



Date: March 25, 2021

To: City Budget Office

From: Adena Long, Director

Cc: Commissioner Carmen Rubio

RE: Portland Parks & Recreation FY 2020-21 Spring Budget
Monitoring Process (BMP) Submittal

The Portland Parks & Recreation (PP&R) Spring BMP Submittal includes a number of budget adjustments for the bureau's seven budgeted funds. None of these adjustments includes any request for additional General Fund resources.

Fund projections indicate that, despite the operational and fiscal challenges of COVID-19, the bureau will end the year within budget. While this would have been possible without the voter-approved Parks Local Option Levy (Parks Levy), that measure – and the subsequent supplemental budget passed by City Council – made it possible to ramp our summer services back up to meet the needs of Portlanders in this challenging time. While we would have ended the year within budget without the Parks Levy, we would not have been able to provide services like camps, youth employment and education opportunities, outdoor pools, and Lunch + Play.

While there are no new General Fund requests in this BMP, the bureau has included a number of net zero and technical changes in the attached submission. These are summarized below:

Allocation of February Supplemental Budget. On February 17, 2021, City Council passed a supplemental budget that appropriated \$9 million in the 2020 Parks Local Option Levy Fund. This increase in appropriation was funded by an interfund loan budgeted out of System Development Charge balance from the Parks Capital Improvement Program Fund. Because of the out-of-cycle nature of this budget change, it was made at a high-level. The Spring BMP submission allocates out that appropriation at the detailed level in conformance with the plan that was presented to Council.

Unemployment Contingency Utilization. This request would move \$555,301 out of a PP&R contingency to fund higher than usual unemployment costs. In April 2020, PP&R laid off over 750 seasonal and casual employees in response to the complete closure of our recreation facilities and the cessation of public programming. The resulting unemployment costs were accounted for in FY 2019-20 year-end

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projections. Those charges did not hit the bureau's budget until after that fiscal year had closed. Therefore City Council appropriated the FY 2019-20 underspending to be carried over as a contingency in PP&R's budget to cover these extraordinary costs. In a typical year, the bureau spends less than \$200,000 in unemployment claims; through only eight months of the current fiscal year, costs are nearly \$900,000 with final claims anticipated to be \$1.4 million.

One-Time Carryover for Sustainable Future Program. In the current fiscal year, the City Council appropriated \$358,648 in one-time resources to fund two years of program management for the Sustainable Future program. This program will coordinate the bureau's efforts to align equitable service levels with available resources – for the long term. This critical position was filled in January 2021. This request would carry over \$304,948 of the initial allocation to fund the position for the remaining year and a half.

Fleet Acquisition Carryover. Acquisition of vehicles and heavy equipment can take many months and often crosses two – and sometimes three – fiscal years. This long lead-time, along with the use-it-or-lose-it nature of General Fund resources, has led to funding and timing challenges over the last several years – often resulting in PP&R losing funding for previously ordered vehicles. As a result of successful collaboration with the City Budget Office and CityFleet, PP&R is implementing a new mechanism for managing this technical problem. The Spring BMP includes the carryover of \$703,738 using this new tool.

Capital Budget Adjustments. Reduction of \$12.9 million in the Parks Capital Improvement Program Fund are included to account for revised timelines for a number of capital projects. These projects will be rebudgeted in FY 2021-22 to account for these revised timelines.

In addition to budget changes, the attached submission includes projections for all funds. These projections are largely in line with current or adjusted budgets.

Thank you for your consideration of this request.

PK - Portland Parks & Recreation

DP Type

Technical Adjustments

Request Name: 11649 -Interfund Loan Allocations

Package Description

On February 17, 2021, City Council passed a supplemental budget that appropriated \$9 million in the 2020 Parks Local Option Levy Fund. This increase in appropriation was funded by an interfund loan budgeted out of System Development Charge balance from the Parks Capital Improvement Program Fund. Because of the out-of-cycle nature of this budget change, it was made at a high-level. The Spring BMP submission allocates out that appropriation at the detailed level in conformance with the plan that was presented to Council.

Service Impacts

This allocation will allow the bureau to ramp-up services for Summer 2021 including camps, outdoor pools, Lunch + Play and youth employment opportunities.

Equity Impacts

This allocation of funding will ensure the provision of summer programming, with a focus on BIPOC, immigrant & refugee families, and families with low incomes. PP&R is working with partner organizations to increase outreach to these groups.

Account Name		2020-21 SPRING Requested Adj
Expense	Debt Service	-9,000,000
	External Materials and Services	4,253,439
	Fund Transfers - Expense	9,000,000
	Internal Materials and Services	377,500
	Personnel	-4,630,939
Expense	Sum:	0

Account Name		2020-21 SPRING Requested Adj
Revenue	Bond & Note Proceeds	-9,000,000
	Fund Transfers - Revenue	9,000,000
Revenue	Sum:	0

PK - Portland Parks & Recreation

DP Type

Internal Transfer

Request Name: 11667 -Transfer Fleet Resources to Capital Subfund

Package Description

This Decision Package transfers General Fund resources that have been reserved for approved, in-process Fleet purchases to the PP&R Capital Fleet Subfund to preserve these resources until the Fleet equipment can be procured, delivered, and billed.

Cost Est	Vehicle Description
\$6,000	FSR 21-437 Heavy Equipment Lead Abatement Trailer
\$35,000	FSR 21-436 Heavy Equipment Ventrack Slope Mower
\$65,000	FSR 20-426 PRMS Ford Transit Cargo Van for New FM
\$135,000	FSR 19-468 Urban Forestry Ford F550 Truck Aerial Platform
\$135,000	FSR 19-469 Urban Forestry Ford F550 Truck Aerial Platform
\$9,500	FSR 21-430 Athletic Field Maintenance John Deere Light Gator
\$9,500	FSR 21-431 Athletic Field Maintenance John Deere Light Gator
\$37,619	FSR 19-480 Park Ranger Program Ford Ranger
\$37,619	FSR 19-480 Park Ranger Program Ford Ranger
\$50,000	FSR 20-421 Horticultural Services box truck
\$41,000	FSR 21-409 Downtown/NW Maintenance Ford Ranger
\$35,000	FSR 21-414 Community Gardens Pickup
\$8,000	FSR 21-415 Community Gardens Dumping Trailer
\$40,000	FSR 20-428 City Nature Pickup
\$9,500	FSR 21-429 Turf Maintenance Gator
\$50,000	PKCN1 (No FSR yet) City Nature Pickup
\$703,738	

Service Impacts

Fleet has been diligently working with PP&R and other bureaus to streamline the Fleet acquisition process and minimize service impacts to bureaus and the communities we serve.

Equity Impacts

None.

Account Name		2020-21 SPRING Requested Adj
Expense	External Materials and Services	-155,000
	Fund Transfers - Expense	703,738
	Internal Materials and Services	180,000
	Personnel	-25,000
Expense	Sum:	703,738

Account Name		2020-21 SPRING Requested Adj
Revenue	Fund Transfers - Revenue	703,738
Revenue	Sum:	703,738

PK - Portland Parks & Recreation

DP Type

Technical Adjustments

Request Name: 11669 -Urban Forestry Technical Adjustments

Package Description

In addition to minor technical adjustments, the package adds expense and offsetting transfers from the Tree Planting and Preservation Fund (220060) for a limited term Botanic Specialist II. No general fund is requested to support this limited term.

Service Impacts

The limited term Botanic Specialist II will enable an increase in tree planting as guided by Growing a More Equitable Forest, the city's tree planting strategy. The position is required for increasing the quantity of trees planted in priority low income, low canopy, and racially diverse areas of the city.

Equity Impacts

This position will work specifically in areas of the city identified as priority planting areas because they have low tree canopy, a high concentration of BIPOC residents, and a high proportion of residents are low-income. In preparation for an increase in tree planting, the bureau conducted an intensive one-year project to develop a tree planting strategy. Extensive community engagement occurred to guide the strategy, including five culturally-specific focus groups (African, Bhutanese, Latin-x, Slavic, and Vietnamese communities). The project was guided by a diverse Community Advisory Committee which included people of color, immigrants, refugees, and residents from affected communities. Community surveys were also conducted in multiple languages.

Account Name	2020-21 SPRING Requested Adj
Expense	External Materials and Services -29,304
	Internal Materials and Services -2,058
	Personnel 31,362
Expense	Sum: 0

PK - Portland Parks & Recreation

DP Type

Technical Adjustments

Request Name: 11676 -Land Stewardship Technical Adjustments

Package Description

Making net zero technical adjustments, such as re-allocation of funds to address needs in other areas. Also, some funds were reallocated for vehicle purchases.

Service Impacts

Allows the division to re-allocate funds where additional attention is needed.

Equity Impacts

None

Account Name		2020-21 SPRING Requested Adj
Expense	External Materials and Services	-58,139
	Internal Materials and Services	25,000
	Personnel	33,139
Expense	Sum:	0

Account Name		2020-21 SPRING Requested Adj
Revenue	General Fund Discretionary	0
	Interagency Revenue	0
Revenue	Sum:	0

PK - Portland Parks & Recreation

DP Type

Technical Adjustments

Request Name: 11677 -Enterprise and Grant Fund Technical Adjustments

Package Description

Technical adjustments to Golf/PIR, and one former grant being absorbed by the general fund.

Golf - Adjusted greens fees revenue up for each course, due to significant increase in demand across the program. Also increased budgets for casual staffing, capital outlay and EMS to cover projected elevated need for those expenses. Finally, adjusted contingency up due to projected increase in revenues.

PIR - Removed donations revenue from sub fund 604001, due to responsible event being canceled (COVID-19 closure); also reduced personnel and EMS based on projections, and likewise reduced contingency. These changes were due to impacts of the COVID-19 virus and the subsequent closure and cancelation of several large events at PIR.

Grants - PP&R and OMF Grants division agreed that PP&R should absorb funding for the Oregon State Marine Board grant. This change increased expected revenue and matching expenses for the program.

Service Impacts

There are no service level changes associated with these adjustments. They are revenue adjustments (and the related expense changes), responsive to current demand.

Equity Impacts

None.

Account Name	2020-21 SPRING Requested Adj
Expense	
Capital Outlay	50,000
Contingency	518,098
External Materials and Services	173,404
Personnel	-130,000
Expense	Sum: 611,502

Account Name	2020-21 SPRING Requested Adj
Revenue	
Charges for Services	621,502
Miscellaneous	-10,000
Revenue	Sum: 611,502

PK - Portland Parks & Recreation

DP Type

Technical Adjustments

Request Name: 11678 -Assets & Development Tech Adjustments

Package Description

This year's Spring BMP adjustments were primarily to move two Utility Worker II resources from the Structural Services Shop to the Amenities Shop, and reduce billable work budgets which were underearning this year due to COVID.

Service Impacts

COVID made it difficult to provide some service, thus the reduced billable work.

Equity Impacts

None.

Account Name		2020-21 SPRING Requested Adj
Expense	Capital Outlay	9,959
	External Materials and Services	-126,959
	Internal Materials and Services	127,000
	Personnel	-10,000
Expense	Sum:	0

PK - Portland Parks & Recreation

DP Type

Technical Adjustments

Request Name: 11679 -Capital Fund Technical Adjustments

Package Description

This package adjusts project budgets to align with year end projections, and then realigns BFB with the CAFR (balancing to contingency). At the beginning of the fiscal year, the budgeting philosophy was to budget most available funding so that PP&R can advance projects as quickly as possible. At Spring BMP, as year end projections become more dialed in, we reduce the budgets to more closely align with projected spending.

Service Impacts

None.

Equity Impacts

None.

Account Name		2020-21 SPRING Requested Adj
Expense	Capital Outlay	-6,369,934
	Contingency	10,693,310
	External Materials and Services	-15,286,938
	Fund Transfers - Expense	-1,783,370
	Internal Materials and Services	-53,938
	Personnel	-128,117
Expense	Sum:	-12,928,987

Account Name		2020-21 SPRING Requested Adj
Revenue	Beginning Fund Balance	-2,463,701
	Bond & Note Proceeds	-2,100,000
	Charges for Services	-1,825,000
	Fund Transfers - Revenue	323,268
	Intergovernmental	2,433,700
	Miscellaneous	-9,297,254
Revenue	Sum:	-12,928,987

PK - Portland Parks & Recreation

DP Type

GF Program Carryover

Request Name: 11684 -Sustainable Futures Carryover

Package Description

The FY 2020-21 Budget includes two years of General Fund one time funding of \$358,648 for 1.0 permanent FTE to provide strategic coordination of all facets of the bureau to articulate desired service levels and develop a sustainable resource plan to deliver them. This package reduces the current budget by \$304,948 to carryover into FY 2021-22 to continue support of the Sustainable Futures position.

Service Impacts

This action will allow the bureau to continue efforts towards building a sustainable funding model and creating a long term strategic focus for Portland Parks and Recreation.

Equity Impacts

A service delivery model that is focused on serving BIPOC and low income populations is central to PP&R's future and will be core to the work that the Sustainable Futures position is engaged in.

Account Name		2020-21 SPRING Requested Adj
Expense	Personnel	-304,948
Expense	Sum:	-304,948

Account Name		2020-21 SPRING Requested Adj
Revenue	General Fund Discretionary	-304,948
Revenue	Sum:	-304,948

PK - Portland Parks & Recreation

DP Type

Contingency

Request Name: 11685 -Unemployment Benefits Contingency Allocation

Package Description

This request would move \$555,301 out of a PP&R contingency to fund higher than usual unemployment costs. In April 2020, PP&R laid off over 750 seasonal and casual employees in response to the complete closure of our recreation facilities and the cessation of public programming. The resulting unemployment costs were accounted for in FY 2019-20 year-end projections. Those charges did not hit the bureau's budget until after that fiscal year had closed. Therefore City Council appropriated the FY 2019-20 underspending to be carried over as a contingency in PP&R's budget to cover these extraordinary costs. In a typical year, the bureau spends less than \$200,000 in unemployment claims; through eight months of the current fiscal year, costs are nearly \$900,000 and are expected to be \$1.4 million by year end

Service Impacts

This does not reflect a service level change. It is the allocation of a previously approved carried over resource for its stated purpose.

Equity Impacts

There are no direct service impacts associated with this change. Without this allocation of previously approved carryover funding, PP&R would have to cover COVID-related General Fund unemployment costs with Parks Local Option Levy, thus reducing the capacity of the levy to meet its equity goals of increasing access to program through the reduction of economic barriers.

Account Name		2020-21 SPRING Requested Adj
Expense	Contingency	-555,301
	Personnel	555,301
Expense	Sum:	0

Account Name		2020-21 SPRING Requested Adj
Revenue	General Fund Discretionary	0
Revenue	Sum:	0

Business Area Projection Report

Portland Parks & Recreation - Fund 100

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$107,429	\$198,534	\$198,397	185%
Contingency	\$0	\$0	\$0	#DIV/0
External Materials and Services	\$16,533,607	\$6,750,203	\$15,869,015	96%
Fund Transfers - Expense	\$703,738	\$0	\$703,738	100%
Internal Materials and Services	\$10,568,066	\$7,816,663	\$10,565,565	100%
Personnel	\$56,387,305	\$35,922,434	\$56,352,876	100%
Sum:	\$84,300,145	\$50,687,833	\$83,689,591	99%

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Charges for Services	\$4,279,119	\$3,333,237	\$3,588,334	84%
General Fund Discretionary	\$74,804,539	\$0	\$74,804,539	100%
Interagency Revenue	\$4,097,751	\$2,656,053	\$4,345,374	106%
Intergovernmental	\$114,000	\$0	\$114,000	100%
Licenses & Permits	\$795,910	\$668,105	\$717,174	90%
Miscellaneous	\$208,826	\$90,832	\$120,170	58%
Taxes	\$0	\$420	\$0	#DIV/0
Sum:	\$84,300,145	\$6,748,648	\$83,689,591	99%

Revenue Discussion

Revenue within the Service Charges and Fees and Miscellaneous categories are down significantly from Adopted budgeted levels as a result of social distancing measures put in place due to COVID-19. As of mid March all PP&R community centers and pools remain closed. In addition, revenue related to park permitted activities and events is significantly down and is not expected to be anywhere near typical levels before year end. Significant budget adjustments were made in the Fall BMP and overall revenue are expected to be at or near anticipated Fall BMP projections.

Overall License and Permit revenue is projected to be near budgeted levels.

Revenue Risks

The current public health crisis is fluid and subject to change but PP&R is planning to provide programming for summer 2021, which is included in current year end projections. Permitted park activities, particularly large events, are expected to be significantly impacted by COVID restrictions and are factored into year end projections.

Expenditure Discussion

Expenditures in the bureau, particularly within the recreation program, are atypical due to COVID restrictions that have forced community centers and pools to remain closed for the year. With the passage of the Parks Levy in November 2020, summer programming is expected to resume. Expenditures related to park maintenance remain more in line with typical patterns and are and expected to be within budgeted levels. The bureau is transferring \$703k to a Capital Reserve subfund for Fleet purchases.

Expenditure Risks

Unemployment insurance claims are significantly over budget due to the layoffs associated with community center and pool closures. The bureau typically spends \$200k annually on unemployment insurance but will likely be near \$1.4 million by year end.

Other Notes

Business Area Projection Report

Portland Parks & Recreation - Fund 215

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Contingency	\$280	\$0	\$280	100%
Sum:	\$280	\$0	\$280	100%

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Fund Transfers - Revenue	\$280	\$0	\$280	100%
Sum:	\$280	\$0	\$280	100%

Revenue Discussion

This fund is the remainder of the 2003 voter approved five-year temporary tax levy for Portland Parks & Recreation operations. The bulk of those funds have been expended on eligible items. Remaining resources will be moved or expended and fund will be closed out.

Revenue Risks

None.

Expenditure Discussion

Fund to be closed out.

Expenditure Risks

None.

Other Notes

Business Area Projection Report

Portland Parks & Recreation - Fund 217

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$903,349	\$1,199,163	\$1,205,363	133%
External Materials and Services	\$1,542,223	\$188,339	\$430,378	28%
Internal Materials and Services	\$2,282	(\$226,709)	\$22,841	1,001%
Personnel	\$317,254	(\$1,792)	\$90,355	28%
Sum:	\$2,765,108	\$1,159,001	\$1,748,937	63%

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$0	\$0	\$0	#DIV/0
Intergovernmental	\$2,765,108	\$2,529,558	\$2,379,645	86%
Miscellaneous	\$0	\$10,844	\$10,844	#DIV/0
Sum:	\$2,765,108	\$2,540,402	\$2,390,489	86%

Revenue Discussion

The Grants Fund is where PP&R budgets all external grant funding and expenses. Grants are categorized as either operations grants or capital grants. Revenues came in higher than budgeted because of two grants that were budgeted in last Fiscal Year but delayed in finishing.

Revenue Risks

None

Expenditure Discussion

None

Expenditure Risks

None

Other Notes

None

Business Area Projection Report

Portland Parks & Recreation - Fund 220

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Contingency	\$1,410,326	\$0	\$13,355,423	947%
External Materials and Services	\$10,537,523	\$186,375	\$1,070,985	10%
Fund Transfers - Expense	\$74,130	\$0	\$29,630	40%
Internal Materials and Services	\$2,213,245	\$808,430	\$1,077,637	49%
Personnel	\$2,046,567	\$476,108	\$1,134,654	55%
Sum:	\$16,281,791	\$1,470,914	\$16,668,329	102%

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$13,529,161	\$0	\$13,542,124	100%
Charges for Services	\$2,083,000	\$1,197,937	\$1,596,850	77%
Fund Transfers - Revenue	\$67,646	\$0	\$67,646	100%
Licenses & Permits	\$50,000	\$799,688	\$1,065,984	2,132%
Miscellaneous	\$551,984	(\$496,049)	\$395,725	72%
Sum:	\$16,281,791	\$1,501,576	\$16,668,329	102%

Revenue Discussion

The Miscellaneous revenue variance is due to unexpectedly fewer donations than in prior years. The Summer Free For All program did not have the same level of engagement this year, as programming was focused around Lunch + Play and supported by CARES funding.

The License revenue variance is due to Urban Forestry's budgeted Charge for Services revenue posting incorrectly. Additionally, there remains a variance which is largely due to COVID-19 impacts to the Washington Park Parking program.

Revenue Risks

Year-end revenue remains highly uncertain for both Summer Free For All and Washington Park Parking revenue due to the COVID-19 impacts.

Expenditure Discussion

The contingency and EMS expense variances are due to the manner in which the Parks Memorial fund is designed to work within the SAP financial system.

Sub funds are created to depict the different special revenue accounts PP&R is responsible to manage. The current configuration of SAP will not allow for expenditures to go beyond appropriation at the sub-fund level, thus PP&R budgets the majority of sub-fund balances to External Materials and Services to allow for any expenditures that might be incurred in any individual sub fund throughout the year. By budgeting to EMS rather than Contingency across most sub funds we create larger variances reported as part of Spring Projections, such as what is being experienced in this reporting period.

Personal and Internal Materials and Services expense variances are due to reduced services or reprioritized efforts within Parks Memorial Fund supported programs in response to COVID-19 pandemic.

The Fund Transfer variance is due to cancelled cash transfers in the Washington Park Parking Program sub fund (\$1.825M) for capital projects that were cancelled this fiscal year or funded in other funds.

Expenditure Risks

Other Notes

Business Area Projection Report

Business Area Projection Report

Portland Parks & Recreation - Fund 232

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
External Materials and Services	\$5,500,000	\$0	\$0	
Internal Materials and Services	\$1,305,939	\$0	\$1,304,147	100%
Personnel	\$2,194,061	\$0	\$277,211	13%
Sum:	\$9,000,000	\$0	\$1,581,358	18%

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Bond & Note Proceeds	\$0	\$0	\$1,581,358	#DIV/0
Fund Transfers - Revenue	\$9,000,000	\$0	\$0	
Sum:	\$9,000,000	\$0	\$1,581,358	18%

Revenue Discussion

Revenue in the Parks Levy is sourced from an Interfund Loan from the Parks SDC subfund. The Interfund loan will allow PP&R to begin Parks Levy Expenditures in the current year in preparation for summer 2021 programming. Proceeds from the loan are likely to be far less than the \$9 million approved by City Council due to revised timing of equipment purchases and staff recruitment efforts.

Revenue Risks

None.

Expenditure Discussion

The supplemental budget passed in February 2021 estimated levy expenditures very conservatively, assuming rapid ramp up of staff and spending. Expenditures in the Personnel and EMS categories are, as expected, likely to be considerably less than the \$9 million approved by City Council due to the revised timing of equipment purchases and staff recruitment efforts. Direct expenditures occur in the Parks General Fund budget and are reimbursed by 619 (Personnel) and 629 (Materials) offsetting accounts in the Parks Levy Fund. Total expenditures are projected to be \$1.2 million to support expected staffing and materials purchased by year end. An additional \$377k is needed to support funds likely to be encumbered for materials and equipment.

Expenditure Risks

Other Notes

Business Area Projection Report

Portland Parks & Recreation - Fund 402

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$12,454,634	\$9,050,559	\$12,127,000	97%
Contingency	\$123,951,930	\$0	\$0	0%
Debt Service	\$13,344,908	\$10,184	\$4,344,908	33%
External Materials and Services	\$32,787,597	\$7,394,756	\$9,909,300	30%
Fund Transfers - Expense	\$689,906	\$456,646	\$689,906	100%
Internal Materials and Services	\$1,744,027	\$832,868	\$1,052,092	60%
Personnel	\$4,280,561	\$2,058,614	\$2,759,060	64%
Sum:	\$189,253,563	\$19,803,627	\$30,882,266	16%

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$173,252,392	\$0	\$173,252,392	100%
Bond & Note Proceeds	\$200,000	\$0	\$200,000	100%
Charges for Services	\$5,800,000	\$8,054,968	\$5,800,000	100%
Fund Transfers - Revenue	\$5,985,523	\$0	\$5,281,785	88%
Interagency Revenue	\$0	\$2,586	\$0	
Miscellaneous	\$4,015,648	\$3,616,884	\$4,015,648	100%
Sum:	\$189,253,563	\$11,674,438	\$188,549,825	100%

Revenue Discussion

Revenues in the fund consist of Bond Sales (BNDNT); General Fund Major Maintenance and LID funds (FNDXFERS), System Development Charges (SC), Interest on Investments, Donations, and Loan Repayments (MISC).

Revenue Risks

There are no risks to revenue at this point in the fiscal year; budgeting was very conservative due to COVID-19.

Expenditure Discussion

In recent years, expenditures have been budgeted to fullest degree allowed by funding availability so that capital acquisition, development, or maintenance projects could move forward quickly without the risk of being slowed due to appropriation constraints. However, this approach results in a large budget-to actuals variance at year end. In addition to this, the last quarter of this fiscal year is likely to have slow spending due to the current health and economic crisis so an attempt was made to tighten this approach; however, External Materials & Services and Capital may still be underspent depending on how much project work can be completed before year end.

Expenditure Risks

None.

Other Notes

Business Area Projection Report

Portland Parks & Recreation - Fund 603

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$50,000	\$26,839	\$30,000	60%
Contingency	\$2,921,689	\$0	\$3,772,155	129%
Debt Service	\$442,518	\$18,080	\$433,447	98%
External Materials and Services	\$4,879,956	\$2,900,396	\$4,612,911	95%
Fund Transfers - Expense	\$398,707	\$259,960	\$398,707	100%
Internal Materials and Services	\$493,475	\$272,993	\$440,888	89%
Personnel	\$3,343,790	\$2,176,530	\$3,275,093	98%
Sum:	\$12,530,135	\$5,654,798	\$12,963,201	103%

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$1,780,615	\$0	\$1,780,615	100%
Charges for Services	\$10,719,520	\$6,776,750	\$10,721,639	100%
Miscellaneous	\$30,000	\$25,179	\$27,500	92%
Sum:	\$12,530,135	\$6,801,929	\$12,529,754	100%

Revenue Discussion

Revenues generally come from golf play reservations, golf cart rentals, driving range, lessons, food and beverage/events, and pro shop sales.

Revenues are projected to come in higher than previously budgeted. Demand for golf has been higher than anticipated due to golf being a safe recreational activity during the COVID-19 pandemic. Adjustments for this anticipated increase have been made in Spring BMP.

Revenue Risks

None for now. Demand for golf is at a 20-year high, and the program is accumulating a fund balance that is sufficient to cover any weather-related closures.

Expenditure Discussion

Golf expenditures include golf maintenance personnel, maintenance supplies and services, utilities, concessionaire fees, and management company expenses.

Expenditures have been in line with budget with the exception of increases due to increases in demand for play. Adjustments to accommodate these increases have been made in the Spring BMP technical adjustments.

Contingency will likely be higher than anticipated due to extra revenues.

Expenditure Risks

Golf has a major maintenance funding gap, even with projected increase in the ending fund balance. The increased fund balance will be used to address a portion of the gap, but the risk of a major maintenance failure still exists.

Other Notes

Business Area Projection Report

Portland Parks & Recreation - Fund 604

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Contingency	\$570,276	\$0	\$570,276	100%
Debt Service	\$99,525	\$3,481	\$99,525	100%
External Materials and Services	\$602,459	\$202,861	\$500,000	83%
Fund Transfers - Expense	\$102,453	\$67,172	\$102,453	100%
Internal Materials and Services	\$112,587	\$73,531	\$112,587	100%
Personnel	\$725,971	\$495,762	\$750,000	103%
Sum:	\$2,213,271	\$842,806	\$2,134,841	96%

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$854,851	\$0	\$854,851	100%
Charges for Services	\$1,328,430	\$730,070	\$1,250,000	94%
Miscellaneous	\$29,990	\$5,535	\$29,990	100%
Sum:	\$2,213,271	\$735,605	\$2,134,841	96%

Revenue Discussion

The PIR fund is where all receipts from the Portland International Raceway are budgeted. Revenue streams include facility/course rentals, promoter fees, concessions, and admission/parking fees.

For fiscal year 2020-21, earned revenues are projected down from prior years because of COVID-19 restrictions and closures.

Revenue Risks

PIR has not had spectators the entire fiscal year, and will likely not before the end of the fiscal year. The program has been able to keep the fund solvent by earning revenues from non-spectator events, and private vehicle testing fees. The fund is projected to be solvent through June of 2021. However, extended closures or further restrictions would put the fund in danger of becoming insolvent in fiscal year 2021-22.

Expenditure Discussion

Expenditures in the PIR fund include personnel charges for all full-time and seasonal staff at the track, utilities, maintenance supplies and services, and all internal materials and services. Also currently included is the repayment of an interfund loan. Portland City Council recently approved a loan repayment restructure that allows PP&R to repay only the interest on the loan for the current fiscal year. Principal repayment will resume in fiscal year 2021-22.

Expenses have been dialed down due to anticipation of continued lost revenue. This has allowed the fund to remain positive for the current year.

Expenditure Risks

Risks to expenditures include any extended closures that would prevent the raceway from funding its expenses. To date, PP&R has been able to keep the asset maintained to be used once restrictions spectators are eased.

Other Notes

FY 2019-20 Budget Note Update

Portland Parks & Recreation

Date of Budget Note: July 1, 2019 in the FY 2019-20 Adopted Budget

Budget Note Title: Completion of Critical Planning Efforts and Preparation for Vision Plan

Budget Note Language: Council directs Portland Parks & Recreation to complete and present to Council three key planning processes prior to moving forward with the Vision Plan planning process: the financial sustainability plan, the cost-recovery plan, and the level of service plans for parks and community centers. These efforts should define any financial and service constraints and opportunities prior to engaging the community in the vision planning process.

As part of these primary planning efforts, Portland Parks & Recreation should explicitly identify strategies for addressing the bureau's major maintenance gap and park expansion due to the increase in system development charge revenues. Additionally, the level of service study should include a preliminary plan that addresses the City's goals around neighborhood and full-service community centers within the financial constraints defined in the financial plan.

Summary Status: Underway

Budget Note Update: March 25, 2021

Since the last update of this budget note Portland voters passed a five-year Local Option Parks Levy (Parks Levy) that is expected to generate \$45-\$48 million annually. The Bureau continues to align its long-term planning efforts with development of the Sustainable Future program, including a focused effort on updating the bureau's mission statement and developing the Health Parks, Healthy Portland strategic planning effort.

Significant work has begun on each of these planning processes. PP&R anticipates finalizing and aligning these efforts as part of the bureau's "Healthy Parks, Healthy Portland" planning framework to update the Mission, Vision, Values, and strategic objectives of the bureau. PP&R plans to continually adjust our financial, cost recovery, and levels of service to ensure we are navigating towards a long-term balance between service and cost. Status updates on each of the initiatives are below.

1) *Budget Note item: Financial Sustainability Plan*

- a. Re-booted and enhanced 5-year forecasting, including General Fund, Enterprise, and other funds.
- b. Developed a 15- year forecast for the park system, modeling would happen to service levels at three different system funding levels.
- c. Analyzed a number of alternative funding options, including several that could address the bureau's major maintenance gap and permanent funding for operating funds.
- a. Held a Sustainable Future Work Session with City Council in November 2019, using the 15-year system model to have a discussion with City Council about which direction they wanted PP&R to pursue (higher funding/higher service, lower funding/lower service), and which alternative funding sources they supported the bureau pursuing.
- b. Referred a funding measure to the ballot. With City Council support for the Bureau pursuing alternative funding to achieve higher service level goals, PP&R then worked

with City Council to prepare a 5-year operating levy, which was approved by Portland voters in November 2019. Among other things, this operating Parks Levy can fund the O&M associated with new System Development Charge Fund investments.

- c. Increased resources for the ongoing effort. In February 2021, PP&R hired a Sustainable Future Program Manager. In 2021, the Sustainable Future Program Manager will be working on further developing and refining the long-term system model and continuing to move an alternative funding strategy to address the bureau's major maintenance gap forward.

2) *Budget Note item: Cost-Recovery Plan*

The first phase of the cost recovery policy update was completed in 2018, culminating in a presentation to Council of the framework for further technical development and implementation. That work was put on hold, initially due to the bureau's financial crisis of 2019 and then due to COVID-19 reprioritizations. With the passage of the Parks Levy – and the consequent opportunity to reduce cost as a barrier to participation in PP&R programming - this project has renewed urgency and is being restarted, with the goal of having a policy in place by Fall 2021.

3) *Budget Note item: Level of Service Plans for Parks and Community Centers
Developed Parks and Natural Areas*

The Level of Service Guidance for Developed Parks and Natural Areas reflects the community's desire for 13 park assets based on feedback received through a variety of outreach efforts.

Since July 2019, PP&R:

- a. Synthesized extensive community engagement, including statistically valid survey methods, focus groups for communities of color and non-English speakers, informal surveys, and analyzed significant community input from recent engagement efforts.
- b. Reviewed current service levels and analyzed costs to provide, operate, maintain, and replace current park assets. We determined staffing needs to maintain these and calculated the additional resources needed to fill the gaps in service. PP&R used Geographic Information Systems (GIS) capabilities, professional staff expertise and a 3-member Parks Board working group to recommend a future Developed Parks and Natural Area Level of Service.
- c. Developed a first draft document, reviewed by staff, a Parks board subcommittee and Bureau management. A second draft integrated comments and developed Additional Near-Term Adjusted Guidance LOS Recommendations for four of the recreational assets and was reviewed by Parks management and the Parks Board subcommittee.

Community Centers

- a. Staff applied the Vision Plan 2020 3-mile Level of Service and reviewed how well we are serving the city with four full-service community centers, using GIS data sets for Dwelling Units (past, present, and future).
- b. Staff built maps through a geographic projection of 3-mile travel distance for full-service community centers and applied the PP&R Service Equity Tool.

Combined Draft

- a. A final draft Level of Service Guidance for Developed Parks and Natural Areas and Full-Service Community Centers and an Executive Summary is in final working draft form.

FY 2019-20 Budget Note Update

Portland Parks & Recreation

Date of Budget Note: July 1, 2019 in the FY 2019-20 Adopted Budget

Budget Note Title: FY 2020-21 Funding for Multnomah Arts Center

Budget Note Language: Council directs the City Budget Office to increase the Portland Parks & Recreation Current Appropriation Level by \$265,629 on a one-time basis in FY 2020-21 to fund the expected revenue shortfall of the Multnomah Arts Center.

Additionally, Council directs Portland Parks & Recreation to complete and present to Council a plan for the long-term sustainability of the Multnomah Arts Center prior to moving forward with the additional gap backfill funds. The plan should detail the cost recovery plan and the level of service plans for the center. These efforts should define any financial and service constraints.

Summary Status: Underway

Budget Note Update: March 25, 2021

The COVID-19 pandemic and associated restrictions combined with the passage of the Parks Levy have altered the timeline and process for this project. As the new realities continue to evolve, so does the analysis. This has included detailed review of expense, revenue and staff workloads associated with specific program types. In addition to financial sustainability goals, more equity and diversity in services and participants are critical to the success of these programs. Initial indications show that more focused program delivery could achieve existing revenue targets, lower current expenditures, and free up capacity to support community engagement, outreach, and increased partnerships. As analysis of different operating models are reviewed, financial sustainability and equity of services will be closely connected. PP&R expects to have programming, budget, rental/lease and building operation options in summer of 2021.

FY 2019-20 Budget Note Update

Portland Parks & Recreation

Date of Budget Note: July 1, 2019 in the FY 2019-20 Adopted Budget

Budget Note Title: Operations and Maintenance Funding Sustainability

Budget Note Language: Council directs Portland Parks & Recreation and the City Budget Office to work together to develop, as part of Parks & Recreation's upcoming Financial Sustainability Plan, a mechanism that allows the bureau to better plan for the amount of General Fund available for O&M over the next five years. That mechanism should increase the transparency, accountability, and predictability of the bureau's O&M planning and needs. Council could then direct new parks and amenities to be designed to meet funding constraints. This mechanism should be developed in advance of the FY 2019-20 Fall BMP for consideration and potential implementation as part of that process.

This approach would better align the bureau's capital planning and budgeting processes and more effectively achieve the goals stated in the City's Operations and Maintenance policy.

That policy is intended to ensure that:

- A funding plan is in place for the maintenance and lifecycle replacement of new capital assets and equipment.
- Bureaus that require additional resources - particularly General Fund - for the maintenance and lifecycle replacement of new capital assets and equipment have a assets come into service.
- City Council is aware of the cumulative out-year maintenance and lifecycle replacement cost impact of capital plans during the budget process.
- City Council, to the greatest degree possible, prospectively approves increases to General Fund appropriation levels in the context of the budget process.

Summary Status: Underway

Budget Note Update: March 19, 2021

In April 2020, the City Budget Office (CBO) and PP&R began discussions on an updated methodology for addressing Operations and Maintenance funding. In the most recent meeting, CBO proposed a conceptual methodology that bases O&M funding on a percentage of historical revenue from System Development Charges.

With the passage of the Parks Levy, the context of those initial plans has changed. Due to capacity constraints in both bureaus and staff turnover at CBO, this effort has been delayed. However, PP&R is eager to continue the development of this funding sustainability plan as it will be critical to short- and long-term planning efforts going forward.

Capital Program Status Report

Portland Parks & Recreation

CIP Program Name	2019-20 Adopted Budget	2019-20 Revised Budget	2019-20 Actuals	PY Variance	PY Percent of Actuals to Revised	2020-21 Adopted Budget	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	Spring Req. to Adopted Variance	Spring Req. to Adopted % Variance
Acquisitions	10,976,168	989,168	3,500	-985,668	0.35%	4,423,284	4,423,284	3,877	0	0%
Amenities	0	0	3,756	3,756		0	0	3,632	0	
Buildings & Pools	10,032,028	9,023,028	1,954,985	-7,068,043	21.67%	13,439,690	4,353,190	3,352,196	-9,086,500	-208.73%
Developed Parks	48,867,949	13,167,949	3,508,575	-9,659,374	26.64%	21,122,959	16,049,597	2,732,669	-5,073,362	-31.61%
Green Infrastructure	3,106,310	6,490,445	5,924,650	-565,795	91.28%	549,644	3,016,644	2,978,719	2,467,000	81.78%
Park Amenities & Trails	5,024,557	1,179,557	1,790,728	611,171	151.81%	3,493,622	1,714,897	2,087,686	-1,778,725	-103.72%
Recreation Features	2,573,961	2,023,961	369,650	-1,654,311	18.26%	2,008,272	370,272	309,736	-1,638,000	-442.38%
Utilities, Roads & Trails	7,612,664	3,450,664	1,426,728	-2,023,936	41.35%	4,460,443	1,333,724	1,131,766	-3,126,719	-234.44%
Sum:	88,193,637	36,324,772	14,982,572	-21,342,200	-58.75%	49,497,914	31,261,608	12,600,281	-18,236,306	

Current Year Variance Description

Capital Program Status Report

Acquisitions

No significant variance.

Buildings & Pools

The adopted budget included all available funding to position PP&R to complete as much work as possible this year. The budget has been reduced at Spring BMP as COVID has limited the amount of work that could be done.

Developed Parks

Multi-year projects' FY21 budgets, such as Parklane and Laurelwood, were reduced to align with current year spending.

Green Infrastructure

Additional resources of \$2.5 million was budgeted for the Leach Botanical Gardens project as construction is in full swing.

Park Amenities & Trails

These major projects were reduced this year as they will continue into following years: Columbia Children's Arboretum Circulation and Recreation Improvements, Lents Park Street Improvements, and ADA Upgrades.

Recreation Features

The following playgrounds are substantially complete, and funding will be reduced from this year's budget to be used for warranty costs: Couch, Creston, Lynchview, and North Park Blocks.

Utilities, Roads & Trails

Several projects were reduced this year as they will continue into following years; the largest are: Mt Tabor South Access Trail, Forest Park Critical Infrastructure, and Washington Park Sewer Storm Water.

Other Notes
