

City of Portland

FY 2017-18

Mayor's Proposed Budget Decisions

Bureau of Environmental Services

Nick Fish, Commissioner-in-Charge

Michael Jordan, Director

Summary of Budget Decisions

Rate Impact

The Proposed Budget includes a rate increase of approximately 2.95% for the typical single family household. Combined with the Portland Water Bureau's rate increase of 6.7%, the typical family would experience a 4.17% increase for a total combined average monthly bill of \$107.97 next year.

Current Service Level

The Proposed Budget includes an Engineering Technician III position to support system planning at the bureau and adds resources to maintain the current level of service as the City's sewer and stormwater infrastructure grows and the existing infrastructure ages. This increase includes funding for replacing laboratory equipment, illegal campsite cleanups, additional hypochlorite for the Columbia Boulevard Wastewater Treatment Plant, odor control and mitigation, wholesale contract increases, and requests related to the Portland Building renovations. These changes total \$374,667 and add 1.0 FTE with portions funded from offsets in capital projects.¹

Condition Assessment

The Proposed Budget has a number of additions to evaluate the condition of the collection and treatment system. These additions include a condition assessment of the bureau's large diameter force and gravity piped collection system and resources to support the condition assessment program at the treatment plants. The changes total \$757,200, funded through rates in the operating budget.

System Planning

The Proposed Budget includes additions to support the continuation of the strategic planning process and the finalization of the bureau's new strategic plan. The Proposed Budget also supports manual updates and consultant services to conduct project scoping and concept design for watershed projects. The total FY 2017-18 increase for these items is \$346,620.

¹ Following the submission of the FY 2017-18 Requested Budget, the Bureau requested an additional FTE to this package that supports the bureau's efforts to maintain the current level of service. This position, a Senior Management Analyst, would assist with implementing the Bureau's equity plan, engage the community and community-based groups, and partner with other government agencies and City bureaus as the City prepares for the post Record of Decision phase of Portland Harbor. This position is pending feedback from the Portland Utility Board.

System Maintenance

The Proposed Budget adds 2.0 FTE for a Sr. Public Works Inspector and an Electrical Inspector to support capital improvement projects at the treatment plans in addition to collection system-related work. The budget also includes additions for digester cleaning at the Columbia Boulevard Wastewater Treatment Plant, pump reliability, and one time funds for field monitoring equipment. These changes total \$1,016,000 with portions funded from offsets in capital projects.

Operational Efficiency

The Proposed Budget includes a series of positions and other additions to improve operational efficiencies in various areas. These changes total \$431,708 and add 5.0 FTE.² Positions include administrative support for the Systems Development Division that performs development review and inspection, an Environmental Technician I to support the Pollution Prevention Plan Review group, an Electronic System Technician to support the bureau's Data Acquisition & Management team that operates and maintains the Hydrological Data Retrieval & Alarm system as well as 2.0 FTE to support the Private Property Retrofit Program and funding for the Stephens Creek Stormwater System Plan.

Emergency/Resiliency

The Proposed Budget includes a number of additions for resiliency work. The budget funds increased costs for the development of the Emergency Response and Resiliency Master Plan, emergency related trainings for bureau staff, participation in the Cascadia Lifelines program, and one-time funding for a portable generator for use at the treatment plants during power loss events and emergency kits for work sites and bureau vehicles. The total FY 2017-18 increase for these items is \$275,000.

Regulatory Compliance

The Proposed Budget adds one Environmental Tech I to support the Spill Protection and Citizen Response team which provides 24/7 response to sanitary sewer overflows, emergency spills and investigates environmental code violations. Other additions to improve the bureau's ability to meet regulatory requirements include funds for an update to the Combined and Sanitary System Plan, recapping the 7.6-acre parking lot at the Guilds Lake location, and support for the FEMA Biologic Opinion efforts. These changes total \$624,072 with portions funded from offsets in capital projects.

Renewable Energy

The Proposed Budget includes \$538,000 for renewable energy-related initiatives. These include funds to replace six vehicles that are due for replacement with Renewable Natural Compressed Gas (RNCG) compatible vehicles in addition to funds for renewable energy credits and operations and maintenance to support the bureau's biogas utilization project.

² Following the submission of the FY 2017-18 Requested Budget, the Bureau requested an additional position to this package that supports the bureau's efforts to improve operational efficiency. This request adds a Principal Management Analyst to the Director's Office to assist with managing major change efforts across the bureau, including the business process review of the Capital Improvement Process and strategic planning initiative. This position is pending feedback from the Portland Utility Board.

Equity

The Proposed Budget includes \$15,000 in funds for equity-related trainings and events as well as support to expand the High School Internship Program which has a focus on equity and diversity.

Portland Harbor

The Proposed Budget adds \$1,250,000 to assist with the post-Record of Decision phase of the Portland Harbor work which includes the design and implementation of cleanup actions and the allocation of liability. Funds will support technical consulting services and legal assistance from the City Attorney's Office.

Trees Program

The Proposed Budget includes a \$994,057 reduction to the fund transfer from the General Fund to BES for tree planting. Given the positive impact trees have on the stormwater system, the Proposed Budget provides full funding for this program from the Sewer System Operating Fund. The program plants approximately 2,200 trees a year for stormwater management. The tree program focuses on planting events in low-canopy and under-served neighborhoods, along transit corridors, and elsewhere.

Interagency Agreement Balancing

The Proposed Budget includes \$273,689 in increased interagency costs to fund OMF services, including services to reduce the impact of homelessness, technology disaster planning, enhanced property management, expansion of the Technology Business Consultant program, and the conversion of an Assistant Claims Technician.

Changes in the Number of Positions

The Mayor's Proposed Budget for the Bureau of Environmental Services includes an additional 9.00 FTEs, an increase of approximately 2% above the base budget, for a total of 569.80 FTEs.

Bureau of Environmental Services

Summary of Bureau Budget

Public Utilities Service Area

	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested FY 2017-18	Proposed FY 2017-18
Resources					
External Revenues					
Licenses & Permits	2,013,484	1,908,089	2,295,000	2,420,000	2,420,000
Charges for Services	329,208,148	346,568,939	349,245,000	370,437,000	369,083,028
Intergovernmental	2,429,897	510,493	403,755	391,886	391,886
Bond & Note	322,591,753	441,990,563	171,300,000	229,000,000	229,000,000
Miscellaneous	2,948,401	3,949,749	3,260,000	4,681,100	4,681,100
Total External Revenues	659,191,683	794,927,833	526,503,755	606,929,986	605,576,014
Internal Revenues					
Fund Transfers - Revenue	301,026,796	305,620,296	334,244,919	339,766,322	338,772,265
Interagency Revenue	1,898,952	1,546,046	2,690,121	2,591,744	2,591,744
Total Internal Revenues	302,925,748	307,166,342	336,935,040	342,358,066	341,364,009
Beginning Fund Balance	148,885,864	324,091,360	292,335,000	272,770,600	272,770,600
Total Resources	\$1,111,003,295	\$1,426,185,535	\$1,155,773,795	\$1,222,058,652	\$1,219,710,623
Requirements					
Bureau Expenditures					
Personnel Services	60,601,162	63,300,360	67,198,807	71,160,593	70,029,639
External Materials and Services	56,221,496	59,946,746	60,091,383	70,756,360	70,640,760
Internal Materials and Services	40,650,971	38,895,674	43,645,145	46,188,965	46,421,096
Capital Outlay	53,559,746	43,235,132	79,724,265	78,050,045	77,510,901
Total Bureau Expenditures	211,033,375	205,377,912	250,659,600	266,155,963	264,602,396
Fund Expenditures					
Debt Service	271,292,554	617,893,725	181,023,687	184,602,857	184,602,857
Contingency	0	0	308,631,424	355,965,567	354,890,934
Fund Transfers - Expense	303,946,952	310,571,147	339,154,084	344,224,265	344,504,436
Debt Service Reserves	0	0	76,305,000	71,110,000	71,110,000
Total Fund Expenditures	575,239,506	928,464,872	905,114,195	955,902,689	955,108,227
Ending Fund Balance	324,730,414	292,342,751	0	0	0
Total Requirements	\$1,111,003,295	\$1,426,185,535	\$1,155,773,795	\$1,222,058,652	\$1,219,710,623
Programs					
Administration & Support	39,962,458	41,739,719	43,538,530	49,780,101	48,673,796
Pollution Prevention	9,123,794	9,062,398	10,954,522	11,319,752	11,225,566
Engineering	101,178,912	87,888,615	121,672,474	128,329,585	128,223,562
Citywide Equity Program	295	0	0	0	0
Watershed	10,165,491	12,816,803	14,129,450	14,526,171	14,426,048
Healthy Working Rivers	24	0	0	0	0
Assessments & Improvements	372	0	0	0	0
Wastewater	47,548,278	50,671,585	55,417,980	57,224,180	57,077,250
Portland Harbor	3,053,751	3,198,792	4,946,644	4,976,174	4,976,174
Total Programs	211,033,375	\$205,377,912	\$250,659,600	\$266,155,963	\$264,602,396

Portland Water Bureau

Nick Fish, Commissioner-in-Charge

Michael Stuhr, Director

Summary of Budget Decisions

Rate Impact

The Proposed Budget includes a rate increase of approximately 6.7% for the typical single family household. Combined with BES's 2.95% rate increase, the typical family would experience a 4.17% increase for a total combined bill average monthly bill of \$107.96 next year. The Water rate increase results from a variety of increased costs including: increased debt service costs, increases to health and PERS costs, and the decisions described below.

Bureau Administrative Support

The Proposed Budget adds one position to provide administrative support to the bureau's Deputy Director and the individual groups managed by the deputy. With the addition of the Deputy Director position to bureau leadership over a year ago, the bureau shifted oversight of Public Information and Involvement, Business Operations, Emergency Management, and Security to the Deputy Director. The total cost for this position is \$112,540 annually. The position is funded through rates in the operating budget.

Records Management Support

The Proposed Budget adds one position to focus on records management at the bureau and guide process improvements bureau wide. The total cost for this position is \$129,650 annually. The position is funded through rates in the operating budget.

Tabor Preservation Project

The Proposed Budget includes \$1,020,000 for preservation work at Mount Tabor. On July 15, 2015, City Council approved resolution No. 37146 making financial obligations and other commitments for work at Mount Tabor. The resolution included a provision that the City shall allocate at least \$4 million over the next four years to the maintenance, repair and preservation work identified in the 2009 Mount Tabor Reservoirs Historic Structures Report. Because the reservoirs are no longer part of the water system, these funds are from the General Fund and not included as part of the water rate increase. This is the second year of the project.

Dodge Park

The Proposed Budget includes \$35,000 in ongoing General Fund resources for maintenance and operations of Dodge Park.

Interagency Agreement Balancing

The Proposed Budget includes \$127,232 in increased interagency costs to fund OMF services, including services to reduce the impact of homelessness, technology disaster planning, enhanced property management, expansion of the Technology Business Consultant program, and the conversion of an Assistant Claims Technician.

Changes in the Number of Positions

The Mayor's Proposed Budget for the Portland Water Bureau includes an additional 1.75 FTEs, an increase of less than 1% above the base budget, for a total of 588.60 FTEs.

Portland Water Bureau

Summary of Bureau Budget

Public Utilities Service Area

	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested FY 2017-18	Proposed FY 2017-18
Resources					
External Revenues					
Charges for Services	156,843,158	172,807,586	165,665,337	176,904,870	176,816,927
Intergovernmental	631,446	757,538	555,000	526,000	526,000
Bond & Note	92,617,900	0	91,875,000	99,045,000	98,895,000
Miscellaneous	6,010,660	3,906,884	3,413,770	4,965,315	4,763,398
Total External Revenues	256,103,164	177,472,008	261,509,107	281,441,185	281,001,325
Internal Revenues					
Fund Transfers - Revenue	183,210,604	162,007,417	179,787,612	218,493,633	218,514,058
Interagency Revenue	3,044,570	3,232,337	3,544,320	3,305,748	3,347,758
Total Internal Revenues	186,255,174	165,239,754	183,331,932	221,799,381	221,861,816
Beginning Fund Balance	174,815,226	215,063,171	197,025,018	219,020,395	251,009,336
Total Resources	\$617,173,564	\$557,774,933	\$641,866,057	\$722,260,961	\$753,872,477
Requirements					
Bureau Expenditures					
Personnel Services	58,660,238	60,965,367	67,001,679	70,938,866	70,695,856
External Materials and Services	26,127,680	27,349,579	30,399,801	44,905,243	44,906,166
Internal Materials and Services	19,377,045	20,211,260	22,086,345	22,656,382	22,783,614
Capital Outlay	53,421,017	28,266,681	54,782,000	78,310,000	78,124,000
Total Bureau Expenditures	157,585,980	136,792,887	174,269,825	216,810,491	216,509,636
Fund Expenditures					
Debt Service	55,855,404	56,497,872	60,698,563	60,049,540	60,048,640
Contingency	0	0	98,814,366	96,607,803	99,842,774
Fund Transfers - Expense	188,687,886	168,132,457	185,354,176	222,967,883	223,184,391
Debt Service Reserves	0	0	43,281,348	38,378,200	38,368,200
Total Fund Expenditures	244,543,290	224,630,329	388,148,453	418,003,426	421,444,005
Ending Fund Balance	215,044,294	196,351,717	79,447,779	87,447,044	115,918,836
Total Requirements	\$617,173,564	\$557,774,933	\$641,866,057	\$722,260,961	\$753,872,477
Programs					
Transmission & Terminal Storage	40,731,817	20,051,440	37,189,347	59,895,060	59,876,798
Administration & Support	9,960,200	13,301,547	33,504,987	35,752,496	35,709,371
Hydroelectric Power Administration	0	0	175,000	0	0
Supply	6,534,310	8,464,628	9,484,562	11,064,301	11,070,322
Distribution	73,221,521	66,706,492	58,995,952	61,247,293	60,884,719
Regulatory Compliance	6,919,173	6,137,212	9,800,131	10,266,668	10,274,815
Treatment	2,890,005	2,916,156	2,949,647	3,850,900	3,872,578
Hydroelectric Power	473,773	817,459	797,730	11,984,029	11,984,136
Customer Service	16,855,181	18,397,953	21,372,469	22,749,744	22,836,897
Total Programs	157,585,980	\$136,792,887	\$174,269,825	\$216,810,491	\$216,509,636