



**City  
Budget  
Office**

# Executive Summary

During the Fall Budget Monitoring Process (BMP), City bureaus request budget adjustments to the current fiscal year and report on financial and program performance for the prior fiscal year.

## Beginning Balance and Available Contingency

Following the close of each fiscal year, the City Budget Office (CBO) works with the Accounting Division in the Office of Management and Finance and with City bureaus to identify excess General Fund beginning balance which may result from prior year unanticipated underspending and/or prior year above-forecasted revenues. The excess balance is calculated using estimated prior year ending balance less encumbrance and program carryovers, as shown below. CBO estimates that the City closed the FY 2020-21 fiscal year with \$62.0 million in excess General Fund balance; by City policy half of this balance goes into the City’s Capital Set Aside account and half contributes to one-time General Fund contingency as part of the Fall Supplemental Budget Process.

While this is an abnormally large amount of excess balance, it is in line with recent experiences of other government jurisdictions such as the State and Multnomah County. The City Budget Office forecasts revenues conservatively during the course of the year, and the pandemic was an ‘off-model’ event that ubiquitously presented forecasting challenges to economists. The high rate of excess balance is almost exclusively due to the actual receipt of Business License Tax revenues exceeding forecasted revenues by \$64.5 million. A number of factors contributed to the unexpectedly high Business License Tax revenue including the postponement of the federal tax deadline, the strong performance of a small number of large corporations, and some businesses choosing to realize more 2020 income in anticipation of potential future tax increases at the Federal level. Business License Tax revenue is one of the City’s most volatile revenue sources, as a bulk of the revenue is dependent on a relatively small number of taxpayers. It is not clear at this time how much of this increased revenue is one-time in nature.

<b>FY 2021-22 Excess Beginning Balance</b>	
<b>Ending Balance According to the Annual Financial Report</b>	\$102,632,470
Adjustments per financial Policy	
<i>Carryovers</i>	
Encumbrance Carryover	\$7,335,872
STR Revenue to HIF	\$1,114,343
Technical Adjustments	\$3,090,570
<b>Total Carryovers</b>	<b>\$11,540,785</b>
Available Balance	\$91,091,685
Budgeted Beginning Fund Balance	\$29,097,508
<b>Excess Balance</b>	<b>\$61,994,177</b>
50% to Capital Set Aside	<b>\$30,997,089</b>
50% to Unrestricted Contingency	<b>\$30,997,089</b>

Per City financial policy, at least half of this balance (\$31.0 million) should be dedicated to maintenance and replacement of existing assets via the City's Capital Set Aside policy and account, with the remainder being allocated to unrestricted General Fund contingency. The FY 2021-22 Adopted Budget included \$2.5 million in unrestricted General Fund contingency, adding the excess balance yields \$33.5 million in unrestricted contingency which is available for appropriation by the Council. While this provides the Council and the City with significant flexibility to address urgent needs throughout the year, CBO notes that many jurisdictions do not make excess year-end balance available for appropriation during the fiscal year and opt instead to assume the additional revenue as available in the subsequent budget year's process. This practice allows for more resources to be considered and allocated holistically with more opportunity for proposal development and consideration and may reduce the need for budget cuts as part of the annual process. While there may well be urgent needs that require one-time contingency allocation this fall, CBO encourages the Council to consider putting a notable portion of this balance towards the thoughtful development and consideration of proposals in the annual budget process.

## **City Budget Office Recommendations**

In total, bureaus submitted 179 decision packages containing distinct requested budget changes for Council consideration in the Fall Supplemental Budget. CBO reviewed each request and provided detailed analysis on any decision packages that impact the General Fund in the Fall BMP General Fund Analysis Report.

Bureaus requested a total of \$5.7 million in new General Fund support. CBO recommends appropriating \$2.5 million of unrestricted contingency and \$1.1 million from policy set aside toward the requests summarized below, which include:

- \$91,989 in the Bureau of Emergency Communications for call response software and \$213,610 for emergency communication training supervisors;
- \$88,868 in the Office for Community Technology to support urgent administrative needs, originally requested by the bureau as a community engagement and legislative specialist;
- \$490,684 in the Office of Management & Finance Bureau of Human Resources for 5.0 limited term recruiting positions to support recruitment, selection, outreach, and consultation;
- \$204,767 in the Office of Management & Finance Bureau of Revenue and Financial Services for a General Fund true-up for the Integrated Tax System;
- \$300,000 to help support partnerships with Community-Based Organizations with technical assistance navigating the City's grant and procurement processes;
- \$260,000 in Portland Fire & Rescue for fire station security, \$1,081,080 from policy set aside to increase Portland Street Response service availability, and \$300,509 for limited term inspectors;
- \$25,000 in Prosper Portland for infrastructure funding at the Ankeny West Cart Blocks; and
- \$212,091 in Special Appropriations to support the Charter Review Commission and \$268,700 to support the next phase of costs related to the Portland Metropolitan Levee System project.

In addition, CBO has recommended funding a request within the Bureau of Emergency Communications that

programs prior year FY 2020-21 underspending, including General Fund resources, for projects in the current year. The request is for \$838,503 and will be used for onsite support for the ProQA program, 2.0 limited term FTE positions to perform quality assurance and call reviews, and for unexpected hardware and support costs for the Logging Recorder project.

In alignment with City Financial Policy, CBO also recommends setting aside resources for the following known upcoming liabilities:

- \$500,000 for the creation of a Citywide Legal Priorities Reserve, which was recommended in 2019 by the City’s Chief Financial Officer, Budget Director, and City Attorney as part of a financial plan to address known City long-term liabilities. The fund would support costs of multi-fund or Citywide litigation that may arise because of Council’s desire to pursue a legal, regulatory or policy change, or as a result of a legal suit against the City;
- \$1,615,100 for anticipated costs over the next two future fiscal years of Portland Metropolitan Levee System levee obligations, which is in addition to the \$268,700 requested through a Special Appropriations decision package for current year costs (discussed above); and
- \$5.5 million retained for potential current year costs and \$3.0 million retained as General Fund unrestricted contingency balance. As in prior years, CBO recommends that Council retain as much as possible in unrestricted contingency for future year budget development, but no less than this amount for additional current year potential issues and needs.

<b>CBO Recommended New Requests</b>		
<i>Bureau of Emergency Communications</i>	<b>Call Response Software</b>	\$91,989
<i>Bureau of Emergency Communications</i>	<b>Emergency communication training supervisors</b>	\$213,610
<i>Office for Community Technology</i>	<b>Limited Term Support</b>	\$88,868
<i>Office of Management &amp; Finance</i>	<b>BHR - Recruiting Positions</b>	\$490,684
<i>Office of Management &amp; Finance</i>	<b>BRFS - Integrated Tax System General Fund True-up</b>	\$204,767
<i>Portland Bureau of Emergency Management</i>	<b>Support for Community-Based Organizations</b>	\$300,000
<i>Portland Fire &amp; Rescue</i>	<b>Fire Station Security</b>	\$260,000
<i>Portland Fire &amp; Rescue</i>	<b>Increase Portland Street Response Service Availability*</b>	\$1,081,080
<i>Portland Fire &amp; Rescue</i>	<b>Limited Term Inspectors</b>	\$300,509
<i>Prosper Portland</i>	<b>Ankeny West Cart Blocks Infrastructure Funding</b>	\$25,000
<i>Special Appropriations</i>	<b>Charter Review Commission</b>	\$212,091
<i>Special Appropriations</i>	<b>Portland Metro Levee System (current year)</b>	\$268,700
<i>CBO Recommendation</i>	<b>Citywide Legal Priorities Reserve</b>	\$500,000
<i>CBO Recommendation</i>	<b>Portland Metro Levee System Set-Aside (future obligations)</b>	\$1,615,100
<i>CBO Recommendation</i>	<b>Current Year Costs and Recommended Contingency Balance</b>	\$8,500,000
	<b>Total Recommended New Requests</b>	<b>\$14,152,398</b>

\* - Portland Street Response is funded via a transfer from General Fund policy set aside

Approving these requests leaves an unrestricted General Fund contingency balance of approximately \$20.4 million for additional one-time current year or future budget year needs.

## General Fund Summary

As shown in the General Fund Reconciliation table at the end of this section, CBO makes the following recommendations in the Fall BMP:

### Encumbrance Carryover

As prescribed in City Financial Policy 2.04, CBO recommends encumbrance and advance carryovers of \$7.3 million. Encumbrance carryovers reflect prescriptive accounting transactions, intended for one-time costs where goods or services were ordered but not received by the end of the fiscal year, and assumes the bureau has sufficient year-end General Fund underspending to pay the requested encumbered amounts. This category includes funding for advances that have been made but the good or service has not yet been delivered. Encumbrance carryovers are not intended to support purchases that are annual and ongoing in nature or which do not have open purchase orders.

### New Requests

Bureaus submitted \$5.7 million in requests for new programming and projects. As detailed in the “City Budget Office Recommendations” section above, CBO has recommended \$3.5 million of the requests and an additional \$10.6 million for known and potential General Fund liabilities related to Citywide legal priorities, the Portland Metropolitan Levee System, current year potential costs, and retaining a General Fund contingency balance

### Other Adjustments

Bureaus submitted several requests that represent transactions already authorized by Council, internal transfers and realignments, and the carryover of dedicated revenue. CBO’s recommended adjustments include:

- A transfer of \$157,000 in Portland Fire & Rescue and \$204,750 from the Portland Police Bureau to the Office of Management & Finance for the realignment of staff resources to the Community Safety Division;
- \$93,410 in General Fund resources being transferred to a reserve fund in the Auditor’s Office;
- \$200,000 in Portland Parks & Recreation for A&D and CIP technical adjustments; PP&R is moving \$200,000 worth of Non-Parks Use Permit (NPUP) fees collected in the General Fund and remitting it to the Parks Capital Improvement Plan Fund to pay for PP&R’s CIP staff costs related to capital project delivery;
- \$300,000 being transferred from the Office of the Chief Administrative Officer in the Office of Management and Finance to Special Appropriations to support a position focusing on development services permit process coordination improvement;
- The recognition of a cash transfer of \$1,114,343 from the General Fund to the Short-Term Rental Fund in the Portland Housing Bureau to true up the estimated FY 2020-21 Short Term Rental Tax revenues to actual amounts received; and
- \$133,000 in General Fund expenditures requested in the Portland Housing Bureau as a replacement for currently budgeted Recreation Cannabis Tax resources for the Joint Office of Homeless Services (JOHS). This is being done in accordance with Amendment 11 in the City’s intergovernmental agreement with JOHS.

In addition, the Bureau of Revenue and Financial Services is requesting an ongoing adjustment of \$204,767 to its Current Appropriation Level (CAL) in association with the Integrated Tax System (ITS)

project. This amount will true-up the estimated funding required for the ongoing maintenance, debt service and other costs associated with the Integrated Tax System (ITS) implementation. CBO recommends this CAL adjustment and notes that the City should be prepared for further adjustments to its share of ITS costs as the cost-sharing model will undoubtedly be updated again in the future. To avoid the City having to repeatedly process CAL target adjustment requests year after year in the future, CBO also recommends that Council grant CBO the authority to adjust the CAL target amount as needed.

A full list of bureau requests for new General Fund resources and subsequent CBO recommendations can be viewed in the General Fund Reconciliation report, provided below.

## New GF Request

Bureau Name	Name	2021-22 FALL Requested Total	2021-22 FALL CBO Adj	2021-22 FALL Recom Total
Bureau of Emergency Communications	Call Response Software	\$91,989	\$0	\$91,989
Bureau of Emergency Communications	Emergency Communication Training Supervisors	\$213,610	\$0	\$213,610
Bureau of Planning & Sustainability	Clean Industry Hub Study	\$211,060	\$0	\$0
Office for Community Technology	Community Engagement and Legislative Specialist	\$88,868	\$0	\$88,868
Office for Community Technology	OCT Assessment	\$20,000	\$0	\$0
Office of Government Relations	Additional Support for Tribal Relations Summit	\$20,000	\$0	\$0
Office of Management & Finance	BHR - Recruiting Positions	\$490,684	\$0	\$490,684
Office of Management & Finance	BRFS - Equity Goals and Workforce Compliance	\$266,667	\$0	\$0
Office of Management & Finance	BRFS - Integrated Tax System General Fund True-up	\$204,767	\$0	\$204,767
Office of Management & Finance	BRFS - Pathways to Contracting - Bonding and Technical Assistance	\$550,000	\$0	\$0
Office of Management & Finance	CAO - ReThink Police Oversight Committee support resources	\$10,263	\$0	\$0
Office of Management & Finance	SPOT - Project Manager Funding	\$40,000	\$0	\$0
Office of the Mayor	Mayor-Reimaging Safety Request	\$100,000	\$0	\$0
Portland Bureau of Emergency Management	Emergency Coordination Center's Joint Volunteer Information Center (JVIC)	\$1,000,000	(\$700,000)	\$300,000
Portland Bureau of Transportation	Old Town Chinatown Street Closures	\$19,127	\$0	\$0
Portland Fire & Rescue	Fire Station Security	\$260,000	\$0	\$260,000
Portland Fire & Rescue	Increase Portland Street Response Service Availability	\$1,081,080	\$0	\$1,081,080
Portland Fire & Rescue	Limited-term Inspectors	\$300,509	\$0	\$300,509
Prosper Portland	Ankeny West Cart Blocks Infrastructure Funding Amendment	\$25,000	\$0	\$25,000
Prosper Portland	Community TIF District Exploration	\$250,000	\$0	\$0
Special Appropriations	Fall BMP Charter Review Commission Decision Package	\$212,091	\$0	\$212,091
Special Appropriations	SA-Levee Decision Package	\$268,700	\$0	\$268,700
<b>Sum:</b>		<b>\$5,724,415</b>	<b>(\$700,000)</b>	<b>\$3,537,298</b>

## Encumbrance Carryover

Bureau Name	Name	2021-22 FALL Requested Total	2021-22 FALL CBO Adj	2021-22 FALL Recom Total
Bureau of Planning & Sustainability	Encumbrance Carryover	\$488,399	\$0	\$488,399
Commissioner of Public Works	CPW-Encumbrance Carryovers	\$11,339	\$0	\$11,339
Office for Community Technology	Encumbrance Carryforward	\$209,355	\$0	\$209,355
Office of Community and Civic Life	Encumbrance carryover	\$75,432	\$0	\$75,432
Office of Management & Finance	BHR - Encumbrance Carryover	\$176,582	\$0	\$176,582
Office of Management & Finance	BRFS - Encumbrance Carryovers	\$796,733	\$0	\$796,733
Office of Management & Finance	CAO's Office - Encumbrance Carryovers	\$283,914	\$0	\$283,914
Office of the City Attorney	Encumbrance Carryovers	\$338,329	\$0	\$338,329
Office of the City Auditor	Encumbrance Carryover Request	\$115,672	\$0	\$115,672
Office of the Mayor	MY-Encumbrance Carryovers	\$202,075	\$0	\$202,075
Portland Bureau of Emergency Management	PBEM - Encumbrance Carryover	\$453,294	\$0	\$453,294
Portland Fire & Rescue	Encumbrance Carryover	\$1,336,591	\$0	\$1,336,591
Portland Parks & Recreation	General Fund Carryover	\$1,576,198	\$0	\$1,576,198
Portland Police Bureau	Encumbrance Carryover Request	\$951,130	(\$343,091)	\$608,039
Prosper Portland	Albina Vision Trust Encumbrance Carry Over	\$10,000	\$0	\$10,000
Prosper Portland	Small Business Repair Grants Encumbrance Carry Over	\$167,491	\$0	\$167,491
Special Appropriations	Fall BMP Special Appropriations Encumbrances Carryover	\$486,429	\$0	\$486,429
<b>Sum:</b>		<b>\$7,678,963</b>	<b>(\$343,091)</b>	<b>\$7,335,872</b>

## Internal Transfer

Bureau Name	Name	2021-22 FALL Requested Total	2021-22 FALL CBO Adj	2021-22 FALL Recom Total
Office of Community and Civic Life	Increase North Portland staff to full-time	\$0	\$0	\$0
Office of Community and Civic Life	Strategic Planning	\$0	\$0	\$0
Office of Community and Civic Life	Temporary Communications Coordinator	\$0	\$0	\$0
Office of Management & Finance	CAO's Office - Move Coordinator II Positions to HUCIRP	\$0	\$0	\$0
Portland Parks & Recreation	Levy Fund/General Fund Technical Adjustments	\$0	\$0	\$0
Portland Parks & Recreation	LS_01: Improve cleanliness, safety, and health of parks, increase care of human-made assets	\$0	\$0	\$0
Portland Parks & Recreation	LS_02: Enhance Horticulturists' Impact	\$0	\$0	\$0
Portland Parks & Recreation	LS_03: Maintenance of Regional Trails	\$0	\$0	\$0

Portland Parks & Recreation	LS_04: Protect and improve water quality, wildlife habitat, and ecological quality of natural areas	\$0	\$0	\$0
Portland Parks & Recreation	LS_05: Enhanced Service and Care of Community Gardens	\$0	\$0	\$0
Portland Parks & Recreation	OS_01: Workspace	\$0	\$0	\$0
<b>Sum:</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Mid-Year Reduction

Bureau Name	Name	2021-22 FALL Requested Total	2021-22 FALL CBO Adj	2021-22 FALL Recom Total
Fund & Debt Management	Adjustment to ITS transfer to General Fund	\$0	(\$142,783)	(\$142,783)
Portland Fire & Rescue	Budget Transfer to Community Safety Division	(\$157,000)	\$0	(\$157,000)
Portland Police Bureau	Realignment of Staff Resources to Community Safety Division	(\$204,750)	\$0	(\$204,750)
<b>Sum:</b>		<b>(\$361,750)</b>	<b>(\$142,783)</b>	<b>(\$504,533)</b>

## Other Adjustments

Bureau Name	Name	2021-22 FALL Requested Total	2021-22 FALL CBO Adj	2021-22 FALL Recom Total
Office of Management & Finance	BHR Training Fund-Beginning Fund Balance	\$47,787	\$0	\$47,787
Office of Management & Finance	BRFS - Other Adjustments	\$0	\$0	\$0
Office of Management & Finance	CAO - Community Safety Budget and Finance Centralization	\$359,750	\$1,999	\$361,749
Office of Management & Finance	CAO-Transfer 2 FTE Funding to SA	(\$300,000)	\$0	(\$300,000)
Portland Housing Bureau	Project Rebudgets	\$1,247,343	\$0	\$1,247,343
Special Appropriations	SA-Transfer 2 FTE funding from OMF	\$300,000	\$0	\$300,000
<b>Sum:</b>		<b>\$1,654,880</b>	<b>\$1,999</b>	<b>\$1,656,879</b>

## Technical Adjustments

Bureau Name	Name	2021-22 FALL Requested Total	2021-22 FALL CBO Adj	2021-22 FALL Recom Total
Office of Community and Civic Life	Technical Adjustments	\$0	\$0	\$0
Office of the City Auditor	Transfer to Reserve Fund	\$93,410	\$0	\$93,410
Portland Parks & Recreation	A&D and CIP Technical Adjustments	\$200,000	\$0	\$200,000
Portland Parks & Recreation	O&S Technical Adjustments	\$0	\$0	\$0
Portland Parks & Recreation	Recreation Technical Adjustments	\$0	\$0	\$0
Portland Police Bureau	Grants Fund Adjustments	\$0	\$0	\$0
<b>Sum:</b>		<b>\$293,410</b>	<b>\$0</b>	<b>\$293,410</b>

## **Non-General Fund Changes**

Below is a summary of significant or notable changes to other City funds.

### **Bureau of Development Services**

- The Bureau of Development Services (BDS) is requesting an adjustment of \$32,235 to the interagency agreement (IA) with the Bureau of Planning and Sustainability (BPS) for work related to the Portland Clean Energy Fund (PCEF), carrying forward unspent funds from the FY 2020-21 interagency amount to FY 2021-22 due to a service delivery delay.
- BDS also requests an adjustment that corrects how the American Rescue Plan Act funding for non-represented employee merit and cost-of-living increases is budgeted. This adjustment is technical in nature and reallocates \$451,523 from the Development Services Fund to the bureau's grants fund.

### **Bureau of Environmental Services**

- BES is drawing \$1,462,765 from the Sewer System Operating Fund's contingency and \$101,562 from the Environmental Remediation Fund's contingency to add eight new ongoing positions and \$775,000 in materials and services costs. The new positions are expected to help the bureau improve capital project delivery, address an unprecedented increase in emergency failures, and attend to other needs.
- In addition, BES is drawing \$432,693 from the Sewer System Operating Fund's contingency for three items that the bureau considers to be urgent and unforeseen, including secondary process support at the Columbia Boulevard Wastewater Treatment Plant.
- For carryover of funding for unfinished projects from last year, BES is drawing \$4,065,111 from the Sewer System Operating Fund's contingency, with the largest component being \$2,400,167 for fleet vehicles ordered in the prior fiscal years but not yet received. Another notable component of the carryover package is \$152,106 for a rate consultant study which is in the final phase of the project, with staff currently reviewing the draft and creating a plan to present results to the Portland Utility Board in the fall of 2021.

### **Bureau of Planning & Sustainability**

- The Bureau of Planning & Sustainability is recognizing \$73.0 million in beginning fund balance within the Portland Clean Energy Community Benefits Fund (PCEF), reflecting additional tax revenues collected in FY 2020-21. This increase results in a total PCEF fund balance of \$169 million including \$96.3 million in unappropriated ending fund balance and \$72.8 million in contingency. The bureau notes that additional taxes were collected due to the combination of the grace period taxpayers received for tax year 2019 and higher than anticipated tax revenues last year.
- In addition, as PCEF enters its second grant cycle, it is requesting to add 5.0 FTE additional staff positions and allocate an additional \$345,500 for program expenditures in FY 2021-22 to support fund implementation. This includes resources for outreach, technical, and administrative resources for potential applicants and grant funds.

### **Office of Management & Finance**

There are various non-General Fund changes in various Office of Management & Finance funds, including:

- Insurance & Claims Operating Fund: Due to an increase in claims workload, primarily law enforcement related, Risk Management is drawing \$137,522 from the Insurance & Claims Operating Fund's contingency to fund a limited term Claims Analyst I position. OMF plans to request the conversion of

this position to permanent as part of the FY 2022-23 budget process, and this would be funded by an increase in IA rates.

- **Citywide Obligations Reserve Fund:** In addition, the Bureau of Revenue and Financial Services requests to appropriate funds from the Water Bureau (\$1,399,487) and the Bureau of Environmental Services (\$1,815,263) for these bureaus' shares of funding for the COEP program, transferring them from the Citywide Obligations Reserve Fund to the General Fund. COEP utility resources are not currently expected to be spent until the City COEP program code and program design is legally validated to allow such usage.
- **Technology Services Fund:** The Bureau of Technology Services is drawing \$7,903,699 from the Technology Services Fund's contingency primarily for the carryover of funding for projects that were not completed last year, but also for several new projects that were not anticipated during FY 2021-22 budget development. BTS is also appropriating \$342,097 in interagency revenue from Portland Parks & Recreation for the Local Option Levy and \$156,000 from OMF-Facilities for additional security cameras in the Portland Building. The interagency agreement with OMF-Facilities is also adjusted by \$150,000 to cover the initial expenses of the 911 Building remodel, with the majority of the work expected to occur in FY 2022-23.
- **Printing & Distribution (P&D) Operating Fund:** P&D is appropriating \$1,180 in interagency revenues from the Parks bureau and \$3,000 from the Bureau of Planning & Sustainability for additional printing materials.
- **Facility Services Operating Fund:** Facilities is appropriating \$2,127,236 from the fund's contingency to fund move and tenant improvement related costs for the Housing Bureau's move from leased space at the Commonwealth Building to city owned space at the 1900 Building. The bureau will use lease savings to pay back the \$2,127,236 in move and tenant improvement costs over a three-year period.

### **Portland Children's Levy**

- The Portland Children's Levy is requesting to move \$3.9 million from contingency to external materials and services in the Children's Investment Fund to budget unspent grant funds from FY 2020-21 to the current fiscal year. In FY 2020-21, grants were underspent by \$3.9 million due to pandemic disruption of services. This request makes those funds available in the current year.

### **Portland Housing Bureau**

- As is typical in the Fall BMP, the Portland Housing Bureau (PHB) is making adjustments to multi-family affordable housing projects and single-family homeownership and homeowner retention projects that cross fiscal years in several PHB managed funds. Most changes true up project budgets to better reflect when funds will be spent and allow the bureau to continue with projects already awarded and under contract or construction. The changes include a total increase of \$13.6 million in resources, including a \$7.9 million total increase in beginning fund balance in the Housing Investment Fund, Tax Increment Financing Reimbursement Fund, and Inclusionary Housing Fund, and \$4.4 million increase in intergovernmental resources.
- In addition, PHB is appropriating \$25.2 million in grant resources awarded through the second phase of the Federal Emergency Rent Assistance Plan (ERAP2) and \$13.6 million of grant resources from the American Recovery Plan (ARP) HOME allocations. In addition, adjustments are being made to carryover various HUD COVID funds awarded during FY 2020-21.

## **Portland Bureau of Transportation**

- The Portland Bureau of Transportation submitted a number of packages that include an appropriation of \$1,682,536 of grant revenues to fund planned contract and personnel costs to support the jurisdictional transfer of 82nd Avenue from the Oregon Department of Transportation to the City.
- The Bureau's Fall BMP submission also allocates \$1.8 million of contingency to fund one-time high priority needs, such as elevator repair work at the Gibbs Street Pedestrian Bridge and ongoing costs such as engineering support from safety and traffic calming improvements.
- The bureau's request also includes carryover requests, \$15.2 million in capital projects and \$687,000 in one-time operating costs. Notable projects include \$150,000 for PBOT's Transportation Justice Framework, \$160,000 for the purchase of handheld equipment for the Parking Enforcement Division and capital improvements for Division Street: 82nd Avenue-174th and Errol Heights.

## **Portland Parks & Recreation**

- Portland Parks & Recreation submitted a suite of 34 packages that moves \$20.1 million in Parks 2020 Local Option Levy resources from the Parks Levy Fund to the General Fund to be expended on bureau capacity-expanding and service-enhancing efforts.
- The bureau is also eliminating \$10.5 million in planned interfund loan revenue and debt service as it has chosen to operationalize levy resources in the General Fund—eliminating the need for short-term borrowing of borrowing of revenue (the bureau had originally planned an interfund loan to fund new levy expenses to mitigate the timing of property tax revenue being received November and December of the current fiscal year).
- The bureau also made a number of technical adjustments and beginning fund balance true-ups, including recognizing an additional \$10.9 million in SDC revenue within its Capital Improvement Plan fund.

## **Special Appropriations**

- The Public Election Fund is recognizing just over \$1.0 million in beginning fund balance from prior year underspending. The Open & Accountable Elections program annual cost for matching funds can vary significantly based on the number and type of elections and number of participants, and amount of matching funds required. The program anticipates that additional funding will be required to meet increased participation driven by the State Supreme Court's enforcement of the Honest Elections ballot measure passed by Portland voters in 2018.

## **Water Bureau**

- The Portland Water Bureau submitted mostly technical adjustment packages that do not have any immediate material impact on the General Fund or future water rates. The bureau made net-zero adjustments to its Capital Improvement Plan, as several planned capital project budgets were adjusted to reflect updated timelines and project scopes not known at the time of budget development.
- The bureau also increased its interagency service budget with the Office of Equity and Human Rights for increased support on its ARPA-funded utility debt relief program, a project conducted with grant resources within the Grants fund.

## Position Changes

The following table summarizes CBO recommended position changes in the FY 2021-22 Fall Supplemental Budget. This includes:

- **Portland Parks & Recreation** is adding 90.5 positions in a concerted effort to scale up their workforce to expand capacity and enhance service delivery in FY 2021-22, the first year of its voter-approved tax levy that is expected to bring in approximately \$48 million annually for until FY 2025-26. The bureau's FY 2021-22 Adopted Budget added 50 levy-funded positions, bringing the total levy-funded positions to 140.5.
- **Portland Bureau of Transportation** is adding 22.0 permanent positions to respond to a variety of workload needs at the bureau. Eight of the permanent positions will support the forthcoming safety improvements to 82<sup>nd</sup> Avenue following the jurisdictional transfer from ODOT to the City. Per House Bill 5006, the Oregon Department of Transportation will make \$80 million available from ARPA funding to reimburse the costs of safety improvements in addition to \$70 million in federal resources. The remaining 14.0 permanent positions are funded with capital improvement funds, fees, and the reallocation of existing resources. The bureau is also allocating resources for 1.0 limited term position to support the Healthy Business Program.
- The **Bureau of Environmental Services** (BES) is requesting to add eight (8.0) new ongoing FTEs to improve capital delivery, eliminate a backlog of assets that have not been inspected and the conditions of which are unknown, address an unprecedented increase in emergency failures, and other needs.
- The **Bureau of Planning & Sustainability** is requesting to add 5.0 new ongoing FTE in the Portland Clean Energy Community Benefits Fund to support PCEF implementation in its second grant cycle. BPS is also converting a Planner I, City-Urban Design from limited term to permanent. The position is included in the BPS FY 2021-22 Adopted Budget and has been funded with General Fund ongoing resources for several years.
- Within the **Office of Management & Finance**, the Risk Management division in the Bureau of Revenue and Financial Services is adding a limited term Claims Analyst I position due to an increase in claims workload, primarily law enforcement related. The Bureau of Human Resources is also adding 5.0 Limited Term recruiter positions to address increased recruitment needs at the City. Of the 5.0 LT positions, two will support citywide recruitment, two will be dedicated to PPB, and one will support the recruitment of positions funded with Parks Levy resources. OMF's request also transfers resources for two FTE— Manager III from PPB and a Manger I from the Fire Bureau—to the Community Safety Division in OMF. Further, the Division of Asset Management is adding 2.0 FTE Coordinator II positions to support CityFleet's operations. These positions are funded with existing resources and are cost neutral.
- The **Office of the City Attorney** is correcting an error from the FY 2021-22 Adopted Budget, in which in a conversion of a limited term Deputy District Attorney position to an ongoing position was not correctly budgeted.
- **Portland Fire & Rescue** is adding 13.0 Limited Term FTE to expand the Portland Street Response pilot Citywide. CBO is also recommending funding for two Limited Term Fire Inspector positions for work related to a new code guide for outdoor temporary shelters. The bureau is also reallocating materials and services dollars to add back an Administrative Specialist position that was cut in FY 2021-22 budget development after determining that the reduction was not feasible for operations. This is

offset by the transfer of a Manager I position to the Community Safety Division in the Office of Management & Finance. There are still outstanding questions related to lines of reporting and responsibility, as well as the long-term plan for the community safety consolidation.

- The **Office of Community & Civic Life** is adding one limited term communications coordinator to assist with messaging for the strategic planning process.
- The **Bureau of Emergency Communications** is adding 2.0 limited term FTE Training Supervisor positions and 2.0 Limited term Quality Assurance positions.
- The **Portland Police Bureau** is transferring a Manager III position in the Police Bureau and reassigning the position to the Community Safety Division in the Office of Management & Finance (OMF). This action is part of a multi-phase strategy to implement a centralized business operations team for public safety bureaus within the Community Safety Division.
- **Special Appropriations** is increasing its FTE by 2.0, resulting from the authority and budget for two positions included in the Office of Management & Finance Chief Administrative Officer’s budget are being transferred to Special Appropriations. One position is being funded with American Rescue Plan Act Resources, and the other is focusing on development services permit process coordination improvement. These positions are reporting to Commissioner Ryan’s Office.

<b>FY 2021-22 Fall BMP Recommended Position Changes</b>			
<b>Bureau Name</b>	<b>Regular Positions</b>	<b>Limited Term Positions</b>	<b>Total Position Change</b>
Portland Parks & Recreation	90.5		90.5
Portland Bureau of Transportation	22	1	23
Portland Fire & Rescue	1	15	16
Bureau of Environmental Services	8		8
Office of Management & Finance	2	6	8
Bureau of Planning & Sustainability	6	-1	5
Bureau of Emergency Communications		4	4
Office of the City Attorney	1		1
Office of Community and Civic Life		1	1
Portland Police Bureau	-1		-1
Special Appropriations		2	2
<b>Grand Total</b>	<b>129.5</b>	<b>28</b>	<b>157.5</b>