

direct cost recovery which is in accord with FY 2018-19 stated budget priorities. To that end, CBO recommends increasing fees for special use permits to reduce the General Fund subsidy.

Utility Cost Shift

Currently, Parks pays the utility costs for Pittock Mansion, the Children’s Museum, and Pioneer Courthouse Square in varying degrees. This reduction package transfers the responsibility for utilities costs to the organizations that manage these properties. Parks estimates that shifting utility costs would generate an ongoing reduction of their General Fund resources by \$193,500.

Parks is currently renegotiating its agreement with Pittock Mansion, a partnership that has been in place since the property was donated to the City in 1997. Based on the average cost of utilities over the past three fiscal years, shifting costs for utility usage back to Pittock Mansion creates a corresponding budget reduction of \$43,500. If this cost is passed onto paying visitors, a 50-cent increase to entry-fees would be required.

The Children’s Museum has a generous 30-year lease agreement that includes a one-time rental payment of \$10, City-funded utilities, and a five-year program subsidy of \$517,000. In 2011, this agreement was updated to cap the level of subsidy Parks pays for the Children’s Museum’s utilities. Although the 30-year agreement does not expire until 2031, Parks recommends shifting roughly \$120,000 in utility costs to the Museum.

Finally, Parks estimates that the bulk of the \$30,000 in utility costs it pays for Pioneer Courthouse Square are due to the water usage of an onsite Starbucks. There is no agreement in place for Parks to shift utility costs to Pioneer Courthouse Square.

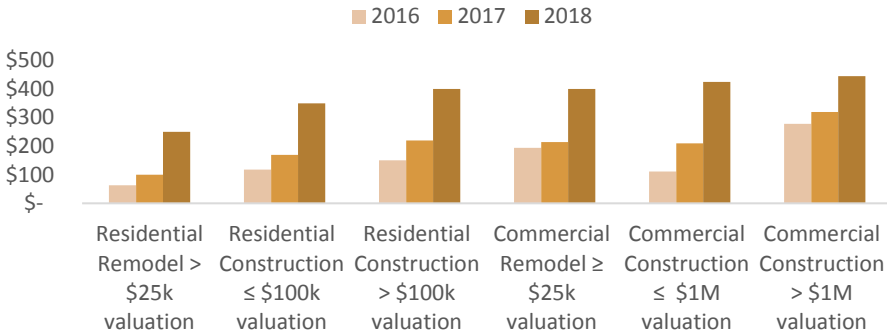
Whether these organizations will absorb these costs or pass the costs onto customers has not been determined. CBO recommends that Parks continue to work towards full cost-recovery of its leases, including utility and major maintenance costs. To the degree that the City intends to subsidize partner organizations, these decisions should be made intentionally and in consideration of how the subsidy impacts other core programming and complements its long-term strategic service goals. CBO recommends shifting utility costs to partner organizations as providing these subsidies is a noncore activity.

Fee Increases – Enhanced Tree Permitting Service

This package is intended to expedite development permitting and increase service levels following the direction from the Mayor after the [April 2017 GATR session](#) on improving permitting timelines.⁴ Parks is proposing increasing fees for development permits to create a General Fund offset of \$770,000 and support

⁴ <https://www.portlandoregon.gov/cbo/72474>

Street Trees Development Review Fees



nine FTE. This package expands the Urban Forestry (UF) program through an increase in development permit fees, which apply to permits required for property development activities. Development fee cost recovery is expected to increase from the current rate of 44% to approximately 84%, which the bureau states would bring development fee cost

recovery in line with other bureaus like BES, BDS and PBOT. Non-development permit fees will remain at the current, 13% cost recovery. The proposed changes would increase permit fees by \$100-\$250, depending on permit type. For example, a permit for Residential Construction valued over \$100,000 will increase from \$220 to \$400. The bureau states that these revenues will allow Urban Forestry realign its organizational structure, enforce the Tree Code and improve service provision. While Urban Forestry’s response time goal is to respond to an initial permit applicant within two weeks, in FY 2016-17 permit response time ranged from four to five weeks. At the same time, development permit volume increased from 1,461 to 2,216 in 2017.

In its 2015 Tree Planting Compliance study, compliance rates were 63% for trees in development. Further, UF is currently not staffed to conduct compliance checks on street trees in development situations. The requested positions will allow UF to reduce response times and begin conducting compliance checks on street trees. To that end, this package requests nine full-time positions including: three tree inspectors, four arborists, a lead tree tech and administrative support. These positions will be fully funded by rates and completely dependent on development permit revenues. If revenues were to decrease, the bureau states that it would reduce expenditures or increase fees to reach revenue targets.

In FY 2017-18, the General Fund subsidy for the permitting portion of the UF program was \$1,974,708 or 32%.⁵ This request will not reduce the programs General Fund subsidy or bring it to full cost recovery, it aims to increase the compliance and effectiveness of the Tree Code.

CBO recommends this package and position authority for three FTE to implement Council direction and expedite development permitting, as requested.

⁵ This includes development and non-development permitting, TRACS, customer service for all permit inquiries, inter-bureau requirements, emergency response, and tree permit policy and code development assistance.

CBO Recommendation: (\$483,500), \$200,000 | 3.00 FTE

Impact of Homelessness on Parks and Perceptions of Safety

PK_32 \$750,000, 6.00 FTE, PK_34, \$98,000, 0.00 FTE, PK_40, \$136,854, 0.00 FTE, PK_20, (\$88,000), 0.00 FTE

As part of the FY 2018-19 requested budget, the bureau has requested \$450,000 in ongoing resources and \$500,000 in one-time resources to address issues of homelessness, primarily directed to issues along the waterfront: Vera Katz Eastbank Esplanade Maintenance Reboot, Hazardous and Abandoned Boat Enforcement, Maintain Campsite Cleanup at PP&R Properties.

Concerns about safety in parks seem to be increasing, a notion supported by several performance indicators. Specifically, the Auditor's Community Survey previously asked residents about their perceived safety of parks during the day and at night. Over the past five years, until the recent discontinuation of the survey, perceptions of safety remained relatively unchanged; however, 2016 data highlighted two key issues. First, perception of safety decreased by 5% during the day and 2% at night as compared to the prior year. Second, perceptions of safety greatly differed in East Portland as compared to the rest of the city.

A recent bureau survey asked residents about barriers to participation and "concerns for safety" was the second highest rated barrier identified as the key barrier by 30% of citywide respondents. Similarly, the number of calls for Parks Ranger services has increased from 2,201 in 2015 to 3,533 in 2017. The proportion of calls related to drugs/alcohol, property issues, and safety issues to total calls remained level or decreased in the past three years, but the proportion of calls for camping related issues in parks has increased by 14% from 40% of all calls to 53% of calls in 2017.

Addressing issues of parks safety can be mitigated through a variety of policy mechanisms (e.g., increased police presence, changes to park design), but CBO notes that the Park Ranger program has increased considerably over the past ten years, a primary task of which is cultivating a sense of safety in parks. The Ranger program has experienced large personnel increases, notably a 50% increase in FTE between FY 13-14 and FY 17-18. Moving forward, the bureau and City will need to evaluate which policy tools most effectively and efficiently address these issues.

Hazardous and Abandoned Boat Enforcement

This package would increase ongoing General Fund discretionary resources by \$68,000 to fund an agreement for patrol services by the Multnomah County Sheriff's Department along the docks at Riverplace marina in addition to docks owned by Parks. The Riverplace Business Association will donate \$30,000 to offset costs in the first year, reducing the amount of General Fund need in FY 2018-19.

Council previously approved the agreement with the Multnomah County Sheriff's Office in December 2014 (Ordinance 186921), which included funding \$50,000 for

costs associated with towing and storage of abandoned and derelict vessels, and \$48,000 for 600 hours of service. In FY 2015-16, costs of the agreement were \$112,500, exceeding the budgeted amounts, which provided 1,200-1,300 hours of sheriff services for 200—225 incidents, averaging 5-6 hours per incident. Ranger Program incident data for adjacent parks does not specify whether the issue was dock related, making it challenging to determine the actual demand for service. Due to the limitation of ongoing resources, CBO does not recommend funding this request. As an alternative, Council could direct the bureau to reallocate funding within the Ranger Program budget to fund the cost of the agreement.

Maintain Campsite Cleanup at PP&R Properties

This package would increase the bureau's ongoing General Fund resources by \$136,854 to fund an interagency agreement with OMF for bureau-requested cleanup services at Parks properties impacted by camping and homelessness. Parks previously received \$247,410 in FY 2017-18 for its portion of costs, however, Parks' costs for the program have increased substantially as a result of the bureau being allocated a greater proportion of costs relative to other bureaus.

CBO recommends one-time funding to continue this service into FY 2018-19. For a full discussion of this issue, please see CBO's recommendation for MF_53 Funding for Immediate Response Clean-ups.

Vera Katz Eastbank Esplanade Maintenance Reboot

Parks requests \$500,000 in one-time General Fund discretionary resources to fund four positions to maintain and improve conditions at the Vera Katz Eastbank Esplanade, including replacement of existing lighting with vandal resistant fixtures and other restoration and mitigation measures. Additionally, the request includes \$250,000 in ongoing resources to support two additional Rangers to patrol the area, improve safety conditions, and reduce camping.

CBO is not recommending funding for this package, but recommends that Council consider this request within the broader spectrum of campsite cleanups and maintenance resource allocation.

Reduce Frequency of Downtown Restroom Cleaning

This package would reduce funding for the regular cleaning of eleven public restrooms in the downtown core from twice per day to once per day. Parks manages three other downtown restrooms at Director Park, The Fields Park, and Wallace Park, which would retain their regular cleaning schedules regardless of this cut. Other publicly-accessible downtown restrooms include those located in public buildings, such as City Hall and the Portland State University building in addition to restrooms in Union State, Bud Clark Commons, and the Portland Rescue Mission.

Alternative service reductions to the restrooms were considered, including peak season and peak day cleaning in addition to concentrating cleaning services to

fewer restrooms. The bureau proposed this reduction option as it is expected to have the least harmful impact on the homeless population.

By directing the restroom needs of the homeless population to certain facilities and by focusing clean-up services to the highest used parks and restrooms, CBO believes that this reduction could be taken without significantly impacting downtown Park users, including the homeless community. CBO recommends this reduction in order to realign these savings to other City needs.

CBO Recommendation: \$48,854 | 0.00 FTE

Community Center Closures

PK_14, (\$75,415), (1.00) FTE, PK_16, (\$582,182), (6.75) FTE, PK_17, (\$477,943), (4.75) FTE

Parks has proposed the reduction of Woodstock, Sellwood, Fulton and Hillside Community Centers to meet the 5% cut requirement. Assessing the specific service impacts of closures and the degree to which these closures could be mitigated by nearby private/nonprofit or Parks offerings are key considerations. Moreover, the total percentage of persons of color and percentage of persons experiencing poverty is less than the city average in these service areas, suggesting that the closures would not disproportionately impact historically underrepresented communities. However, the bureau does not collect demographic information on all unique participants (race/ethnicity, age) or income information, and so specific impacts on persons of color and lower income visitors are unknown. Persons with disabilities live throughout the community and would be affected by these closures.

In addition, CBO notes that these centers have major maintenance requirements over the next five years which would need to be addressed if they are to remain open over the long-term. Closing these centers would avoid these future costs; keeping the centers open assumes that there will be sufficient resources to fund the major maintenance costs over the long-term⁶.

Lastly, CBO notes that this reduction exemplifies the continual need to assess the asset and service delivery portfolio and realign effort to achieve a sustainable system over the long-term.

Sellwood Community Center. Sellwood Community Center is primarily used for preschool and afterschool programming in addition to various dance, art, and fitness classes. Other out-of-school programs are provided at Sellwood, including summer camps, break camps, and late start coverage. The number of unique users to center in FY 2016-17 was estimated to be 1,339, resulting in an average annual subsidy of \$150/visitor. An estimated additional savings of \$61,500 in maintenance costs, \$12,000 in utility costs and \$231,000 in administrative support costs would

⁶ Estimated major maintenance costs over the next five years for all centers is \$6.0 million, and total lifecycle costs for each center are estimated to be \$10.0 million.

O&M of new parks, but that the bureau separately request funding for related administrative costs rather than assuming a proportional amount of funding is needed. Included with this request is \$116,586 to fund the bureau's next most pressing administrative need, an Organizational Management/Personnel Administrator, intended to address the administrative demands of the Workforce Development group.

Parks has had a significant increase in the number of regular and limited term employees over the five years: total FTE has increased from 420 in FY 2012-13 to 695 in FY 2017-18. The increases are due to a number of factors, including the conversion of seasonal employees to 101.25 FTE in FY 2016-17 due to an arbitration settlement with Local 483. Parks has also increased operations and maintenance positions as a result of SDC-funded projects, in addition to an expansion of the Ranger program and the Asset and Development team following the implementation of the bond program. The increase in positions has also increased the demand of supporting a larger workforce. However, during this same period, Workforce Development has grown by a greater proportional amount: from three positions in FY 2013-14 to six positions in FY 2017-18.

CBO recognizes the increased burden on Parks' administrative staff and that as Parks' system grows and programming expands, there will need to be a commensurate increase in administrative staff to support direct service providers. Given the limited available ongoing resources, CBO does not recommend funding at this time. CBO notes that Parks currently has many vacant positions, potentially exacerbating the workload demands of Workforce Development staff, limiting their ability to implement process improvements like developing recruitment strategies, simplifying the application process and developing recruitment and hiring practices to build a culturally competent and diverse staff. However, given the large number of vacancies, CBO also has concerns about creating new positions when it is possible that the next most pressing need for the bureau may be to realign a vacant position into the requested management analyst.

CBO does not recommend the position included in this request. Moreover, CBO directs the bureau to include only costs directly related to O&M in decision packages associated with FIN 2.03.02. Administrative and support staff should be requested separately as those needs are identified.

CBO recommends the portion of this package associated with the O&M for parks that are expected to be contracted or constructed over the next year.

CBO Recommendation: \$61,783 | 0.00 FTE

Utility Efficiencies

PK_37, \$500,000, 0.00 FTE

This package requests \$500,000 in one-time General Fund discretionary to fund positions (Turf and Irrigation tech and Facility Maintenance Tech) in addition to

contract costs. Changes implemented by these positions will result in increased efficiencies in systemwide irrigation in addition to more optimally using the system that manages the lighting, heating, cooling, and ventilation of Parks facilities. Ultimately, utility savings are expected to offset the ongoing cost of these positions. This request also includes funding for the initial contract costs for an Energy Savings Performance Contract (ESPC), in which construction costs of energy retrofits are financed by utility savings.

Consistent with the Mayor's guidance, the intent of this package is to find efficiencies and focus one-time requests on investments that decrease the City's long-term costs. However, given the limited availability of one-time resources, CBO does not recommend General Fund resources. Rather, CBO recommends that the bureau pursue the project through another financing method. Any savings could be used for future Parks' needs or be offered as a future reduction package.

CBO Recommendation: \$0 | 0.00 FTE

SUMMARY OF REQUESTS AND RECOMMENDATIONS

Below is a summary of Portland Parks & Recreation's total budget.

	FY 2017-18	Base (A)	Decision Packages (B)	Recommended Adjustments (C)	Recommended Revised (A+B+C)
Resources					
Budgeted Beginning Fund Balance	\$ 95,768,253	\$134,922,938	\$ -	\$ -	\$134,922,938
Taxes	2,076	-	-	-	-
Licenses & Permits	1,120,328	1,325,328	55,000	-	1,380,328
Charges for Services	44,278,108	46,386,461	(52,725)	543,336	46,877,072
Intergovernmental Revenues	345,199	2,253,673	-	-	2,253,673
Interagency Revenue	2,544,223	2,005,530	400,000	620,000	3,025,530
Fund Transfers - Revenue	2,825,093	2,053,672	31,225,000	(27,032,489)	6,246,183
Bond and Note Proceeds	-	10,740,000	-	-	10,740,000
Miscellaneous Sources	3,298,334	2,493,164	30,000	(30,000)	2,493,164
General Fund Discretionary	62,786,007	65,570,795	1,218,035	(3,445,001)	63,343,829
Total Resources	\$212,967,621	\$267,751,561	\$32,875,310	\$ (29,344,154)	\$271,282,717
Requirements					
Personnel Services	\$ 69,425,892	\$ 71,984,002	\$ (917,101)	\$ 211,243	\$ 71,278,144
External Materials and Services	30,714,436	55,893,238	33,754,902	(29,654,742)	59,993,398
Internal Materials and Services	11,988,586	13,394,478	37,509	99,345	13,531,332
Capital Outlay	58,927,767	57,110,712	-	-	57,110,712
Debt Service	673,698	758,827	-	-	758,827
Fund Transfers - Expense	1,745,289	1,241,807	-	-	1,241,807
Contingency	39,329,261	67,202,756	-	-	67,202,756
Unappropriated Fund Balance	162,692	165,741	-	-	165,741
Total Requirements	\$212,967,621	\$267,751,561	\$32,875,310	\$ (29,344,154)	\$271,282,717

City of Portland
Decision Package Recommendations
(Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
Portland Parks & Recreation											
<u>Adds</u>											
PK_25 - Increase Support for Capital Major Maintenanc	01	0.00	625,000	0	0	625,000	0.00	450,000	(450,000)	0	0
PK_26 - Scholarships for Preschool	02	0.00	80,000	0	0	80,000	0.00	0	0	0	0
PK_27 - Long Range Vision Plan	03	0.00	0	575,000	0	575,000	0.00	0	0	0	0
PK_28 - Implement Cost Recovery/Financial Sustainat	04	0.00	0	150,000	0	150,000	0.00	0	0	0	0
PK_29 - Financial Assistance for Low Income Residen	05	0.00	0	600,000	0	600,000	0.00	0	0	0	0
PK_30 - Develop Culturally Responsive Communicatio	06	0.00	0	150,000	0	150,000	0.00	0	0	0	0
PK_31 - Operations and Maintenance	07	1.00	178,369	0	0	178,369	0.00	61,783	0	0	61,783
PK_40 - Maintain Campsite Cleanup at PP&R Properti	08	0.00	136,854	0	0	136,854	0.00	0	136,854	0	136,854
PK_32 - Vera Katz Eastbank Esplanade Maintenance	09	6.00	250,000	500,000	0	750,000	0.00	0	0	0	0
PK_33 - Fee Increases -Enhanced Tree Permitting Sei	10	3.00	0	0	770,000	770,000	3.00	0	0	770,000	770,000
PK_34 - Hazardous and Abandoned Boat Enforcemen	11	0.00	98,000	(30,000)	30,000	98,000	0.00	0	0	0	0
PK_35 - Portland Parks Foundation	12	0.00	100,000	0	0	100,000	0.00	0	0	0	0
PK_36 - Seismic Needs Assessment- PP&R Facilities	13	0.00	0	500,000	0	500,000	0.00	0	200,000	0	200,000
PK_37 - Utility Efficiencies	14	0.00	0	500,000	0	500,000	0.00	0	0	0	0
PK_38 - Fire Threats of Forested Areas Risk Assessm	15	0.00	0	100,000	0	100,000	0.00	0	0	0	0
PK_39 - Demolitions and Removal of Hazardous Struc	16	0.00	0	300,000	0	300,000	0.00	0	250,000	0	250,000
PK_24 - PP&R Priority Major Maintenance Capital Proj	17	0.00	0	29,800,000	0	29,800,000	0.00	0	3,742,511	0	3,742,511
Total Adds		10.00	1,468,223	33,145,000	800,000	35,413,223	3.00	511,783	3,879,365	770,000	5,161,148
<u>Reductions</u>											
PK_01 - Outdoor Water Use Reduction - Splash Pad/T	01	0.00	(200,000)	0	0	(200,000)	0.00	(200,000)	0	0	(200,000)
PK_02 - Recover Costs for Emergency Tree Removal	02	0.00	(400,000)	0	400,000	0	0.00	(400,000)	0	400,000	0
PK_03 - Strategic Parking Assessment & Revenue Stu	03	0.00	(100,000)	150,000	0	50,000	0.00	(100,000)	100,000	0	0
PK_04 - Inc Cost Recovery of Private Uses of Park Fa	04	0.00	(200,000)	100,000	100,000	0	0.00	(200,000)	100,000	100,000	0
PK_05 - Increase Fees for Special Use Permits	05	0.00	(90,000)	0	90,000	0	0.00	(90,000)	0	90,000	0
PK_06 - Transfer Utility Costs to Partner Organizations	06	0.00	(193,500)	0	0	(193,500)	0.00	(193,500)	0	0	(193,500)
PK_08 - Fountains Elimination	07	(4.00)	(620,000)	400,000	0	(220,000)	0.00	(620,000)	0	620,000	0
PK_09 - Eliminate Service to Non-Core Properties - La	08	0.00	(6,191)	0	0	(6,191)	0.00	(6,191)	0	0	(6,191)
PK_10 - Discontinue Planting&Maint of Downtown Trar	09	(1.00)	(100,000)	0	0	(100,000)	(1.00)	(100,000)	0	0	(100,000)
PK_11 - Reduce capacity for Operational Support	10	0.00	(70,000)	0	0	(70,000)	0.00	(70,000)	0	0	(70,000)

City of Portland
Decision Package Recommendations
(Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
Portland Parks & Recreation											
<i>Reductions</i>											
PK_12 - Reduce capacity for Data Systems Devel & S	11	0.00	(98,416)	0	0	(98,416)	0.00	0	0	0	0
PK_13 - Efficiency to PP&R's Work Order System	12	0.00	(70,000)	100,000	0	30,000	(1.00)	(70,000)	0	0	(70,000)
PK_14 - Close Woodstock Community Center	13	(1.00)	(35,000)	10,000	(50,415)	(75,415)	0.00	0	0	0	0
PK_15 - Reduce weekend coverage at Customer Svc	14	(1.00)	(56,562)	0	0	(56,562)	(1.00)	(56,562)	0	0	(56,562)
PK_16 - Close Sellwood Community Center	15	(6.75)	(200,261)	111,000	(492,921)	(582,182)	0.00	0	0	0	0
PK_17 - Close Fulton & Hillside Community Centers	16	(4.75)	(136,182)	75,000	(341,761)	(402,943)	(4.75)	(136,182)	0	(341,761)	(477,943)
PK_18 - Reduce Park and Facility Maintenance Capac	17	(3.00)	(270,000)	0	0	(270,000)	(1.00)	(113,092)	0	0	(113,092)
PK_19 - Regional Trails Service Reduction	18	0.00	(52,000)	0	0	(52,000)	0.00	(52,000)	0	0	(52,000)
PK_20 - Reduce Frequency of Downtown Restroom Cl	19	0.00	(88,000)	0	0	(88,000)	0.00	(88,000)	0	0	(88,000)
PK_21 - Eliminate Support for Removing Invasive Spe	20	(2.00)	(200,000)	0	0	(200,000)	0.00	(50,000)	0	0	(50,000)
PK_22 - Reduction of Public Involvement Position	21	0.00	(80,076)	150,000	0	69,924	(1.00)	(80,076)	0	0	(80,076)
<i>Total Reductions</i>		(23.50)	(3,266,188)	1,096,000	(295,097)	(2,465,285)	(9.75)	(2,625,603)	200,000	868,239	(1,557,364)
<i>Realignments</i>											
PK_07 - Laurelhurst Dance Studio Realignment	01	(0.50)	0	0	(72,628)	(72,628)	(0.50)	0	0	(72,628)	(72,628)
PK_23 - Realignment of Outreach Position	02	0.00	0	0	0	0	0.00	0	0	0	0
<i>Total Realignments</i>		(0.50)	0	0	(72,628)	(72,628)	(0.50)	0	0	(72,628)	(72,628)
Total Portland Parks & Recreation		(14.00)	(1,797,965)	34,241,000	432,275	32,875,310	(7.25)	(2,113,820)	4,079,365	1,565,611	3,531,156