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Date: September 9, 2021

To: City Budget Office
Jane Marie Ford

FROM: Michelle Kirby, Chief Financial Officer

RE: Special Appropriations FY 21/22 Fall BMP Submittal

Attached you will find the FY 2021-22 Special Appropriations Fall BMP submission.

If you have any questions, please contact Sheila Craig.

Thank you.



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SA - Special Appropriations **DP Type** **New GF Request****Request Name: 12608 -Fall BMP Charter Review Commission Decision Package****Package Description**

Charter Review Commission Fall BMP Request for Phase II Decision Package

In December 2020, City Council appointed 20 residents to serve as the Charter Commission – meeting the City's requirement to convene a community commission to review Portland's founding document at least once every ten years. This is the second Charter Commission appointed under the new Charter requirement, which was established in 2009. The role of the Charter Commission is to review and recommend amendments to the Charter.

In the 2021-22 budget, City Council approved \$548,000 for charter review. Because this project is essentially a community engagement project to define the future of our City government, 85% of 2021-22 dollars support community education and engagement with a focus on communities historically left out of City Hall decision-making.

In late July 2021, the Charter Commission voted to approach charter review in two phases – Phase I began in August 2021 and is focused exclusively on (1) form of government; and (2) City Council elections. Phase I anticipates reporting findings to City Council in June 2022 and a November 2022 ballot. Phase II will begin in early 2022 with additional issues. Phase II anticipates a December 2022 report to City Council and a subsequent ballot. The Charter Commission has the power and authority under the charter to set its own scope of charter review.

The Charter Commission chose a phased approach because it builds on the community momentum around form of government and City Council elections; it recognizes the complexity of these two sets of issues; it allows us to know the recommendations around form of government and City Council elections as we address additional issues; and to allow time for community to identify other priorities for the Charter Commission to consider. The Charter Commission believes that phase II questions can only be fully considered if they are informed by phase I recommendations regarding form of government and City Council elections.

The impact of this two-phase approach is that Charter Commission outreach and engagement efforts exponentially increase. They will be engaging the community on two sets of issues, delivering two reports to City Council and educating the public about two separate sets of recommendations.

This decision package funds phase II additional activities that occur within this fiscal year that were unanticipated at the time we submitted our FY 2021-22 budget request. Consistent with our current budget, 76% of the phase II request is to support community education and engagement with a focus on communities historically left out of City Hall decision-making.

Phase II was not anticipated during budget development. Furthermore, charter review is a once-in-a-lifetime project.

This is a special appropriations request. There are no internal realignment options available to special appropriations.

Service Impacts

This request supports intensive culturally-specific engagement in phase II to ensure Portlanders who have been most marginalized in city government have the opportunity to meaningfully participate and inform the charter review process. In addition to culturally-specific engagement sessions and targeted outreach, funds will also support broad public outreach including culturally-appropriate community surveys and data collections, communications, and digital organizing.

Approximately 76% (or \$161,291) of this request is to support community education and engagement. Of that amount, more than 90% (or \$147,331) is going directly to community-based organizations to focus on education and engagement of communities historically left out of City Hall decision-making.

Types of activities funded by this request include development and dissemination of a popular education curriculum to be implemented through culturally-specific and cross-cultural engagement sessions; community survey to assess community perspectives on phase II issues; and a digital communications strategy.

The partners and community based organizations who will be participating in the engagement sessions (with flexibility to withdraw in 2022 during an unpredictable time) include APANO, Hacienda CDC, IRCO Africa House, Pacific Islander and Asian Family Center, Muslim Educational Trust, Native American Youth and Family Center, Portland Community Reinvestment Initiatives, Inc., Slavic and Eastern European Center, Unite Oregon, Urban League of Portland, Verde, Coalition of Communities of Color, and Next Up.

This request also supports a community engagement cohort that is designed to elevate voices the City needs to hear, ensure that engagement is culturally relevant, and reduce barriers to participation. The partners and community based organizations who will be participating in the community engagement cohort include Equitable Giving Circle, Hygiene4All, NAACP, Rosewood Initiative, East Portland Action Plan, Rohingya Youth Association of Portland, Sunrise Movement PDX, and Taking Ownership PDX.

Each component of the strategy is key to conduct both targeted outreach and broad multiracial outreach. The consequences of not funding the additional work of the phase II engagement cycle greatly narrows both the populations that can be meaningfully engaged and the issues that they will be engaged on. Targeted outreach to Black, Indigenous, people of color, immigrant, refugee, and marginalized communities will be reduced without the phase II resources to support community-based partners in elevating these Portlanders' voices in charter review. Additionally, the scope of broad multiracial outreach will be narrowed without the phase II resources to engage in at large digital organizing and the development of popular education materials focused on phase II topics.

Community partners bring deep community relationships and cultural expertise which serve the essential role of reaching the target communities who have been historically disenfranchised in city decision-making.

While the majority of this request is to support community education and engagement in phase II issues, some funds (\$50,800) are requested to resource the phase II issue committees of the Charter Commission including supporting data and research needs, compensating experts, and meeting facilitation. Without these resources, we will narrow the issues that communities can engage on and the ability to fully explore those issues.

Equity Impacts

Underlying every City decision and practice is the City Charter, and we believe that a vibrant community engagement process is key to inform the Commission about how to create the conditions for Black, Indigenous, and people of color Portlanders to thrive and influence the decisions that shape their lives and communities. For decades, structural barriers have excluded Black, Indigenous, people of color, immigrants, refugees, low-income folks, and many other Portlanders from accessing city government decision-making. The charter review process marks the opportunity to both equip these historically disenfranchised communities with the tools and knowledge to shape our local democracy and presents an opportunity to create the conditions that provide long-term access for these communities to have their needs and interests heard and represented in city government.

At the core of charter review is the vision that this process will create new equitable pathways for Portlanders to engage in public processes, which directly aligns with the City's Equity Goal #2, "We will strengthen outreach, public engagement, and access to City services for communities of color and immigrant and refugee communities, and support or change existing services using racial equity best practices."

The following partner organizations are participating in the outreach funded by this request:

- APANO (Asian American and Pacific Islander communities)
- Coalition of Communities Color (Black, Asian, Latinx, Middle Eastern and North African, Native American, Pacific Islander, Slavic, and immigrants and refugees)
- East Portland Action Plan (East Portland, multiracial)
- Equitable Giving Circle (Black + POC community)
- Hacienda CDC (Latinx community)
- Hygiene4All (Houseless community)
- IRCO Africa House (African community; immigrant/refugee focus)
- Muslim Educational Trust (Middle Eastern community)
- NAACP (Black community)
- Native American Youth and Family Center (Native American community)
- Next Up (multiracial, centering BIPOC and youth)
- Pacific Islander and Asian Family Center (Asian and Pacific Islanders; immigrant/refugee focus)
- Portland Community Reinvestment Initiatives, Inc. (Black community)
- Rohingya Youth Association of Portland (Rohingya & Burmese community; Immigrant/refugee; youth)
- Rosewood Initiative (Outer East Portland, multiracial)
- Slavic and Eastern European Center (Slavic community; immigrant/refugee focus)
- Sunrise Movement PDX (Youth)
- Taking Ownership PDX (Black community; seniors; mobility impairments)
- Unite Oregon (multiracial, centering BIPOC and immigrant and refugee folks)
- Urban League of Portland (Black community)
- Verde (Latinx community)

These communities will have the opportunity to meaningfully participate and inform the recommendations produced by the Commission's phase II work. It is important to note that the populations impacted hold unique intersections and social locations (race, gender, age, class, sexual orientation, geographic location, etc.) which all bring diverse perspectives to the charter review process.

2021-22 FALL Requested Adj		
Expense	External Materials and Services	212,091
Expense	Sum:	\$212,091

2021-22 FALL Requested Adj		
Revenue	General Fund Discretionary	212,091
Revenue	Sum:	\$212,091

SA - Special Appropriations**DP Type****New GF Request****Request Name: 12651 -SA-Levee Decision Package****Package Description**

This request is for \$268,700 in new one-time General Fund Resources to: 1) Allow key existing positions at PBOT, BDS, and PPR to spend a portion of their time on planning and coordination efforts with other City bureaus and external partners to ensure the U.S. Army Corps of Engineer's Portland Metropolitan Levee System (PMLS) Project moves forward, meets City requirements, and aligns with City interests; and 2) Provide the City's match contributions to upgrade a critical pump station near Portland International Raceway that keeps City facilities protected during flooding events. The PMLS in the Columbia Corridor must be improved to satisfy current federal levee infrastructure standards to protect human life and allow development in Portland's industrial sanctuary, while also protecting City infrastructure and the unique environment along the Columbia Slough and Columbia River. The PMLS Project is an important step towards levee recertification and accreditation by the federal government. The staff at PBOT, BDS, and Parks supported by the requested one-time funds are generally funded by capital improvement program dollars or development fees and have identified the need for special appropriation funds to support their time-sensitive contributions to this body of work in FY 21/22.

Service Impacts

Every year, there is a significant chance the Portland metropolitan area will experience a major flood on the Columbia River. For more than one hundred years, Portland has been protected on its northern border by a system of levees and related infrastructure along the Columbia River, today known as the Portland Metropolitan Levee System (PMLS). This 27-mile levee system helps reduce the risk of flooding along the Columbia River from North Portland through Gresham, Fairview, and Troutdale. In addition to levees, critical flood-fighting infrastructure like pump stations and floodwalls require upgrades to meet current standards.

The area protected by the PMLS is critical to the economic stability of the City, region, and state. It is home to more than 7,500 residents, 2,500 businesses, and over 59,000 jobs, including half of the region's manufacturing and warehouse jobs. The annual economic activity of the area exceeds \$16 billion. The area behind the levees includes vital national, regional, and local assets including, but not limited to: The Portland International Airport, which welcomes over 20 million visitors and moves over 300,000 tons of goods each year; the Columbia South Shore Well Field, which is Oregon's second largest source of drinking water and serves as a back-up supply for almost one million Oregonians; two City-owned golf courses, Delta Park, and the Portland International Raceway (PIR); Marine Drive and Bridgeton Road; 2,000 acres of parks, open spaces, and recreational areas; and important habitat for endangered and protected species. For more information about what is at risk of being adversely impacted by a failure in the PMLS, see <https://leveereadycolumbia.org/whats-at-risk/>. The existing PMLS is structurally vulnerable during high water. According to the federal government, the PMLS is inadequate to protect lives and inadequate for residents and business owners in the Portland metro area to qualify for affordable federal flood insurance. Unless the PMLS can be improved to satisfy current federal levee standards, the City of Portland will be ineligible to achieve accreditation for participation in the National Flood Insurance Program, and this in turn will make development in the floodplain economically and practically infeasible and devalue existing structures.

To address the critical infrastructure needs of the levee system, the City, the four drainage districts responsible for managing the levees in the Columbia Corridor, and regional partners successfully pursued a legislative solution creating a new special district with a sustainable funding structure and expanded mission, named the Urban Flood Safety and Water Quality District (UFSWQD). The work of standing up this new district is underway and will continue for four more years. It is critical that the City continue to play a supporting role in this effort.

For over one hundred years, the PMLS has been managed by four drainage districts that are today collectively known as the Columbia Corridor Drainage Districts (CCDDs). Three of those districts—Peninsula Drainage District No. 1 (PEN-1), Peninsula Drainage District No. 2 (PEN-2), and Multnomah County Drainage District No. 1 (MCDD)—are entirely or significantly located within the City of Portland. The U.S. Army Corps of Engineers ("the Corps") completed a Feasibility Study in partnership with the CCDDs and is moving forward in the federal process that will hopefully lead to Congressional approval and funding to complete an infrastructure improvement project led by the Corps to reduce flood risk associated with the PMLS. The Corps' proposed project (the "Portland Metro Levee System (PMLS) Project") would complete most of the improvements required for the PMLS to meet federal levee standards and become certified by the Corps, with certification being a pre-requisite for the City to be eligible for participation in the National Flood Insurance Program. (The CCDDs, with the support of the Levee Ready Columbia partnership between regional entities, will complete the improvements required for certification that are outside the scope of the Corps' PMLS Project.) The Non-Federal Local Sponsor on the Corps' PMLS Project is MCDD, which has been granted decision authority to act on behalf of the four CCDDs.

Recognizing its strong interests in the solvency of the CCDDs and the need for the PMLS to be improved to meet current federal levee standards, the City has committed over 10 million dollars since 2016 to support the operation of the CCDDs, Levee Ready Columbia (a partnership of over twenty public, private, nonprofit, and community-based organizations committed to reducing the risk of flooding associated with the PMLS), and the formation of a new UFSWQD to replace the CCDDs. This support has been in the form of direct payments, loans, and loan guarantees.

Because of the location and impact of the levee system on our residents, City assets, and resources, Portland expects to be an active participant and funding partner in the PMLS Project's development, construction, and operation, individually and through its participation in the newly authorized UFSWQD. The Corps' PMLS Project involves the interests of many City bureaus, including those related to structures and road and utility infrastructure in the public ROW and on private property. In terms of the bureaus to be directly supported by this special appropriations request, proposed improvements in the PMLS project area include modifications to Portland Bureau of Transportation (PBOT) assets Marine Drive and Bridgeton Road. The modifications will entail street reconstruction, utility relocations, building new sections of the regional 40-mile Loop trail, and coordination with the ODOT/WSDOT Interstate Bridge Replacement project. Portland Parks and Recreation (PPR) will be a critical partner in providing land, access, and easements for many of the proposed PMLS improvements, most notably for the parallel levy that will impact up to 17 acres of Heron Lakes Golf Course. This will require considerable engagement from the PPR capital and property teams to negotiate and establish the necessary agreements, and to mitigate and manage the impacts to City property. Bureau of Development Services (BDS) staff will provide advice to the Corps and MCDD on the City's development review process, providing early input on required land use reviews, floodplain development requirements, and permit requirements to help the levee projects move through the City's processes in an efficient manner. BDS will also engage in plan review and coordination to help ensure that proposed levee and other improvements meet City regulations, with a focus on floodplain development requirements, environmental protection, and mitigation for impacts.

This special appropriations request largely supports a multi-bureau effort to holistically represent the City's interest in the federal recertification of the Portland Metropolitan Levee System (PMLS) and associated infrastructure improvement projects. The coordination effort is being led by the Bureau of Environmental Services (BES) at the request of the Office of Management and Finance (OMF) and includes close collaboration between BES, OMF, PPR, PBOT, BDS, Bureau of Planning and Sustainability (BPS), Water Bureau (PWB), Office of Government Relations (OGR), City Budget Office (CBO), and Bureau of Emergency Management (PBEM). BES Director Mike Jordan established a project team of representatives from the above-named bureaus to manage the Corps' PMLS Project internally and to engage with the drainage districts to ensure the Project, which will support FEMA accreditation, is successful.

PBOT, PPR, and BDS staff participate in this Citywide coordination team (the "Levee Ready Columbia (LRC) City Team") and have identified the need to significantly increase the amount of staff time to be spent this fiscal year reviewing the Corps' design concepts for th

Equity Impacts

Flood risk affects communities unequally.

- The history of Vanport, the 1948 flood, and the displacement caused by the flood—especially for the Black population of Vanport—are inequities our region is still struggling to address. There are many examples that show that flood loss disproportionately affects lower income populations, especially lower-income BIPOC communities. The most vulnerable residents are the least equipped to deal with emergency situations and have the hardest time recovering. For that reason, the Corps prioritized reducing the potential for life loss and improved evacuation times in their evaluation and recommendations for the PMLS Project, and they have included non-structural elements to augment flood risk education and improved awareness of evacuation routes in the managed floodplain. The requested funding for PIR Pump Station upgrades in PEN-1 ensures a functioning internal drainage network during flooding events. This pump station protects City facilities, roads and light-rail infrastructure.
- The PMLS project will reduce the risk of flooding in PEN-2, which is one of the most populated areas in the system, including some low- and fixed-income residents. Through their recommendations, the Corps has focused on addressing the risk of cascading failures beginning at the railroad embankment as we saw in 1948, as well as the risk of overtopping in PEN-2, both of which have the greatest risk for the people in the lowest lying areas like the residents of the Fox Run RV Park.
- Additionally, the PMLS Project study will help to shore up a levee system that protects over 59,000 jobs, including warehouse, shipping, and manufacturing jobs, many of which provide on-the-job training and advancement opportunities for people without college degrees.

Levee recertification has an equity nexus.

- The PMLS Project addresses multiple weaknesses in the PMLS that will need to be addressed in order to recertify the levees. Property owners—residential, industrial, and commercial—behind accredited levees have access to low-cost flood insurance through FEMA’s National Flood Insurance Program. Behind accredited levees, flood insurance is generally voluntary. Without accreditation many property owners would be required to purchase flood insurance on the private market, often at prohibitively high rates, affecting lower-income residents the most.

City engagement with the Corps’ PMLS project is expected to help protect or enhance environmental resources and public facilities and infrastructure for the benefit of historically underserved communities living in the vicinity of the Corps’ PMLS Project.

- A higher concentration of BIPOC communities reside in the CCDDs compared to many other areas of the City. PBOT, PPR, and BDS’s active participation in the planning and design of the Corps’ PMLS Project will promote compliance with local development requirements and alignment with City interests for the benefit of those communities and the broader City. City involvement is expected to help protect existing environmental resources, parks, and greenspaces and upgrade streets, sidewalks, and trails within the project footprint.

2021-22 FALL Requested Adj

Expense	Personnel	268,700
Expense	Sum:	\$268,700

2021-22 FALL Requested Adj

Revenue	General Fund Discretionary	268,700
Revenue	Sum:	\$268,700

SA - Special Appropriations

DP Type

Other Adjustments

Request Name: 12653 -SA-Transfer 2 FTE funding from OMF

Package Description

In the FY 2021-22 budget, OMF CAO's Office received \$300,000 in General Fund resources for 2 positions: one to serve as the permit process improvement coordinator and the other to serve as the streets to stability coordinator. After passage of the budget, discussions between Commissioner Ryan's office and the Chief Administrative Officer resulted in direction to move the positions under the Commissioner of Public Works budget with the funding residing in Special Appropriation. This package executes that direction by adding \$300,000 in Special Appropriations while package 12567 in OMF reduces the OMF budget by \$300,000. The positions were already created via P4 and have been filled by the Commissioner, so they will display under the Commissioner's org structure in the FY 2022-23 budget. The \$300,000 will now be used exclusively for costs for the permit coordinator with the streets to stability funding coming out of the ARP funding. The homeless services coordinator position will continue to be housed on the Commissioner's Office despite the change in funding source.

Service Impacts

This package, when combined with the OMF request, aligns management of the programs under the Commissioner of Public Works while retaining the budget equalization direction for Council Offices by having the budget reside within Special Appropriations. Since the addition of these positions were at the request of Commissioner Ryan's Office, it helps streamline the management of these positions by moving them out of OMF and into the Commissioner's Office.

Equity Impacts

N/A

2021-22 FALL Requested Adj

Expense	Personnel	300,000
Expense	Sum:	\$300,000

2021-22 FALL Requested Adj

Revenue	General Fund Discretionary	300,000
Revenue	Sum:	\$300,000

Prior Year Fund Reconciliation Report

Special Appropriations

100 - General Fund

EXPENDITURES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
Personnel	1,097,171	1,107,716	100.96%
External Materials and Services	14,990,026	12,437,024	82.97%
Internal Materials and Services	460,499	471,707	102.43%
Contingency	0	0	
TOTAL EXPENDITURES	16,547,696	14,016,446	84.70%

REVENUES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
Intergovernmental	130,871	130,871	100%
Miscellaneous	0	699	
General Fund Discretionary	15,879,215	0	0%
Interagency Revenue	351,733	251,322	71.45%
General Fund Overhead	185,877	0	0%
TOTAL REVENUES	16,547,696	382,892	2.31%

Expenditure Discussion

\$1,000,000 of the underspending is due to the allocation for the Black Youth Initiative Program implementation. The funds were carried over to FY22 and the Commissioner's Office will finalize grant funding in FY22. The balance of unspent funds are due to the late start of grant programs and FY21 and those grants have been extended into FY22. Those funds are included in the encumbrance carryover requests.

Revenue Discussion

Special Appropriations

Other Notes

Prior Year Fund Reconciliation Report

Special Appropriations

214 - Public Election Fund

EXPENDITURES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
Personnel	320,045	289,920	90.59%
External Materials and Services	1,813,993	832,624	45.9%
Internal Materials and Services	50,759	45,853	90.34%
TOTAL EXPENDITURES	2,184,797	1,168,398	53.48%

REVENUES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
Fund Transfers - Revenue	1,281,046	1,281,046	100%
Beginning Fund Balance	903,751	0	0%
TOTAL REVENUES	2,184,797	1,281,046	58.63%

Expenditure Discussion

Due to the unknown amount of match requests in an election year, potential expenses are projected based on number of candidates and the budgeted is allocated based on those projections. During the Spring BMP the fund did reduce budget and retained the amount anticipated to be utilized for matching funds. The amount of matching funds requested did not fully reach the amount of budgeted funds. Per code the unused funds will be carried forward to be utilized in future election years.

Revenue Discussion

Special Appropriations

Other Notes

Prior Year Fund Reconciliation Report

Special Appropriations

217 - Grants Fund

EXPENDITURES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
Personnel	290,000	3,525,739	1,215.77%
External Materials and Services	84,478,786	61,619,192	72.94%
Internal Materials and Services	23,250	276,829	1,190.66%
TOTAL EXPENDITURES	84,792,036	65,421,759	77.16%

REVENUES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
Intergovernmental	79,185,000	64,047,498	80.88%
Miscellaneous	0	610,138	
Fund Transfers - Revenue	3,957,036	3,957,036	100%
Beginning Fund Balance	1,650,000	0	0%
TOTAL REVENUES	84,792,036	68,614,672	80.92%

Expenditure Discussion

FEMA and CARES CRF federal funds were budgeted to cover projected COVID related expense in FY 20/21. Underutilized FEMA and CARES CRF funds will be budgeted in FY 21/22 since both sources of funding extend into FY 21/22. CARES CRF programs will be 100% complete by the end of the calendar year. FEMA will continue until the disaster declaration ends.

Revenue Discussion

Special Appropriations

Other Notes
