



CITY OF PORTLAND
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THROUGH: Jack D. Graham, Chief Administrative Officer
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FROM: Andrew Scott
Financial Planning Manager

DATE: March 15, 2012

SUBJECT: FY 2012-13 Financial Planning Budget Reviews

Attached are Financial Planning's reviews of the FY 2012-13 requested bureau budgets. These reviews provide our analysis of both the technical and policy issues that we believe Council should consider as you move forward through the budget process. The reviews are structured to address key issues first, followed by a detailed discussion of the bureau's decisions packages, and ending with a high-level review of the bureau's program performance measures.

The December five-year forecast projected that in FY 2012-13 the City would need to make ongoing reductions of 4.7% and that \$11.6 million in one-time resources may be available – roughly half the level that was appropriated in FY 2011-12. Council sent out guidance asking bureaus to prepare 4%, 6%, and 8% reduction packages, and to avoid requests for new programs. Financial Planning has made a series of recommendations in these reviews that, in total, would produce the necessary 4.7% in ongoing reductions to balance the City's budget. We also make initial recommendations to allocate the \$11.6 million in one-time revenue. A summary of the recommended adds and cuts is provided below; however, we would encourage you to read the full reviews to understand the context for any particular recommendation.

The Financial Planning recommendations are intended to provide a starting point for Mayor and Council discussions and deliberation on the budget. There is still important information that will come out during the public budget forums and Council budget work sessions, and we look forward to working with you as you craft the Mayor's Proposed and Council Approved city budgets over the next two months.

Please do not hesitate to contact me with any questions.