




Office of Mayor Tom Potter
City of Portland

To: City Elected Officials and Bureau Directors
Cc: Bureau Budget Managers and Contacts
From: Mayor Tom Potter 
Date: October 3, 2007
Subject: FY 2008-09 Priorities for the Proposed Budget

In the FY 2007-08 budget process, we had 300 requests for General Fund support, totaling more than twice the amount of funds available. Obviously, most of those requests went unmet.

I would like to share my priorities for the FY 2008-09 Proposed Budget with you now, in hopes that my doing so will save the bureaus work developing decision packages that are unlikely to be included in my Proposed Budget. The following budget priorities are not in prioritized order.

- **Continue successful work on Council's FY 2007-08 initiatives.** Rather than start over with new priorities this year, we should look at what we began last year, and where work that we started is showing results, we should continue it.
- **Continue with other Council directions.** Where Council has begun investing in large projects, such as the Public Safety Systems Revitalization Project, that need continued funding to achieve their goals, we should make those investments. Likewise, where Council has identified a priority, such as replacing Portland Parks & Recreation's expiring local option levy and addressing the decline in CDBG funding for the Bureau of Housing & Community Development, those priorities should take precedent over new requests. Likewise, when Council has directed a bureau to develop a proposal in a budget note, such as Portland Fire & Rescue and a possible joint station with Tualatin Valley Fire & Rescue, these requests deserve consideration.
- **Focus on capital maintenance, renewal and replacement.** We need to take care of the assets the City already has before we add more. Bureaus requesting support for capital maintenance must demonstrate that the request is beyond the bureau's ability to fund internally.

I have asked Financial Planning to create categories for decision packages to reflect the priorities outlined above. While no limits are placed on the amount a bureau may request or the number of decision packages it may submit, I ask bureaus to focus their efforts in this short 08-09 budget season on a relatively few requests that are aligned with the priorities above, fully developed, and supported by credible and measurable expected results.

To aid in planning, we expect that the General Fund will have at least some one-time funds – \$13 million in one-time discretionary funds was projected in last spring's forecast for FY 2008-09. OMF will present the FY 2008-09 forecast in early December.

In the meantime, bureaus are working on their Requested Budgets, and time is short given the December 21 submittal date.

I look forward to working with you in the upcoming budget season.