefore on the rate forecast:
- ◆ The bureau proposed cut packages totaling approximately \$1 million.
- ◆ Sewer system revenue bonds totaling approximately \$270 million were issued in late May. Extending the term on this debt, issuing one-third of the bonds as second-lien debt (with correspondingly lower debt service coverage requirements), and lower than previously forecast interest rates combined to produce significant savings in debt service over previously forecast levels.
- ◆ Capital maintenance was increased by \$1.5 million for each of the next five years.
- ◆ A \$2.4 million add package of strategic system investments including a sewer lining crew, additional biosolids hauling, Columbia Slough sediment investigation, and additional investments in green street projects was approved.

These changes allowed a reduction in forecast rate increases from 6.1% to 5.6%.

Revenue Requirement from Rates
(In Thousands of Dollars)

	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
<u>O&M and CIP Expenses</u>					
Personal Services	\$33,303	\$34,938	\$36,615	\$37,985	\$39,572
Materials & Services – External	17,216	18,529	19,314	20,129	21,099
Materials & Services – Internal	35,025	35,490	36,515	38,193	38,350
Capital Outlay (non-CIP)	1,373	1,338	1,526	1,395	1,426
CIP	210,375	160,176	177,712	143,061	78,522
Equipment Cash Transfers	26	26	27	27	28
Lease/Purchase Payments	54	54	54	85	0
Amortized Bond Interest/Disc.	311	4,301	261	3,214	255
Cash Transfers:					
General Fund Overhead	3,327	3,429	3,533	3,641	3,752
Utility License Fees	12,809	12,809	12,809	12,809	12,809
Rate Stabilization Fund	4,636	13,341	3,103	0	0
Sewer Revolving Loan Fund	0	0	0	0	0
Other Funds	6,942	7,227	3,065	3,185	3,306
Total O&M and CIP Expenses	\$325,142	\$292,498	\$295,120	\$262,922	\$194,988
Cash Transfers to Debt Redemption Fund:					
Existing Debt Service	64,405	65,088	65,095	65,090	72,857
Projected New Senior Debt Svc.	22,656	22,656	45,688	45,688	61,988
Existing/New Junior Debt Svc.	18,823	19,031	18,762	19,498	11,601
Cash Transfers to Construction Fund:					
Cash Contributed towards CIP	5,900	88	12,213	11,626	34,029
Annual System Costs	\$437,181	\$398,521	\$436,292	\$405,627	\$379,594
<u>Less: Other System Resources</u>					
Reimbursement from Constr. Fund	\$217,275	\$167,278	\$185,022	\$150,586	\$86,268
Systems Development Charges	6,655	7,054	7,482	7,942	8,335
Wholesale Sewer Contracts	3,224	3,336	3,453	3,574	3,699
Other Service Charges	693	715	737	760	784
Service Reimbursements	1,286	1,326	1,368	1,410	1,454
Rate Stabilization Fund Transfer	6,147	2,049	11,500	200	22,300
Other Cash Transfers	0	0	0	0	0
Product Sales	168	174	179	185	190
Rents	144	148	153	158	163
Licenses and Permits	670	691	713	735	758
Interest on Investments	1,094	774	864	881	1,072
Miscellaneous	3,796	3,914	4,037	4,163	4,293
Over/(Under) Collected on Rates	(3,774)	(4,018)	(4,277)	(4,554)	(4,848)
Retro. Stormwater Discounts	(6,147)	(2,049)	0	0	0
Use/(Replenish) Fund Balance	7,313	5,654	(67)	(81)	(58)
Total Other Resources	\$238,544	\$187,047	\$211,162	\$165,959	\$124,415
Revenue Required from Rates	\$198,637	\$211,474	\$225,129	\$239,667	\$255,180

OFFICE OF MANAGEMENT AND FINANCE

Five-Year Financial Forecast: Executive Summary

The OMF internal service, enterprise, and health insurance funds, as well as the Revenue Bureau, face a number of significant issues and challenges over the course of the next few years. This five-year plan for FY 2006-07 through FY 2010-11 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

The internal service funds have reduced budgets through efficiencies and cuts for the past seven years. However, instead of directing that money toward critical areas in need of funding, primarily replacement and major maintenance, the internal service funds have used those savings to meet budget reduction targets.

The infrastructure assets in the Bureau of Technology Services (BTS) and Facilities Services funds are significantly underfunded for replacement and major maintenance. Facilities Services rental rates now collect only 1.5% of building replacement value each year for major maintenance; this is down from 2.2% and the industry standard of 3%. In BTS, few programs have a replacement and/or major maintenance component in their rates. For the 800 MHz system, the major maintenance portion is low (2% compared to an industry standard of 5%) and has had to be supplemented by General Fund capital set-aside money for the last several years.

The other funds also need large investments to make to remain competitive and meet the needs of their customers. Each time the funds send savings from budget reductions or efficiencies to customers, the ability of the funds to invest in their businesses and assets is reduced. In FY 2006-07, some of the funds began reinvesting some of the savings from efficiency packages instead of passing the savings on to customers.

Bureau of Technology Services

The most significant issue for the fund is the lack of a comprehensive replacement and major maintenance funding program. The 800 MHz system is a critical system that must be replaced in the next five years. The core system, including back-bone equipment and software, must be replaced because within that time Motorola, the system's vendor, will not continue to provide support to it. The technology is becoming obsolete as Motorola is focusing on digital systems; the underlying component chips are old, and it is an analog system. The estimated cost to replace the system is between \$30 million and \$50 million. BTS and several local counties are pursuing grants to replace the system with one that would be used by all local counties, with Portland as the prime site. Replacement will allow for increased interoperability between the City and neighboring counties and result in increased bandwidth, which is required given increased use of the system for data communications. Any plan to replace the system has to address the fact that debt on the old core system extends through FY 2012-13. The City has budgeted \$85,000 in FY 2006-07 to prepare a study on replacement of the system.

Just as the core system has to be replaced in the next five years, the devices that use the system have to be replaced. Some radios are being replaced in CY 2006 as part of the Nextel rebanding of the 800 MHz frequencies. The cost of replacing those radios that will not function in the rebanded scenario will be paid by Nextel; the final count of replaced radios will not be known until project completion. Device rates currently include a replacement rate, but this rate is not sufficient to fully fund all replacement needs if the system is replaced in five years. That insufficiency is due to two factors: the rates are at 45% of the level they should be (a conscious decision made by stakeholders to keep rates down), and the rates were based on the assumption that the devices would be replaced in FY 2012-13, when the system was originally planned to be replaced. If the devices were to be replaced in FY 2006-07, there would be a one-time funding gap of \$9 million. This is calculated based on a replacement cost of \$13.9 million less the \$4.9 million collected for replacement thus far. The \$4.9 million replacement money may be able to be used as a grant match.

Only two programs, the 800 MHz system and Geographic Information System (GIS), have replacement and/or major maintenance components in their rates. For example, the core switching equipment for the telephone network was debt funded without replacement funding in the rate structure.

There are three historical reasons for this issue. First, in the case of the 800 MHz radio system, too little money for these purposes was built into the initial rate model. Second, none of the rates ever had a replacement component, and the City does not use a depreciation accounting model to build replacement reserves. When BTS absorbed delivery of IT services previously delivered by bureaus, BTS received the specifically identified operations and maintenance funds used to provide the service. But, as most bureaus did not have replacement monies budgeted (the bureaus would fund the replacement out of one-time savings or delay replacement until catastrophic failure), no money was transferred to BTS to replace the equipment. Subsequently, no replacement funding reserve component has been allowed to be included in the rates due to the need to reduce costs to bureaus. Third, instead of reserving money saved through efficiencies for replacement/major maintenance, BTS has had to use those efficiencies to meet rate relief targets as required by the budget process.

Therefore, the only real source of funding available for many BTS projects is the fund's technology/capital reserve. This reserve was established to support projects in programs with no capital component in their rates. The reserve is funded through any net income from rates that the fund charges for its services. Net income can come from spending less than the budget or increasing the level of customers. However, the reserve is insufficient to fund all of the capital needs of the programs that do not have a capital component in their rates. After funding the replacement of the Council Crest tower in FY 2005-06, along with other immediate needs, the reserve is projected to have a balance of \$1.045 million at the beginning of FY 2006-07. BTS has identified needs of \$5.427 million from this reserve. In addition, BTS has identified the need for \$426,000 annually to fully fund the replacement of its storage area network, data network, core server, and email systems.

Another significant issue for the fund is the unfunded, one-time capital requirements related to two critical applications: Computer-Aided Dispatch (CAD) and Portland Police Data System (PPDS). The CAD system needs to be replaced at an estimated cost of \$6.4 million, based on a recent implementation of a similar system in Louisville. The PPDS application, which sits on the City's mainframe, will cost an estimated \$5 million to replace, based on a recent implementation of a similar system in Seattle. The replacement of PPDS is complicated by the fact that the Police Bureau pays a share of the costs of the mainframe on which it sits. The other significant mainframe application is IBIS, which will go out of service in FY 2007-08. If, by then, the Police Bureau has not replaced PPDS with an application that can run on less expensive core servers, the Police Bureau will be the only major user of the mainframe and will then have to bear 100% of its costs. Using FY 2006-07 rates as an example, the costs would increase from \$1.137 million for the Police Bureau to \$1.914 million. Working with the customer agencies, BOEC, and the Police Bureau, BTS has begun strategy evaluations for the replacement of these systems; funding for replacement is not identified in the Capital Improvement Plan.

CityFleet

After successfully implementing the recommendations of the focused review (including establishing an advisory board), developing relations with customers to better manage the fleet, and implementing a new rate model, CityFleet is turning its attention to a new set of improvements. A common practice in municipal fleets is to become certified by the Fleet Counselor Services, Inc.; this certification shows that the fleet is well managed because it meets benchmark criteria in a number of categories. CityFleet is embarking on a process to become certified. While there are a number of benchmark criteria to meet, the two that will require the most change in CityFleet operations are fleet utilization and preventive maintenance compliance.

Fleet utilization is the practice of making sure a fleet is right-sized. This is accomplished by establishing standards and reports and by monitoring all vehicles to make sure there aren't underutilized vehicles. Adequacy of back-up vehicles and those available for downtime also are analyzed. The City has never systematically done this type of review before, but fleet optimization may represent an area of potential savings for bureaus.

Because preventive maintenance services reduce break downs, minimize repair costs, and contribute to longer, more effective vehicle life, the City benefits from reliable, regular service. To encourage customers to bring in their vehicles for preventive maintenance services at the scheduled times, CityFleet has developed fixed preventive maintenance rates that will be billed whether or not the vehicle is delivered for preventive maintenance services.

Risk Management

The following are findings from the Insurance & Claims actuarial study for FY 2004-05 that form the basis of the FY 2007-11 plan.

- ◆ The fund is seeing several overall trends that are neutral for fleet liability and unfavorable for general liability.
 - ❖ *Fleet Liability*—While costs per claim are generally escalating over time, the number of claims generally has been declining over time. Further, cost per \$1,000 of payroll (or pure premiums) has been fairly stable. The City has done a good job of reducing the number of claims through programs like defensive driving, but when we do have claims, the cost per claim and severity of the accident have been increasing.
 - ❖ *General Liability*—Costs per claim have increased significantly as a result of adverse development on claims. While particularly evident for FY 2002-03 claims, it also has had an impact on most of the recent fiscal years. This adverse development translates into higher reserve requirements.
- ◆ Significant trends in this adverse development in general liability claims (both in terms of quantity and size) include:
 - ❖ An increase in claims against the Police Bureau related to use of force
 - ❖ An increase in claims by businesses against the City, questioning the way we do business, particularly in the area of franchise fees
 - ❖ An increase in employment claims, such as constructive discharge, wrongful termination, retaliation, etc.

These trends translate into higher reserve requirements and higher annual claims payments.

- ◆ The fund's reserve requirement at the discounted 60% confidence level was \$13,664,000 for FY 2005-06 and will be \$16,973,000 in FY 2010-11. Since the actual level of reserves is less than the reserve targets specified by the actuarial study, the deficit will be recovered over the five-year period through an increase in charges to customers. Therefore, rates for FY 2007-11 are projected to increase by 9.15% annually.

Findings from the Workers' Compensation actuarial study for FY 2004-05 that form the basis of the FY 2007-11 plan include:

- ◆ The fund is seeing several trends that are favorable overall. First, while ultimate costs per ultimate claim are generally escalating over time, the number of claims per current level payroll (or claim frequency) generally has been declining over time. Second, ultimate cost per \$1,000 of payroll (or pure premiums) appears to be leveling off and current-level payroll is relatively constant. These trends translate into lower reserve requirements and reduced annual claims payments.
- ◆ The fund's reserve requirement at the discounted 75% confidence level is \$11,988,000 for FY 2005-06 and will be \$16,904,000 in FY 2010-11. Since the actual level of reserves is greater than the reserve requirements specified by the actuarial study, this excess will be used over the five-year period to decrease charges to customers. Therefore, rates for FY 2007-11 are projected to decrease by 0.67% annually.
- ◆ This favorable trend is due to a focus on loss prevention, return-to-work programs, and good claims handling.

We are monitoring the discussions of potential changes with the Fire and Police Disability and Retirement Fund. These changes, if approved by the voters, could impact this financial plan.

Parking Facilities

The forecast for the fund's finances over the next five years shows that the fund will be able to provide sufficient net operating revenues to support the major maintenance program at 3% of replacement value per year, fund reserves at policy-specified levels, and fund the following system-wide obligations:

- ◆ Annual debt payments for the parking construction debt and for the downtown streetcar construction debt
- ◆ Annual operating transfer to PDOT at the current level
- ◆ Contribution to downtown marketing of \$100,000 year

This is the first year that the major maintenance program will be funded at the policy-specified target, 3% of replacement. Fund finances have improved based on revenue growth and cost cutting. Parking revenues have improved primarily due to increased usage of the Smart Park garages as a result of improved economic conditions in the downtown area.

Facilities Services

Last fall, the City Council approved an ordinance requiring bureaus to occupy available City-owned space rather than rent outside space. The intent is to fully use City facilities by occupying vacant space in City-owned buildings before any space is leased in privately owned buildings.

Presently, the 1900 Building has approximately 30,000 square feet of vacant space. For the short term, the cost of the vacant space in the 1900 Building is being absorbed by its major maintenance account. The account covered the net loss in FY 2003-04 and FY 2004-05. However, this cannot continue and the account would be drained by FY 2007-08 if the space were to remain vacant.

Facilities Services completed an overall space plan that addresses space issues in the Portland Building and the 1900 Building. This plan relocates the newly created Revenue Bureau to leased space, backfills the resulting vacant space, and moves bureaus currently leasing private space back into City-owned space. The FY 2006-07 capital budget includes the move and tenant improvement projects identified in the space plan. Some projects in the plan won't be completed until leases in private space expire in a few years and the EBS project is completed, freeing the project staff's space for use.

A significant Police Master Plan project that was included in the FY 2006-07 budget is the relocation of the Property Warehouse, which is the Police Bureau's greatest maintenance liability, the most costly to maintain, and is operationally inefficient because of the building's condition and space configuration. The project would move the warehouse from its present building, at SW 17th and Jefferson, to BES-owned Guilds Lake commercial property. Based on a recent appraisal, funds from selling the SW 17th and Jefferson site would cover the cost of the project. The Police Bureau's major maintenance account may be used as interim funding to cover the costs of the project until the site is sold. The Police Bureau major maintenance account has adequate funds to cover these costs on an interim basis. The project is part of the OMF FY 2007-11 CIP. The project is scheduled to be done in FY 2006-07 with occupancy in FY 2007-08. The project will require increasing the Police Bureau's ongoing operating budget by \$165,000 beginning in FY 2007-08 to cover the lease payments for the Guilds Lake site. Police will see many efficiencies from the move, but these won't necessarily translate into cash savings to offset the lease costs.

Spectator Facilities

In February 2004, Oregon Arena Corporation (OAC) filed bankruptcy, and its properties were taken over by OAC's secured creditors effective January 1, 2005. In the bankruptcy process, the obligation of OAC's successor to assume all City agreements, including the Memorial Coliseum Operating Agreement, was upheld. This aspect of the court order is being appealed by the creditor group and final resolution is expected within two years. In the meantime, the creditor group is obligated to operate and maintain Memorial Coliseum and cover any operating losses during the appeal process.

The City has conducted two studies and explored several reuse options for the Memorial Coliseum in the past two years. However, at this point, a viable reuse option has not been identified. The Memorial Coliseum continues to be operated by Portland Arena Management (PAM), and the City has no operating responsibilities or operating liability for the facility. The building is over 40 years old, and capital improvements are a City cost. The previous studies concluded that \$7 million to \$10 million in capital improvements are needed to continue to operate the facility as a spectator venue. This financial plan includes a program of reinvesting \$500,000 annually into the Memorial Coliseum to improve the appearance and reliability of the facility under the assumption that it will remain in its current use for the next several years.

In late 2005, the Pacific Coast League and the City entered into a new agreement for the operation of PGE Park. Over the five-year term of the agreement, the city expects to receive a total of about \$5.8 million in revenue. The new agreement runs through 2010 and may be extended until 2012. The agreement will allow Pacific Coast League to continue to manage PGE Park and provides for the Portland Beavers and Timbers to continue playing their home games at the park.

Health Insurance Fund

The Health Insurance Fund covers the medical and prescription drug plan claims and administrative costs for the self-insured CityCore program, which is the medical coverage for the majority of the City's employees, COBRA enrollees, and retirees (excluding the Portland Police Association [PPA]). The fund also covers the annual difference between the combination of City and employee contributions and the actual plan costs. This "cap gap" is paid from the fund's unrestricted reserves. (COBRA enrollees and retirees participate in the program on a self-pay basis.) The level of unrestricted reserves is estimated to be insufficient to continue the funding model through FY 2006-07. Negotiations with the city's bargaining units recently resulted in an agreement to split plan costs so the City pays 95% and the employees pay 5%. This will eliminate reliance on the fund's now depleted reserves. The fund also maintains a restricted reserve to cover the Incurred But Not Reported (IBNR) requirements, which is a standard for self-insured programs. The fund previously maintained a large claims reserve but now purchases stop loss insurance coverage to pay for claims over \$250,000.

While the City implemented major plan design changes in the early 2000s, costs continue to rise. A number of factors contribute to the increases, including the City's aging workforce and retiree enrollment. New wellness and disease management strategies are underway as efforts continue to moderate overall costs.

Portland Police Association (PPA) Health Insurance Fund

The PPA Health Insurance Fund covers the medical and prescription drug plan claims and administrative costs for the self-insured coverage for the Portland Police Association members, COBRA enrollees, and retirees. (COBRA enrollees and retirees participate in the program on a self-pay basis.) This fund was established in FY 2004-05 as the result of an interest arbitration that separated the PPA from the City Health Fund. Similar to the Health Fund, an IBNR is held for the program. The fund also purchases stop loss coverage to pay for claims over \$100,000. The City splits the costs for self-funded PPA by paying 95% of the total, with employees paying the 5% balance.

Revenue Bureau

The Revenue Bureau was created in FY 2005-06 by combining the functions of Utility Customer Services, Licenses, and the lien accounting part of the Auditor's Office. While not technically a fund, this appropriation unit within the General Fund is required to prepare a five-year financial plan. The budget for FY 2006-07 was prepared based on a reorganization of the above functions into a single bureau. The Revenue Bureau receives revenue from various sources, primarily interagency revenues (from the Water Bureau, BES, and the Auditor's Office for collection efforts related to their services) and Multnomah County local sources revenues (for collection efforts for Business Income Tax and Personal Income Tax programs). Other revenue sources are General Fund discretionary and regulatory program revenues. It is expected that the Revenue Bureau will experience efficiencies that result in ongoing savings of \$600,000

beginning in FY 2006-07 and an additional \$260,000 beginning in FY 2007-08. The ordinance approving implementation of the Revenue Bureau and supporting communications document the intended efficiencies. In addition, the Utilities Customer Services Division is expected to experience efficiencies as detailed in the Water Bureau and BES financial plans. The bureau also anticipates significant revenue shortfalls due to impending termination of income tax programs.

OFFICE OF NEIGHBORHOOD INVOLVEMENT— NEIGHBORHOOD INSPECTIONS TEAM

Five-Year Financial Plan: Executive Summary

PROGRAM FUNCTIONS

The Neighborhood Inspections program, also known as the Neighborhood Inspections Team (NIT), enforces Title 29, the section of City Code relating to property maintenance requirements. The two major service components of this program are housing inspections and nuisance abatement. Housing Inspections works to ensure safe housing for Portland's citizens through the enforcement of minimum standards in residential structures regarding basic equipment, facilities, sanitation, fire safety and maintenance requirements. The Nuisance Abatement program works to eliminate property nuisances such as trash and debris, overgrown lawn areas, garbage, storage of nontrash items, visibly-disabled vehicles, and illegal dumps. This five-year financial plan is for FY 2006-07 through FY 2010-11.

RESOURCE GAP

Historically, Neighborhood Inspections has been funded by a mix of General Fund, interagency, and program fee revenues. Each of these funding streams is in varying states of decline, as illustrated below.

When NIT was transferred from the Bureau of Development Services to the Office of Neighborhood Involvement (ONI) in the FY 2003-04 Adopted Budget, General Fund support was \$670,000. This funding was cut again in the FY 2004-05 budget process, leaving just \$277,588. That support rose in FY 2005-06 slightly to \$316,526 in the Adopted Budget.

The program's two major interagency funding sources have also scaled back support. In FY 1998-99, the Bureau of Housing and Community Development provided \$555,000 in support of a program of target area housing inspections and nuisance abatements. Since then, this funding has been gradually reduced and was ultimately eliminated starting FY 2004-05. Likewise, the Office of Sustainable Development provided an average of \$230,000 to support NIT garbage service inspections and nuisance abatements between FY 1998-99 and FY 2000-01, but this funding was reduced in FY 2005-06 to \$70,000.

Finally, the code enforcement fee revenue stream has returned to more historical levels after spiking in FY 2001-02 and FY 2002-03 and then declining between December 2003 and September 2004. Overall program revenues now seem to have normalized to about a \$1.5 million annual range under the current fee structure.

Under existing conditions, this financial plan forecasts a \$976,365 funding gap for the Neighborhood Inspections program between FY 2006-07 and FY 2010-11. The Neighborhood Inspections program has a reserve fund which exists to offset cyclical downturns in program revenues. The fund balance, however, is currently just over \$800,000. Under current projections the reserve would be exhausted by FY 2010-11.

While an enforcement policy shift may be credited with some of the reduced code enforcement fee revenues, the motivating factor for these changes was that prior enforcement practices were deemed to have been excessively punitive and inconsistently applied. Following an Ombudsman review in FY 2002-03, and after becoming part of Commissioner Randy Leonard's portfolio, Neighborhood Inspections focused its code enforcement practices increasingly on resolving housing and nuisance cases, and less so upon assessing code enforcement fees.

STRATEGIES TO CLOSE FUNDING GAP

The shortfall projected for the Neighborhood Inspections program will need to be addressed in the near future. In FY 2005-06, revenues are coming in at levels slightly above those budgeted, but contractor costs for abatement services are also higher than expected. The current budget includes a transfer of revenue from the NIT reserves of \$67,000. This was set aside mostly as an offset to lost resources from the Office of Sustainable Development and the low revenue forecast projected at the time of the FY 2005-06 budget development.

The Office of Neighborhood Involvement recommends that additional General Fund resources be allocated to this program to close the funding gap. In FY 2004-05, \$400,000 of General Fund resources were cut from the Neighborhood Inspections budget. This cut was made under an assumption that NIT could rely increasingly on code enforcement revenues and still maintain existing service levels. ONI recommended against this cut given that the bureau expected shrinking program revenues, and recent history has borne this expectation out.

ONI believes that requiring NIT to rely heavily on code enforcement revenue encourages excessively punitive enforcement. If General Fund resources cannot be leveraged to support these services the City will need to identify another permanent solution which incorporates new revenues, a reduction in service levels, or both. The Neighborhood Inspections cost of service study, prepared in December 2004 at the request of the City Council, addresses alternative strategies for closing this funding gap.

OFFICE OF SUSTAINABLE DEVELOPMENT— SOLID WASTE MANAGEMENT FUND

Five-Year Financial Plan: Executive Summary

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

The Solid Waste Management Fund FY 2007-11 Financial Plan includes the financial forecast for fiscal years 2006-07 through 2010-11.

FINANCIAL FORECAST

The fund balance on July 1, 2005 was \$4,213,470 and comprised of:

- ◆ \$2,289,624 from the Commercial program
- ◆ \$1,079,833 from the Residential program
- ◆ \$844,013 from combined sources

OSD projects a fund balance of over \$1.6 million in FY 2010-11 and has proposed to cover commercial program costs using commercial revenues and unrestricted Metro funds in the forecast.

FINANCIAL ISSUES

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

- ◆ Nuisance Abatement
- ◆ Public Trash Cans
- ◆ Residential Rates
- ◆ Green Building/Green Incentive Fund
- ◆ License Fees
- ◆ Food Composting
- ◆ Business Resource Conservation Center

Nuisance Abatement

An agreement was reached in 2003 that beginning in FY 2005-06, OSD no longer provides a fund transfer that is explicitly used to replace General Funds for nuisance abatement. Instead, OSD has an interagency agreement with ONI for up to \$70,000 annually. This allows for 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 Commercial program began to fund this service. The Five-Year Financial Plan assumes the program costs will increase to \$210,000 annually due to increased fuel and labor costs for hauling companies that provide the service.

Residential Rates

Every year the Office of Sustainable Development reviews and revises rates to reflect the current costs of providing residential garbage, recycling, and yard debris collection. Analysis includes independent CPA review of hauler financial records, monitoring of the average weights of garbage in each can size, and forecasting the market value of recyclables. Rates are developed using cost-of-service rate-making principles, with solid waste and recycling haulers projected to earn a 9.5% operating margin, and the City receiving a 5.0% franchise fee. Prior to submittal to City Council, the Portland Utilities Review Board reviews the proposed rates.

City Council approved a rate increase effective July 1, 2005, which was the first for most customers since 2002. The most common service level, the 32-gallon can weekly service, increased 5.9% from \$18.55 per month to \$19.65 per month. The rate increase was due to rising costs experienced by haulers in labor, health insurance, and fuel.

Green Building

The Green Building program provides technical assistance on comprehensive sustainable building practices, including a strong emphasis on waste prevention and reduction, job site recycling, recycling facilities in buildings, reuse of salvage materials, and recycled-content building products.

License Fees

OSD makes an annual payment to the Bureau of Licenses that offsets residential haulers' business license fees. The City has followed this process since the onset of Portland's franchise collection system in 1992. The cash transfer was increased from \$55,000 to \$85,000 in FY 2004-05.

Business Resource Conservation Center

OSD will create a Business Resource Conservation Center by forming a partnership of public and private service providers that have a direct interest in working with the small business sector to achieve specific resource conservation goals. The intent is to offer small businesses a menu of resource conservation services and incentives that are locally available to them in a simple, one-stop format. OSD will house the program and serve as the coordinating body for potential partners, including the Water Bureau, Portland Development Commission, Pacific Power, Portland General Electric, the Energy Trust of Oregon, and others.

PROGRAM SUMMARY

Solid Waste and Recycling Program

The Solid Waste and Recycling program oversees the collection of solid waste, yard debris, and recyclable materials from residential and commercial sources within the Portland urban services boundary. Residential program responsibilities include franchising of residential collection companies, enforcing service standards, setting rates, educating customers, and promoting programs. The Commercial program provides recycling technical assistance to multifamily property managers and local businesses, issues permits, and enforces service standards and compliance with the City's mandatory commercial recycling requirement. Commercial service is not franchised or rate-regulated in Portland.

Green Building Program

The Green Building program promotes the design and development of healthy, resource-efficient buildings with a focus on such areas as recycled building materials, energy and water conservation, construction site recycling, stormwater management, and indoor air quality. Services include training, education, on-site technical help, and financial assistance for private developers, homeowners, nonprofit developers, and City government projects.

Nuisance Abatement Program

The Nuisance Abatement program provides nuisance abatement and cleanup services by the Office of Neighborhood Involvement to residential properties with accumulations of garbage.

Public Trash Can Program

The Public Trash Can program provides trash receptacles and contracts collection service for 617 trash cans in downtown and six other business areas of the city. This service was funded by the Office of Transportation until July 1998.

OFFICE OF TRANSPORTATION

Five-Year Financial Forecast: Executive Summary

FINANCIAL FORECAST

This financial forecast lays out the City of Portland Office of Transportation's (PDOT) strategy to balance program objectives against limited revenues from existing authorized sources for fiscal years 2006-07 through 2010-11. It also outlines major challenges the City must address in accomplishing PDOT's mission. This forecast discusses several points in detail:

- ◆ Due to one-time funding, PDOT's budget is balanced in FY 2005-06. However, beginning in FY 2006-07, deficits emerge. These deficits will total approximately \$46.4 million by FY 2010-11.
- ◆ For the FY 2006-07 budget request PDOT will need to identify cuts totaling \$8.3 million. This will bring PDOT in balance through FY 2009-10, with a deficit of \$4.2 million in FY 2010-11. PDOT will solicit feedback from the public and transportation stakeholders in evaluating a variety of cuts and revenue proposals.
- ◆ The city's transportation infrastructure is deteriorating. As a result the City needs to invest more, not less, in maintaining the infrastructure.
- ◆ New requirements, such as rising health benefit costs, continue to put upward pressure on program costs, making it increasingly difficult to balance the budget with spending cuts.

FINANCIAL ISSUES

PDOT's primary source of discretionary operating revenue is the State Highway Trust Fund. The main components of Highway Trust Fund revenue are gas tax revenue, vehicle registration fees, and titling fees. Discretionary revenues are projected to be relatively flat in coming years.

Infrastructure maintenance costs are increasing due to the age, complexity, and growth of the assets in the City's transportation system. Furthermore, new and ongoing commitments increase PDOT's funding requirements. These include:

- ◆ Americans with Disabilities Act (ADA) requirements
- ◆ Operations and maintenance needs related to new development
- ◆ Energy and health benefit cost inflation
- ◆ Environmental protection requirements (for example, sweeper debris cost increases)
- ◆ PDOT share of the PERS Bond Redemption debt service—growing by 26.6% in FY 2006-07 and by 16.2% in FY 2007-08 before flattening out at a 3.9% rate of growth for the last three years of the forecast
- ◆ \$3.55 million in program costs that once received General Fund support

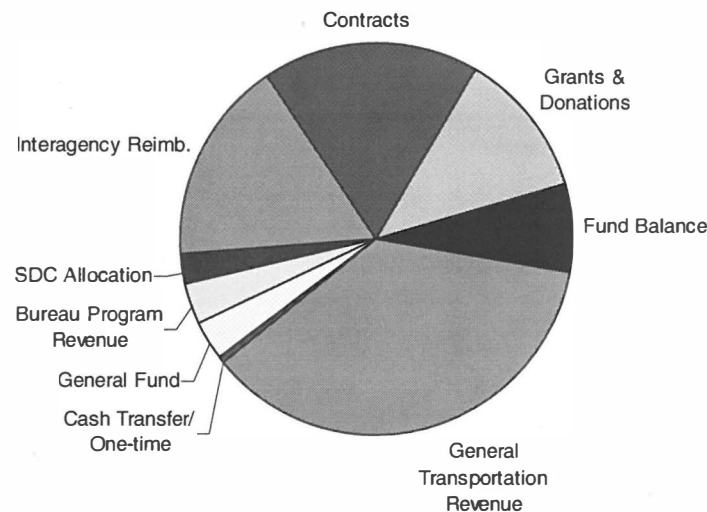
The gap between requirements and resources is not new, and simply reallocating resources will not close it. After several years of funding shortages, the City is investing far below a sustainable level in infrastructure maintenance. PDOT has implemented cuts in services and deferrals of much-needed work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

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

Resources

PDOT's revenue sources are summarized in Figure 1. The projected budget for the Office of Transportation in FY 2005-2006 is \$187 million. Gas taxes, parking revenue, and citations provide the largest segment, about 37% of the total, and together represent the General Transportation Revenue (GTR) available for maintenance and operation of the transportation system (with a small portion, about \$2 million, set aside for capital). Funding is also provided by a variety of customers that purchase Office of Transportation services, such as other City bureaus. The final portion includes funding from grants for specific projects and purposes.

Figure 1: FY 2005-06 Transportation Revenue Total, \$187 million



Requirements

Cost increases in this forecast are driven by two factors: inflation and new requirements.

Inflation

Key inflation factors for PDOT include:

- ◆ Inflation for most goods and services will range from 2.2%–3% in the coming years.
- ◆ Employee health benefits increase is 32% for FY 2006-07.
- ◆ Energy costs are rising faster than general inflation and are a critical component in asphalt and street lighting expenses.
- ◆ PDOT's share of the PERS bond redemption debt service is growing by 26.6% in FY 2006-07 and by 16.2% in FY 2007-08, before flattening out at a 3.9% growth rate for the last three years of the forecast.

New Requirements

Cost increases from new requirements include:

- ◆ The Transit Mall project will require \$3.2 million annually in bond payments and direct project management costs, beginning in FY 2007-08.
- ◆ The City's annual portion of tram operations and maintenance is projected to be \$150,000. This cost begins in the last half of FY 2006-07.

Bottom Line: Revenues vs. Expenses

About \$68 million of PDOT's annual budget is discretionary revenue from gas taxes, while the remaining sources of funds are committed to specific projects or activities. Thus, the FY 2006-11 Financial Forecast focuses primarily on GTR.

Table 1 shows PDOT's five-year projection of expected revenue and expenses supported by GTR. The table shows that projected annual operating expenses exceed revenues every year. One-time resources helped PDOT through FY 2005-06. However, the annual deficit starts in FY 2006-07 and will grow to over \$12.3 million. The total deficit is \$46.4 million over the five-year planning horizon.

Table 1: Five-Year General Transportation Revenue Budget (millions)

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Requirements						
Base Requirements	70.8	74.7	79.6	80.7	82.7	84.8
Inflation		3.2	2.6	2.5	2.5	2.4
Adjustments and New Requirements		(1.7)	(1.8)	(2.2)	(2.2)	(2.1)
Total Requirements	70.8	76.2	80.5	77.0	77.4	78.7
Set-aside for CIP		2.5	1.2	.3		
Revenues	68.0	68.4	69.0	70.8	71.2	72.7
Annual +/-	(2.8)	(2.3)	(10.2)	(9.9)	(11.7)	(12.3)
Beginning Balance	5.8	3.0				
Ending Balance	3.0	3.0	(0.9)	(7.4)	(13.1)	(18.9)

BUREAU OF WATER WORKS

Five-Year Financial Plan: Executive Summary

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 provide reliable water service, to act as a steward of our natural and financial resources, to provide the highest value service to our customers, and to support the values of the community. The operating goal is to ensure that a reliable supply of water is available to provide sufficient quantities of high quality water to satisfy the existing and future needs of the community and regulatory standards. This five-year financial plan is for fiscal years 2006-07 through 2010-11.

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 substantial capital investment and years of planning and construction necessary to create and deliver additional water supply, it is an ongoing task to keep user charges low and yet meet the water supply and distribution needs of the largest water utility in the state.

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 management, to reflect changing economic conditions as well as changes in 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 that examines the large planning issues within the framework of the financial realities of the utility business. The utility financial planning/ratemaking process is complex and dynamic, requiring a variety of inputs ranging from accounting data to strategic planning goals and policy decisions.

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

- ◆ The need to preserve a sound fiscal position as measured by the presence of adequate capital investment, fund balances, operating income, and credit ratios
- ◆ The need, as a governmental agency, to comply with City Charter mandates, and be responsive to City Council direction and Office of Management and Finance budgetary requirements
- ◆ The need to be financially self-sustaining by covering virtually all costs through user charges and other bureau-specific revenue sources
- ◆ 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 large and expensive capital facilities which take years to complete and must meet changing federal and state regulations

ANNUAL FINANCIAL PLANNING PROCESS

As a result of the unique nature of the utility environment, the bureau 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 ratesetting/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 process with participation from citizens
- ◆ 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 program, including effectiveness measures for the program
- ◆ Evaluation of new program requests and available funding, including efficiencies in existing operations
- ◆ Forecast/rate scenarios to determine fiscal impacts of budget decisions
- ◆ Preliminary financial forecast analysis and plan publication
- ◆ Budget request publication
- ◆ Development and presentation of rate ordinance
- ◆ Final Financial Plan publication
- ◆ Ongoing monitoring, analysis and reporting of utility and budgetary fiscal/operating performance through the Budget Monitoring Process (BuMP)
- ◆ Implementation of financial adjustments, as appropriate, to ensure the bureau's financial plan is achieved

FORECAST RESULTS

Annual Changes in System Costs, Revenue Requirements from Rates (Water Sales), Rates and Residential Bill

<u>Fiscal Year</u>	<u>Annual System Costs</u>	<u>Water Sales/ Revenue Requirements from Rates</u>	<u>Average Retail Rates</u>	<u>Weighted Average Wholesale Rates</u>	<u>Typical (7 CCF) Residential Monthly Bill</u>
2006-07	8.8%	-0.7%	2.5%	-12.7%	\$15.71
2007-11 (Avg)	5.1%	5.4%	5.8%	4.7%	N/A

The bureau's annual system costs increased from \$83.1 million in FY 2005-06 to \$90.4 million in FY 2006-07. This 8.8% addition is primarily related to increased operations and maintenance services.

The bureau's water sales (revenue requirements from rates) are forecast to decrease from \$77.5 million in FY 2005-06 to \$77.0 million in FY 2006-07. This decrease of 0.7% in water sales revenue for FY 2006-07 is achieved through utilization of fund balance consistent with the FY 2005-06 Five Year Plan. Net revenue requirements from water sales are projected to rise on average 5.4% annually over the five-year forecast period.

The percentage change in revenue requirements from rates (water sales) is an aggregate figure that cannot be interpreted as a rate increase. The revenue requirements are the total dollar amounts collected from both wholesale and retail customers, without regard to the rate structure under which they must be collected. To determine rate impacts, revenue requirements from rates must be allocated between wholesale and retail customers. The method of allocating costs to wholesale customers is mandated by contractual provisions, and the proportion of the total revenue requirement recoverable from them therefore varies each year. Retail rates are set on a "cash-residual" basis to recover whatever

portion of the total revenue requirements (water sales) is not allocable to wholesale customers and not recoverable from non-rate revenue sources, such as interest income and system development charges. Also, wholesale and retail rate changes take into account changes in estimated water demand. For FY 2006-07, overall retail demand is forecast to decrease about 0.7%, largely due to continuing conservation efforts, both in the residential and industrial/commercial customer classes.

FY 2006-07 Average Retail Rate Increase

The adopted FY 2006-07 average retail rate increase is 2.5%. This increase reflects funding for increased maintenance and operational services, including 56 new positions.

Retail Bills

On May 31, 2006, FY 2006-07 water rates and charges were adopted with the passage of City Ordinance 180192. The resulting "typical" residential customer using 7 ccf/month will pay \$15.71 per month—an increase of \$0.47. The "medium" commercial customer using 200 ccf/month will pay \$363.96 per month—an increase of \$5.00.

The bureau's Low Income Utility Assistance program was once again approved by City Council. This program will provide to qualified single-family residential water customers a 40% discount on a typical low-income (5 ccf per month usage) bill—a discount of \$58.20 per year.

Wholesale Water Rates

The City sells water on a long-term wholesale contract basis to other cities and public water districts in the region. The City is in the final stages of entering into new wholesale contracts with 12 cities and public water districts. As of May 24, 2006, five had signed 10-year contract agreements and seven had signed 20-year contract agreements. The City is expected to sign these agreements before the end of FY 2005-06. One water district remains under the terms and condition of the old wholesale contract. In addition, the bureau sells water to six small private water systems, whose contracts renew every five years. Under the terms and conditions of the new wholesale contract agreements, the overall effective wholesale rate decreased 12.7%. Although wholesale demand is expected to increase about 6% in FY 2006-07, revenue to be generated from wholesale customers will be down 10.4% from FY 2005-06. FY 2006-07 revenue from wholesale customers totals \$14.7 million. Retail rates will need to be increased about 1.3% in each of the four years remaining in the five-year planning period to make up for the reduced revenue from wholesale customers.

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, plant depreciation, and other factors.

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 cost-effectively purchase high quality water, the wholesale contracts remain a very valuable supplemental income source to city ratepayers. Without these contracts, retail rates would be about 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). The expenditure forecast also includes 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 2006-07, 50% of the capital forecast will be funded with current resources (24% from cash, 26% from contributions, including reimbursements and system development charges) and the balance from bond sales. The funding of capital over the five-year forecast period averages 14% cash, 20% contributions, and 66% debt.

Debt

The bureau has the ability, by City Charter and State Authority, to issue debt in the form of tax-exempt general obligation (G.O.) or revenue bonds. Before July 1993, the bureau had issued only "double-barreled" G.O. bonds, whose primary source of repayment was water revenue but which were also backed by the full faith and credit of the City. These bonds carried no debt coverage requirement because of the full faith and credit pledge. The bureau had made it a practice to target a minimum overall debt service coverage ratio of only 1.2, to limit cash requirements and keep rates low. For reasons related to State Ballot Measure 5, debt issued since 1993 has been in the form of revenue issues. Unlike G.O. debt, the bureau's new revenue issues were required by bond ordinance to dedicate net water revenues to the payment of revenue bond debt service and pass a debt service coverage test. Given the likelihood the bureau will no longer sell G.O. debt, it has adopted the more conservative assumption that all future debt will be supported solely by net revenues of the water system. Because revenue bonds 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 (G.O. plus revenue) debt service was increased to 1.9. The bureau's overall target coverage is met or exceeded each year of the forecast.

The Bureau is currently working with OMF staff to develop alternative financing strategies to achieve the same rate benefit in lieu of reducing the debt coverage target ratio from 1.90 to 1.75 on senior lien water revenue bonds. An alternative strategy proposed by OMF with similar rate reduction benefits involves the development of a subordinate lien debt instrument, with lower required debt service coverage.

City Housing and Enterprise Zone Tax Abatements

OVERVIEW

The City of Portland grants property tax exemptions for five housing programs, as well as enterprise zone tax abatements. Exemptions are used to spur economic development that otherwise might not occur or might not occur at levels desired by Council.

A review of 3,305 FY 2005-06 County Assessment and Taxation (A&T) property tax records subject to housing and enterprise zone exemptions revealed:

- ◆ Portland has an inventory of \$1.1 billion of real market value exempted from property taxation, constituting 1.8% of City real market value.
- ◆ Exempted taxable assessed value is estimated at \$636.9 to \$662.4 million. The bulk of the exemptions, \$570 million, is concentrated in core area multi-unit, low-income rental housing and new housing in distressed neighborhoods. The remaining exemptions, worth about \$90 million, support transit-oriented development and residential rehabilitation.
- ◆ The report estimates levy losses to all local governments at between \$8.2 million and \$8.8 million annually.
- ◆ City levy losses total between \$5.8 million and \$6.4 million. The General Fund loss is estimated at \$2 million annually. Local option levy losses are estimated at \$352,000 to \$391,000. Portland Development Commission (PDC) divide-the-taxes are estimated to be \$3.5 million to \$3.8 million lower due to exemptions.
- ◆ City revenue losses are estimated in a range from \$5.5 to \$6.0 million annually.
- ◆ Multnomah County levy losses are estimated at between \$2.2 million to \$2.4 million. Revenue losses are probably about \$2.1 million annually.
- ◆ School levy losses are estimated at \$2.4 million to \$2.5 million. The existence of the statewide funding formula makes it difficult to know if school levy losses represent a loss to local schools, a loss to Oregon schools in general, or simply results in an increase in Oregon General Fund K-12 funding requirements.
- ◆ Most local governments and schools set a fixed permanent tax rate that determines a levy once taxable assessed value is known. For general obligation (GO) bond levies and the City's FPD&R levy, the tax rate is a passive outcome of the levy certified for collection and taxable assessed value. Thus, property tax exemptions result in higher tax rates than otherwise would have been the case. This report estimates the annual tax bill increase is \$11 to \$15.60 for a home with \$200,000 of taxable assessed value.

It is important to remember that the data summarized in this report represent a snapshot of FY 2005-06 property tax exemptions. In addition, it is not the intent of this report to assess the efficacy of tax exemptions. The sole intent of this report is simply to provide financial information to Council as it relates to existing property tax abatements under Council's control.

INTRODUCTION

The purpose of this report is to tabulate statistics summarizing City-granted property tax exemptions for five housing programs and enterprise zone tax abatements. The City uses exemptions or abatements to encourage specific types of development that otherwise might not occur or might not occur at levels desired by Council.

Property tax abatements, however, come with opportunity costs. The fiscal impacts fall into three basic categories:

- ◆ Local governments and schools suffer levy (revenue) losses because development takes a specific form that is exempted from property taxes. Location of exemptions within Option #3, flat-funded urban renewal districts also creates revenue losses for local governments and schools because taxable assessed value released to local agencies is lower than it otherwise would have been.
- ◆ Levy-based tax rates for GO bond debt and the City's Fire & Police Disability & Retirement (FPD&R) levy are higher because the exempted property tax values are not used to determine tax rates for these levies.
- ◆ *Traditional* urban renewal districts (as opposed to Option #3 districts) experience lower divide-the-taxes collections when an exemption is granted within district boundaries. Traditional districts are districts where the increment assessed value multiplied by the consolidated tax rate defines district divide-the-taxes collections.

The following section summarizes exempted property assessed and real market values by program. The third section estimates agency levy and revenues losses. The fourth section summarizes the impact on levy-based tax rates that result from exemptions. The last section provides a short summary.

ESTIMATED EXEMPTION VALUES BY PROGRAM

Table 1 (on page 287) summarizes exempted real market value (in \$1,000s) by program. At present, the City has about \$1.1 billion of real market value property tax exemptions spanning five housing programs and enterprise zone exemptions.

County A&T records show that the exemptions are spread over 3,035 property tax accounts:

- ◆ Property tax records indicate that about 1,741 exemptions are located outside of urban renewal areas in code area 201, with a total of 1,884 exempted outside of urban renewal areas totaling \$500 million.
- ◆ About 974 exemptions are located in traditional urban renewal districts: 319-Lents, 45-River district, 487-Interstate, 12-Gateway, and 3-Central Eastside, totaling \$310 million.
- ◆ About 177 exemptions are located in Option #3 urban renewal districts: 54-Convention Center, 63-South Park Blocks, and 60-Downtown Waterfront, totaling \$270 million.

The \$1.1 billion in exemptions represents about 1.9% of real market values within city boundaries in Multnomah County.

**Table 1:
Property Tax
Exemptions**

Estimated Real Market Value of City Property Tax Exemptions

Program	Estimated Real Market Value (*)				
	Outside UR Districts	Exempted In Urban Renewal Areas			Total By Exempt Type
		Option#3s(**)	Central ES	Other UR	
Core Area Multi-Unit.....	\$36,045	\$179,766	\$0	\$102,504	\$318,315
Low Income Rental Housing.....	\$258,219	\$91,856	\$6,616	\$80,522	\$437,212
Residential Rehabilitation.....	\$30,442	\$0	\$0	\$3,236	\$33,678
Transit-Oriented Development..	\$44,090	\$0	\$0	\$43,625	\$87,715
New Housing-Distressed Area..	\$131,551	\$0	\$0	\$62,588	\$194,139
Enterprise Zone Exemptions.....	\$32,473	\$1,373	\$0	\$5,980	\$39,826
Column Totals	\$532,820	\$272,994	\$6,616	\$298,454	\$1,110,885

(*) All real market and Measure 50 assessed values expressed in \$1,000s

(**) South Park Blocks, Convention Center, and Downtown Waterfront districts.

Tables 2 and 3 (on page 287 and on page 288) summarize exempted taxable assessed value. Two different methods are used to estimate exempted taxable values. Exemptions are entered onto the tax rolls using real market value. Taxable Measure 50 (M50) assessed value is reduced when the exemption is granted by translating the real market value into exempted assessed value by using the average ratio of M50 taxable assessed value to real market value specific for the type of property exempted. The critical ratio used in this calculation is a *changed property ratio* (CPR). In subsequent years the exempted assessed value is lost. Discussion with County A&T staff indicates that there are at least two different ways to estimate the taxable assessed value exempted. In this report these two different ways, called Method #1 and Method #2, generate Tables 2 and 3:

- Method #1 (see Table 2) uses a property's real market value and the code area's CPR to estimate a property's full M50 taxable assessed value and tax bill. The difference between the estimated tax bill and the actual tax bill is the estimated levy loss.
- Method #2 (see Table 3) uses a property's taxable assessed value net of exemption plus real market value of the exemption adjusted by the CPR to estimate full taxable assessed value and levy loss.

**Table 2:
M50 Exemptions
Method #1**

Estimated Taxable Measure 50 Tax Exemption Values (Method #1)

Program	Estimated Taxable Assessed Value (*)				
	Outside UR Districts	Exempted In Urban Renewal Areas			Total By Exempt Type
		Option#3s(**)	Central ES	Other UR	
Core Area Multi-Unit.....	\$23,232	\$112,152	\$0	\$59,935	\$195,319
Low Income Rental Housing.....	\$153,702	\$63,713	\$4,118	\$45,844	\$267,377
Residential Rehabilitation.....	\$18,341	\$0	\$0	\$5,203	\$23,545
Transit-Oriented Development..	\$31,576	\$0	\$0	\$27,274	\$58,850
New Housing-Distressed Area..	\$89,760	\$0	\$0	\$20,033	\$109,793
Enterprise Zone Exemptions.....	\$5,973	\$1,415	\$0	\$108	\$7,496
Column Totals	\$322,585	\$177,279	\$4,118	\$158,397	\$662,379

(*) All real market and Measure 50 assessed values expressed in \$1,000s

(**) South Park Blocks, Convention Center, and Downtown Waterfront.

**Table 3:
M50 Exemptions
Method #2**

Estimated Taxable Measure 50 Tax Exemptions Values (Method #2)

Program	Estimated Taxable Assessed Value (*)				Total By Exempt Type
	Outside UR Districts	Exempted In Urban Renewal Areas		Other UR	
		Option#3s(**)	Central ES		
Core Area Multi-Unit.....	\$22,985	\$109,354	\$0	\$56,134	\$188,474
Low Income Rental Housing.....	\$151,493	\$54,590	\$3,844	\$36,066	\$245,993
Residential Rehabilitation.....	\$17,191	\$0	\$0	\$7,640	\$24,831
Transit-Oriented Development..	\$28,036	\$0	\$0	\$28,189	\$56,224
New Housing-Distressed Area..	\$75,060	\$0	\$0	\$17,012	\$92,072
Enterprise Zone Exemptions.....	\$18,315	\$917	\$0	\$111	\$19,342
Column Totals	\$313,080	\$164,861	\$3,844	\$145,153	\$626,937

(*) All real market and Measure 50 assessed values expressed in \$1,000s

(**) South Park Blocks, Convention Center, and Downtown Waterfront.

The two methods give different results and are best viewed as a range for the estimated M50 assessed value tied up in these programs:

- ◆ Method #1 estimates exempted assessed value at \$662.4 million. The exempted assessed value is concentrated in core area multi-family housing and low-income rental housing programs, totaling about \$462.7 million.
- ◆ Method #2 yields an estimated exempted taxable assessed value of \$626.9 million with the bulk of the exemption value concentrated in core area multi-family housing and low income rental housing programs, totaling about \$434.5 million.

This data identifies somewhere between 1.68% and 1.79% of taxable City assessed value in Multnomah County as being tied up in property tax abatements.

ESTIMATED LOCAL AGENCY LEVY AND REVENUE LOSSES

**Table 4a:
Levy Losses**

Estimated Agency Levy Losses

Property tax exemptions encourage specific types of development, but with a cost. The costs

Agency	Levy Losses	
	Method#1	Method#2
City Of Portland		
General Fund.....	\$2,134,369	\$2,016,826
Local Option Levies (*).....	\$390,960	\$352,257
PDC Divide-The-Taxes.....	\$3,837,396	\$3,449,683
Subtotal -- City.....	\$6,362,725	\$5,818,766
Multnomah County		
General Fund.....	\$2,024,626	\$1,913,127
Local Option Levy (*).....	\$371,867	\$335,054
Metro Service District	\$45,300	\$42,805
Port of Portland	\$32,873	\$31,062
East Mult. Co. Soil Dist.	\$13,253	\$12,540
Subtotal Local Gov.	\$8,850,645	\$8,153,354
Schools		
Schools/K-12	\$2,181,148	\$2,086,245
Education Service Dist.	\$210,691	\$201,520
Community College	\$137,195	\$131,451
Subtotal Education	\$2,529,033	\$2,419,217
Total All Agencies	\$11,379,678	\$10,572,571

(*) Parks, Childrens' local option. (**) Library local option.

are lower local government, schools, and urban renewal divide-the-tax levies than otherwise would have been available. Table 4a summarizes the levy losses associated with exempted taxable assessed values estimated in Tables 2 and 3. In Table 4a, the estimated General Fund levy losses amount to somewhere between \$2 million and \$2.1 million.

City local option levy losses range from \$352,000 to \$390,000.

Exempted values in urban renewal districts reduced PDC divide-the-taxes collections by somewhere between \$3.5 and \$3.8 million. Overall local government levy losses are estimated to total between \$8.2 and \$8.9 million.

Table 4a also estimates levy losses for schools. For K-12 school districts within Portland, the central estimate is \$2.1 million of levy losses. The statewide funding formula makes it difficult to know if Table 4a's estimates represent losses to local schools, a loss to Oregon schools in general, or simply results in an increase in State of Oregon General Fund requirements. It also needs to be pointed out that schools do not suffer levy or revenue losses in non-Option #3 urban renewal districts due to exemptions. For the City of Portland, the losses accrue solely to these urban renewal districts: Lents, River District, Interstate, Gateway, and Central Eastside districts.

**Table 4b:
Revenue Losses**

Estimated Agency Revenue Losses

In Table 4b, estimated levy losses are translated into agency revenue losses by adjusting levy losses for taxes not received due to delinquency and discounts. This translation of levy

Agency	Revenue Losses	
	Method#1	Method#2
City Of Portland		
General Fund	\$2,015,911	\$1,904,892
Local Option Levies (*)	\$369,262	\$332,706
PDC Divide-The-Taxes	\$3,624,421	\$3,258,226
Subtotal -- City	\$6,009,594	\$5,495,824
Multnomah County		
General Fund	\$1,912,259	\$1,806,948
Local Option Levy (**)	\$351,229	\$316,458
Metro Service District	\$42,786	\$40,430
Port of Portland	\$31,048	\$29,338
East Mult. Co. Soil Dist.	\$12,518	\$11,844
Subtotal Local Gov.	\$8,359,434	\$7,700,843
Schools		
Schools/K-12	\$2,060,094	\$1,970,459
Education Service Dist.	\$198,997	\$190,336
Community College	\$129,580	\$124,156
Subtotal Education	\$2,388,672	\$2,284,950
Total All Agencies	\$10,748,106	\$9,985,793

(*) Parks, Childrens' local option. (**) Library local option.

losses into revenue losses is the simplest approach. It is, however, far from satisfactory for a couple of reasons. First, tax abatements are multi-year exemptions. Thus, this snapshot ignores the fact that delinquent tax revenues from previous years are also lost because of prior-year delinquencies. For example, in Table 4a, City levy losses total about \$6.4 million, which after delinquencies and discounts, translates into lost revenues of about \$6 million. The delinquent portion of the \$353,151 difference would be recovered over the next 10 to 12 years. The revenue loss estimates do not reflect this nicety.

A second problem that is common to both Tables 4a and 4b is that without the exemptions, property tax system basic outcomes (such as compression, levies, and revenues) would have been different. There is no way to simulate what would have happened in the absence of the exemptions. It is not clear how good a proxy Table 4a and 4b calculations are for this unobservable alternative.

Keeping these caveats in mind, City revenue losses are estimated at between \$5.5 and \$6 million. Well over half of the revenue losses take the form of lower PDC divide-the taxes revenues. The General Fund's revenue loss appears to be between \$1.9 and \$2 million. All other local government revenue losses are estimated at between \$2.21 and \$2.34 million.

Table 4b summarizes school revenue losses, but again, it is unclear whether the revenues represent a loss to schools, Oregon schools in general, or an increase in Oregon General Fund requirements. Exemption-related revenue losses are incurred by the districts.

ESTIMATED TAX RATE IMPACTS

Local governments and school operating levies are the outcome of applying a fixed permanent tax rate to M50 taxable assessed values. The tax rate applied to assessed value defines the levy.

For GO bond tax levies and the City's FPD&R levy, the tax rate is a passive outcome of the levy amount certified by the governing body and M50 taxable assessed value. Here exemptions do not lead to smaller levies. Rather, the impact of the exemption is to spread the levy over a smaller amount of M50 taxable assessed value through the mechanism of a higher tax rate than otherwise would have been the case. Table 5 summarizes the estimated tax rate impacts associated with exemptions.

**Table 5:
Tax Rate
Differences**

Estimated Tax Rate Differences

Local Government/Levy	Actual	Revised	Estimated Difference	
	Tax Rate (*)	Tax Rate (**)	Tax Rate	Tax Bill (***)
City of Portland				
FPD&R Levy	\$2.3293	\$2.2883	\$0.0410	\$8.19
GO Bond	\$0.2192	\$0.2154	\$0.0039	\$0.77
Multnomah County	\$0.2081	\$0.2052	\$0.0029	\$0.59
Metro-GO Bond	\$0.1875	\$0.1849	\$0.0026	\$0.52
TriMet-GO Bond	\$0.1191	\$0.1175	\$0.0016	\$0.32
Schools & Com. College				
Parkrose, K-12-GO Bond	\$1.4386	\$1.4268	\$0.0118	\$2.36
Reynolds, K-12-GO Bond	\$1.5524	\$1.5499	\$0.0025	\$0.51
David Douglas, K-12-GO Bond	\$1.9101	\$1.8840	\$0.0261	\$5.22
Centennial, K-12-GO Bond	\$2.1940	\$2.1832	\$0.0108	\$2.17
Portland CC-GO Bond	\$0.2122	\$0.2096	\$0.0026	\$0.51

(*) Actual before urban renewal adjustment

(**) Recomputed using exempted M50 assessed value, before urban renewal adjustment

(***) Assumes \$200,000 M50 assessed value

The difference in tax rates ranges from a low of \$0.0016 (TriMet bond levy) to about \$0.0410 (City FPD&R levy). For a homeowner with \$200,000 of M50 taxable assessed value in Portland with K-12 School District No. 1 (Portland Public), the difference in the overall tax bill amounts to about \$10.90 a year. For a homeowner in one of the other K-12 districts and service from Mt. Hood Community College, the annual tax bill difference ranges from \$10.90 (Reynolds) to \$15.60 (David Douglas).

SUMMARY

The City of Portland currently uses tax exemptions to spur certain types of housing and economic development.

**FY 2005-06 A&T
Record Review**

Estimates from 3,035 tax records show that:

- ◆ About \$1.1 billion of real market values are currently exempted from property taxation. About \$950 million of this is concentrated in core area multi-family exemptions, low-income rental housing, and new housing exemptions in distressed neighborhoods.
- ◆ \$1.1 billion of exempted real market value translates into about \$640 million of M50 taxable assessed value that is currently exempted from property taxation.

- ◆ Local government levy losses are estimated at somewhere between \$8.2 million and \$8.9 million annually. Property tax exemptions are estimated to lower the General Fund's fixed rate operating levy by about \$2.1 million annually.
- ◆ Local government revenue losses have been estimated by adjusting levy losses for a delinquency and discount factor. City revenue losses work out to somewhere between \$5.5 and \$6 million annually. Over half of the estimated revenue loss takes the form of lower PDC divide-the-taxes revenues. General Fund revenue losses are estimated at just under \$2 million annually. Total local government revenue losses are estimated at \$7.7 million to \$8.4 million.
- ◆ Schools nominally experience levy losses of about \$2.4 to \$2.5 million annually. Because of the complexity involved in school funding through a statewide equalization formula, it is difficult to assess whether the levy losses accrue locally, are shared statewide, or accrue to the State's General Fund.
- ◆ Exemptions appear to cost a homeowner with \$200,000 of taxable assessed value between \$11 and \$16 annually depending on the school district in which a property is located.



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City Comprehensive Financial Management Policy

Resolution #35005

Adopt a Comprehensive Financial Management Policy

WHEREAS, the city has been recognized for excellence in financial management; and

WHEREAS, these achievements are the result of dedicated work by Elected Officials, operating bureaus, central support organizations, and others; and

WHEREAS, the City Council desires to enhance that management by documenting financial management policies; and

WHEREAS, the Council desires a mechanism to communicate financial policy to Citizens, City staff, and the financial community; and,

WHEREAS, Bureaus have had an opportunity to review and comment on the proposed policy,

NOW THEREFORE BE IT RESOLVED by the City council of the City of Portland, Oregon that

1. The comprehensive Financial Management Policy, attached hereto as Exhibit I, is hereby adopted.
2. The Office of Finance and Administration is directed to review the policy on a regular basis, especially as a part of the budget development process, and recommend modifications and adjustments as necessary to keep the policy updated.

Adopted by the Council, June 17, 1992

Barbara Clark

Mayor J.E. Bud Clark
SCB:jb

Auditor of the City of Portland
By

June 11, 1992

Deputy

EXHIBIT I

RELATION TO OVERALL CITY GOALS AND OBJECTIVES

The City's development of a mission statement and conforming goals and objectives are critical elements in the successful development, maintenance and operation of a Comprehensive Financial Management Policy (CFMP). Rather than driving the goals and objectives of the City, the finances are simply tools which are used to accomplish the City's mission.

The Comprehensive Financial Management Policy is a mechanism to ensure that the City is financially able to meet its immediate and long term service objectives. These policies also enhance financial planning and internal financial management of the City.

In addition, the City as an institution has multiple partners, including citizens, taxpayers, businesses, employees and other governments. As a major institutional, economic and service force in the region, it is important that the City strengthen its relationships with its partners by adopting clear and comprehensive financial policies.

PURPOSE

The City of Portland is accountable to its citizens for the use of public dollars. Municipal resources should be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. The CFMP is intended to serve as a blueprint to achieve the fiscal stability required to achieve the City's policy goals and objectives.

OBJECTIVES

In order to achieve the above purpose, the Comprehensive Financial Management Policy has the following objectives for the City's fiscal performance.

1. To guide Council and management policy decisions that have significant fiscal impact.
2. To set forth operating principles that minimize the cost of government and reduce financial risk.
3. To employ balanced and fair revenue policies that provide adequate funding for desired programs.
4. To maintain appropriate financial capacity for present and future needs.
5. To promote sound financial management by providing accurate and timely information on financial condition.
6. To protect and enhance the City's credit rating and prevent default on any municipal debts.
7. To ensure the legal use of financial resources through an effective system of internal controls.
8. To promote cooperation and coordination with other governments and the private sector in financing and delivery of services.

To achieve these objectives, the Comprehensive Financial Management Policy consists of twelve major sections:

- I. FINANCIAL PLANNING POLICIES
- II. BUDGET POLICIES
- III. ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES
- IV. REVENUE POLICIES
- V. OPERATING POLICIES
- VI. EMPLOYEE COMPENSATION AND SUPPORT POLICIES
- VII. CAPITAL PLANNING AND FINANCING POLICIES
- VIII. INTERGOVERNMENTAL REVENUES AND RELATIONS POLICIES
- IX. ACCOUNTING STRUCTURE POLICIES
- X. AFFILIATED AGENCIES
- XI. OTHER FINANCIAL POLICIES
- XII. APPENDICES

I. FINANCIAL PLANNING POLICIES

INTRODUCTION: A long range plan that estimates revenue and expenditure behavior of the City and regional and national economies is necessary to support the Council and community in decisions that they make about City services. This planning must recognize the effects of economic cycles on the demand for services and the City's revenues.

City financial planning should ensure the delivery of needed services (many of which become more critical during economic downturns) by increasing reserves during periods of a strong economy in order to support continued City services during economic downturns.

The City is a major force in a complex regional economic system. The City must understand how it affects and is affected by that system in order to maximize its positive contributions. The City must have the capacity to understand and anticipate changes in both regional and national economic systems in order to engage in strategic financial and management planning.

GENERAL FUND:

1. The City will prepare annually a five year financial plan for General Fund operations based on current service levels and current funding sources. If appropriate, needed additional resources to continue current service levels or identified service adjustments will be made.
2. The City will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate and widely disseminated to users throughout the City.
3. General Fund Bureaus will forecast and monitor their own revenues and expenditures. OF&A will assist bureaus in developing appropriate systems for such monitoring. OF&A will retain overall fiscal oversight responsibility for the General Fund.
4. The Office of Finance and Administration will publish regular General fund status reports on revenues and expenditures during the course of each budget year.

ENTERPRISE FUNDS: Just as a forecasting effort is made for the City's General Fund, similar efforts will be made for Enterprise and major Special Revenue activities. Examples of such operations are Water, Environmental Services, and Transportation. The purpose of these forecasts will be to allow the Council and Citizens to evaluate the impact of the financial needs of these programs on both the local and metropolitan regional economies; and to coordinate funding needs with those of the General Fund.

1. Enterprise/ Special Revenue activities will prepare annually, a five year financial forecast for operations and capital needs based on current service levels and current revenue sources.
2. The forecasts should rely on the same basic economic assumptions as the General Fund forecast. These forecasts will also identify other assumptions used in their preparation and the risks associated with them.
3. The forecasts must identify how they will impact rate structures.
4. The forecasts will discuss how standards for debt service coverage and operating reserves are established.
5. Enterprise and major Special Revenue activities will coordinate periodic status reports on expenditures and revenues within a fiscal year with the Office of Finance & Administration.

ALL FUNDS: The financial planning and subsequent budgeting for all funds will be based on the following principles:

1. Revenue estimates should be prepared on a conservative basis to minimize the possibility that economic fluctuations could imperil ongoing service programs during the upcoming budget year.
2. Expenditure estimates should anticipate contingencies that are reasonably predictable.

II. BUDGET POLICIES

INTRODUCTION: The Bureau of Financial Planning under the Office of Finance and Administration is responsible for coordinating the overall preparation and administration of the City's annual budget. This function is fulfilled in compliance with applicable State of Oregon Statutes governing local government budgeting practices.

1. **BUDGET PREPARATION:** Each year the Mayor will provide direction to the Office of Finance and Administration on the process for the development of the annual budget. The Office of Finance and Administration translates this direction into guidelines and rules for the preparation and review of bureau budget request. The budget request format will be designed to identify major financial and service issues. It will include detailed budget and performance information for all City organizations, including the Portland Development Commission. This information will be compiled from Bureau submittal by the Office of Finance and Administration for inclusion in the budget document. The City will prepare and present its budget consistent with the criteria developed by GFOA for distinguished budget presentations.

Unless otherwise directed by the Mayor, the annual budget process will consist of the following phases:

- ❖ Issuance of budget preparation guidelines and schedules. The budget process will provide for the full participation of the City's budget advisory committees and ensure opportunities for public testimony and participation.
 - ❖ Presentation to Council of five-year financial forecasts for the General and other major City funds.
 - ❖ Presentation of bureau budget requests in a manner consistent with budget directives.
 - ❖ The issuance of OFA reviews, summarizing each budget request and as necessary identifying related issues for Council consideration.
 - ❖ Development of a proposed budget as required by ORS for presentation to the Council, sitting as the budget committee.
 - ❖ Council budget hearings for the purpose of receiving public testimony and reaching final decisions necessary to balance the City's budget.
 - ❖ Submission of the Council approved budget to the Multnomah County Tax Supervising and Conservation Commission for review.
 - ❖ Adoption of the budget in accordance with Council directives, and Local Budget Law, and certification from the Tax Supervising and Conservation Commission.
2. BUDGET MONITORING: The Office of Finance and Administration will maintain a system for monitoring the City's budget during the fiscal year. This system will provide the Council with quarterly information on expenditures and performance at both the bureau and fund level. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of Oregon budgetary statutes. Budget adjustments requiring Council approval will occur through a process coordinated by the Bureau of Financial Planning.
3. REVIEW OF COUNCIL ACTIONS: The Office of Finance and Administration will review ordinances and significant administrative decisions submitted for Council actions. The objective of these reviews will be to ensure compliance with the budget and to identify for the Council financial and service issues. The Bureau of Financial Planning will distribute procedures and guidelines for the submission of fiscal impact statements on proposed ordinances.

III. ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

INTRODUCTION: The City must maintain a system of financial monitoring, control and reporting for all operations, funds and agencies in order to provide effective means of ensuring that overall City goals and objectives will be met and to assure the City's partners and investors that the City is well managed and fiscally sound.

1. The City will maintain its accounting records and report on its financial condition and results of operations in accordance with state and federal law and regulations. And Generally Accepted Accounting Principles (GAAP). And standards established by the Governmental Accounting Standard Board (GASB). Budgetary reporting will be in accordance with the State Local Budget Law.
2. An independent firm of certified public accountants will annually perform a financial and compliance audit of the City's financial statements. Their opinions will be contained in the City's Comprehensive Annual Financial Report (CAFR), and the Report on Compliance with the Single Audit Act of 1984.
3. As an additional independent confirmation of the quality of the City's financial reporting, the City will annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The CAFR will be presented in a way designed to communicate with citizens about the financial affairs of the City.

4. The City's elected Auditor will supervise and conduct a full range of performance and financial audits of City programs. In addition, the City's elected Auditor will prepare an annual report on service efforts and accomplishments.

IV. REVENUE POLICY

INTRODUCTION: The City must consider its General Fund discretionary revenues as defined in operating policies on page 7 as a group rather than in isolation. Both individual revenues and the total package must be viewed in the context of broader City goals. The City must be sensitive to the balance between the need for services and the City's ability to raise fees, charges and taxes to support City services. As much as is possible and feasible, City services that provide private benefits should be paid by fees and charges in order to provide maximum flexibility in use of general City taxes to meet the cost of services of broader public benefit.

1. Charges for services that benefit specific users should recover full costs, including all direct costs and bureau overhead, loss of interest, depreciation on capital plant and equipment, and general fund overhead. Bureaus that impose fees or services charges should prepare and periodically update cost-of-service studies for such service. When consistent with legal requirements, other City interest such as remaining competitive within the region or meeting other City objectives, may dictate a subsidy of a portion of the costs of such services. However, all services will be presumed to be 100% cost reimbursable unless the Council makes a specific exception in the ordinance adopting the charge. In some cases, with Council approval, it will be appropriate to meet this test on a program-wide basis in order to achieve administrative efficiencies and service equity. Current charges not meeting this standard will be reviewed within two years of the adoption of this policy.
2. The City should strive to diversify its revenues in order to maintain needed services during periods of declining economic activity. A base of property taxes and other stable revenues provide a reliable base of revenues during periods of economic downturn. Elastic revenues will allow the building of reserves during periods of strong economic performance. If the proportion of elastic City revenues increases, adjustments to reserve policies may be necessary as greater "swings" in resources may occur from year to year.
3. The City's overall revenue structure should be designed to recapture for the City some of the financial benefits resulting from City economic and community development investments.
4. The City will observe the following priorities in utilizing existing and obtaining additional resources:
 - a. The City will use as efficiently as possible the resources that it already collects.
 - b. The City will collect as efficiently as possible the resources to which it is already entitled.
 - c. The City will seek new resources, consistent with the policies in this document and other City goals.
5. The City will strive to keep a total revenue mix that encourages growth and keeps Portland competitive in the metropolitan area.
 - a. As part of the annual Financial Forecast or budget process, the revenue mix will be analyzed with an evaluation of the impact on the competitiveness of Portland within the metropolitan area, including Clark County. This comparison of costs for services will be used as baseline data for Council budget discussions.
 - b. The evaluation should include all local taxation and fees including those of overlapping jurisdictions.

V. OPERATING POLICIES

INTRODUCTION: The City should accommodate both one-time and on-going expenditures to current revenues, establish and adequately fund reserves, regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible, and constantly review City services for appropriateness and effectiveness. For purposes of this document, the City's General Fund "discretionary revenues" are defined as the property taxes within the tax base as may be compressed, 5 percentage points of lodging taxes, business license fees, utility license fees, interest income, state shared revenues, and beginning cash balances.

1. On-going revenues should be equal to or exceed on-going expenditures. Each City fund budget must identify on-going resources that at least match expected on-going annual requirements. One-time cash transfers and non-recurring ending balances will be applied to reserves or to fund one-time expenditures; they will not be used to fund on-going programs. Each year OF&A will provide Council with the amount of ending balance that is estimated to be non-recurring for the General Fund.
2. Unless otherwise stated explicitly by the Council, the City will not earmark discretionary revenues for specific purposes in the General Fund. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.
3. The City will maintain a system of financial monitoring and control. The major components of this system include:
 - a. Financial Accounting System and periodic Status Reports: Each Accounting Period the Office of Finance and Administration will publish a General Fund financial status report on the revenues and expenditures to date and estimated year end balance.
 - b. Quarterly budget review: Each quarter the Office of Finance and Administration will review all City financial operations, report to Council on financial results, and recommend financial management actions necessary to meet the adopted budget's financial planning goals.
4. The City will seek to optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.
5. City operations will be run on an enterprise basis if doing so will increase efficiency of service delivery or recover the cost of providing the service by a user fee or charge.
6. The City will attempt to maintain cash reserves in order to reduce borrowing needed for General Fund operating purposes.
7. The City will not increase accruals and non-cash enhancements to revenues as a means to influence fund balances at year end.
8. All city agencies will maintain accurate inventories of physical assets, their condition, lifespan and cost. The Office of Finance and Administration will coordinate the master inventory of assets for the city.
9. The Treasury Division in the Office of Finance and Administration will develop, maintain and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security to all cash assets. All cash received by City agencies will be deposited to Treasury accounts within twenty-four hours of receipt.
10. The City shall endeavor to reduce needless competition with other public and private providers and to ensure the most cost-effective and efficient provision of services.
11. General Fund overhead costs will be allocated according to consistent methodology developed in consultation between the Office of Finance and Administration and other fund managing bureaus.
12. The City will strive to ensure that the City service priorities keep pace with the dynamic needs of the community by incorporating a service needs review as part of the budget process.

VI. EMPLOYEE COMPENSATION AND SUPPORT

INTRODUCTION: Personal services costs comprise a significant percentage of the City's Operating Funds budget. The City of Portland is fortunate to have employees who are dedicated to the City and to public service. These employees are vital to the City's ability to meet its services demands. The City expects its workers to be highly productive. In return, the City must fairly compensate, train and equip its employees in order to attract and keep high quality, productive employees. Subject to collective bargaining law, as appropriate, it is the City's "Total Compensation Policy" that

1. Direct and indirect compensation (wages, premiums, health benefits, vacations, holidays, and other leaves, pensions, etc.) are to be considered collectively in determining appropriate levels of compensation for employees.
2. Wage and benefits packages are considered "externally competitive" if they approximate the average of the total compensation offered in applicable labor markets for similar work.
3. Other factors such as compression between classes and the ease or difficulty of recruitment of qualified employees may also be considered in establishing wages and benefits.
4. Annual adjustment to the compensation plan may be based upon a formula that considers the consumer price index and that is consistent with the cost of living formulas found in collective bargaining agreements.

VII. CAPITAL PLANNING AND FINANCING POLICIES

INTRODUCTION: The City must preserve its current physical assets and plan in an orderly manner for future capital investments, including the operating costs associated with new capital improvements or major equipment budgeted as part of the CIP process.

The City must make the capital investment needed to support and enhance the delivery of basic services. This commitment is important because the demands for basic services (police officers on the street and fire fighters in the stations) often receive priority over infrastructure improvements (streets and fire stations and apparatus).

1. The City will maintain a strong bond rating that is consistent with other City goals.
2. Each bureau with major capital assets will develop and maintain five year capital plans. The actual bureau planning horizon for capital programs should relate to the useful life of capital assets, the term of financing, and industry standards for the particular type of asset. Since adopted citywide plans contain capital expenditure needs, bureaus will include projects from such plans in their capital plans. Capital plans will display proposed projects in a map format that can be included in the annual CIP.
3. The City will prepare, adopt and update annually a City five year Capital Improvement Plan that includes and prioritizes bureau needs for capital replacement and additions. The plan will include estimated projects costs and identify funding sources.
4. The City will prepare an annual Capital Budget which will include current year capital expenditures based on the first year of the current Capital Improvement Plan.
5. As part of the annual Capital Budget, the City will identify and include full costs of future maintenance needs and operating costs of new capital improvements and equipment prior to funding as part of the annual Capital Budget.
6. In general, all assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs. The City will maintain accurate information on the condition, lifespan and estimated replacement cost of its major physical assets to assist in long term planning.
7. The budget will provide sufficient funding for adequate operations, maintenance and scheduled replacement and enhancements of capital plant and equipment. Whenever bureaus identify that there is a significant discrepancy between the need to maintain / modernize City infrastructure or facilities and the funds available for such improvements, the fund manager will prepare and present to Council a strategy for meeting such needs.

8. In general, maintenance and operations of capital facilities should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. In addition, State or federal mandates or new service demands may require acquisition of new facilities even when maintenance needs are not fully met.
9. A high priority should be placed on maintenance where deferring maintenance will result in greater costs to restore or replace neglected facilities.
10. The City may finance the improvement of transportation, water, wastewater, and other public improvements through creation of Local Improvements Districts (LIDs). Unless otherwise directed by Council, LID assessments will include all costs associated with the project, including but not limited to financing, and administrative costs. The City will take actions to ensure that financial risk to the City is minimized.

VIII. INTERGOVERNMENTAL REVENUES AND RELATIONS

INTRODUCTION: Many service costs of the City are influenced by other governments, either because of service overlap or service mandates imposed by State and Federal governments. The City must take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues and grants while aggressively opposing mandates that distort local service priorities.

1. The City will avoid using grants to meet on-going service delivery needs. In the City's financial planning, grants will be treated in the same manner as all temporary and uncertain resources and should not fund on-going, basic service needs.
2. All grant applications will be reviewed by the Grants Division of OF&A to ensure compliance with State, Federal and City regulations. This review must occur before a grant application submittal, or acceptance in cases of no application.
3. The City will budget expenditures for grant-funded programs only after grant award or letter of commitment, and only for the amount of grant award. Entitlement programs will be budgeted based on expected revenues. City overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted.
4. The City will aggressively oppose State or Federal actions that mandate expenditures which the Council considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.
5. The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. When the City cannot simply transfer responsibility for service delivery, it will consider intergovernmental agreements and contract for service delivery.

IX. ACCOUNTING STRUCTURE POLICIES

INTRODUCTION: The City is a complex financial and service organization. Its financial operations are organized into three types of funds (Governmental, Proprietary, and Fiduciary). All funds and City operations must work to achieve the City's mission and goals.

1. The City manages all funds to meet the objectives of a single comprehensive long range financial plan.
2. Funds
 - a. The City will minimize the number of funds. The funds will be categorized by standard GAAP functional classifications but may also be referred to by City of Portland fund types.
 - b. Appendix A of this policy lists current Funds and their standard GAAP functional classification as well as their City fund type.
3. Purpose Statement for Funds
 - a. Each fund in the City will have a Statement of Purpose which includes the following items:
 - ❖ Purpose(s) of the fund

- ❖ Source(s) of revenues to the fund
 - ❖ A method of establishing annual contributions to the fund, if any.
 - ❖ The Bureau responsible for managing the fund.
 - ❖ Size and use of contingency, if any. Contingency levels will be based on the uncertainties associated with the purposes of the fund
 - ❖ Size, purpose and alternative means of meeting required reserves, if any. Required reserve levels will be based on long term operating needs of the fund and prudent management requirements.
- b. The Internal Service funds will include additional information in the Statement of Purpose, as follows, if appropriate:
 - ❖ For purchase of capital items, a method for periodically testing the cost-effectiveness of pre-funding capital replacement vs. leasing or lease purchasing. Each fund statement will indicate what level of purchases are suitable for either direct cash payment or financing.
 - ❖ Clear equipment replacement policies and identifiable equipment reserves, where appropriate.
 - ❖ A method of clearly accounting for equipment reserves from and purchases for each bureau.
 - ❖ A policy and procedure for protecting capital reserves from being used for operating purposes.
 - ❖ A method for periodically testing the cost-effectiveness of internal provision of services vs. contacting out or direct purchase of all or part of the services provided by the fund. For insurance type funds this will mean a method for periodically testing the cost-effectiveness of self-insurance vs. purchase of all or part of the City's insurance needs; and internal or contracted claims and loss control services.
 - c. Funds that receive a General Fund subsidy in addition to fees and charges or dedicated revenues will include a rationale for General Fund subsidy and a means for determining the annual level of that subsidy or conditions under which the subsidy should be eliminated.
 - d. Enterprise Funds will include:
 - ❖ Required level of debt service coverage for the fund.
 - ❖ Relationship between operating and construction funds.
 - e. Existing funds will be so described by fund managers, and adopted by Council resolution, within one year of the adoption of this policy.
4. The Office of Finance and Administration will do annual review of all funds to determine if each is still serving a useful purpose and is needed.
 5. New funds must be created by resolution of Council containing the above required descriptions. A review and report by OF&A will be required precedent to Council action.

X. AFFILIATED AGENCIES

INTRODUCTION: City Charter, Council action, inter-governmental agreements and state and federal laws have created a number of agencies which are affiliated with the City and which can have an adverse effect on the City if not managed to the same financial standards as direct City agencies. It is necessary to spell out standards on financial operations for these organizations in order to protect the City's fiscal status.

1. Affiliated Agencies will be accountable for financial compliance and reporting standards as established in this document.
2. The Criteria for defining Affiliated Agencies will include any of the following:
 - a. Created by City Charter or Council action
 - b. Leadership appointed by the City Council

- c. A majority of funds are received from the City

XI. OTHER FINANCIAL POLICIES

INTRODUCTION: The City has adopted several other financial policies that guide City operations. It is necessary to recognize them as elements of this Comprehensive Financial Management Policy. The following City financial policies are incorporated as part of this policy:

1. Investment Policy
2. Debt Management Policy
3. Urban Services Policy
4. Transportation Funding Policy
5. Revenue Allocation Policy
6. Interagency Agreement Policy
7. Local Improvement District Financing Policy
8. Reserve Policy

City Debt Management Policy

1. SELECTION OF FINANCE CONSULTANTS AND SERVICE PROVIDERS

The City's Debt Manager shall be responsible for establishing a solicitation and selection process for securing professional services that are required to develop and implement the City's debt program. Goals of the solicitation and selection process shall include encouraging participation from qualified service providers, both local and national, and securing services at competitive prices.

- a. **Bond Counsel.** As part of its responsibility to oversee and coordinate the marketing of all City indebtedness, the City Attorney, with advice of the Debt Manager and a committee representing City Bureaus, Agencies, and Commissions with capital financing needs, shall make recommendations to the City Council regarding the selection of Bond Counsel to be employed and the duration of the employment for individual or a series of financings. The solicitation and selection process for such services will comply with City Code requirements for Professional, Technical, and Expert Services. The Council shall make such selection, taking into consideration these recommendations.
- b. **Underwriters.** The Debt Manager shall solicit proposals for underwriting services for all debt issued in a negotiated or private placement sale mode. The solicitation process used for these services shall comply fully with City Code requirements for Professional, Technical, and Expert Services, and shall include formation of a review committee to evaluate written proposals and, if deemed necessary, conduct oral interviews. In addition, the proposal solicitation and selection process for negotiated sales as developed by the Debt Manager, and amended from time to time, shall also be followed. The selection of underwriters may be for an individual or series of financings or a specified time period. The Council shall make such selections taking into consideration the recommendations of the review committee.
- c. **Financial Advisor.** The Debt Manager, with advice of a committee representing City Bureaus, Agencies, and Commissions with capital financing needs, shall make recommendations to the City Council regarding the selection of financial advisors to be employed and the duration of such employment. The solicitation and selection process for such services will comply with City Code requirements for Professional, Technical, and Expert Services. The time period for employment may relate to an individual or a series of financings, or for a specified period of time.
- d. **Paying Agent.** The Debt Manager, in consultation with the City Treasurer, shall solicit periodically for paying agent services from qualified commercial and trustee banks. The cost of providing such services shall be used by the Debt Manager, along with other qualitative measurements, in developing a Paying Agent recommendation to City Council, along with the term of such agreement.
- e. **Other Service Providers.** The Debt Manager shall periodically solicit for other service providers (escrow agents, verification agents, trustees, etc.). The cost of providing such services shall be used by the Debt Manager in developing a recommendation to City Council, along with the term of such agreement.

2. COMPREHENSIVE CAPITAL PLANNING AND FINANCING SYSTEM

- a. **Capital Planning and Financing System.** The City shall develop a capital planning and financing system for use in preparing a multi-year Capital Improvement Plan for consideration and adoption by the City Council as part of the City's budget process. Individual bureaus and agencies shall prepare multi-year capital plans and coordination and preparation of the City-wide Capital Improvement Plan shall reside with the Office of Finance and Administration. This Plan shall be for the coming five fiscal years and shall be updated periodically. The Plan shall contain a comprehensive description of the sources of funds and the timing of capital projects for future operating and capital budgets, effect of the projects on future debt sales, debt outstanding, and debt service requirements, and the impact on future debt burdens and current revenue requirements. In this latter regard, the Plan shall, analyze the conformance of the planned financings with policy targets regarding the (1) magnitude and composition of the City's indebtedness, and (2) the economic and fiscal resources of the City to bear such indebtedness over the next five years. Affordability impacts of the Plan shall be evaluated in consultation with the various City Bureaus.
- b. **Debt Calendar and Financing Priorities.** It shall be the responsibility of the Debt Manager, within the context of the Capital Improvement Plan, to oversee and coordinate the timing, process of issuance, and marketing of the City's borrowing and capital funding activities required in support of the Plan. In this capacity, the Debt Manager shall make recommendations to the City Council regarding necessary and desirable actions and shall keep it informed through regular and special reports as to the progress and results of current-year activities under the Plan.
- c. **Funding of Capital Outlays.** As part of its capital financing philosophy, the City shall make contributions from its own current revenues, or from outside funding sources such as state or federal grants, to each capital project or program equal to at least 5% of its total capital cost.
- d. **Maintenance, Replacement and Renewal.** Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good repair and to maximize the capital stock's useful life, the City should set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal.
- e. **Debt Authorization.** No City debt issued for the purpose of funding capital projects shall be authorized by the City Council unless it has been included in the Capital Improvement Plan or until the Council has modified the Plan. Such modification shall occur only after the Council has received a report of the impact of the contemplated borrowing on the existing Capital Improvement Plan and recommendations as to the financing arrangements from the Debt Manager and the Office of Finance and Administration.

3. LIMITATIONS ON CITY INDEBTEDNESS

- a. **Target Limitations on Non-Self-Supporting Unlimited Tax General Obligation Indebtedness.** The City shall, as a matter of policy, conduct its finances so that the amount of direct, non-self-supporting, unlimited tax general obligation ("UTGO") debt outstanding at any time that is subject to approval by the voters (excluding long-term, non-self-supporting leases) does not exceed 0.75% of the City's taxable assessed valuation.
- b. **Target Limitations on Non-Self-Supporting Limited Tax General Obligation Indebtedness and Full Faith and Credit Lease-Purchase Obligations.** The City shall, as a matter of policy, conduct its finances so that the amount of direct, non-self-supporting, limited tax general obligation ("LTGO") debt and full faith and credit lease purchase obligations outstanding at any time that are not subject to approval by the voters does not exceed 1.0% of the City's taxable assessed valuation. Furthermore, the City shall strive to limit the annual debt service requirements on these obligations to an amount that is not greater than 10% of annual General Fund revenues.

These limitations apply to debt obligations issued with a specific LTGO pledge, obligations secured by a pledge of the City's full faith and credit, and obligations that are in effect secured by a LTGO pledge and are not self-supporting, or which are paid for from General Fund monies. Also included within this limitation are any other loan agreements entered into directly by the City or secured indirectly by a pledge of the City's General Fund.

- c. **Target Limitations on Lease-Purchase Financing of Equipment and Furnishings.** The City may enter into short-term lease-purchase obligations to finance the acquisition of capital equipment and furnishings with estimated useful lives of less than ten years. Outstanding lease-purchase obligations issued to finance capital equipment and furnishings shall not exceed 0.125% of the City's taxable assessed valuation. Repayment of these lease-purchase obligations shall occur over a period not to exceed the useful life of the underlying asset or in any case no longer than five years from the dated date of such obligations. The Debt Management Group of the Office of Finance and Administration shall be responsible for developing procedures for use by City Bureaus interested in participating in the lease-purchase program, and for setting repayment terms and amortization schedules, in consultation with participating Bureaus.
- d. **Limitations on General Fund Loan Guarantees and Credit Support.** As part of the City's financing activities, General Fund resources may be used to provide credit support or loan guarantees for public or private developments that meet high priority City needs. Before such General Fund commitments are made, specific policy goals and objectives that determine the nature and type of projects qualifying for such support, and specific limitations to be placed on the maximum amount of General Fund resources pledged to such projects shall be developed. The Office of Finance and Administration shall be responsible for coordinating the development of such policies and goals, which shall not take effect until approved by the City Council. General Fund loan guarantees shall be subject to the overall debt limitations set forth in B, above.

Recognizing the limited capacity of the City's General Fund to support both ongoing operating programs and secure long-term debt obligations, use of the General Fund to secure such obligations must first be approved by the Debt Manager and the Director of the Office of Finance and Administration. Key factors that will be considered in determining whether or not the General Fund should be used to secure a particular debt obligation will include the following:

- ❖ Demonstration of underlying self-support, thus limiting potential General Fund financial exposure.
 - ❖ Use of General Fund support as a transition to a fully stand alone credit structure, where interim use of General Fund credit support reduces borrowing costs and provides a credit history for new or hard to establish credits.
 - ❖ General Fund support is determined by the City Council to be in the City's overall best interest.
- e. **Target Limitations on the Issuance of Revenue-Secured Debt Obligations.** The City shall seek to finance the capital needs of its revenue producing enterprise activities through the issuance of revenue-secured debt obligations. Prior to issuing revenue-secured debt obligations, City Bureaus, in consultation with the Debt Manager, will develop financial plans and projections showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on ratepayers, property owners, City Bureaus, and other affected parties. The amount of revenue-secured debt obligations issued by a City Bureau will be limited by the feasibility of the overall financing plan as determined by the Debt Manager.

Revenue-secured debt obligations must first be reviewed and approved by the Debt Manager and the Director of the Office of Finance and Administration before being issued.

4. STRUCTURE AND TERM OF CITY INDEBTEDNESS

- a. **Rapidity of Debt Repayment.** Generally, borrowings by the City should be of a duration that does not exceed the economic life of the improvement that it finances and where feasible should be shorter than the projected economic life. Moreover, to the extent possible, the City should design the repayment of debt so as to recapture rapidly its credit capacity for future use. The City shall strive to repay the principal amount of its long-term general obligation debt (both voter and non-voter approved) according to the following schedule: at least 20% in five years and 40% in ten years. The City may choose to structure debt repayment so as to wraparound existing obligations or to achieve other financial planning goals. Such alternative structures shall be subject to the approval of the Debt Manager and Director of the Office of Finance and Administration, in consultation with the involved Bureaus, before being recommended to the City Council.
- b. **Use of Variable-Rate Securities.** When appropriate, the City may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. The decision to issue such securities must be reviewed and approved by the Debt Manager and the Director of the Office of Finance and Administration, in consultation with the City Treasurer, before Council is requested to approve their issuance.
- c. **Pledge of Restricted Funds to Secure Debt.** The City has the power to make an irrevocable pledge of a security interest in an account created exclusively for the security of holders of City obligations. Before such funds are used to secure a prospective financing, policies regarding the use of such restricted funds shall be developed by the affected Bureau and the Debt Manager, subject to approval by the Director of the Office of Finance and Administration, to ensure that the use of such funds to secure bonds does not violate restrictions on such funds and that underlying program commitments can be maintained in addition to meeting debt service obligations on debt secured by the restricted funds. These policies shall be presented as recommendations to Council prior to or at the time issuance of the secured debt is to be authorized.
- d. **Use of Subordinate Lien Obligations.** Creation of a subordinate lien financing structure, if appropriate, shall be based on the overall financing needs of a particular bureau, expected credit ratings, relative cost of a subordinate lien structure, and impacts on the City as determined by the Debt Manager and the Director of the Office of Finance and Administration, in consultation with the involved Bureau. The results of this review shall be presented in the form of recommendations to Council for consideration prior to or at the time such bonds are being authorized.

5. METHOD OF SALE

- a. **Competitive Sale.** The City, as a matter of policy, shall seek to issue its debt obligations in a competitive sale unless it is determined by the Debt Manager that such a sale method will not produce the best results for the City. In such instances where the City in a competitive bidding for its debt securities (whether general obligation or non-general obligation debt) deems the bids received as unsatisfactory or does not receive bids, it may, at the election of the City Council, enter into negotiation for sale of the securities.
- b. **Negotiated Sale.** When determined appropriate by the Debt Manager and approved by the Director of the Office of Finance and Administration, the City may elect to sell its debt obligations through a negotiated sale. Such determination may be made on an issue by issue basis, for a series of issues, or for part or all of a specific financing program. Selection of the underwriting team shall be made pursuant to selection procedures set forth in these Debt Policies, consistent with City Code.
- c. **Private Placement.** When determined appropriate by the Debt Manager and approved by the Director of the Office of Finance and Administration, the City may elect to sell its debt obligations through a private placement or limited public offering. Selection of a placement agent shall be made pursuant to selection procedures developed by the Debt Manager, consistent with City Code.
- d. **Official Bid Form.** The City shall design an official bid form to be made part of each official notice of sale published in conjunction with the sale of debt securities in a competitive sale by the City.

6. SHORT-TERM DEBT AND INTERIM FINANCING

- a. **Lines and Letters of Credit.** Where their use is judged by the Debt Manager to be prudent and advantageous to the City, the City has the power to enter into agreements with commercial banks or other financial entities for purposes of acquiring lines or letters of credit that shall provide the City with access to credit under terms and conditions as specified in such agreements. Before entering into any such agreements, takeout financing for such lines or letters of credit must be planned for and determined to be feasible by the Debt Manager. Any agreements with financial institutions for the acquisition of lines or letters of credit shall be approved by the City Council. Lines and letters of credit entered into by the City shall be in support of projects contained in the approved Capital Improvement Plan.
- b. **Bond Anticipation Notes.** Where their use is judged by the Debt Manager to be prudent and advantageous to the City, the City may choose to issue Bond Anticipation Notes as a source of interim construction financing. Before issuing such notes, takeout financing for such notes must be planned for and determined to be feasible by the Debt Manager. Bond Anticipation Notes may be sold in either a competitive or negotiated sale, subject to authorization and approval by the City Council.
- c. **Tax and Revenue Anticipation Notes.** Where their use is judged by the Debt Manager to be prudent and advantageous to the City, the City may choose to issue Tax and Revenue Anticipation Notes to fund internal working capital cashflow needs. Before issuing such notes, cashflow projections will be prepared by the appropriate City Bureaus and reviewed by the Debt Manager. Tax and Revenue Anticipation Notes may be sold in either a competitive or negotiated sale, subject to authorization and approval by the City Council.
- d. **Tax Exempt Commercial Paper.** The City may choose to issue Tax Exempt Commercial Paper as a source of interim construction financing for projects contained in the City's approved Capital Improvement Plan only after the Debt Manager, in consultation with the City Treasurer, determines that such a financing represents the least cost interim financing option for the City. Furthermore, Tax Exempt Commercial Paper shall not be issued for City capital programs unless it is of sufficient economic size as determined by the Debt Manager. A report recommending the issuance of Tax Exempt Commercial Paper must first be approved by the Director of the Office of Finance and Administration, before recommendations are made to City Council authorizing the establishment of such a program.

7. IMPROVEMENT DISTRICT AND ASSESSMENT CONTRACT FINANCING

- a. **Financing Policies.** The policies guiding the City's improvement district and assessment contract financing program shall be guided by City Council Resolution No. 34847, as amended.
- b. **Interest Rates on Improvement Assessment Loans.** The contract interest rate on loans made from the proceeds of Improvement Assessment Bonds shall be equal to the effective interest rate paid on the bonds sold to finance such loans plus an additional percentage markup to cover self-insurance and loan servicing costs. The self-insurance and servicing charge markup shall be adjusted annually based upon the historical Improvement Assessment Bond collection history and consultation among the Auditor's Office, the Debt Manager, and the City Treasurer. The contract interest rate shall be determined on the day of the sale of Improvement Assessment Bonds for those assessment contracts financed with proceeds of the sale.
- c. **Interim Assessment Contract Interest Rates.** The interim assessment contract interest rate is the interest rate set on contracts that precede the sale of Improvement Assessment Bonds. This rate shall be set at a level deemed reasonable and prudent by the Debt Manager and the Auditor's Office to insure that funds collected through assessment contract payments are sufficient to meet that portion of future debt service requirements on Improvement Assessment Bonds attributable to such contracts.

- d. **Commitment to Self-Supporting Improvement District Financings.** Consistent with the concept of Improvement Assessment financing, all of the City's Improvement Assessment indebtedness shall be self-supporting. Prior to the issuance of Improvement Assessment Bonds, the Auditor's Office shall review projected cash flows which incorporate scheduled assessment contract payments, prepayments, delinquencies, and non-payments with the Debt Manager to ensure that the proposed Bonds shall meet the City's self-support requirement.

8. REFUNDING OF CITY INDEBTEDNESS

- a. **Debt Service Savings--Advance Refundings.** The City may issue advance refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent, and net present value savings, expressed as a percentage of the par amount of the refunding bonds, equal or exceed 5 percent. Exceptions to this requirement shall be made only upon the approval of the Debt Manager and the Director of the Office of Finance and Administration.
- b. **Debt Service Savings--Current Refundings.** The City may issue current refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent, and net present value savings equal or exceed \$100,000.
- c. **Restructuring of Debt.** The City may choose to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management. Savings requirements for current or advance refundings undertaken to restructure debt may be waived by the Debt Manager and the Director of the Office of Finance Administration upon a finding that such a restructuring is in the City's overall best financial interests.
- d. **Open Market Purchase of City Securities.** The City may choose to defease its outstanding indebtedness through purchases of its securities on the open market when market conditions make such an option financially feasible. The Debt Manager and the City Treasurer shall be responsible for developing procedures for executing open market purchases and the savings objectives to be achieved by undertaking such actions.

9. USE OF CREDIT ENHANCEMENT

The City shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Selection of credit enhancement providers shall be subject to a competitive bid process developed by the Debt Manager. Credit enhancement may be used to improve or establish a credit rating on a City debt obligation even if such credit enhancement is not cost effective if, in the opinion of the Debt Manager, the use of such credit enhancement meets the City's debt financing goals and objectives.

10. REBATE REPORTING AND COVENANT COMPLIANCE

The Debt Management Group in the Office of Finance and Administration shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the City's outstanding debt issues. Additionally, general financial reporting and certification requirements embodied in bond covenants shall be monitored to ensure that all covenants are complied with.

11. CONDUIT FINANCINGS

The City may sponsor conduit financings for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall service and policy objectives as determined by the Portland Development Commission. All conduit financings must insulate the City completely from any credit risk or exposure and must first be approved by the Debt Manager and the Director of the Office of Finance and Administration before being submitted to City Council for authorization and implementation.

12. FINANCING PROPOSALS

Any capital financing proposal made to a City Bureau, Agency, or Commission involving a pledge or other extension of the City's credit through the sale of securities, execution of loans or leases, or making of guarantees or otherwise involving directly or indirectly the lending or pledging of the City's credit shall be referred to the Debt Manager, who in a timely manner shall be responsible for analyzing the proposal, responding to the proposal, and recommending to the Director of the Office of Finance and Administration the required action to be taken.

13. DERIVATIVE PRODUCTS

The City may in the future choose to enter into contracts and financing agreements involving interest rate swaps, floating/fixed rate auction or reset securities, or other forms of debt bearing synthetically determined interest rates as authorized under Oregon statutes. Before entering into such contracts or agreements, a review team consisting of the Debt Manager, the City Treasurer, and appropriate bureau staff and outside consultants shall be formed to review the risks and benefits of such financing techniques and expected impacts on the City's long-term financial operations and credit ratings. The report, when completed, shall be presented to the Director of the Office of Finance and Administration for review and approval before any recommendations are submitted to the City Council for authorization and implementation.

14. OTHER POLICIES AND REQUIREMENTS

- a. **Annual Audit of City.** The annual audit of the City shall describe in detail all funds and fund balances established as part of any direct debt financing of the City. The audit may also contain a report detailing any material or rate covenants contained in any direct offering of the City and whether or not such covenants have been satisfied.

15. CREDIT RATINGS

- a. **Rating Agency Relationships.** The Debt Manager shall be responsible for maintaining relationships with the rating agencies that currently assign ratings to the City's various debt obligations. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.
- b. **Use of Rating Agencies.** The Debt Manager shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.
- c. **Minimum Long-Term Rating Requirements.** The City's minimum rating requirement for its direct, long-term, debt obligations is a rating of "A" or higher. If such a debt obligation cannot meet this requirement based on its underlying credit strength, then credit enhancement shall be sought to ensure that the minimum rating is achieved. If credit enhancement is unavailable or is determined by the Debt Manager to be uneconomic, then the obligations may be issued without a rating.

A lower rating standard may be accepted for indirect or conduit obligations, subject to the approval of the Debt Manager.

16. ONGOING DISCLOSURE

The Debt Manager shall be responsible for providing ongoing disclosure information to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

City Interest Rate Exchange Agreement Policy

Resolution #36313

Adopt City of Portland Interest Rate Exchange Agreement Policy. (Resolution)

WHEREAS, the City of Portland is authorized under Oregon Revised Statutes (ORS) 287.014 to 287.029, as amended by Chapter 195, Oregon Laws 2003 to enter into interest rate exchange agreements, commonly known as interest rate swaps; and

WHEREAS, State of Oregon law requires that issuers adopt a formal written policy regarding the use of agreements for the exchange of interest rates (a "Swap Policy") prior to entering into any such agreement; and

WHEREAS, State of Oregon law specifies that the Swap Policy shall provide a general description of risks related to agreements for exchange of interest rates and the means by which the issuer will address those risks; and

WHEREAS, interest rate exchange agreements can be appropriate interest rate management tools, increase the City's financial flexibility, and provide opportunities for interest rate savings; and

WHEREAS, there is a need to clearly establish guidelines for the execution and management of the City's interest rate exchange program; and

WHEREAS, a primary objective of the Interest Rate Exchange Agreement Policy is to ensure that the City Council, management, staff, advisors, and other decision makers adhere to sound financial and risk management practices when evaluating and entering into interest rate exchange agreements.

NOW, THEREFORE, BE IT RESOLVED that the Interest Rate Exchange Agreement Policy, attached hereto as Exhibit I, fulfills all State of Oregon mandated requirements, and is hereby adopted by the City Council.

BE IT FURTHER RESOLVED that the Interest Rate Exchange Agreement Policy is Binding City Policy.

Adopted by Council, April 27, 2005

Prepared by:

Mayor Tom Potter
Office of Management and Finance
Ken Rust
April 5, 2005

Gary Blackmer
Auditor of the City of Portland
By
Deputy

Exhibit I

City of Portland Philosophy Regarding Use of Interest Rate Exchange Agreements

INTRODUCTION

Interest rate exchange agreements ("Swaps") and related financial instruments and derivatives are appropriate interest rate management tools. Properly used, Swaps can increase the City of Portland's (the "City") financial flexibility and provide opportunities for interest rate savings.

Swaps are appropriate to use when they achieve a specific financial objective consistent with the City's overall Swap and Debt Management policies. Swaps may be used, for example, to lock-in a current market fixed rate or create additional variable rate exposure. Swaps may be used to produce interest rate savings or alter the pattern of debt service payments. Swaps may be used to cap, limit or hedge variable rate payments. Options granting the right to commence or cancel an underlying Swap are permitted to the extent the Swap itself is otherwise consistent with this policy.

The authorized Swaps contemplated in this policy are intended to reduce the amount or duration of interest rate risk, or produce a lower cost of borrowing when used in combination with the issuance of bonds.

RATIONALES FOR UTILIZING INTEREST RATE SWAPS

The use of Swaps and related financial instruments should balance the City's primary objectives of reducing the cost of capital, minimizing interest rate volatility, and gaining flexibility in structuring and managing its debt portfolio over time with the risks associated with these tools and instruments. Examples of how the City's debt management objectives can be achieved through the use of Swaps and other financial instruments are described below:

- ◆ Reduce borrowing costs at the time of issuance
Create synthetic fixed rate debt through a floating-to-fixed Swap
- ◆ Actively manage interest rate risk
Lock-in current market rates through (forward starting) floating-to-fixed Swap
- ◆ Optimize capital structure
Sell option to convert variable rate debt to fixed rate debt
- ◆ Balance financial risk
Purchase of an interest rate cap
- ◆ Achieve appropriate asset/liability match
Create variable rate exposure through fixed-to-floating Swap

Authority for Entering Into Swap Agreements

The purpose of this policy is to integrate the use of Swaps into the City's overall debt management practice. The use of Swaps will be limited to the City's outstanding debt, or executed in conjunction with to be issued debt, and do not apply and are therefore not authorized for use in conjunction with the City's investment portfolio. Swaps will not be used for speculation. The City's Debt Manager, in consultation with the City Treasurer and the City Controller and subject to the approval of the City's Chief Financial Officer and/or the Chief Administrative Officer, shall be responsible for determining if and when it is in the City's overall best financial interests to enter into a Swap or related financial instruments covered by this policy.

In connection with the use of any Swaps, the City shall comply with all applicable laws and shall notify the State Treasurer as required. The City must receive an opinion acceptable to the market from a nationally recognized firm that the swap contract is a legal, valid, and binding obligation of the City and that entering into such a contract complies with applicable provision of the City Charter and State statutes.

Permitted Instruments

The City may utilize financial instruments that (i) lower its interest expense, (ii) manage its financial risk, or (iii) improve its financial condition.

The City shall not use financial instruments that (i) create extraordinary leverage or financial risk, (ii) lack adequate liquidity to terminate at market, or (iii) provide insufficient price transparency to allow reasonable valuation on an ongoing basis.

The use of derivative financial products should produce a result not otherwise available in the cash market (i.e., lack of advance refunding/non-callable debt), or provide a higher level of net savings compared to conventional financing methods.

PERMITTED FINANCIAL INSTRUMENTS

The City may expressly utilize the following financial instruments, after identifying the financial objective(s) to be realized and assessing the attendant risks:

- ◆ Interest Rate Swaps including, but not limited to: Fixed-to-Floating, Floating-to-Fixed, and Forward Starting Interest Rate Exchange Agreements:
Current or forward starting floating-to-fixed rate swaps, designed to reduce a fixed interest rate below that which would otherwise be available through the use of "traditional" fixed rate debt
Fixed-to-floating rate swaps, designed to create additional variable interest rate exposure
- ◆ Rate Locks
Cash-settled forward contracts based on indices such as the MMDTM "AAA" scale
- ◆ Interest Rate Caps, Floors or Collars
Financial contracts that limit or bound exposure to interest rate volatility
- ◆ Options on Variable Rate Indices
Indices could include BMA, LIBOR, etc.
- ◆ Options on Swaps ("Swaptions")
Methods used to control the commencement or cancellation of interest rate swaps
- ◆ Basis Swaps
Floating-to-floating rate swaps using different variable-rate indices, such as a swap from the BMA index to a percentage of LIBOR

APPROVED SWAP TRANSACTION TYPES

Swaps

Fixed-to-Floating Rate Swap (Synthetic Variable)
Fixed-to-Floating Rate Cancelable Swap (Synthetic Variable)
Floating-to-Fixed Rate Swap (Synthetic Fixed)
Floating-to-Fixed Rate Forward Swap (Bond Issue Anticipation Hedge/Synthetic Forward Refunding)
Basis Swaps (Floating-to-Floating) on Approved Indices

Swaptions

Floating-to-Fixed Rate Swaption Sale (Synthetic Forward Refunding)
Floating-to-Fixed Rate Swaption Sale (Bond Call Option Monetization)
Other Approved Swaption Purchases and Sales for Asset-Liability Management

Rate Locks*Caps/Floors/Collars*

Interest Rate Caps/Floors Embedded in Approved Swap Transactions

Purchased Caps

Purchased Floors

Purchased Collars (Buy Cap/Sell Floor)

"Exotics" (e.g., Knock-Out Options, Inflation-Indexed Swaps)

Subject to approval based on verifiable savings or achievement of risk reduction benefit targets and consistency with policy requirements regarding price transparency and liquidity. In general, the City will seek to avoid financial products with embedded "digital" risks.

Swap Risk Analysis

The City's Debt Manager shall evaluate all financial products with respect to the unique risks that they bear. A specific determination must be made that the proposed or expected benefits exceed the identified risks by an adequate margin over those available in the traditional cash market. At a minimum, the Debt Manager shall perform an evaluation of the risks and what steps have been taken to mitigate any risks. The City may retain a swap advisor to assist in assessing these risks. Questions that may arise include the following:

- ◆ Market or interest rate risk
Does the transaction hedge or create interest rate volatility?
- ◆ Tax Risk
How is the transaction or its benefits affected by a future change in federal income tax policy?
- ◆ Termination Risk
Under what circumstances might the transaction be terminated? At what value?
- ◆ Risk of Uncommitted Funding (Put Risk)
Does the transaction create additional financing dependent upon third party participation?
- ◆ Rollover Risk
Is the term of the Swap shorter than the term of the underlying hedged debt or financial instrument?
- ◆ Legal Risk
Is the transaction expressly authorized?
- ◆ Counterparty Risk
What is the creditworthiness of the counterparty?
- ◆ Rating Agency Risk
Is the proposed transaction consistent with the City's current ratings and ratings objectives?
- ◆ Basis Risk
Do the anticipated payments the City receives match the payments it makes?
- ◆ Subsequent Business Conditions
Does the transaction or its benefits depend upon the continuation, or realization, of specific industry business conditions?
- ◆ Operational Risk
Does the City have adequate systems, policies, and practices in place to monitor and manage the transaction over its term?

Swap Procurement and Execution

PROCUREMENT

The City will not have a fixed policy with respect to the procurement of Swaps and other financial instruments authorized by this policy. However, the City will have a bias toward competitively bidding financial products of a general nature that are widely available in the marketplace. On a product-by-product basis, the City will have the authority to negotiate the procurement of financial instruments that have customized or specific attributes designed on its behalf. The Debt Manager will be responsible for determining the method of procurement for Swaps and related financial instruments. An independent swap advisor may be retained to assist the Debt Manager in evaluating the proposed pricing of Swaps or related financial instruments.

SWAP EXECUTION

The Debt Manager may recommend the use of financial derivative products if they:

1. Provide a specific benefit not otherwise available
2. Produce greater expected interest rate savings than cash market alternatives
3. Do not create extraordinary leverage or financial risk
4. Result in an improved capital structure or better asset/liability match
5. Reasonably pass the risk evaluation required by this policy

CREDIT RATING DESIGNATIONS

For purposes of this Swap Policy, references to credit ratings will be based on those ratings issued by Moody's Investors Service, Standard & Poor's Corporation, and Fitch Ratings. The credit ratings will reflect the designations assigned by each of these rating agencies for comparable credits, and will be listed for each rating agency in the order shown in the preceding sentence.

Swap Documentation

The City will use standard International Swaps and Derivatives Association ("ISDA") swap documentation including the Schedule to the Master Agreement and a Credit Support Annex.

TERMS AND NOTIONAL AMOUNT OF SWAP AGREEMENT

The City shall determine the appropriate term for Swaps on a case-by-case basis. The slope of the swap curve, the marginal change in swap rates from year to year along the swap curve, and the impact that the term of the Swap has on the City's overall financial exposure shall be considered in determining the appropriate term of any Swap agreement. In connection with the issuance or carrying of bonds, the term of the Swap agreement between the City and a qualified swap counterparty shall not extend beyond the final maturity date of existing City debt, or in the case of a refunding transaction, beyond the final maturity of the refunding bonds. At no time shall the total net notional amount of all Swaps, excluding any offsetting Swaps, exceed the total amount of outstanding applicable bonds. Variable rate debt exposure created through the use of Swaps will be consistent with the limitations set forth in the City's adopted Debt Management Policy.

Terms and conditions of any Swap shall be negotiated by the Debt Manager in the best interests of the City subject to the applicable legal provisions and this policy. The Swap agreements entered into between the City and each counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions and provisions as the Debt Manager, in consultation with City legal counsel and its swap advisor, deems necessary or desirable.

Subject to the provisions contained herein, the City's swap documentation and terms should include the following:

- ◆ The downgrade provisions triggering termination should be bilateral
- ◆ Governing law for Swaps will be New York, but should reflect Oregon authorization provisions

- ◆ The specified indebtedness related to credit events in the Master Agreement should be narrowly drafted and refer only to specific debt
- ◆ Eligible collateral should be limited to Treasuries, Federal Agencies (i.e., City-approved Government Sponsored Enterprises) and any other securities which in the City's sole discretion shall be deemed reasonable and creditworthy
- ◆ Collateral thresholds should be set on a sliding scale reflective of credit ratings
- ◆ Termination value should be set by "market quotation" methodology
- ◆ For counterparties below "Aa2/AA/AA", use of a credit support annex to document swap termination value collateralization procedures
- ◆ Downgrade triggers

Policy on Swap Counterparties

The City shall only do business with highly rated counterparties, and will structure swap agreements to protect itself from credit deterioration. All Swap transactions shall contain provisions granting the City the right to optionally terminate a swap agreement at any time over the term of the agreement. Such a provision shall be required even if any termination is at market. In general, exercising the right to terminate an agreement should produce a benefit to the City, either through the receipt of a payment from a termination or, if the termination payment is made by the City, in conjunction with a conversion to a more beneficial (desirable) debt obligation of the City, as determined by the City.

GUIDELINES ON COUNTERPARTY RISK

The City should not have an immutable credit standard. However, the City shall attempt to do business with highly rated counterparties with a rating of "Aa2/AA/AA" or better. For lower rated (below "Aa2/AA/AA") counterparties, the City should seek credit enhancement in the form of:

- ◆ Contingent swap counterparty providing support;
- ◆ Collateral;
- ◆ Ratings downgrade triggers; and,
- ◆ Minimum rating threshold of "Baa2/BBB/BBB", below which provisions will allow an assignment or trigger an additional termination event, with the counterparty as the affected party (i.e., the counterparty would pay market based transaction costs).

QUALIFIED SWAP COUNTERPARTIES

The City shall be authorized to enter into interest rate swap transactions only with qualified swap counterparties. The composition of the approved swap counterparties will change from time to time. Qualified swap counterparties must be rated at least "Aa3/AA-/AA-", or equivalent by any two of the nationally recognized rating agencies; or have a "Aaa/AAA/AAA" subsidiary as rated by at least one nationally recognized credit rating agency. In addition, the counterparty must have a demonstrated record of successfully executing swap transactions as well as creating and implementing innovative ideas in the swap market. Each counterparty shall have minimum capitalization of at least \$150 million. The City will not enter into financial products with counterparties rated below "A2/A/A" by any rating agency.

Limitations on Counterparty Exposure

GUIDELINES

In order to diversify the City's counterparty credit risk, and to limit the City's credit exposure to any one counterparty, limits will be established for each counterparty based upon both the credit rating of the counterparty as well as the relative level of risk associated with each existing and proposed swap transaction. The guidelines shown in the following table provide general termination exposure guidelines with respect to whether the City should enter into an additional transaction with an existing counterparty. The City may make exceptions to the guidelines at any time to the extent that the execution of a swap achieves one or more of the goals outlined in these guidelines or provides other benefits to the City. In general, the maximum net termination exposure to any single counterparty should be set so that it does not exceed a prudent level as measured against the gross revenues, available assets, or other financial resources of the City.

Such guidelines will also not mandate or otherwise force automatic termination by the City or the counterparty. Maximum net termination exposure is not intended to impose retroactively any terms and conditions on existing transactions. Such provisions will only act as guidelines in making a determination as to whether or not a proposed transaction should be executed given certain levels of existing and projected net termination exposure to a specific counterparty. Additionally, the guidelines below are not intended to require retroactively additional collateral posting for existing transactions. Collateral posting guidelines are described in the "Collateral" section below. The calculation of net termination exposure per counterparty will take into consideration multiple transactions, some of which may offset the overall exposure to the City.

Under this approach, the City will set limits on individual counterparty exposure based on existing as well as new or proposed transactions. The sum of the current market value and the projected exposure shall constitute the maximum net termination exposure. For outstanding transactions, current exposure will be based on the market value as of the last quarterly swap valuation report provided by the City's swap advisor. Projected exposure shall be calculated based on the swap's potential termination value taking into account possible adverse changes in interest rates as implied by historical or projected measures of potential rate changes applied over the remaining term of the swap. For purposes of this calculation, the City shall include all existing and projected transactions of an individual counterparty and all transactions will be analyzed in aggregate such that the maximum exposure will be additive.

The exposure thresholds, which will be reviewed periodically by the City to ensure that they remain appropriate, will also be tied to credit ratings of the counterparties and whether or not collateral has been posted as shown in the table below. If a counterparty has more than one rating, the lowest rating will govern for purposes of calculating the level of exposure. A summary table is provided below.

Counterparty Credit Exposure Recommended Limits			
Credit Ratings	Maximum Collateralized Exposure	Maximum Uncollateralized Exposure	Maximum Net Termination Exposure
Aaa/AAA/AAA	NA	\$100.0 million	\$100.0 million
Aa2/AA/AA	\$75.0 million	\$20.0 million	\$75.0 million
Aa3/AA-/AA-	\$50.0 million	None	\$50.0 million

If the exposure limit is exceeded by a counterparty, the City shall conduct a review of the exposure limit per counterparty. The City, in consultation with its bond counsel and swap advisor, shall explore remedial strategies to mitigate this exposure. Irrespective of the guidelines set forth above, for City projects greater than \$100 million, no more than 50% will be funded by financial products backed by a single counterparty.

Benefit Expectation

Financial transactions, using Swaps or other derivative products, intended to produce the effect of a synthetic advance refunding, must generate 25% greater savings than the benefit threshold then in effect for fixed-rate bonds as determined by the City's Debt Manager. Such benefit threshold will be determined based on similar call features of the structures being compared.

The higher savings target reflects the greater complexity and higher risk of derivative financial instruments.

In calculating the prospective savings against the target for implementing a fixed-to-variable swap, the cost of remarketing, in addition to the cost of credit and liquidity fees must be added to the variable rate representing the ten-year average of comparable variable rate securities.

Termination Provisions

All swap transactions shall contain provisions granting the City the right to optionally terminate a swap agreement at any time over the term of the agreement. In general, exercising the right to terminate an agreement produces a benefit to the City, either through the receipt of a payment from a termination, or if the termination payment is made by the City, in conjunction with a conversion to a more beneficial (desirable) City debt obligation, as determined by the City.

Collateral

As part of any swap agreement, the City shall require collateralization or other credit enhancements to secure any or all swap payment obligations. As appropriate, the City, in consultation with its legal counsel and swap advisor, may require collateral or other credit enhancements to be posted by each swap counterparty under the following circumstances:

"Each counterparty to the City may be required to post collateral if the credit rating of the counterparty or parent falls below the "Aa2/AA/AA" category. Additional collateral for further decreases in credit ratings of each counterparty shall be posted by each counterparty in accordance with the provisions contained in the collateral support agreement to each counterparty with the City.

- ◆ Collateral shall be deposited with a third party trustee, or as mutually agreed upon between the City and the counterparty.
- ◆ A list of acceptable securities that may be posted as collateral and the valuation of such collateral will be determined and mutually agreed upon during negotiation of the swap agreement with each swap counterparty.
- ◆ The market value of the collateral shall be determined on at least a monthly basis.
- ◆ The City shall determine the reasonable threshold limits for the initial deposit and for increments of collateral posting thereafter.
- ◆ The City shall determine on a case-by-case basis whether other forms of credit enhancement, such as swap insurance, are more beneficial in lieu of the posting of additional collateral.

Monitoring and Reporting

At least once per year, or as requested by the City Council, the Debt Manager shall prepare a report describing the various Swaps and financial arrangements entered into by the City pursuant to this policy that are in effect as of the date of the report's publication. The report shall include the following information:

1. A summary of key terms of the agreements, including notional amounts, interest rates, maturity, and method of procurement.
2. The marked-to-market value of each agreement.

3. The full name, description, and credit ratings of each counterparty or the applicable guarantor.
4. The amounts that were required to be paid and received, and any amounts that were actually paid and received.
5. A listing of any credit enhancement, liquidity facility, or reserves and an accounting of all costs and expenses associated with the credit enhancement, liquidity facility, or reserves.
6. The aggregate marked-to-market value for each counterparty and the relative exposure compared to other counterparties.
7. A calculation of the City's value at risk or termination values for each counterparty.
8. A discussion of other risks associated with each transaction.

At the end of each fiscal year, the Debt Manager shall provide to the Controller all information required for financial reporting under GASB as well as any other reporting or disclosure requirements.

City Investment Policy

Resolution #36415

Adopt City of Portland Investment Policy (Resolution)

WHEREAS, the City of Portland is permitted under State of Oregon law to invest its funds in various classes of securities including but not limited to: 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, 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 Management and Finance is charged with responsibility for managing the City's investments; and

WHEREAS, the Office of Management and Finance has developed a formal Investment Policy after seeking the advice of the City's Investment Advisory Committee; and

WHEREAS, ORS 294.135 requires that the City of Portland adopt an Investment Policy; and

WHEREAS, when material changes are made to the Investment Policy, the City of Portland is required pursuant to 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, consistent with State of Oregon law and Oregon Short-Term Fund Board requirements.
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.

BE IT FURTHER RESOLVED that the Investment Policy is Binding City Policy.

Adopted by Council, May 31, 2006

Prepared by:

Ken Rust
David Thurman
Andrew Scott
May 18, 2006

Gary Blackmer
Auditor of the City of Portland
By
Deputy

Exhibit I

INVESTMENT POLICY

CITY OF PORTLAND, OREGON

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 \$400 million to \$800 million.

RESPONSIBILITY

The City Treasurer will be responsible for the implementation of this Policy. In the absence of the City Treasurer, the Chief Financial Officer (or designee) shall perform the investment duties. Any amendments to this Policy must be approved by the City Council after seeking the advice of the Chief Financial Officer, the City Treasurer, and the City's Investment Advisory Committee. The City Treasurer and Chief Financial Officer (or designee) in consultation with the Investment Advisory Committee shall establish the maximum investment level with each Oregon financial institution. 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
 - ❖ (US Treasury Inflation Indexed Securities)10 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.
- ◆ Interest -Bearing Deposits in State of Oregon Financial Institutions Collateralized 25% by Securities as Required by Oregon Revised Statutes and in Compliance With the Provisions of ORS 294.035
 - ❖ 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: 70 Days
 - ❖ Maximum Percent of Portfolio Per Issuer: 5%
 - ❖ Securities held for safekeeping through the City's custodian Bank or successor Bank

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:

<u>Maturity</u>	<u>Percentage of Funds</u>
0-2 Years	50-100%
2-10 Years	0- 50%

This maturity structure applies to the Treasury's best estimate of the lowest cash balance that the portfolio will reach during the next ten years. If, for example, the projected lowest cash balance is \$200 million, then up to \$100 million may be invested in the two to ten 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 Chief Financial Officer (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 interest-bearing deposits, the Treasury will obtain interest rate offers from all Oregon financial institutions approved to do business with the City. The interest bearing 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 Chief Financial Officer (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, the Chief Administrative Officer and the Chief Financial Officer:

- ◆ 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 Chief Financial Officer. 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 areas of risk exposure that the City confronts through its investment activities. The first risk confronting the City is 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 interest rate risk. This is accomplished by limiting investments to a maximum maturity of seven years (ten years for Treasury Inflation Indexed Securities only), and by investing to meet the City's cash flow requirements.

The second area of risk exposure confronting the City can be termed purchasing power risk. It is predominantly the risk associated with inflation. 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 inflation is rising, then the amount of income in constant dollars declines and the constant value of the principal to be received also declines. The City's Investment Policy is designed to mitigate this risk through the short-term nature of the portfolio maturity requirements as well as the ability to invest in Treasury Inflation Indexed Securities.

The final risk is credit risk or the financial risk of not receiving principal and interest when due from an issuer. 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 and monitoring their credit quality on an ongoing basis. A portfolio policy stressing a relatively short maturity serves to additionally minimize credit risk.

Therefore, it is the conclusion that the shorter the portfolio is in terms of maturity, the less risk exposure the City faces with regard to all three major areas of risks confronting the City's investment activities. The policy of maintaining 100% of the funds in securities maturing in seven years or less (ten years for Treasury Inflation Indexed Securities only), provides ample flexibility to earn capital gains on the City's investments by extending funds out to longer maturities when interest rates are falling, yet avoids the extreme amount of exposure to interest rate risk and purchasing power risk that exists in longer-term portfolios.

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

SCB:jb

June 11, 1992

Barbara Clark

Auditor of the City of Portland

EXHIBIT I

OFFICE OF FINANCE AND ADMINISTRATION

Updated June 1996

POLICY OVERVIEW

The following principles underlie the City's General Fund Revenue Policy:

- ◆ City services that provide private benefit should be paid for by fees and charges. A "private benefit" should be viewed as one which benefits the user and whose quantity, quality, and/or number of units may be specified. Examples would include parks usage fees, plans review fees, site rental fees, etc. These will maximize flexibility in the use of general city taxes to meet the cost of broader public services.
- ◆ All bureaus charging fees are required to complete and present for review by OF&A and subsequently for action by Council fee studies based upon cost-of-service principles. These studies are to be updated at a minimum every two years.
- ◆ In performing fee studies and developing fee structures, bureaus shall take into account:
- ◆ The degree to which a service provides a general benefit or public good in addition to the private good provided to a specific business, property, or individual;
 - ❖ The economic impact of new or expanded fees, especially in terms of comparability with other governmental jurisdictions within the metropolitan area;
 - ❖ The true or comprehensive cost of providing a service.
 - ❖ The impact of imposing or increasing the fee upon populations at risk and the achievement of other city goals.
- ◆ All fee revenues are dedicated to the bureau in which they are generated.

SCOPE OF POLICY

This Policy applies to General Fund Bureaus. Because of their financial structure, both Enterprise and Operating Funds automatically dedicate revenues to their respective services. The methodology utilized by these funds in establishing fees and charges will continue to be reviewed in their respective financial plans the initial step in the annual budget process. For General Fund bureaus, all bureau-specific revenues are dedicated to the bureaus through which they are generated. This means that bureaus are responsible for the preparation of revenue forecasts, the tracking of receipts, and the administration of all related changes during the fiscal year. Each bureau is responsible for attaining revenue estimates. These are reported in the quarterly budget process, and adjustments are made to appropriations accordingly.

Revenue categories covered by this policy are permits, service charges and fees, and sales. Contracts and inter-agency agreements which result in surplus may also be included, provided that such surplus does not violate the conditions imposed under the contract or inter-agency agreement.

Excluded are the major non-Bureau specific General Fund revenue categories of Property Taxes, Utility License Fees, Franchise Fees, Business License Fees, Lodging Tax, Interest Earnings, Local Government Sources, and State Sources. These resources will continue to be categorized as discretionary and be allocated to Bureaus as part of the annual budget process. Also excluded are donations and grants.

GUIDELINES

The following guidelines will be followed by bureaus in developing and updating fees:

Bureau Responsibilities

Each bureau which produces revenues (as identified above) is responsible for:

- ◆ Preparing annual revenue estimates as part of the annual budget request. These estimates should be developed after completion of a cost-of-service study. Annual review of fee schedules should include necessary adjustments to cover inflation.
- ◆ Monitoring actual revenue receipts throughout the fiscal year. Report on status within the quarterly budget reports.
- ◆ Adjusting budgets as necessary in response to total revenue shortfalls and surpluses occurring during the fiscal year. These adjustments will occur in conjunction with the quarterly review process. Bureaus will need to decrease appropriation when total Bureau specific resources are projected to be less than budgeted.

Bureau of Financial Planning Responsibilities

It is the responsibility of the Bureau of Financial Planning to work with the bureaus in developing, implementing, and monitoring fees in the following ways:

- ◆ The Bureau of Financial Planning is responsible for reviewing bureau rates and revenue estimates as well as monitoring the receipt of bureau revenues. Variances between planned and actual revenues are reported to Council in the quarterly budget report along with recommended actions.
- ◆ All Bureau request for adjustments related to revenues will require the review of the Office of Finance and Administration prior to Council action in accordance with procedures for the Council Calendar or quarterly review process.
- ◆ Bureau of Financial Planning staff provide assistance to bureaus in completing fee studies.

Revenue Surpluses

- ◆ Current year surplus revenues above the budgeted revenue estimate shall be available to the bureau for appropriation through the quarterly ordinance process. Additional appropriation shall be used for activities supporting the sources generating the additional fees.
- ◆ Bureaus recognizing a revenue surplus may elect to establish a reserve or “rainy day fund” with all or part of the surplus. The bureau will develop a policy for the creation and use of the fund. Use of funds from the reserve will be identified and justified in the quarterly or annual budget process, in accordance with the policy adopted by the bureau. Such reserve accounts will be budgeted as special appropriations.
- ◆ Year-end surpluses and shortfalls shall be treated in accordance with the ratio outlined in the bureau’s cost of service study. In the absence of a cost of service study, the surplus shall be available or the shortfall absorbed at a level of 50% to the bureau and 50% to the General Fund.

Revenue Shortfalls

- ◆ It is the responsibility of each bureau to achieve budgeted revenues. In the event of a projected total revenue shortfall, the bureau is required to document other offsetting revenues, or reduce its budget within the quarterly budget report.
- ◆ Additional General Fund discretionary appropriation will not be transferred to cover revenue shortfalls without Council authorization.
- ◆ A five percent (5%) margin of error is established as acceptable for fee projection and collection. Bureaus will share any amount of surplus in the manner outlined in the section above. In the event of a shortfall, this policy shall take effect when the shortfall exceeds 5% of the total non-discretionary revenue. In such case, the bureau will reduce expenditures in non-discretionary funded programs by the same percentage identified in the cost of service study, or 50-50 in the absence of a cost of service study.

General Fund Reserves Use Policy

Resolution #34722

Adopt a General Reserve Use Policy. (Resolution)

WHEREAS, over the past three years, and continuing with the approved FY 1990-91 budget the City Council has endeavored to rebuild General Fund reserves; and

WHEREAS, as a result of annual transfers and one-time unexpected revenues Council was able to achieve a five percent General Reserve in just three years; and

WHEREAS, the Auditor's Annual Financial Condition Report has recommended establishment to reserve levels equal to 10 to 15 percent of annual General Fund operating revenues, and a written financial management policy that includes policies on reserve requirement; and

WHEREAS, an increase in the City's reserves decreases the City's need for short-term borrowing which is an indication of the City's financial health; and

WHEREAS, actions taken in the FY 1990-91 Approved Budget transfer \$2 million toward a second five percent reserve; and

WHEREAS, it is important for Council to adopt a policy governing Council's use of the General Fund Reserve Fund.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Portland, Oregon that the attached General Fund Reserve Fund Use Policy (summarized below) be adopted:

1. The first five percent reserve is defined as an **emergency reserve** available to fund one-time, emergency, unanticipated expenditure requirements or offset unanticipated revenue fluctuations occurring within a fiscal year.
2. The **emergency reserve** will only be accessed when the result of emergency expenditures or an unexpected revenue reduction would likely result in a negative ending balance for the General Fund.
3. **Emergency Reserve** resources must begin to be restored in the fiscal year following their use. Restoration will be consistent with the Council's past practice of budgeting transfers totaling a minimum of \$1 million dollars a year to the General Reserve Fund.
4. The second five percent reserve is defined as **counter cyclical reserve** available to either maintain General Fund current service level programs or transition expenditure growth to match slower revenue growth during the first 18 to 24 months of a recession.
5. The **counter cyclical reserve** may be used when basic revenue growth (where "basic revenue" is defined as the sum of General Fund property tax, business license, utility license/franchise fees, cigarette and liquor taxes, transient lodging taxes, and interest income) falls to below 5.5 percent for two consecutive quarters or the Financial Forecast estimates basic revenue growth will be below 5.5 percent for the next fiscal year, and one or more of the following conditions occurs in conjunction with slower revenue growth:
 - ❖ The Portland Metropolitan Area unemployment rate is reported above 6.5 percent for two consecutive quarters or the Financial Forecast estimates unemployment will average in excess of 6.5 percent for the next fiscal year.
 - ❖ The property tax delinquency rate exceeds 8 percent.
 - ❖ Actual business license year-to-year revenue growth falls below 5.5 percent for two consecutive quarters or the Financial Forecast estimates Business License revenue growth at less than 5.5 percent for the next fiscal year.

6. The Council should begin to restore **counter cyclical reserves** within 24 months of their first use.
7. Revenue shortfalls associated with bureau service reimbursement income, contract income, or cost recovery income may not be offset by a transfer of resources from the General Reserve Fund.

Adopted by Council, May 03, 1990

Barbara Clark

Mayor J.E. Bud Clark

Auditor of the City of Portland

April 26, 1990

By

SCB:TG:RR

Deputy

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.

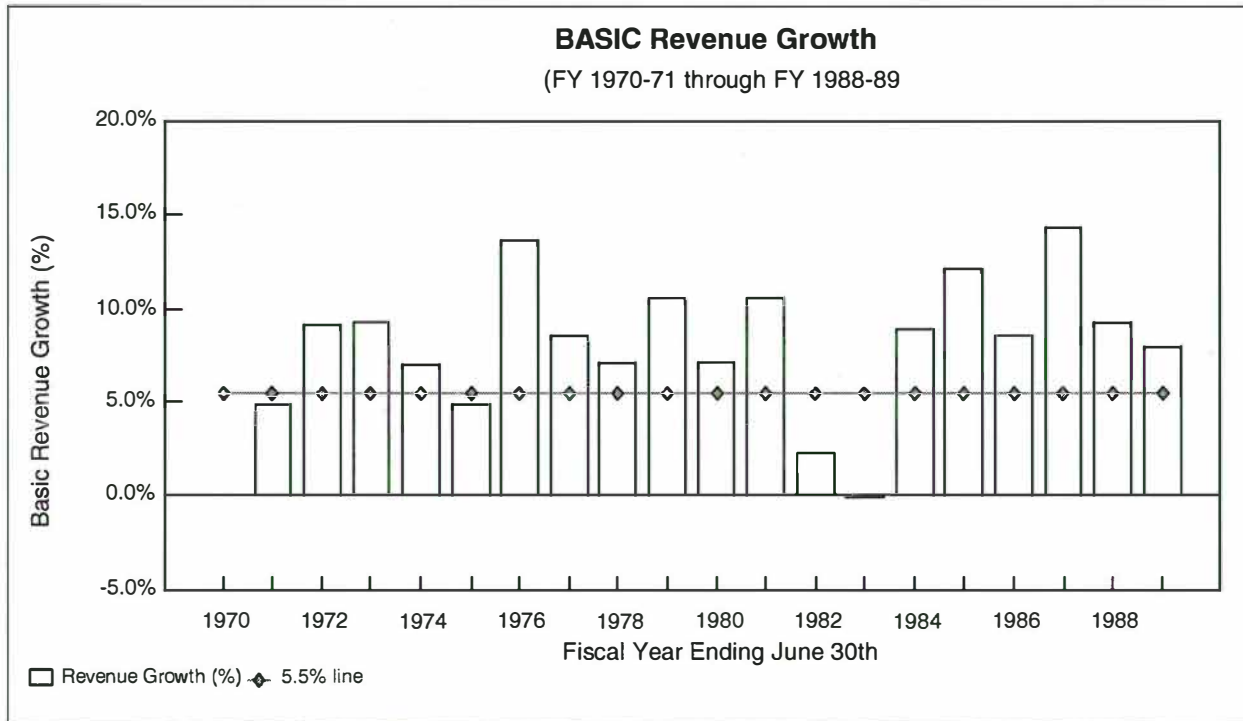
The Council should begin to restore Counter cyclical Reserves used under the guidelines within 24 months after their first use.

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
GENERAL RESERVE FUND DETAIL				
Beginning Fund Balance	\$0	\$1,000,000	\$2,433,894	\$2,434,967
Transfers-IN	\$4,950,000	\$1,340,283	\$1,000,000	\$9,667,952
Transfers-OUT	(\$3,950,000)	\$0	\$0	(\$4,000,000)
Interest Income	\$0	\$94,684	\$103,017	\$472,481
Ending Fund Balance	\$1,000,000	\$2,434,967	\$3,536,911	\$8,575,400
Ending Fund Balance As Percent of Net Revenues	0.623%	1.409%	2.034%	4.926%
Net Revenues	\$160,591,017	\$172,784,494	\$173,926,367	\$174,087,688
5% Reserve Level (5.000%)	\$8,029,551	\$8,639,225	\$8,696,318	\$8,704,384
Over (Under)	(\$7,029,551)	(\$6,204,258)	(\$5,159,407)	(\$128,984)
(*) Total General Fund revenues less short-term borrowing proceeds				

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

JEC:LMS

December 4, 1992

Barbara Clark

Auditor of the City of Portland

By

Deputy

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 I - 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

Establish a Local Improvement District Financing Policy for evaluating, forming and financing local improvement projects. (Resolution)

THE COUNCIL OF THE CITY OF PORTLAND FINDS THAT

1. WHEREAS, the City of Portland forms, finances and constructs more than \$1 million in voluntary local improvement district projects, annually; and
2. WHEREAS, the City of Portland has provided financial security for local improvement projects by pledging the City's taxing authority; and
3. WHEREAS, Ballot Measure 5 imposes new restrictions and conditions on the use of the City's taxing authority by requiring City-wide voter approval of unlimited tax general obligation improvement bonds; and
4. WHEREAS, existing local improvement district financing policies do not address the changing requirements of Ballot Measure 5; and
5. WHEREAS, it is critical to the long-term financial health of the City to have financial policies which protect City resources, and provide adequate security for City bondholders; and
6. WHEREAS, the local improvement district program is an important method for financing local transportation, sewer, water and other capital improvements; and
7. WHEREAS, the City's local improvement district financing policy must be responsive to the varied financial requirements of each local improvement district; and
8. WHEREAS, the Auditor's Office convened a Policy Committee consisting of the Auditor's Office, Office of Transportation, Bureau of Environmental Services, Water Bureau, Office of Finance and Administration, and Public Financial Management, the City's financial advisor; and
9. WHEREAS, the Policy Committee reviewed the issues affecting the City's LID Program and developed recommendations to be included in the LID Financing Policy; and
10. WHEREAS, the Auditor's Office presented the Policy Committee recommendations to the Auditor's Office Budget Advisory Committee on April 23, 1991, and to City Council in informal session on April 30, 1991;

NOW, THEREFORE, BE IT RESOLVED THAT

1. The City of Portland adopts the Local Improvement District Financing Policy, as set forth in Attachment A; and
2. The Local Improvement District Financing Policy governs all future local improvement projects, including projects which City Council has formed by ordinance, and for which City Council has not awarded a construction contract; and
3. The Local Improvement District Financing Policy supplements all existing City policies related to local improvement districts, assessments and assessment financing; and
4. The Auditor's Office is directed to work with participants on the Policy Committee, existing advisory bodies, property owners and other interested citizens to obtain public review and comment; and
5. The Auditor's Office is directed to prepare City Charter and Code amendments, as needed, to codify this policy after receiving public review and comment.

Attachment A
City of Portland

Local Improvement District Financing Policy

A. Purpose and Intent.

The LID Financing Policy is intended to facilitate the use of the local improvement district process in a manner which protects the City's financial condition. The Policy prescribes a process to (1) evaluate the financial feasibility of local improvement projects, (2) measure financial risk of project default, and (3) identify sources of financial security for long-term assessment financing. Through this process, the City will be able to make reasoned policy decisions about the purpose of the local improvement, the responsibilities of property owners, the contributions (if any) of City resources, and the means of responding to financial risk.

B. Findings.

1. The City of Portland forms, finances and constructs more than \$1 million in voluntary local improvement district projects, annually.
2. The City of Portland has provided financial security for local improvement projects by pledging the City's taxing authority.
3. Ballot Measure 5 imposes new restrictions and conditions on the use of the City's taxing authority by requiring City-wide voter approval of general obligation improvement bonds.
4. Existing local improvement district financing policies do not address the changing requirements of Ballot Measure 5.
5. It is critical to the long-term financial health of the City to have financial policies which protect City resources, and provide adequate security for City bondholders.

The local improvement district program is an important method for financing local transportation, sewer, water and other capital improvements.

The City's local improvement district financing policy must be responsive to the varied financial requirements of each local improvement district.

C. Responsibilities.

The following general responsibilities will govern the evaluation of a proposed local improvement project prior to City Council adoption of an ordinance to form a local improvement district:

1. The chief petitioners shall be responsible for responding to any financial concerns or conditions raised by the City as a result of a technical or financial evaluation of the proposed local improvement project.
2. The lead public works bureau shall be responsible for assisting property owners with the procedures to file a petition to form a local improvement district. To the greatest extent possible, the bureau should attempt to identify financing issues early in the petition process, and include the Auditor's Office in a review of possible financial options.
3. The Auditor's Office shall be responsible for evaluating the financial feasibility and measuring the financial risk of a proposed local improvement project based on this Policy.

D. Feasibility Tests.

The City Auditor shall use the following tests when evaluating the financial feasibility of a local improvement project. These tests, and any resulting financial security issues, shall be completed and addressed before the Auditor's Office prepares and files an ordinance to form a local improvement district. The Auditor's Office will perform the financial evaluation with assistance and involvement from public works bureaus, the Office of Finance and Administration, the Portland Development Commission, petitioners and other interested parties.

Table 6:

Feasibility Test	Standard or Condition
Value to Assessment Ratio	Individual properties must have a value to assessment ratio of 2:1 or greater. Exceptions to this standard will be accepted for aberrant ratios as noted under Waiver Criteria.
Aberrant Value to Assessment Ratio	Ratios below 2:1 will be accepted on properties representing no more than 5% of estimated assessments. No individual aberrant property may represent more than 2% of estimated assessments. No individual aberrant property may have a ratio less than 1.5:1.
Diversity of Ownership	The City will require additional security for projects where 3 or less property owners represent more than 50% of estimated assessments.
Diversity of Development	The City may require additional security for projects involving vacant property which represents more than 25% of total assessments.
Bankruptcy	The City will require additional security for properties which are involved in a bankruptcy proceeding.
Waiver Criteria	<ul style="list-style-type: none"> ◆ Project involving less than 12 properties, and for which more than 75% of assessment estimates are on residential property. ◆ The value to assessment and aberrant ratio standards may be waived if affected property owners file financial statements demonstrating ability to pay assessments, and if total real market property value exceeds total taxes and assessment liens. ◆ Publicly owned property is exempt from all feasibility tests. ◆ The project advances expressed City goals or objectives, and adequate security is identified by City Council. ◆ The project is included in an urban renewal area, and is secured by the Portland Development Commission.
Conditions for Developer LIDs	<ul style="list-style-type: none"> ◆ Developer/chief petitioner files current financial statements. ◆ No delinquent property taxes or assessments. ◆ Bond, letter of credit or other security equal to total project costs.

E. Improvement Bond Program Security and Structure

The City Council shall use the following security arrangements and bonding structure when approving long-term financing of local improvement assessments. These guidelines are intended to provide adequate financial securities to market limited general obligation improvement bonds at the lowest possible interest cost to property owners. In addition, the guidelines set forth the order of security to be provided in the event that a property owner defaults on a local improvement assessment loan.

Table 7:

Security or Structural Consideration	Standard or Condition
Lien Enforcement	The City shall use active collection and foreclosure practices to collect delinquent local improvement assessments.
Primary Security	The City places a municipal lien on property to secure local improvement assessments. Additional security is pledged by developers based on the value to lien ratio test of 2:1.
Secondary Security	The City shall adjust the interest rate on local improvement assessment loans to provide for insurance for improvement bonds. The adjustment shall be determined by City Council, based on a recommendation of the Office of Finance and Administration, the Auditor's Office and the City's financial advisor. The interest rate adjustment shall be fixed at the time the Auditor's Office sets the permanent interest rate on assessment loans, following a bond sale. Proceeds shall be deposited in a dedicated reserve account to be used to cover debt service payments in the event of an assessment loan default.
Ultimate Security	The General Fund shall be ultimately responsible for securing improvement bonds. In the event that a property owner default of an assessment loan requires debt service payments beyond the coverage established in improvement bond reserve account, City enterprise funds shall make payments on behalf of the General Fund as set forth in the bond sale ordinance. Participation by each enterprise fund shall be proportionate based on the types of local improvement projects involved in the bond sale.

Table 7:

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. 180256 (As Amended)

*Adopt the annual budget of the City and establish appropriations for the fiscal year beginning July 1, 2006 and ending June 30, 2007. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Multnomah County Tax Supervising and Conservation Commission (TSCC) held its public hearing on the City's FY 2006-07 Approved Budget on June 15, 2006 and certified the budget and proposed tax levies on that date.
2. For FY 2006-07 the budget document provides specific position and expenditure authorization 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 Approved Budget prior to final adoption, as allowed under Oregon Revised Statutes.
4. The changes to be incorporated in the Adopted Budget include:
 - a. Reducing interfund transfers to the Campaign Finance Fund by \$607,652 and moving \$545,000 to contingency in recognition of lower than expected expenditures in FY 2005-06 and 2006-07.
 - b. Redirecting \$261,873 in General Fund savings from the reduced Campaign Finance Fund transfer to fund 6.75 FTE in the Bureau of Emergency Communications, the Fire Bureau, the Planning Bureau, and the Portland Office of Emergency Management with ongoing resources instead of one-time resources.
 - c. Eliminating one position, adding one position, and reclassifying one position in the Water Bureau for a total reduction of 0.4 FTE, with no net fiscal impact.
 - d. Reallocating funds from external materials and services to personal services in the Mayor's Office to add 0.75 limited-term FTE for the Visioning project.
 - e. Transferring a one-time special appropriation for Multi-Jurisdictional Gang Services to the Mayor's Office budget and creating two limited term, full-time positions.
 - f. Carrying over \$200,000 of unspent FY 2005-06 funds for Charter review, to complete work in FY 2006-07.
 - g. Converting the \$400,000 special appropriation for downtown marketing to a payment to the Portland Development Commission, which will manage and coordinate the downtown marketing effort.
 - h. Transferring \$343,862 in interest earned on forfeited assets, currently held in a trust account, to the Police Bureau budget.
 - i. Making technical adjustments to the Bureau of Development Services to properly fund two positions and an interagency agreement, correct entries in contingency and fund balance, and account for the transfer of the Neighborhood Inspection program, for a net fiscal impact of (\$1,821).
 - j. Adjusting the Sewer System Operating Fund budget to balance the capital improvement plan, with no net fiscal impact.
 - k. Adjusting the Sewer System Debt Redemption Fund to replace estimates with actual debt service amounts on the 2006 Series A and B bond issues.

- l. Increasing the budget in the Bureau of Housing and Community Development and related funds by \$1,486,172. This amount is composed of the following elements:
 - ❖ \$200,000 in General Fund resources to rehabilitate methamphetamine houses, budgeted in the Bureau of Housing and Community Development
 - ❖ \$380,000 in General Fund resources for homeless and public safety services, to be shifted from the special appropriation for jail beds and inmate treatment services to the Bureau of Housing and Community Development budget
 - ❖ \$553,336 in one-time FY 2005-06 General Fund resources, to be carried over to FY 2006-07 in the Housing Investment Fund and transferred to the Bureau of Housing and Community Development, to continue a variety of programs
 - ❖ \$299,549 in extended federal grant funds, budgeted in the Bureau of Housing and Community Development
 - ❖ \$20,000 in extended federal grant funds, budgeted in the Housing and Community Development Fund
 - ❖ \$33,287 in extended federal grant funds, budgeted in the HOME Fund
- m. Increasing the OMF/Technology Services budget by \$5,424 to reconcile the budget with bureau interagency agreements.
- n. Decreasing the OMF/Technology Services budget by \$186,871 to reflect a decrease in special projects contract carryover based on true costs.
- o. Adjusting beginning balance in the Facilities Services Operating Fund by \$6,530,093 to reflect capital projects that will not be completed in FY 2005-06.
- p. Moving a \$2,306,000 loan repayment to a different account in the Insurance and Claims Operating Fund, with no net fiscal impact.
- q. Increasing the Convention and Tourism Fund budget by \$240,000 to reflect the most recent forecast for transient lodging taxes.
- r. Transferring \$13,438 from the Bureau of Development Services to the Office of Neighborhood Involvement to adjust the transfer of resources associated with the move of the Neighborhood Inspection program.
- s. Increasing the Office of Sustainable Development budget by \$45,786 in grant resources that will be used to fund one-half of the sustainable city government position.
- t. Increasing the Office of Transportation budget by \$12,000 to recognize interagency revenue from the Bureau of Housing and Community Development for Dignity Village activities.
- u. Changing the mix of positions added for the Keep Portland Moving program at the Office of Transportation, with no net fiscal impact and no net change in total positions.
- v. Moving \$323,905 in ongoing and one-time resources from the Parks Trust Fund to the Golf Fund to cover cash flow requirements without changing the programmatic use of the funds.
- w. Reducing the transfer from the Parks Local Option Levy Fund to the Parks Bureau operating budget by \$10,909 to reflect a 1.8% reduction (the average Parks budget reduction) in funds passed through the bureau to other organizations.
- x. Correcting the positions included in the Approved Budget to open Fire Station 27 to reflect one less lieutenant and one more firefighter, with no net fiscal impact.
- y. Carrying over \$523,444 in federal grant funds for the Portland Office of Emergency Management.
- z. Replacing a management auditor position for the Police Bureau's Office of Professional Standards with a senior management auditor position, with no net fiscal impact.

- aa. Increasing contingency in the Fire and Police Disability and Retirement Fund by \$426,345 to reach the normal 3% level, following an increase in estimated beginning balance of \$2.4 million and a reduction in tax revenue of \$1.9 million.
 - ab. Increasing a special appropriation for the Portland Development Commission by \$200,000 for the purpose of funding small business grants.
 - ac. Reducing the Commissioner of Public Utilities' budget by \$69,659 and eliminating one FTE.
5. The budget should be adopted so that there is no delay in establishing budget authority for conducting City business on July 1, 2006.

NOW, THEREFORE, the Council directs:

- a. The FY 2006-07 budget for the City is hereby adopted in the total amount of \$2,933,560,038.
- b. In accordance with the FY 2006-07 budget adopted in Section 1.a. of this ordinance and ORS 294.435, expenditure amounts are hereby appropriated for the fiscal year beginning July 1, 2006 from the funds and for the purposes listed in Attachment 1, Appropriation Schedule - FY 2006-07 (Volume Two, Table 2). This schedule of appropriations incorporates the changes referenced in Section 1.4 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 2-105 of the City Charter.
- d. The number of authorized positions is hereby limited to the number of such positions listed for each fund and bureau in the FY 2006-07 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 Bureau of Human Resources' administrative rules unless otherwise directed by Council. Salaries for each appointee shall be set in accordance with the City Compensation Plan unless otherwise directed by 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 2006-07 Adopted Budget (Volume Two, Tables 1 and 2), 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, contingency, fund-level cash transfers, and debt retirement.
 - ii. Bureau directors may adjust their line item budgets as needed, subject to the following limitations:
 - a. Major object category adjustments may not change the appropriation amounts shown in Attachment 1, Appropriation Schedule - FY 2006-07 (Volume Two, Table 2) except with approval from 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. Major object category adjustments may only change the totals for the major object categories shown in Volume Two, Table 1 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 and services (line items 551000 through 559782) may only be used to obtain services from City agencies. Any line item budget adjustment that changes an internal materials and 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.

- iv. Fund-level cash transfers may not exceed the amounts detailed in the FY 2006-07 Adopted Budget without approval from Council.
 - v. Funds appropriated in the capital outlay category are to be used for the purchase of fixed assets, which are defined as tangible assets with 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 defined as fixed assets other than buildings that add value to land, cost at least \$10,000, and have an expected life of at least ten years. Equipment/furniture is defined as fixed assets other than land, buildings, or improvements.
 - vi. Expenditures on federal and state grant projects are limited to those grants that have been accepted and approved by Council.
- f. A transfer of \$5 million in excess Local Improvement District reserves from Bancroft Bond Fund 311 to General Fund 101 will be made, effective with the adoption of the FY 2006-07 Budget.
 - 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 2006-07 Adopted Budget.
 - h. The Financial Planning Division of the Office of Management and Finance will work with all bureaus to ensure that bureaus report results achieved with all add packages. This reporting may include adjustments to performance goals for existing performance measures, the creation of new performance measures, or simply narrative reporting of results in the FY 2006-07 budget monitoring reports and the FY 2007-08 Requested Budget. Financial Planning will include bureaus' performance results in budget monitoring and Requested Budget analyses.
 - i. The FY 2006-07 Adopted Budget will include the budget notes as presented in Attachment 2. Council directs bureaus to ensure proper attention is given to compliance with budget notes.
 - j. The actions adopting the annual budget of the City and establishing appropriations contained in this ordinance are binding City policy.

Section 2. The Council declares that an emergency exists because it is necessary to adopt the budget and establish appropriation without delay in order to provide authority to transact the financial affairs of the City for FY 2006-07; therefore, this ordinance shall be in full force and effect from and after July 1, 2006.

Passed by the Council,
Mayor Tom Potter
Office of Management and Finance
Jennifer Sims: ER
June 22, 2006

GARY BLACKMER
Auditor of the City of Portland
By
Deputy

TAX LEVY ORDINANCE

No. 180257

*Levy taxes for the City for the fiscal year beginning July 1, 2006 and ending June 30, 2007. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The FY 2006-07 Budget for the City was adopted and appropriations made by the Council on June 22, 2006 by ordinance.
2. On November 5, 2002, voters in the City 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 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, which will be used to pay urban renewal debt service requirements.
5. 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.
6. 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 Notice to Assessor (Form UR-50), on which the City is required to categorize urban renewal levies by option selected: 1, 2, 3, Window, or New. Form UR-50 also requires the City to certify the Amount from Division of Tax and the Special Levy Amount.
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, 2006, on all taxable property, both real and personal, within the corporate limits of the City 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 of \$86,550,497.
 - iii. For General Government, a voter-approved local option children's levy taxing rate of \$0.4026 per \$1,000 of assessed valuation.
 - iv. For General Government, a voter-approved local option parks' levy taxing rate of \$0.3900 per \$1,000 of assessed valuation.
 - v. Excluded from Limitation, for bonded indebtedness the estimated amount of \$7,942,946.
- b. The Chief Administrative Officer of the Office of Management and Finance is hereby directed to certify on Form LB-50 the tax levies made in Section 1.a of this ordinance 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 Block Redemption Fund, the Convention Center Area Debt Service Fund, the Lents Town Center Urban Renewal Area Debt Redemption Fund, the River District Urban Renewal Area Debt Redemption Fund, the Interstate Corridor Debt Service Fund, the North Macadam Urban Renewal Area Debt Redemption Fund, the Willamette Industrial Urban Renewal Area Debt Service Fund, and the Gateway URA Debt Redemption Fund, the Assessors of Multnomah, Clackamas, and Washington Counties are hereby requested to implement the procedures specified in ORS 457.420 through 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 of this ordinance.
- d. The Chief Administrative Officer of the Office of Management and Finance is hereby directed to certify that the City requests that tax increment revenue be collected for urban renewal bonded indebtedness and other indebtedness in FY 2006-07 for Airport Way, Central Eastside Industrial District, Convention Center, South Park Blocks, Downtown Waterfront, Lents Town Center, River District, North Macadam, Interstate Corridor, Willamette Industrial Area, and Gateway Regional Center debt service requirements as outlined below. On Form UR-50, the following amounts will be certified for urban renewal collections:

Tax Increment Authority for FY 2006-07 by Plan Area	Amount from Division of Tax	Special Levy	Estimated Division of Tax	Amount of Special Levy	Estimated Collections
Part 1: Option One Plans <i>(must be existing plan)</i>					
Central Eastside Industrial District	100.0%	No	\$4,331,890	\$0	\$4,331,890
Part 2: Option Two Plans <i>(must be existing plan)</i>					
Not Applicable to Portland					
Part 3: Option Three Plans <i>(must be existing plan)</i>					
South Park Blocks	Fixed Amount	Yes	\$5,660,000	\$2,198,154	\$7,858,154
Airport Way	Fixed Amount	Yes	\$2,540,000	\$3,005,537	\$5,545,537
Convention Center	Fixed Amount	Yes	\$5,740,000	\$1,998,154	\$7,738,154
Downtown Waterfront	Fixed Amount	Yes	\$7,710,000	\$7,798,155	\$15,508,155
Part 4: Window Plans					
Lents Town Center	100.0%	No	\$6,266,767	\$0	\$6,266,767
Gateway Regional Center	100.0%	No	\$1,779,256	\$0	\$1,779,256
River District	100.0%	No	\$16,588,269	\$0	\$16,588,269
North Macadam	100.0%	No	\$1,353,402	\$0	\$1,353,402
Interstate Corridor	100.0%	No	\$6,353,635	\$0	\$6,353,635
Part 5: New Plans					
Willamette Industrial Area	100.0%	No	\$0	\$0	\$0
Urban Renewal Totals			\$58,323,219	\$15,000,000	\$73,323,219

- 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.

Section 2. The Council declares that an emergency exists because it is necessary to certify the above amounts to the county assessors by July 15, 2006; therefore, this ordinance shall be in full force and effect from and after July 1, 2006.

Passed by the Council,

GARY BLACKMER

Mayor Tom Potter
Office of Management and Finance
Jennifer Sims: ER
June 22, 2006

Auditor of the City of Portland
By

Deputy

ACCEPT STATE REVENUE SHARING ORDINANCE

No. 180254

*Elect to accept funds from the State of Oregon under the State Revenue Sharing Program for the fiscal year beginning July 1, 2006 and ending June 30, 2007. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The State of Oregon established 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 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, 2006.

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 that pursuant to ORS 221.770, the City hereby elects to receive state revenues for FY 2006-07.

Section 2.

The Council declares that an emergency exists because it is necessary to notify the State of Oregon, Department of Administrative Services by July 31, 2006 that the City elects to receive State Revenue Sharing funds for the FY 2006-07 Budget; therefore, this ordinance shall be in full force and effect from and after its passage by Council.

Passed by the Council,
Mayor Tom Potter
Office of Management and Finance
Jennifer Sims: ER
June 22, 2006

GARY BLACKMER
Auditor of the City of Portland
By
Deputy

FUND ORDINANCE

No. 180255

*Merge the Technology Services Fund and the Communications Services Operating Fund and close the Communications Services Operating Fund. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. In September 2003 Council passed Ordinance # 177852, which merged the Bureau of Information Technology and the Bureau of Communications and Networking and established the Bureau of Technology Services.
2. Since this merger, some activities of the Bureau of Technology Services have been accounted for in the Technology Services Fund, and other activities have been accounted for in the Communications Services Operating Fund.
3. It is desirable to make the accounting and budgeting structures reflect the current organizational structure. The best way to accomplish this is by closing the Communications Services Operating Fund and transferring all balance sheet accounts to the Technology Services Fund, effective June 30, 2006.

NOW, THEREFORE, the Council directs:

- a. Effective June 30, 2006, the Communications Services Operating Fund (Fund 707/ AUs 358, 360, 361, 362, and 446) will be closed and all balance sheet accounts will be transferred to the Technology Services Fund (Fund 711/ AU 550).

Section 2. The Council declares that an emergency exists because it is necessary to close the fund and transfer accounts before the end of the fiscal year in order to properly prepare financial statements for the year ending June 30, 2006; therefore this ordinance shall be in full force and effect from and after June 30, 2006.

Passed by the Council,
Mayor Tom Potter
Office of Management and Finance
Jennifer Sims: ER
June 22, 2006

GARY BLACKMER
Auditor of the City of Portland
By

Deputy



**Tax Supervising
& Conservation
Commission**

PO Box 8428
Portland, Oregon
97207-8428

Telephone (503) 988-3054

Fax: (503) 988-3053

E-Mail:
TSCC@co.multnomah.or.us

Web Site:
www.co.multnomah.or.us/orgs/
/tsccl

June 15, 2006

Mayor and Council
City of Portland
1220 SW 5th
Portland, Oregon 97204

Dear Mayor and Council Members:

The Tax Supervising and Conservation Commission met on June 15, 2006 to review, discuss and conduct a public hearing on the City of Portland 2006-07 budget. This hearing was conducted pursuant to ORS 294.605-705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the City.

The 2006-07 budget, filed timely on May 16, 2006, is hereby certified by a majority vote of members of the Commission with the following objection and recommendation, which will require written responses.

Objection – Interfund Loan Repayment Incorrectly Budgeted as Transfer

An interfund transfer was budgeted in the Insurance Claims Operating Fund No. 708 to repay an interfund loan made to the Parking Fund. Since this was a loan repayment local budget law requires that the expenditure be budgeted as debt service and not as an interfund loan. The City shall, when adopting the budget, reclassify the \$2,306,000 interfund transfer from the Insurance and Claims Operating Fund to the Parking Facilities Fund and budget the same amount as debt service.

Recommendation - Expenditures Exceeding Appropriation Authority

The June 30, 2005 audit noted 8 funds where expenditures exceeded appropriation levels.

General Fund:

Office of Neighborhood Involvement	Materials & Services	8,052
Special App., Clean & Sage	Materials & Services	235
Special App., Employee Transit Program	Materials & Services	81,099
Special App., Downtown Services	Materials & Services	238,683
Purchases and Stores	Materials & Services	501
Inventory Stores Stock	Materials & Services	13,016
Debt Service & Related Costs		109,736
Emergency Communications Fund	GF Overhead Charges	1
Housing & Community Development Fund	Debt Service	11,004
Sewer System Construction Fund	Materials & Services	243,076
Portland International Raceway Fund	Materials & Services	74,353
City Fleet Operating Fund	Materials & Services	252,842
Printing & Distribution Services Fund	Debt Service	16,543
Insurance and Claims Operating Fund	Materials & Services	904,349

Local Budget Law does not allow the expenditure of monies beyond the legal authority. All funds need to be closely monitored throughout the year to ensure appropriations are in place prior to expending monies.

Aside from the above exceptions, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, are listed on the following pages.

Commissioners

Lynn McNamara
Kirk R. Hall
Elizabeth Hengeveld
Dr. Roslyn Elms Sutherland

Mayor and Council
City of Portland

June 15, 2006
Page 2

Please file a complete copy of the adopted budget with the Commission within 15 days of adoption. The response to the Commission objection and recommendation should be included either in the adopting resolution or within a letter that accompanies the adopted budget.

We appreciate having the opportunity to discuss this budget with you.

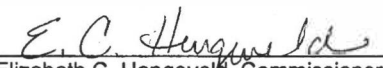
Yours very truly,

TAX SUPERVISING & CONSERVATION COMMISSION



Lynn McNamara, Commissioner

Kirk R. Hall, Commissioner



Elizabeth C. Hengeveld, Commissioner



Dr. Roslyn Elms Southerland

Mayor and Council
City of Portland

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	<u>Budget Estimates</u>	<u>Unappropriated Portion</u>
General Fund	\$467,778,251	0
General Reserve Fund	50,743,365	0
Fire & Police Disability & Retirement Fund	113,538,809	0
Children's Investment Fund	22,998,168	0
Parks Local Option Levy Fund	17,865,484	0
Bonded Debt Interest & Sinking Fund	7,785,055	0
Business License Surcharge Fund	6,302,353	0
Interstate Corridor Debt Service Fund	5,836,364	0
Gateway URA Debt Redemption Fund	1,622,411	0
Lents Town Center URA Debt Redemption Fund	5,816,754	0
North Macadam URA Debt Redemption Fund	1,821,432	0
Airport Way Debt Service Fund	8,159,717	2,761,979
Convention Center Area Debt Service Fund	7,172,828	0
Central Eastside Industrial District Debt Fund	3,930,736	0
River District URA Debt Redemption Fund	20,327,076	4,734,950
South Park Blocks Redemption Fund	7,286,290	0
Waterfront Renewal Bond Sinking Fund	16,208,575	1,681,500
Water Fund	165,077,508	0
Water Growth Impact Charge Trust Fund	1,839,974	1,839,974
Water Construction Fund	100,153,232	43,504,335
Transportation Operating Fund	197,682,077	0
Private for Hire Trans. Safety Fund	107,699	0
Sewer System Debt Redemption Fund	104,977,406	2,845,127
Sewer System Operating Fund	462,519,637	0
Sewer System Rate Stabilization Fund	48,738,799	0
Sewer Revolving Loan Fund	654,320	0
Sewer System Safety Net Fund	1,169,999	0
Sewer System Construction Fund	252,313,450	0
Solid Waste Management Fund	7,388,131	2,953,429
Parks Capital Construction & Maintenance Fund	28,313,966	0
Portland Parks Memorial Trust Fund	5,081,344	0
Parks Endowment Fund	170,893	169,693
Spectator Facilities Operating Fund	14,716,665	0
Portland International Raceway Fund	1,983,366	0
Assessment Collection Fund	67,476	0
Development Services Fund	47,486,818	5,716,559
Cable Fund	5,025,244	849,373
Property Management License Fund	4,643,632	32,969
Emergency Communication Fund	16,986,096	0
Golf Fund	6,540,728	0
Hydropower Operating Fund	1,130,201	0
Parking Facilities Fund	17,085,967	0
Public Safety Fund	2,311,578	0
Technology Services Fund	69,786,319	0
Facilities Services Fund	43,454,214	0
City Fleet Operating Fund	42,169,188	0
Health Insurance Fund	42,964,206	0
Insurance & Claims Operating Fund	25,113,510	0
Print Distribution Services Operating Fund	9,246,003	0
Workers' Compensation Self-Insurance Operating Fu	21,305,434	0
Environmental Remediation Fund	5,616,513	0
Housing Investment Fund	11,462,890	0

Mayor and Council
City of Portland

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	<u>Budget Estimates</u>	<u>Unappropriated Portion</u>
Continued:		
Hydropower Renewal and Replacement Fund	8,461,638	0
BFRES Facilities Bond Construction Fund	21,875,300	0
LID Construction Fund	56,310,203	0
PPAHealth Insurance Fund	11,228,876	0
Gas Tax Bond Redemption Fund	3,281,972	401
Bancroft Bond Fund	18,159,273	9,697,658
Parking Facilities Debt Redemption Fund	3,075,051	0
Golf Revenue Bond Redemption Fund	1,442,000	635,107
Hydropower Bond Redemption Fund	6,320,128	4,101,570
Governmental Bond Redemption Fund	3,543,856	0
Pension Debt Redemption Fund	26,159,290	6,206,389
Special Projects Debt Service Fund	5,512,263	0
Campaign Finance Fund	2,199,622	0
Water Bond Sinking Fund	16,039,135	0
Federal Grants Fund	35,547,172	0
HOME Grant Fund	7,916,239	0
Housing & Community Development Fund	13,970,079	0
FPD&R Supplemental Program Trust Fund	75,450	67,600
FPD&R Reserve Fund	750,000	0
Convention & Tourism Fund	2,585,603	144,398
Transportation Reserve Fund	728,341	0
Special Finance & Resource Fund	<u>148,250,000</u>	<u>0</u>
	\$2,923,909,642	\$87,943,011

Tax Levy:

Permanent Rate - General Government Category	\$ 4.5770
Parks Local Option - General Government Category	0.3900
Children's Initiative Local Option - General Government Category	0.4026
Bonded Debt Fund - Not Subject to Limit	7,942,946
Fire & Police Disability & Retirement -General Government Category	88,667,719

Urban Renewal Divide the Tax:

Downtown Waterfront	Option 3	7,710,000
South Park Blocks	Option 3	5,660,000
Central Eastside	Option 1	100%
Lents Town Center	Window Plan	100%
River	Window Plan	100%
Airport Way	Option 3	2,540,000
Convention Center	Option 3	5,740,000
North Macadam	Window Plan	100%
North Interstate Corridor	Window Plan	100%
Gateway Regional Center	Window Plan	100%
Willamette Industrial	New Plan	100%

Urban Renewal Special Levies:

Downtown Waterfront	7,798,155
South Park Blocks	2,198,154
Airport Way	3,005,537
Convention Center	<u>1,998,154</u>
Total Special Levy	\$15,000,000



Office of Management and Finance

Tim Grewe, Chief Administrative Officer

Bureau of Financial Services

Ken Rust, Chief Financial Officer

Financial Planning Division

Jennifer Sims, Manager

Drew Barden, City Economist

Kourosch (Ghaem) Maghami

Nancy Hartline

Stacy Jones

Mike Johnson

Doug Le

Jeremy Patton

Eileen Roe

Casey Short

Jason Smith

Bob Tomlinson

Support Staff

Linda Rains

Sharon Wolf

Printing and Distribution Division

Collaborative team effort by staff in Printing and Distribution

Financial Planning Division
1120 SW Fifth Avenue, Room 1250
Portland, Oregon 97204
(503) 823-5288

Website: <http://www.portlandonline.com/omf/index.cfm?c=26608>

