

PORTLAND BUREAU OF ENVIRONMENTAL SERVICES

OCTOBER 4, 2016

RETAIL RATES

	Fiscal Year Ending in Year				
	2018	2019	2020	2021	2022
Forecasted Retail Rate Increase	3.25%	3.25%	3.25%	3.25%	3.25%

	Fiscal Year Ending in Year				
	2013	2014	2015	2016	2017
Financial Plan Rate Forecast	5.90%	6.50%	4.00%	3.85%	3.45%
Adopted Retail Rate Increase	5.40%	5.30%	4.00%	3.60%	3.25%

RETAIL RATE DRIVERS

POSITIVE DRIVERS

Bond Interest Rate/Refunding
Low near-term inflation/COLA
Strong economy/SDCs
Use of Rate Stabilization Fund

NEGATIVE DRIVERS

Regulatory risk
Increasing pension/healthcare costs
Future CIP/operating needs:
- Portland Building
- Portland Harbor
- Delayed maintenance
- Stormwater System Planning
- Seismic resiliency

**Potential
Rate Drivers**

DRIVER IMPACTS UNDETERMINED

Escalation Factors

- Cost of Living Adjustment
- Interest Earning Rate
- System growth

Future development/SDC growth

Service expectations

Low-Income Program Impacts

Interagency/General Fund Overhead

SCHEDULE AND PROCESS

In Progress

Now through mid-October

- **Review 5-Year Financial Plan with PUB.**
- Forecast assumptions reviewed.
- Bureau Leadership Team begin review of 5-Year Plan projections and FY 2017-18 Operating Budget expectations.
- 5-Year Capital Program nearly completed.

Next Steps

Mid-October through November

- **Review forecast assumptions/results with PUB.**
- Complete evaluation and prioritization of FY 2017-18 budget requests and 5-Year projections from Groups.
- Consider input (preliminary) from ongoing Strategic Plan development process.
- Consider input from development of Budget Equity Tool.

December

- **Review preliminary FY 2017-18 Budget, 5-Year Capital Plan, preliminary rate forecast with PUB.**
- Begin narrative assembly for budget documents.

January

- **Review updates/changes to the preliminary FY 2017-18 Budget, 5-Year Capital Plan, and rates forecast with PUB.**
- Finalize FY 2017-18 Budget and 5-Year Capital Plan.
- Prepare 5-Year Financial Plan document.

February

- Submit FY 2017-18 Budget, 5-Year Capital Plan, and 5-Year Financial Plan to CBO.
- **Review final submission and the forecast assumptions in the Financial Plan with PUB.**