

Adopted Budget

City of Portland, Oregon

Fiscal Year 2010-11
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 2010-11 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 2010-11 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 2010-11 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 requirements 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 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
	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
Bureau of Fire and Police Disability and Retirement		
	Fire & Police Disability & Retirement Fund	Public Safety
	Fire & Police Disability & Retirement Reserve Fund	Public Safety
Bureau of Planning and Sustainability		
	Solid Waste Management Fund	Public Utilities
Commissioner of Public Affairs		
	Children's Investment Fund	Community Development
Office of Cable Communications and Franchise Management		
	Cable Fund	Community Development
Office of Management and Finance		
	Airport Way Debt Service 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
	Enterprise Business Solutions Services Fund	Legislative, Administrative, & Support
	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
	Insurance and Claims Operating Fund	Legislative, Administrative, & Support
	Interstate Corridor Debt Service Fund	Community Development
	Lents Town Center URA Debt Redemption Fund	Community Development
	N Macadam URA Debt Redemption Fund	Community Development
	Pension Debt Redemption Fund	Legislative, Administrative, & Support
	Closed - 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' Comp Self-Insurance Operating Fund	Legislative, Administrative, & Support
Office of the City Auditor		
	Assessment Collection Fund	Community Development
	Bancroft Bond Interest & Sinking Fund	Community Development
	Campaign Finance Fund	Legislative, Administrative, & Support
	LID Construction Fund	Community Development
Portland Bureau of Transportation		
	Gas Tax Bond Redemption Fund	Transportation & Parking
	Closed - Parking Facilities Debt Redemption Fund	Transportation & Parking
	Parking Facilities Fund	Transportation & Parking
	Transportation Operating Fund	Transportation & Parking
	Transportation Reserve Fund	Transportation & Parking
Portland Housing Bureau		
	Headwaters Apartment Complex Fund	Community Development
	HOME Grant Fund	Community Development
	Housing and Community Development Fund	Community Development
	Housing Investment Fund	Community Development
	Tax Increment Financing Reimbursement Fund	Community Development
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
Portland Police Bureau		
	Police Special Revenue Fund	Public Safety
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
	Water Growth Impact Charge Trust Fund	Public Utilities

	Actual FY 2007–08	Actual FY 2008–09	Revised FY 2009–10	Proposed FY 2010–11	Approved FY 2010–11	Adopted FY 2010–11
RESOURCES						
Current Property Taxes	171,602,287	176,440,072	181,020,159	187,334,419	187,334,419	187,334,419
Prior Year Property Taxes	3,570,184	3,729,161	3,933,572	3,432,812	3,432,812	3,432,812
Payment in Lieu of Taxes	1,434,002	758,737	1,175,317	1,192,725	1,192,725	1,192,725
Total Property Taxes	176,606,473	180,927,970	186,129,048	191,959,956	191,959,956	191,959,956
Licenses & Permits	131,969,659	124,976,822	113,518,670	115,233,295	115,233,295	115,233,295
Lodging Taxes	16,372,997	19,643,852	15,674,351	14,524,258	14,524,258	14,524,258
Charges for Services	19,274,986	17,667,024	17,957,275	18,152,649	18,152,649	18,152,649
Intergovernmental	26,233,145	29,288,132	31,410,258	25,417,495	25,739,495	25,893,139
Miscellaneous	8,434,525	7,487,887	6,061,516	4,164,636	4,264,636	4,264,754
Total External Revenues	202,285,312	199,063,717	184,622,070	177,492,333	177,914,333	178,068,095
General Fund Discretionary	0	0	0	0	0	0
Fund Transfers - Revenue	54,542,185	50,140,959	51,137,653	46,024,739	46,242,631	46,553,158
Interagency Revenue	40,368,867	29,569,803	22,346,417	23,220,864	23,565,916	23,624,162
Total Internal Revenues	94,911,052	79,710,762	73,484,070	69,245,603	69,808,547	70,177,320
Beginning Fund Balance	81,658,081	75,205,021	48,268,516	11,607,626	11,607,626	11,607,626
TOTAL RESOURCES	\$ 555,460,918	\$ 534,907,470	\$ 492,503,704	\$ 450,305,518	\$ 451,290,462	\$ 451,812,997
REQUIREMENTS						
Personal Services	273,321,412	280,522,946	293,801,942	288,209,282	290,198,325	292,216,410
External Materials & Services	87,707,214	70,706,148	80,605,147	66,682,167	66,076,763	66,626,182
Internal Materials & Services	56,317,633	55,114,729	55,302,006	55,393,124	55,755,547	55,497,200
Capital Expenses	5,078,171	358,618	5,649,357	1,181,184	968,955	823,239
Total Bureau Expenditures	422,424,430	406,702,441	435,358,452	411,465,757	412,999,590	415,163,031
Contingency	0	0	2,920,277	2,589,617	2,589,617	708,711
Fund Transfers - Expense	55,792,464	59,082,312	47,586,915	30,765,020	30,216,131	30,456,131
Bond Expenses	2,039,003	150	6,638,060	5,485,124	5,485,124	5,485,124
Bond Issuance Costs	0	1,915	0	0	0	0
Total Fund Requirements	57,831,467	59,084,377	57,145,252	38,839,761	38,290,872	36,649,966
Ending Fund Balance	75,205,021	69,120,652	0	0	0	0
TOTAL REQUIREMENTS	\$ 555,460,918	\$ 534,907,470	\$ 492,503,704	\$ 450,305,518	\$ 451,290,462	\$ 451,812,997

FUND OVERVIEW

The General Fund is the primary operating fund for the City of Portland. The core services of the City such as police, fire, parks, and community development are budgeted within this fund. The fund is mostly supported by property and transient lodging taxes, business and utility license fees, and state shared revenues.

Managing Agency Office of Management and Finance, Financial Services

SIGNIFICANT CHANGES FROM PRIOR YEAR

The General Fund financial forecast reflects the challenges posed by the worst national recession in decades. In FY 2010-11, the Mayor and Council required public safety bureaus to propose 2% reductions and non-public safety bureaus to propose 4% reductions. The reductions produced enough savings to balance the fund and created some limited one-time resources that were reprogrammed to the City's highest priority services.

	Actual FY 2007-08	Actual FY 2008-09	Revised FY 2009-10	Proposed FY 2010-11	Approved FY 2010-11	Adopted FY 2010-11
RESOURCES						
Miscellaneous	2,614,406	1,713,309	1,268,981	245,590	245,590	245,437
Total External Revenues	2,614,406	1,713,309	1,268,981	245,590	245,590	245,437
Fund Transfers - Revenue	7,191,503	7,150,000	0	0	0	0
Total Internal Revenues	7,191,503	7,150,000	0	0	0	0
Beginning Fund Balance	49,721,922	55,220,383	63,449,014	49,117,919	49,117,919	49,194,919
TOTAL RESOURCES	\$ 59,527,831	\$ 64,083,692	\$ 64,717,995	\$ 49,363,509	\$ 49,363,509	\$ 49,440,356
REQUIREMENTS						
Contingency	0	0	49,043,603	46,663,509	46,663,509	46,632,705
Fund Transfers - Expense	4,307,448	461,546	15,674,392	2,700,000	2,700,000	2,807,651
Total Fund Requirements	4,307,448	461,546	64,717,995	49,363,509	49,363,509	49,440,356
Ending Fund Balance	55,220,383	63,622,146	0	0	0	0
TOTAL REQUIREMENTS	\$ 59,527,831	\$ 64,083,692	\$ 64,717,995	\$ 49,363,509	\$ 49,363,509	\$ 49,440,356

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

In FY 2010-11, \$2.7 million of excess reserves will be transferred to the General Fund for one-time funded programs.

The Adopted Budget also includes a transfer of the remaining \$107,651 of health reserves to the Bureau of Human Resources. The funds will support the Employee Assistance program.