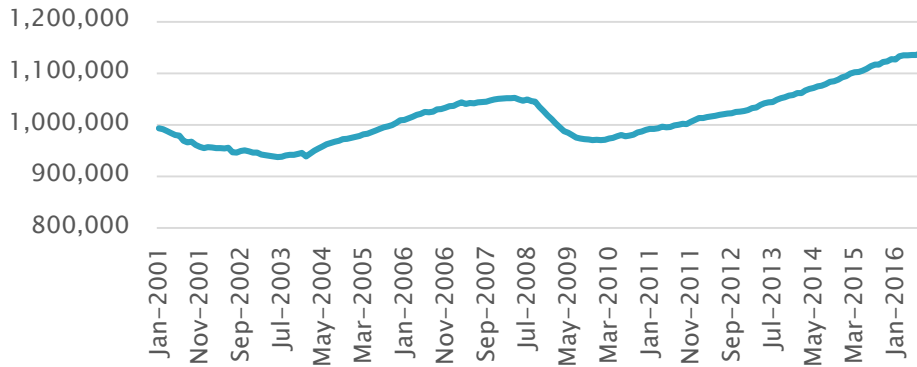
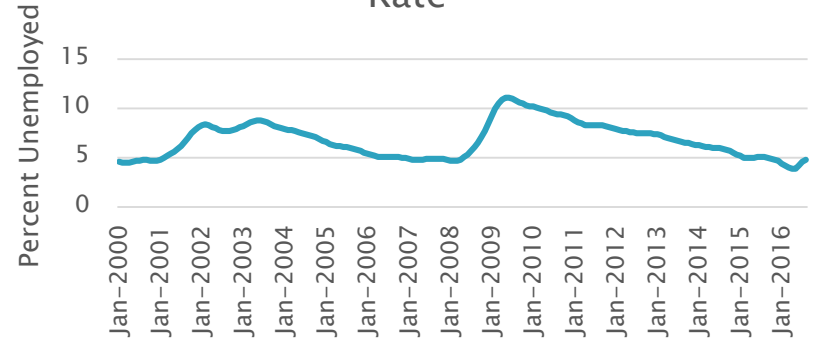


It's Good Out There, Really Good (in Portland, anyway)

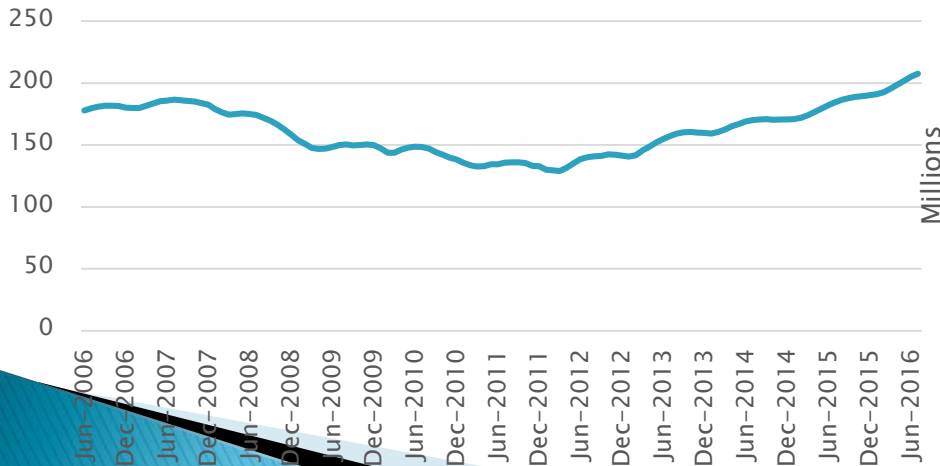
Portland MSA Employment



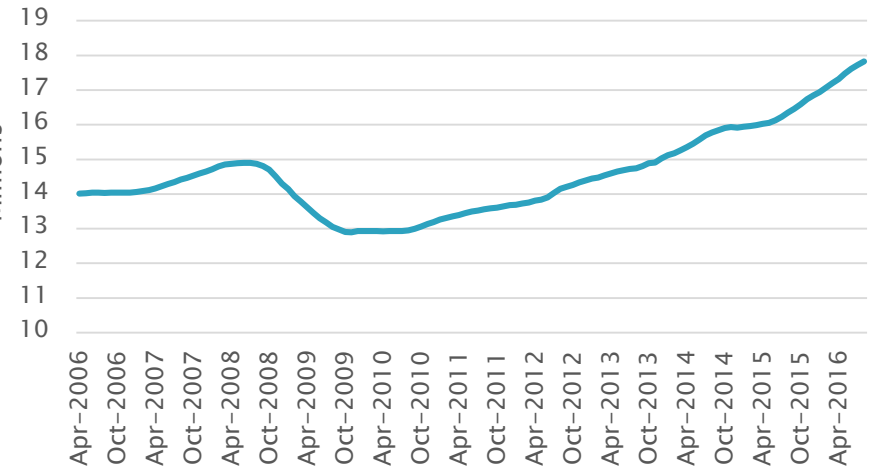
Multnomah County Unemployment Rate



Portland Case-Shiller Home Price Index

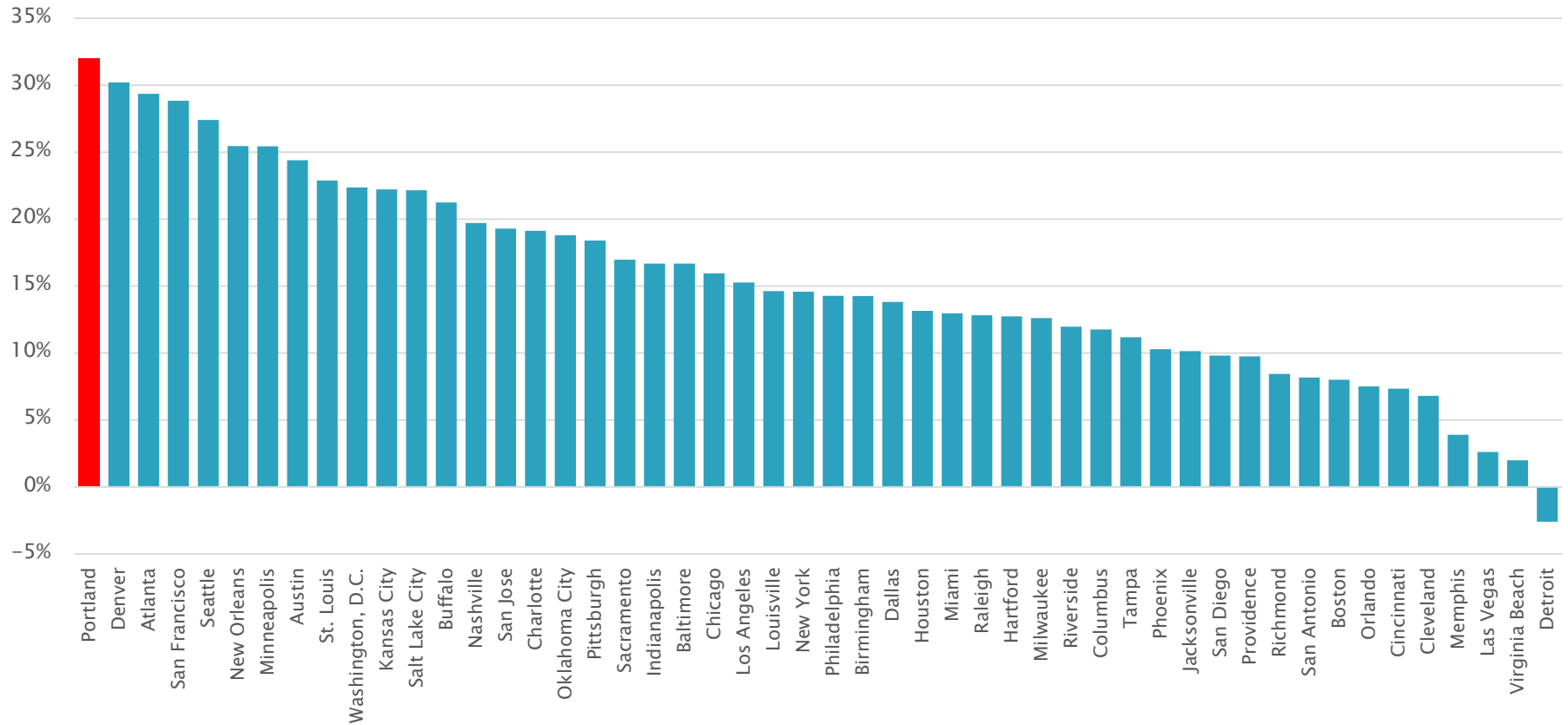


PDX Airline Passengers



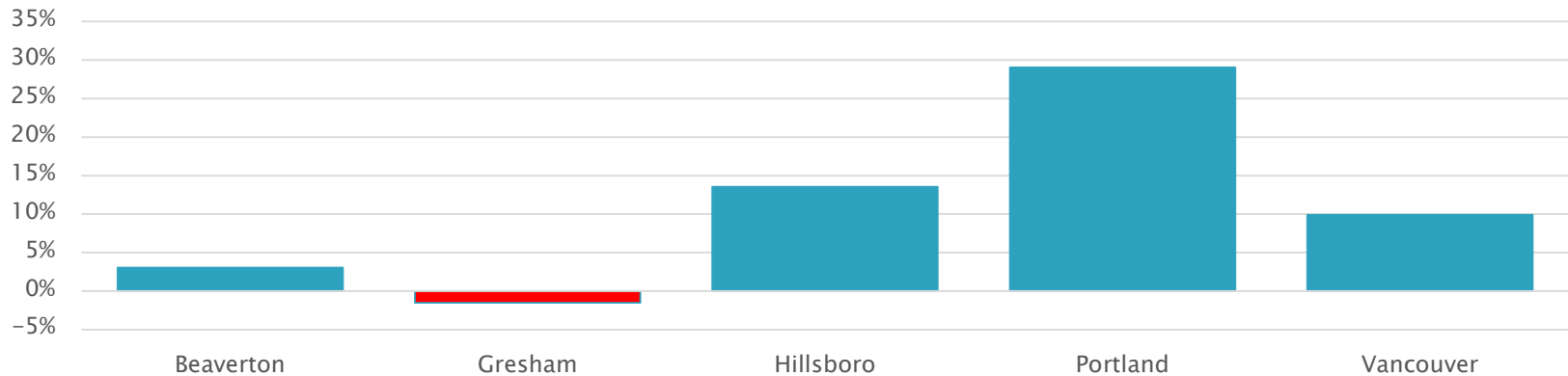
Even Incomes Up

Median Family Income Growth 2010–2015

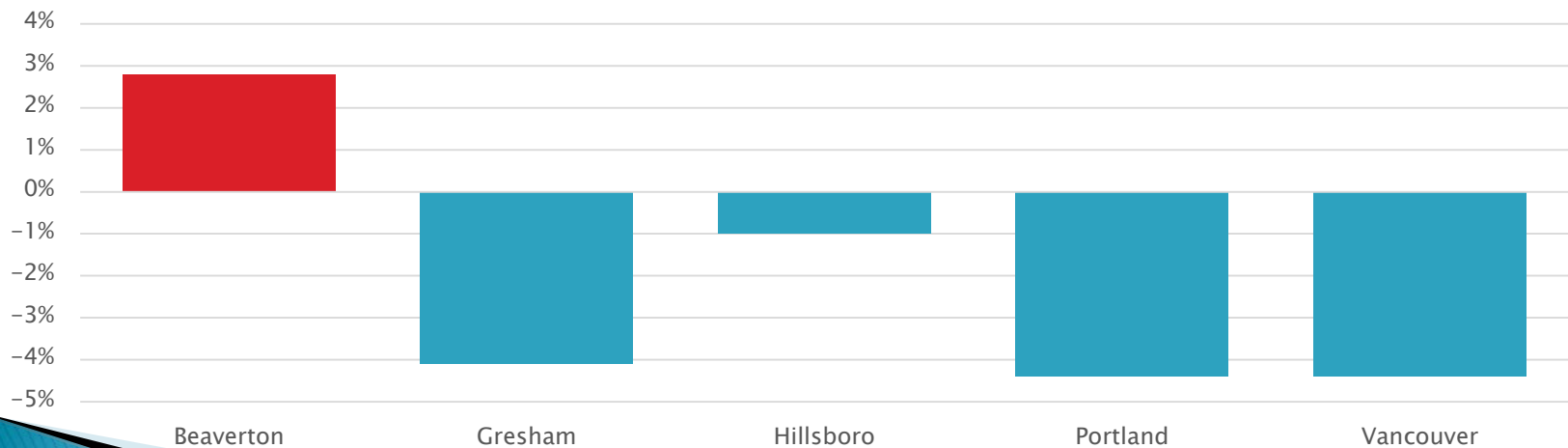


More Mixed Across Metro Area

Change in Median Household Income 2010–2015

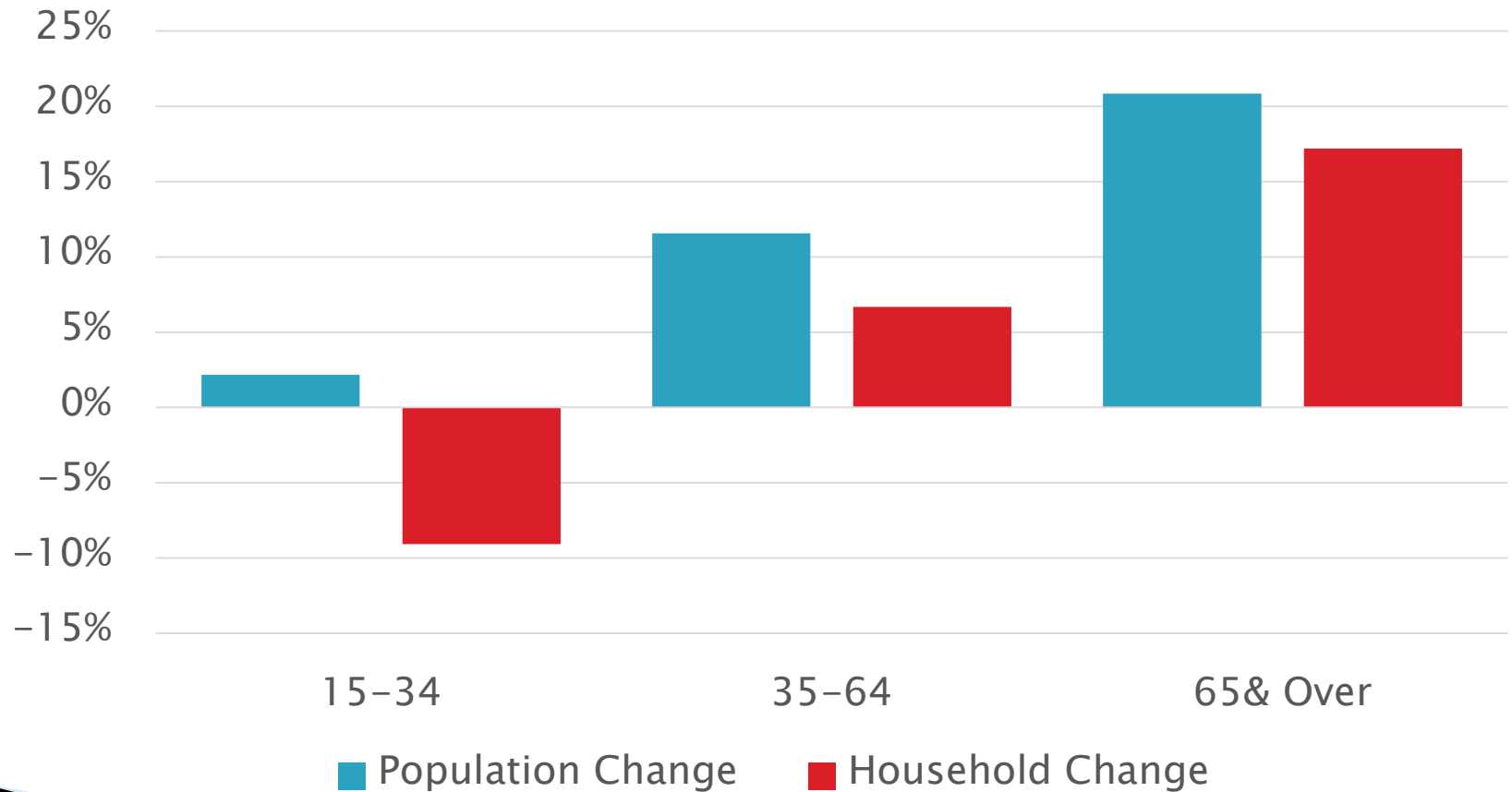


Change in Percentage of Families Under Poverty Level 2010–2015



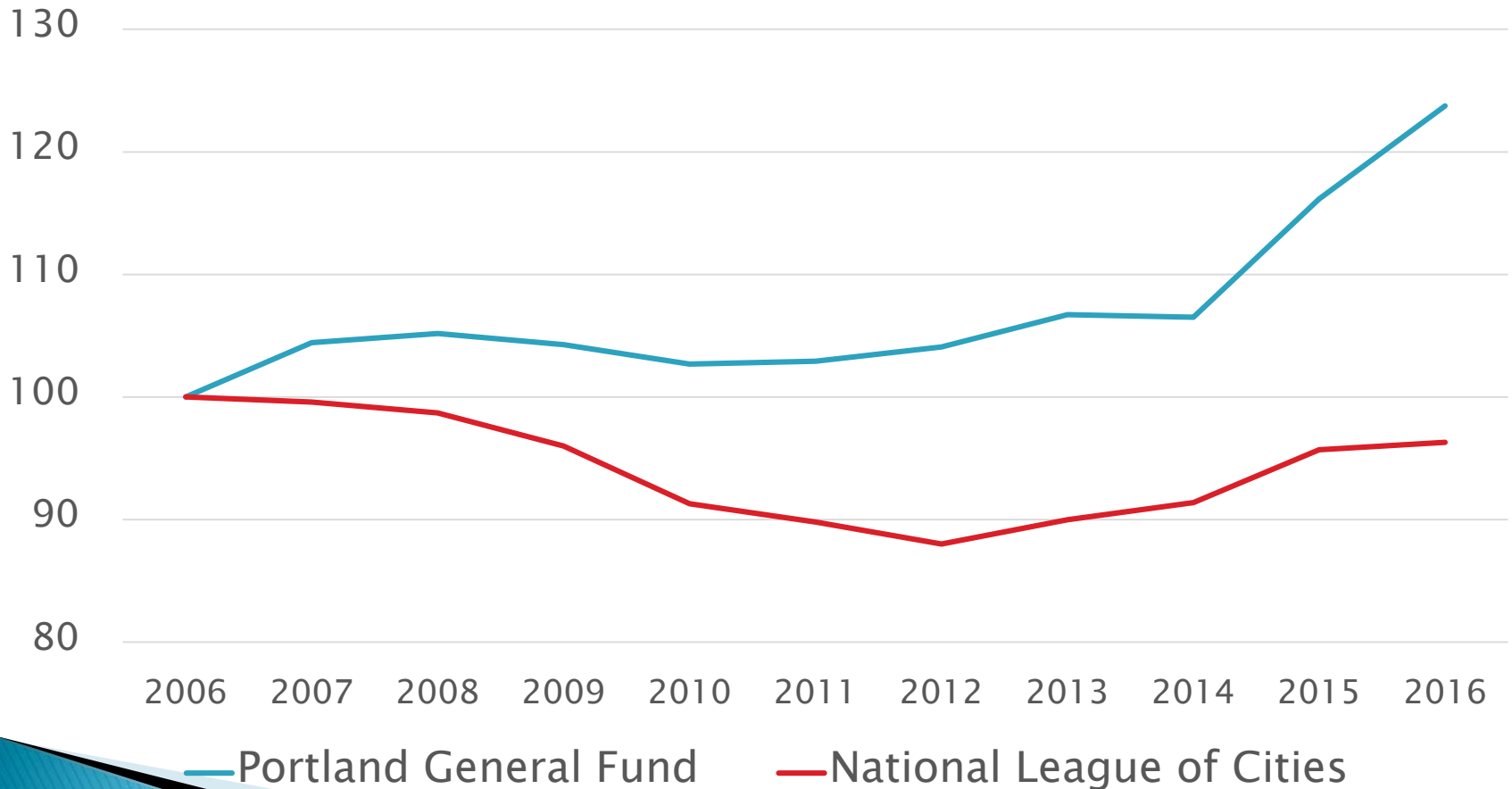
Millenials Feeling, Not Causing, Housing Crunch

Change in Population vs. Household by Age 2010–2015

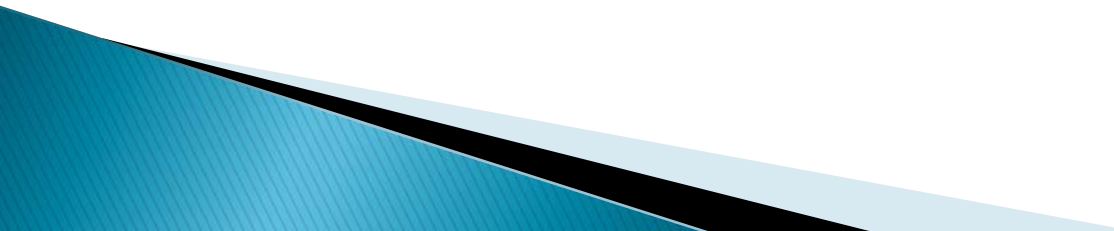


Portland GF Better Than Most


Inflation Adjusted GF Revenues (2015 dollars)



December Forecast: Forecasting the Forecast?

- ▶ Revenue should be above what was projected last April
 - However, any surplus likely to be exceeded by committed new spending
 - Need for modest cuts
 - ▶ Longer-term: Need another year of record growth to offset expense commitments
- 

Addressing the Challenges

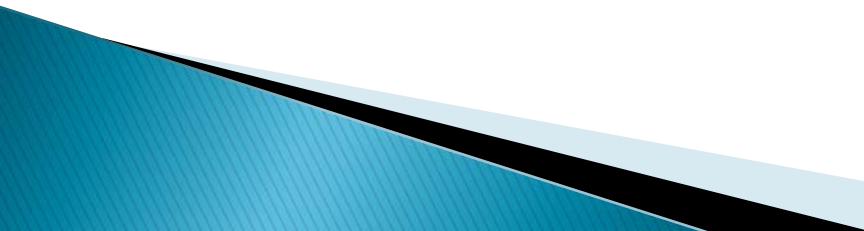
- ▶ Budget process:
 - Tackles short-term problems
 - Makes progress on long-term issues
 - Creates budgetary flexibility to invest in priorities
 - ▶ Council tools:
 - FY 2017–18 budget guidance
 - Performance metrics
 - Government Accountability, Transparency, and Results (GATR) sessions
- 

Budget Guidance

Mayor/Council Budget Direction

	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
Requested Budget (GF)	Public Safety: 2% cuts (1% ongoing) Non-Public Safety: 4% cuts (3% ongoing)	One-time cuts: .75% PS 1.5% non-PS	4%, 6%, 8% cuts	10% cuts	CAL	CAL	5% cuts, except for housing
Add packages	Adds allowed for counter-cyclical programs, O&M, and true emergencies.	No add packages, except for serial one-time programs (by CIC only).	No add packages, except for serial one-time programs.	Modified zero-based approach; no add packages, except for serial one-time programs.	Ongoing requests limited to Mayor's priorities; one-time for critical needs.	Ongoing adds require offset; one-time focused on existing assets.	Ongoing requests for high priorities; one-time for critical needs

Budget Guidance

- Expectations for bureaus
 - Reduction/realignment packages
 - Review of new programs:
 - Are they core to City mission?
 - Are we getting value out of new spending?
 - Review of old programs
 - What can we do without?
 - How do we limit add packages (\$95 million!)
- 

FY 2017–18 Budget Guidance – Draft

Principles

- Maintain and upgrade critical infrastructure
- Prepare for an economic slowdown

Priorities

- Public safety
- Affordable housing
- Transportation infrastructure

FY 2017–18 Budget Guidance – Draft

Reduction Options

Public Safety/Housing

- 2.0% reduction options
- Focus on regionalization of services and leveraging technology

General Fund Bureaus

- 5.0% reduction options
- Focus on programs that are outside core mission

Non-GF Bureaus

- Reductions and efficiencies designed to keep fee and rate increases as low as possible

Bureaus should expect a 1.0% reduction in General Fund discretionary in order to prepare for an economic slowdown

FY 2017-18 Budget Guidance – Draft

Program Expansions

One-Time

- Investments to decrease long-term costs or increase revenue

Ongoing

- Affordable housing
- Reducing homelessness
- Critical infrastructure

Preliminary Budget Calendar

DATE	ACTION
Jan 30	Bureau Requested Budgets Due
March 6	CBO Reviews Released
March 13–31	Council Budget Work Sessions
April TBD	Community Budget Forums (Public Hearings)
April 27	Mayor Announces Proposed Budget Decisions
April 30	General Fund Forecast Released
May 9	Approved Budget Work Session
May 11	Budget Committee Public Hearing
May 17	Budget Committee Approves Budget
June 7	TSCC Public Hearing on Approved Budget
June 8	Council Action to Adopt Budget

PHB FY 2017-18 Budget – Preliminary Decision Package Concepts

Name	Description	Amount
<p>Rental Unit Registration and Inspection</p>	<p>This package would develop a registration system for all rental units in the City in order to facilitate moving the City from a complaint-only rental inspection program to a more regular schedule of inspections. As rents have increased, BDS inspection staff have noted a drop off in complaints from renters about code violations and repair issues.</p> <p>Under the concept as currently being discussed internally and soon with stakeholders, a business license surcharge and a fee for annual registration would be charged, with collection managed by the Revenue Bureau (requested in a decision package from Revenue Bureau). Funds would come to PHB, which would manage the registration program and provide funding via the fees to BDS for inspection services (requested in a decision package from BDS).</p> <p>This package is the response to the 2015-16 BDS/PHB Budget Note regarding rental inspections, and is also intended to provide funding for the Tenant Protections Office noted below.</p>	<p>Ongoing, Fee Based Additional FTE at all three bureaus.</p>
<p>Tenant Protections Office</p>	<p>This package would create a Tenant Protections Office (working title) within PHB. This function would include existing programs around Fair Housing, Relocation, Rental Rehab, and funding for NoAppFee. New programming in the areas of tenant education and information; landlord registration; capacity building for enhanced fair housing, legal aid, and relocation activities; and tenant oriented website. Program development of a Mediation Center concept would also be included. Concepts are being discussed internally and soon with stakeholders.</p>	<p>New bureau Program like NHP, HIPP, or Policy. Additional FTE</p>
<p>East Portland Stabilization – Single Family Home Repair</p>	<p>This package would add funded to the \$370,000 added in FY 2016-17 make whole the \$500,000 of General Fund resources initially requested. This would increase from 45 to 60 the number of homes provided home repair assistance in East Portland outside of urban renewal areas.</p>	<p>\$125,000; Ongoing General Fund</p>