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# 192020

Emergency Ordinance

## \*Adopt a Supplemental Budget for City Council and Mayor staffing

Passed

Amended by Council

The City of Portland ordains.

Section 1. The Council finds:

1. In November 2022, Portland voters approved Ballot Measure 26-228 that, among many items, establishes four geographic districts, with three city council members elected to represent each district – expanding city council to a total of 12 members.
2. This council's specific duties are to focus on setting policy and engaging with community, transitioning day-to-day oversight of bureaus to a mayor elected citywide and a professional city administrator.
3. The FY 2024-25 budget currently appropriates \$3,681,576 ongoing General Fund resources to fund the newly formed Office of the City Council which includes 12 newly established Council Office to oversee the City of Portland. For FY 2024-25, each of the 12 offices has a six-month budget that spans from January 1, 2025 through June 30, 2025. Each of the 12 office budgets has the same total budget, comprising the following components: 2.0 FTE-Elected official and Senior Council Aide; funding to cover external costs to the City, such as office supplies, contracts, travel, and training; and funding to cover internal City charges such as technology services, space rent, insurance costs, security, and administrative and financial support.
4. The FY 2024-25 budget currently appropriates \$1,555,504 in ongoing General Fund resources for 9 shared staff to provide a base level of support to the Council President and other councilors and their staff to administer an effective legislative process, and administrative and constituent services including the following: a shared Council staff director to supervise the shared staff, ensure consistent and reliable support across Council, and liaise across Council and with the

### Document number

2025-007

### Introduced by

[Council President Elana Pirtle-Guiney](#)

### Contact

#### Jonas Biery

Deputy City Administrator -  
Budget & Finance Service Area

✉ [jonas.biery@portlandoregon.gov](mailto:jonas.biery@portlandoregon.gov)

### Requested Agenda Type

Regular

### Date and Time Information

#### Requested Council Date

January 15, 2025

#### Time Requested

90 minutes

Portland Policy Document

executive branch; four administrative specialists (one for each district) to support scheduling and other shared administrative and constituent services; two analysts to perform policy research and analysis and develop policy recommendations for legislative and committee work, one coordinator to support Council and committee operations including coordination with the Auditor's Office; and one administrative specialist to support the shared staff group and general Council operations.

5. The previous City Council approved staffing levels lower than what was recommended by the City's transition team to balance the current year budget and as a starting point knowing that the current City Council could bring an ordinance like this one once in office.
6. Supplemental budget actions only impact the current Fiscal Year budget, FY 2024-25. City Council will address any ongoing budget impacts of this supplemental budget during the FY 2025-26 budget development process.

NOW, THEREFORE, the Council directs:

- A. The FY 2024-25 Appropriation Schedule is hereby amended by adjusting appropriations to increase bureau operating expenditures in City Council by \$4,318,424 and Mayor by \$269,810, with specific changes shown in Exhibit 1.
  1. Decrease General Fund Contingency by \$4,588,234 to balance.
  2. The number of authorized positions in the FY 2024-25 Revised Budget is hereby amended as presented in Exhibit 2.
  3. The actions amending the FY 2024-25 Revised Budget contained in this ordinance are binding City policy.

Section 2. Council declares that an emergency exists in order to have Exhibits 1-2 of this Ordinance as amended be enacted upon passage of this Ordinance; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

## Exhibits and Attachments

 [Memo to Council](#) 336.27 KB

 [Exhibit 1 - As Amended](#) 19.19 KB

 [Exhibit 2](#) 63 KB

 [Ordinance as amended - strikethrough / underline version](#) 43.5 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed as amended by Council  
January 15, 2025

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

City Council has authority to modify the FY 2024-25 City budget (subject to State Budget Law requirements) to address “a pressing necessity that could not reasonably be foreseen when preparing the original budget or a previous supplemental budget for the current year or current budget period and that requires prompt action.” ([ORS 291.471](#) ([https://oregon.public.law/statutes/ors\\_294.471#b-notice-of-a-regular-meeting-convened-pursuant-to-paragraph-a](https://oregon.public.law/statutes/ors_294.471#b-notice-of-a-regular-meeting-convened-pursuant-to-paragraph-a))) Further, City Council has the authority and responsibility to adopt the FY 2025-26 City Budget in June 2025. In February 2025, the City Administrator will offer a package of initial budget recommendations for review and consideration by Portlanders and by City Council. Input from the community and City Council will lead to a balanced FY 2025-26 Proposed Budget from the Mayor in early May, and then culminate in a final balanced FY 2025-26 Budget for approval and adoption by City Council in June.

A primary objective and responsibility of the Chief Financial Officer and the City Budget Office is to provide transparency to support community input and Council decision-making. Additionally, the Chief Financial Officer must monitor and consider the City’s financial condition broadly and provide recommendations that support long-term financial viability of the City. As has previously been communicated, the City is facing an upcoming budget cycle that will require deep and significant reductions to City programs and service delivery, and staffing. Additional expenses identified in the nearterm will increase the reductions required in FY 2025-26 to fit within available revenues. I appreciate that the currently Adopted FY 2024-25 Budget is not aligned to priorities of the newly elected City Council and look forward to supporting City Council in realigning the budget to reflect that shift in priorities.

Supplemental budgets act only on the current fiscal year, and therefore only change allocations on a one-time basis. There are limited resources available in FY 2024-25 that are unencumbered, flexible and legally eligible to be spent on new appropriation for Council offices. Most of these funds are included in the General Fund Contingency, which is held to address necessary and unforeseen mid-year budget adjustments. As of January 5, 2025, the amount of available resources in the General Fund Contingency is

roughly \$13.8 million. Re-allocation and spending of these dollars is possible but does reduce contingency that would be available for unexpected needs that could materialize later in the fiscal year, or to mitigate required cuts in FY 2025-26. City Council can also choose to reallocate budget from other areas outside of contingency, with the trade-off of reducing service levels, possibly including personnel, in the current fiscal year.

Per direction from the Council President, this memo accompanies an ordinance that will be filed for Council consideration on January 15, 2025 to adjust the City Council budgets. The following two sections of this memo summarize key information related to the ordinance as filed, as well as another option to increase the budgets by a smaller amount (as an example of a “bookend” option with a lower cost impact). City Council may vote to amend the ordinance as filed to reflect a different decision about either the size or source of the reallocation. The final section of this memo briefly describes the key steps required to adopt and implement an Ordinance to modify the FY 2024-25 Budget, with the assumption that City Council wishes these actions to come forward for consideration and approval as quickly as possible.

## Financial and Budgetary Impacts

*Increases Council office staffing by 1 FTE and Mayor's office staffing by 3 FTE for FY 2024-25 plus External Materials & Services funding to bring Council office budgets to the annualized equivalent of previous Commissioner office budgets.*

FY 2024-25 Cost Impact:

The ordinance as filed would add 1 Senior Council Aide position to each Council office for remainder of FY 2024-25, plus \$261,677 per office for external materials and services, for a total (annualized) budget of \$1.6 million per Council office. Current Council office budgets are \$306,798 for the half year of FY 2024-25. Current year costs would be increased by \$359,869 per office (pro-rated \$1.6 million for 5 months, less \$306,798). This proposal also adds 3 FTE to the Mayor's Office for the remainder of FY 2024-25. Total costs as described above would be **\$4.6 million in FY 2024-25** above current budgets.

The funding for this increase would come from the City Administrator's budget by a total of \$4,588,234 on a one-time basis in FY 2024-25. The options for the one-time reduction in the City Administrator's budget depend on the Council's desired direction for the ongoing funding reduction. If the ongoing reduction comes from the same place as the one-time reduction, it could come from any portion of the budget. Details of the City Administrator's budget are listed in the Appendix below. It could also come from other locations within the budget in other service areas. The City Administrator and/or Chief Financial Officer expects to provide a follow-up memo with a more in-depth discussion of expected budget reductions in FY 2025-26 by the end of day Friday January 10<sup>th</sup>.

If the one-time reduction is not tied to the ongoing budget reduction, then the reduction should be to un-encumbered external materials and services backed by General Fund Discretionary in order to avoid an impact to staff or other ongoing expenses. Using this approach would likely mean reducing the Impact Reduction Program (IRP), the Public Environmental Management Office (PEMO), or the alternative shelter program.

Alternatively, City Council could choose to take this funding from General Fund contingency. For example, the previous City Council allocated funds for capital set-aside in contingency during the FY 2024-25 Fall Budget Monitoring Process (Fall BMP) to address capital needs, as directed by City Financial Policy. However, these amounts are not required for those purposes in the current Fiscal year, and could be re-allocated to support the costs identified in this ordinance without impacting existing programs or staffing.

#### Future Cost Impacts:

If this proposal were passed, the assumption is that the FY 2025-26 Adopted Budget would include an add package for +15 FTE to convert to permanent, ongoing positions and funding at an estimated cost of roughly \$3.6 million in FY 2025-26 and escalated per standard cost increase assumptions annually thereafter. Additionally, this would assume continued ongoing funding to increase the Council office budgets to \$1.6 million annually (to be inflated at the standard rates), resulting in a total increase above current FY 2024-25 budget appropriation of approximately **\$11.3 million ongoing**. Committing this new ongoing funding will require identifying **additional expense reductions** in the FY 2025-26 Adopted Budget to offset these new ongoing expenditures. If this proposal passes, the Mayor and City Administrator will work with the City Leadership Team to identify potential FY 2025-26 expense reduction trade-offs for City Council consideration during FY 2025-26 Budget development.

#### Economic and Real Estate Development Impacts

Not applicable.

#### Community Impacts and Community Involvement

The public will have the opportunity to provide testimony during the first reading of this ordinance, or as online written testimony between now and the second reading of this ordinance. This supplemental budget is a small part of the much larger budget process; the rest of the budget process is subject to extensive public outreach in the form of public meetings, public hearings, Council work sessions, requests and analysis provided online.

## 100% Renewable Goal

This action does not specifically impact the City's total energy or renewable energy use.

## Financial and Budget Analysis

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### FY 2024-25 Cost Impact:

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permanent, ongoing positions and funding at an estimated cost of roughly \$3.6 million in FY 2025-26 and escalated per standard cost increase assumptions annually thereafter. Additionally, this would assume continued ongoing funding to increase the Council office budgets to \$1.6 million annually (to be inflated at the standard rates), resulting in a total increase above current FY 2024-25 budget appropriation of approximately \$11.3 million ongoing. Committing this new ongoing funding will require identifying additional expense reductions in the FY 2025-26 Adopted Budget to offset these new ongoing expenditures. If this proposal passes, the Mayor and City Administrator will work with the City Leadership Team to identify potential FY 2025-26 expense reduction trade-offs for City Council consideration during FY 2025-26 Budget development.

## Document History

Document number: 2025-007

Agenda	Council action
<p><a href="#">January 15, 2025</a> Regular Agenda <span>City Council</span></p>	<p><b>Passed As Amended</b> Motion to amend Directive A.1 to replace City Administrator's Office with General Fund Contingency: Moved by Smith and seconded by Ryan. (Aye (12): Avalos, Dunphy, Smith, Kanal, Ryan, Koyama Lane, Morillo, Novick, Clark, Green, Zimmerman, Pirtle-Guiney)</p> <p>Motion to add an emergency clause, "The Council declares that an emergency exists in order to have Exhibits 1-2 of this Ordinance as amended be enacted upon passage of this Ordinance; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council." Moved by Dunphy and seconded by Clark. (Aye (11): Avalos, Dunphy, Smith, Kanal, Koyama Lane, Morillo, Novick, Clark, Green, Zimmerman, Pirtle-Guiney) (Nay (1): Ryan)</p> <p>Motion to adopt Exhibit 1 as amended: Moved by Kanal and seconded by Dunphy. (Aye (12): Avalos, Dunphy, Smith, Kanal, Ryan, Koyama Lane, Morillo, Novick, Clark, Green, Zimmerman, Pirtle-Guiney)</p> <p><b>Aye (10):</b> Avalos, Dunphy, Smith, Kanal, Koyama Lane, Morillo, Clark, Green, Zimmerman, Pirtle-Guiney <b>Nay (2):</b> Ryan, Novick</p>