



Investing in our future

MEMORANDUM

To: City Budget Office
Commissioner Jo Ann Hardesty
Commissioner Mingus Mapps
Commissioner Carmen Rubio
Commissioner Dan Ryan
Mayor Ted Wheeler
Auditor Mary Hull Caballero

From: Director Lisa Pellegrino

Date: March 25, 2021

Subject: FY 2020-21 Spring BMP Submission of the Portland Children's Levy

Enclosed for your consideration is the FY 2020-21 Spring BMP submission for the Portland Children's Levy.

The Children's Levy Spring BMP submission includes all required reports.

The Children's Levy is requesting no adjustments or decision packages in the Spring BMP.

Levy revenues are likely to be lower than projected in January 2020. Revenue forecasts provided by the City Economist in January 2021 indicate that PCL revenues will be approximately \$765,000 lower than previously projected for the current fiscal year. Over the three fiscal years ending June 30, 2023, total revenues are projected to be approximately \$4.3 million lower than previously projected. The majority of PCL's current grant contracts (85) run July 1, 2020 – June 30, 2023. Small grants contracts (8) run January 1, 2021-December 31, 2023.

Despite lower projected revenues, PCL expects to be able to fulfill current grant commitments and administrative expenses for the current and two following fiscal years using accumulated fund balance. PCL began FY 20-21 with \$12.7 million in fund balance and planned to spend it down over a 5-year period to maintain a consistent level of funding and services in the community. With the revised revenue projections, fund balance will be spent down more quickly, which may mean total annual grant spending will have to



decrease somewhat in FY 2023-24 – FY 2024-25.

We anticipate total resources to meet budget amounts for the fiscal year. We anticipate expenditures to be less than budgeted amounts in all major categories for the fiscal year.

Thank you for your consideration.

Business Area Projection Report

Portland Children's Levy - Fund 216

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Contingency	\$8,640,297	\$0	\$0	0%
External Materials and Services	\$25,066,364	\$7,574,876	\$24,136,395	96%
Fund Transfers - Expense	\$25,000	\$16,664	\$25,000	100%
Internal Materials and Services	\$54,815	\$30,849	\$49,344	90%
Personnel	\$970,241	\$627,376	\$945,000	97%
Sum:	\$34,756,717	\$8,249,766	\$25,155,739	72%

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$12,054,642	\$0	\$12,054,642	100%
Miscellaneous	\$0	\$118,656	\$158,000	#DIV/0
Taxes	\$22,702,075	\$20,556,203	\$22,095,004	97%
Sum:	\$34,756,717	\$20,674,859	\$34,307,646	99%

Revenue Discussion

Levy revenues are likely to be significantly lower than projected in January 2020. Revenue forecasts provided by the City Economist in January 2021 indicate that PCL revenues will be approximately \$765,000 lower than previously projected for the current fiscal year. Over the three fiscal years ending June 30, 2023, total revenues are projected to be approximately \$4.3 million lower than previously projected.

Revenue Risks

The City Economist revised revenue projections in January 2021 after taxes have been imposed. Tax revenues are currently tracking projections.

Expenditure Discussion

We anticipate remaining within budget for all major expenditure categories.

In personnel, we had a few factors that have resulted in us being well under budget. We had two retirements and consolidated two positions into one this year. Additionally, we budgeted for merit increases which will not occur. We currently have one staff person working part time as a retiree while we hire a replacement.

Grant expenditures make up 99.4% of external materials & services budget. Grants all have annual budgets that keep spending within the overall budget.

Internal materials & services are currently projected to remain within budget.

Expenditure Risks

As discussed above, we do not anticipate any significant risks to our expenditures.

Other Notes

Business Area Projection Report

Portland Children's Levy - Fund 216

Major Object	2020-21 SPRING Revised Base	2020-21 SPRING Total ADJ	2020-21 SPRING Requested Total	Requested Adjustment as % of Total Requested Budget	2020-21 February Actuals YTD	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Budget
Contingency	8,640,297	0	8,640,297	0%	0	0	0	0
External Materials and Services	25,066,364	0	25,066,364	0%	7,574,876	7,574,876	24,136,395	96%
Fund Transfers - Expense	25,000	0	25,000	0%	16,664	16,664	0	0
Internal Materials and Services	54,815	0	54,815	0%	30,849	30,849	0	0
Personnel	970,241	0	970,241	0%	627,376	627,376	0	0
Sum:	34,756,717	0	34,756,717	0%	8,249,766	8,249,766	24,136,395	69%

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Beginning Fund Balance	12,054,642	0	12,054,642	0%	0	0	0	0
Miscellaneous	0	0	0	#DIV/0	118,656	118,656	0	0
Taxes	22,702,075	0	22,702,075	0%	20,556,203	20,556,203	0	0
Sum:	34,756,717	0	34,756,717	0%	20,674,859	20,674,859	0	0
			Sum:		28,924,624.68			
	69,513,434	0	69,513,434	0%		28,924,625	24,136,395	35%
			Sum:		28,924,624.68			

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We anticipate remaining within budget for all major expenditure categories. In personnel, we had a few factors that have resulted in us being well under budget. We had two retirements and consolidated two positions into one this year. Additionally, we budgeted for merit increases which will not occur. We currently have one staff person working part time as a retiree while we hire a replacement. Grant expenditures make up 99.4% of external materials & services budget. Grants all have annual budgets that keep spending within the overall budget. Internal materials & services are currently projected to remain within budget.

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As discussed above, we do not anticipate any significant risks to our expenditures.

Other Notes