

Adopted Budget

City of Portland, Oregon

Fiscal Year 2009-10

Volume Two

City Funds and Capital Projects

Mayor Sam Adams

Commissioner Nick Fish

Commissioner Amanda Fritz

Commissioner Randy Leonard

Commissioner Dan Saltzman

Auditor LaVonne Griffin-Valade

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User's Guide

The FY 2009-10 Adopted Budget document consists of two volumes. Volume One contains general information and an overview of the Adopted Budget for the City of Portland, as well as the budgets for individual City bureaus and offices. Volume Two provides detailed information about the City's funds and capital projects.

VOLUME ONE - BUREAU BUDGETS

Mayor's Message

A message from Mayor Sam Adams about the challenges, opportunities, and uncertainties he and the four City Commissioners faced in preparing the FY 2009-10 budget. The message highlights the Mayor's budget priorities and the principles adhered to in crafting the 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. This section also includes 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 which require further analysis or action, per Council's direction. The notes generally direct bureaus to undertake a particular assignment.

Financial Summaries

These summaries show Citywide revenues and expenses both in total and by service area, as well as General Fund revenues, expenses, and authorized positions. Tables at the beginning of Volume One summarize the City budget across all funds, list bureau expenses and total City expenses by fund, and detail the City's Capital Improvement Plan (CIP). 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.

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 FY 2009-10 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 & CAPITAL PROJECTS

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.

Figure 1 in this User's Guide lists the funds by managing agency, linking the Volume One bureau presentations with the Volume Two funds information.

Capital Projects by Service Area

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.

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 the PDC Adopted Budget: <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.

Figure 1: Funds by Managing Agency		
Managing Agency	Fund	Service Area
Bureau of Development Services		
	Development Services Fund	Community Development
Bureau of Emergency Communications		
	Emergency Communication Fund	Public Safety
	Closed - Public Safety Fund	Public Safety
Bureau of Environmental Services		
	Environmental Remediation Fund	Public Utilities
	Closed - Sewer Revolving Loan Fund	Public Utilities
	Sewer System Construction Fund	Public Utilities
	Sewer System Debt Redemption Fund	Public Utilities
	Sewer System Operating Fund	Public Utilities
	Sewer System Rate Stabilization Fund	Public Utilities
	Closed - Sewer System Safety Net Fund	Public Utilities
Bureau of Fire & Police Disability & Retirement		
	Fire & Police Disability & Retirement Fund	Public Safety
	Fire & Police Disability & Retirement Reserve Fund	Public Safety
Bureau of Housing & Community Development		
	HOME Grant Fund	Community Development
	Housing and Community Development Fund	Community Development
Cable Communications & Franchise Management		
	Cable Fund	Community Development
Commissioner of Public Affairs		
	Children's Investment Fund	Community Development
Office of Management & Finance		
	Airport Way Debt Service Fund	Community Development
	Bancroft Bond Interest & Sinking Fund	Community Development
	BFRES Facilities GO Bond Construction Fund	Public Safety
	Bonded Debt Interest and Sinking Fund	Legislative, Administrative, & Support
	Closed - Business License Surcharge Fund	Legislative, Administrative, & Support
	Central Eastside Industrial District Debt Service Fund	Community Development
	CityFleet Operating Fund	Legislative, Administrative, & Support
	Convention and Tourism Fund	Community Development
	Convention Center Area Debt Service Fund	Community Development
	Facilities Services Operating Fund	Legislative, Administrative, & Support
	Fire & Police Supplemental Retirement Reserve Fund	Public Safety
	Gateway URA Debt Redemption Fund	Community Development
	General Fund	City Funds
	General Reserve Fund	City Funds
	Governmental Bond Redemption Fund	Legislative, Administrative, & Support
	Grants Fund	Legislative, Administrative, & Support
	Health Insurance Operating Fund	Legislative, Administrative, & Support
	Housing Investment Fund	Community Development
	Insurance and Claims Operating Fund	Legislative, Administrative, & Support
	Interstate Corridor Debt Service Fund	Community Development

Figure 1: Funds by Managing Agency, continued		
Managing Agency	Fund	Service Area
Office of Management & Finance, continued		
	Lents Town Center URA Debt Redemption Fund	Community Development
	North Macadam URA Debt Redemption Fund	Community Development
	Closed - Parking Facilities Debt Redemption Fund	Transportation & Parking
	Parking Facilities Fund	Transportation & Parking
	Pension Debt Redemption Fund	Legislative, Administrative, & Support
	Portland Police Assoc. Health Insurance Fund	Legislative, Administrative, & Support
	Printing & Distribution Services Operating Fund	Legislative, Administrative, & Support
	Private for Hire Transportation Safety Fund	Transportation & Parking
	Property Management License Fund	Community Development
	River District URA Debt Redemption Fund	Community Development
	South Park Block Redemption Fund	Community Development
	Special Finance and Resource Fund	Legislative, Administrative, & Support
	Special Projects Debt Service Fund	Legislative, Administrative, & Support
	Spectator Facilities Operating Fund	Parks, Recreation, & Culture
	Technology Services Fund	Legislative, Administrative, & Support
	Waterfront Renewal Bond Sinking Fund	Community Development
	Willamette Industrial URA Debt Service Fund	Community Development
	Workers' Compensation Self-Insurance Operating Fund	Legislative, Administrative, & Support
Office of Planning and Sustainability		
	Solid Waste Management Fund	Public Utilities
Office of the City Auditor		
	Assessment Collection Fund	Community Development
	Campaign Finance Fund	Legislative, Administrative, & Support
	L I D Construction Fund	Community Development
Portland Bureau of Transportation		
	Gas Tax Bond Redemption Fund	Transportation & Parking
	Transportation Operating Fund	Transportation & Parking
	Transportation Reserve Fund	Transportation & Parking
Portland Parks & Recreation		
	Golf Fund	Parks, Recreation, & Culture
	Golf Revenue Bond Redemption Fund	Parks, Recreation, & Culture
	Parks Capital Construction and Maintenance Fund	Parks, Recreation, & Culture
	Parks Endowment Fund	Parks, Recreation, & Culture
	Parks Local Option Levy Fund	Parks, Recreation, & Culture
	Portland International Raceway Fund	Parks, Recreation, & Culture
	Portland Parks Memorial Trust Fund	Parks, Recreation, & Culture
Water Bureau		
	Hydroelectric Power Bond Redemption Fund	Public Utilities
	Hydroelectric Power Operating Fund	Public Utilities
	Hydroelectric Power Renewal and Replacement Fund	Public Utilities
	Water Bond Sinking Fund	Public Utilities
	Water Construction Fund	Public Utilities
	Water Fund	Public Utilities
	Closed - Water Growth Impact Charge Trust Fund	Public Utilities

	Actual FY 2006-07	Actual FY 2007-08	Revised FY 2008-09	Proposed FY 2009-10	Approved FY 2009-10	Adopted FY 2009-10
RESOURCES						
Current Property Taxes	163,847,029	171,602,287	174,955,885	181,020,159	181,020,159	181,020,159
Prior Year Property Taxes	3,840,947	3,570,184	3,659,226	3,933,572	3,933,572	3,933,572
Payment in Lieu of Taxes	1,259,198	1,434,002	1,359,749	1,175,317	1,175,317	1,175,317
Total Property Taxes	168,947,174	176,606,473	179,974,860	186,129,048	186,129,048	186,129,048
Licenses & Permits	126,705,293	131,969,659	120,982,974	111,924,773	111,924,773	111,924,773
Lodging Taxes	14,605,568	16,372,997	16,079,911	15,674,351	15,674,351	15,674,351
Charges for Services	16,856,901	19,274,986	18,587,991	19,264,884	19,039,884	19,029,884
Grants	78,520	4,764	17,300	0	0	0
State	11,907,934	11,856,843	12,075,731	12,306,689	12,306,689	12,306,689
Local	16,122,062	14,180,737	16,366,317	15,184,576	15,184,576	15,267,576
Bond and Note	15,545	14,940	3,615,000	15,000	15,000	15,000
Miscellaneous	8,128,442	8,610,386	10,023,773	6,022,466	6,022,466	6,022,466
Total External Revenues	194,420,265	202,285,312	197,748,997	180,392,739	180,167,739	180,240,739
Fund Transfers - Revenue	59,931,368	54,542,185	50,478,796	48,936,251	48,936,251	48,936,251
Interagency Revenue	44,150,645	40,368,867	32,676,116	21,571,908	21,690,455	21,870,455
Total Internal Revenues	104,082,013	94,911,052	83,154,912	70,508,159	70,626,706	70,806,706
Beginning Fund Balance	70,212,844	81,658,081	57,879,525	32,890,958	35,203,158	35,203,158
TOTAL RESOURCES	\$ 537,662,296	\$ 555,460,918	\$ 518,758,294	\$ 469,920,904	\$ 472,126,651	\$ 472,379,651
REQUIREMENTS						
Personal Services	262,401,397	273,321,412	283,648,707	279,150,037	279,120,071	281,342,285
External Materials & Services	86,186,790	87,707,214	91,056,659	83,371,844	86,403,023	84,570,271
Internal Materials & Services	55,514,157	56,317,633	59,733,355	55,763,379	55,414,311	55,453,263
Capital Expenses	4,383,485	5,078,171	3,527,431	1,776,280	1,776,280	1,776,280
Total Bureau Expenditures	408,485,829	422,424,430	437,966,152	420,061,540	422,713,685	423,142,099
Contingency	0	0	21,631,196	2,900,000	2,453,602	2,253,188
Fund Transfers - Expense	47,277,631	55,792,464	59,160,946	39,169,104	39,169,104	39,194,104
Bond Expenses	240,755	2,039,003	0	7,790,260	7,790,260	7,790,260
Total Fund Requirements	47,518,386	57,831,467	80,792,142	49,859,364	49,412,966	49,237,552
Ending Fund Balance	81,658,081	75,205,021	0	0	0	0
TOTAL REQUIREMENTS	\$ 537,662,296	\$ 555,460,918	\$ 518,758,294	\$ 469,920,904	\$ 472,126,651	\$ 472,379,651

	Actual FY 2006-07	Actual FY 2007-08	Revised FY 2008-09	Proposed FY 2009-10	Approved FY 2009-10	Adopted FY 2009-10
RESOURCES						
Miscellaneous	2,516,814	2,614,406	2,425,410	1,268,981	1,268,981	1,268,981
Total External Revenues	2,516,814	2,614,406	2,425,410	1,268,981	1,268,981	1,268,981
Fund Transfers - Revenue	0	7,191,503	7,150,000	0	0	0
Total Internal Revenues	0	7,191,503	7,150,000	0	0	0
Beginning Fund Balance	49,249,291	49,721,922	59,176,550	63,449,014	63,449,014	63,449,014
TOTAL RESOURCES	\$ 51,766,105	\$ 59,527,831	\$ 68,751,960	\$ 64,717,995	\$ 64,717,995	\$ 64,717,995
REQUIREMENTS						
Contingency	0	0	68,290,414	49,081,603	49,081,603	49,081,603
Fund Transfers - Expense	2,044,183	4,307,448	461,546	15,636,392	15,636,392	15,636,392
Total Fund Requirements	2,044,183	4,307,448	68,751,960	64,717,995	64,717,995	64,717,995
Ending Fund Balance	49,721,922	55,220,383	0	0	0	0
TOTAL REQUIREMENTS	\$ 51,766,105	\$ 59,527,831	\$ 68,751,960	\$ 64,717,995	\$ 64,717,995	\$ 64,717,995

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-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.

City Council’s five-year financial forecast allows using reserves in excess of the required 10% level to fund one-time General Fund appropriations.

Managing Agency Office of Management and Finance, Financial Planning

SIGNIFICANT CHANGES FROM PRIOR YEAR

During FY 2008-09, \$3.2 million was transferred to the General Reserve Fund to keep the fund at the required 10% level, and the Adopted Budget transferred another \$4 million into the fund for the Computer Aided Dispatch (CAD) replacement project.

In FY 2009-10, \$5.5 million of excess reserves will be transferred from the General Reserve Fund into the General Fund. In addition, \$2.76 million will be transferred to the Emergency Communication Fund for CAD replacement, while \$7.16 million will go to the Technology Services Fund for 800 Megahertz Radio replacement. Finally, \$217,892 will be transferred from the Health portion of the General Reserve Fund to the General Fund to pay for Human Resource’s administration of the Health Fund.