

# **Adopted Budget**

## *In Brief*

**City of Portland, Oregon**  
**Fiscal Year 2011-12**

*Mayor Sam Adams*

*Commissioner Nick Fish*

*Commissioner Amanda Fritz*

*Commissioner Randy Leonard*

*Commissioner Dan Saltzman*

*Auditor LaVonne Griffin-Valade*

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# Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Portland, Oregon for its annual Budget for the fiscal year beginning July 1, 2010.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget document continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





# Mayor's Message

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Office of Mayor Sam Adams  
City of Portland

## Introduction

This is the third budget that I have the privilege of presenting as Mayor. The City is beginning its recovery from the worst global recession in more than a generation. Job creation is accelerating, and business activity is increasing. Unemployment is still high, but trending downward. This budget remains focused on our top priority: returning the City to full prosperity and making strategic investments that will result in a stronger, more resilient City. At the same time, the budget continues to support the most vulnerable in our community through investments in housing, homelessness prevention, mental health, and addiction services. And I have increased the City's focus on equity to ensure that every Portlander has access to the most equal of opportunities. Finally, I have surveyed citizens to identify neighborhood nuisances and livability issues, and I will hold City bureaus accountable for addressing them. Taken as a whole, this budget will make Portland's economy stronger and more resilient, our streets safer, our communities more equitable, and our government more responsive.

### Early, Decisive Action

Starting in late 2008, it was clear that our City was going to face the worst recession in decades. In addition to declining business license and other local revenues, the City had many ongoing programs and positions that were being funded with one-time revenue, creating a "shadow obligation" for the City to fund in the future. Considering these risks and factors, we started preparing early:

- ◆ As Mayor-elect, I worked with the City Council to make mid-year reductions in fall 2008 in anticipation of declining revenues.
- ◆ In FY 2009-10, we asked bureaus to propose programmatic reductions of up to five percent. And during the year, we continuously monitored and adjusted bureau spending based on the latest available data, allowing us to stay ahead of the financial crisis and avoid deeper, more damaging cuts. In April 2010, I implemented a citywide hiring freeze, directed bureaus to slow down all discretionary spending, and asked bureaus to find additional personnel savings by holding positions vacant.

- ◆ In FY 2010-11, I asked public safety bureaus to prepare two percent reductions, and non-public safety bureaus to prepare four percent reductions. These reductions produced enough savings to balance the General Fund and create one-time resources that were reinvested in the City's highest priorities.

For the FY 2011-12 budget process, even though City revenues were recovering, I asked for modest program and administrative reductions, and asked bureaus to be creative in terms of realignments and efficiencies that could save money without reducing services. The actions in this budget and over the last two years have kept Portland ahead of the recession, and prepared to move into the future.

## Mayor's Approach

In building the FY 2011-12 budget, I had five key goals:

1. Return the City to full prosperity and invest in a stronger, more resilient City.
2. Help those hit hardest by the recession and provide support to the most vulnerable in our community.
3. Protect public safety services.
4. Increase the City's focus on equity to ensure that every Portlander has access to the most equal of opportunities.
5. Identify neighborhood nuisances and ensure more responsive City services.

### **Investing in a Stronger, More Resilient City**

For the first time in 15 years, Portland has a tight focus on the key areas where our city and region can outcompete others. Though we have more work to do, Portland is already ahead of the curve when it comes to competing globally, and I am focused on maintaining that advantage. The budget contains the following investments that will strengthen our local economy:

- ◆ \$3.2 million for programs that grow local businesses in neighborhoods and in high-growth, cluster, and traded sector industries, restoring previous reductions to the Portland Development Commission's budget.
  - \$205,000 for International Business Development
  - \$500,000 to continue Neighborhood Main Streets and almost \$250,000 for the new Partners in Prosperity initiative. The budget also includes \$600,000 for technical assistance and \$200,000 for working capital assistance for small businesses.
  - Funding for programs that foster high-growth, export-oriented businesses totals more than \$1.4 million: the Seed Fund is increased by \$500,000; and other cluster initiatives and targeted recruitment funding totals almost \$1 million.
- ◆ \$635,000 to complete the Portland Plan and continue progress on the state mandated Comprehensive Plan.
- ◆ \$235,000 for Cradle to Career, a key initiative aimed at strengthening the education system for all youth.
- ◆ \$500,000 in scholarships for Portland Community College students, an investment in our local talent pool to prepare students for competitive and growing job sectors.



- ◆ \$50,000 to support The Right Brain Initiative and arts integrated learning for K-8 students through the collaboration of teachers and artists.
- ◆ \$100,000 to the Oregon Food Bank as they work to combat our region's record level of hunger and food insecurity.

### Helping Those Hit Hardest by the Recession

This budget helps those most in need during this economic crisis, which has been brutal for far too many Portlanders. The adopted budget:

- ◆ Invests General Fund resources in housing, including \$4.9 million for shelter services, rent assistance, and access services, including:
  - \$1.7 million to continue critical emergency and shelter services
  - \$1.9 million to continue rent assistance to prevent homelessness and rapidly rehouse those that have become homeless
  - Nearly \$500,000 for housing access services
  - \$150,000 for an in-depth housing strategy to support the Portland Plan
  - \$250,000 to help homeowners avoid foreclosure and keep their homes
  - \$390,000 to support new programming at the Bud Clark Commons housing resource access center, which opened at the end of FY 2010-11.
- ◆ Provides \$600,000 in ongoing operational funding for the City-County Crisis Assessment and Treatment Center, which will serve individuals experiencing a mental health crisis.
- ◆ Budgets over \$3 million in comprehensive responses to the addiction and mental health issues that impact the livability of our community and the work of our Police staff.
  - Continues funding for the Service Coordination Team (\$1.9 million)
  - Continues funding for the CHIERS van and Hooper sobering station (\$1 million)
  - Extends the Central Precinct mental health staff ride along program (\$100,000)

### Protecting Public Safety Services

Public Safety is the most basic of City services. The adopted budget keeps our police sworn staff at full strength, restores a fire bureau medical rescue unit, and continues programs that keep our streets safe. The budget:

- ◆ Ensures that all existing fire stations remain open, keeps the Rescue 11-Lents medical rescue unit running, and restores into operation the Rescue 19-Mt. Tabor medical rescue unit.
- ◆ Provides a 4.2 percent increase in overall public safety general fund spending, including a 6.1 percent increase for police.
- ◆ Maintains Portland Police Bureau sworn staff strength by making \$1 million in administrative cuts.
- ◆ Increases funding for Police Bureau equipment and training by \$2 million so that staff is adequately supported in their work.
- ◆ Continues funding for programs against human trafficking.
- ◆ Allocates \$250,000 to continue progress on the Police Bureau training facility.
- ◆ Funds Parks Teen Programs at current levels to allow continued programming at five locations throughout Portland.

- ◆ Provides \$30,000 for the Police Activities League, to fund programs that engage youth in healthy activities that keep them off of the streets.
- ◆ Grants \$65,000 for the Outside In needle exchange harm reduction program.

### **Creating a Fair and Equitable Portland**

In Portland, inequities exist across racial, geographic, and socio-economic lines. We need to address this, and ensure that all Portlanders have access to equal opportunity. This budget addresses these inequities by providing over \$1 million to create an Office of Equity, and continuing funding for programs that support education and academic achievement:

- ◆ \$373,000 to fund the first phase of the citywide compliance assessment project related to the Americans with Disabilities Act. This package will be overseen by the new Office of Equity.
- ◆ \$279,692 in funding for the East Portland Action Plan.
- ◆ \$500,000 to develop and improve parks east of I-205. Funding will be used as leverage to begin outreach to individuals and business partners so that donors know their contributions are going directly to building new amenities.
- ◆ Funding to implement zoning changes along NE 122nd to encourage the development of 20 minute neighborhoods.
- ◆ \$100,000 to fund a Portland SUN School at David Douglas High School, the Portland high school with the highest percentage of low-income students
- ◆ Continued funding to fill the gap in the school districts' Summer Lunch Program
- ◆ \$75,000 grant to CASH Oregon to fund tax preparation programs for low-income families, helping them capture tax credits and refunds.

### **Ensuring More Responsive Neighborhood City Services**

As part of this year's budget, I directed staff to create a survey asking Portlanders to report specific nuisances, irritations, or infrastructure issues in their neighborhoods and throughout the City. More than 5,000 responded. The budget uses one-time resources to fund some of these high priority annoyances, and I have asked City bureaus to address the most critical needs. Highlights include:

- ◆ Portlanders reported nearly 1,800 potholes in need of repair. Bureau of Transportation staff are currently reviewing all responses to eliminate those already reported or repaired. All remaining potholes on the list will be repaired by the end of the 2011 calendar year.
- ◆ The Bureau of Development Services will address the 130 Priority 1 or 2 complaints received, which include imminent health and safety hazards, serious code violations, environmental protection, and violations adversely impacting quality of life.
- ◆ Nearly 20 percent of respondents requested additional restroom availability within City parks. The Bureau of Parks and Recreation will leave existing restrooms open longer by 30 days in the following parks: Wilshire, Mt Scott, Rose City, Alberta, Berkeley, Glenhaven, Fernhill, Irving, Custer, and Wallace. The Parks Bureau will also add portable ADA accessible restrooms to sites like Linnton/Kingsley, Flavel, Sewallcrest, Portsmouth, Piccolo, Harrison, O'Bryant, Forest Park, and Council Crest for 6 to 9 months.

- ◆ Of the 1,110 graffiti reports, the Office of Neighborhood Involvement will utilize \$447,332 in additional funding proposed for graffiti abatement to address complaints with verifiable locations by the end of the fiscal year.

The City also conducted a separate phone survey, where over 16 percent of respondents cited "more or better community gardens" as a high priority Parks improvement. The adopted budget invests in the construction of up to 10 additional Community Gardens to meet the City's Climate Action goals of 1,000 new garden plots by the end of 2012. These new gardens will create over 300 additional plots.

The budget also includes bureau Service and Performance Improvement plans, which list three key areas each bureau has identified that need improvement, and outlines how those improvements will be realized. This is the third year for this requirement, and bureaus are required to show progress against last year's plan.

## Conclusion

I want to commend all the Portlanders who participated in our budget process, through community budget forums, service on a bureau or citywide budget advisory committee, or filling out a Curbsider survey. With your input and feedback, we have been able to focus this budget on the programs and services that matter most to you.

While other cities are raising taxes, laying off key public safety employees, cutting essential services, or reaching into their reserves, the City of Portland is in strong financial shape. We took early, aggressive action when revenues started declining in order to weather the economic storm and emerge a stronger, more vibrant community. This budget continues to make investments in economic development, core City services, and livability.

In these uncertain times, this is a budget that gets to the heart of equity. It is a budget guided by both empathy and common sense. We are looking out for our most vulnerable neighbors-resident, business owner, or student. These basic needs are at the core of this budget.

Thank you,



Sam Adams

Mayor



# City Overview

## Introduction

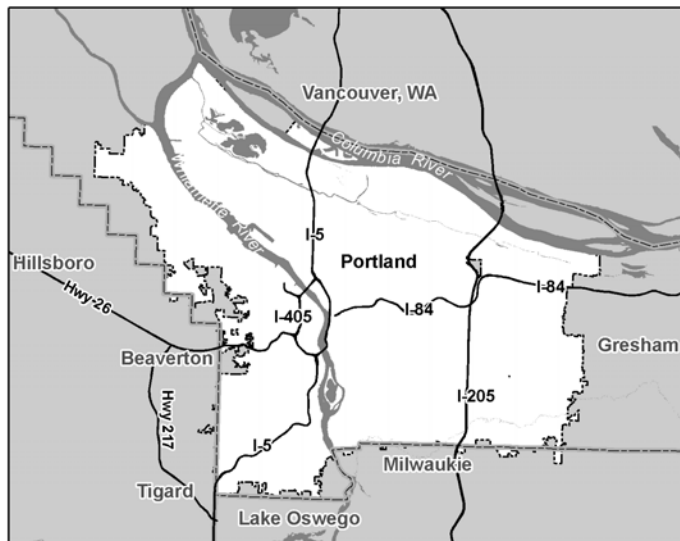
This section of the FY 2011–12 budget document provides general information on the city of Portland, its demographics, and its government management systems. The information will help the reader understand the environment in which decisions are reached during the budget process. This section will also make it easier to examine and understand other sections of this budget document.

Portland's budget document reflects City policies, goals, and priorities. In reviewing how revenues are collected and spent, readers of the budget are watching policy at work. The budget implements the City's long-range strategic and financial plans and serves as an operations guide for the government and its activities. It is also a communications tool, informing residents of the short- and long-term issues and challenges confronting the City. The budget document reflects the goals of residents and leaders alike.

## City of Portland Characteristics

### Basic Statistics

The city of Portland, with a population of 583,776 in 2010, comprises an area of approximately 145 square miles in northwestern Oregon. Located astride the Willamette River at its confluence with the Columbia River, Portland is the center of commerce, industry, transportation, finance, and services for a metropolitan area of more than two million people. (The Portland/Vancouver/Beaverton Primary Metropolitan Statistical Area includes the Oregon counties of Clackamas, Columbia, Multnomah, Washington, and Yamhill, as well as Clark County in Washington). Portland is the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest.



# City Overview

## Overviews

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### Recreation

*Nearby Cascade mountain peaks, the Columbia Gorge, and city parks provide abundant opportunities for lovers of the outdoors.*

### Natural Areas

Portland is situated in the heart of a vast and diverse recreational area encompassing desert, marine, forest, and mountain environments. The city is a convenient point of departure for Pacific Ocean beaches, located 78 miles to the west, and the forested Cascade Mountains to the east.

Among the snow-capped peaks is 11,235-foot Mt. Hood, one of the world's most climbed mountains and home of the world famous Timberline Lodge, only 60 miles from Portland. There are two major ski resorts on the mountain. On a clear day, Mt. St. Helens, an active volcano, is visible to the north.

The Columbia River Gorge National Scenic Area is within 20 miles of downtown Portland. The gorge presents opportunities for swimming, hiking, boating, sailing, and camping, and is a world center for windsurfing.

The city, with one of the highest parks-per-capita ratios in the United States, prides itself on its many beautiful parks, forests, trails, and wetlands. These include the 40-Mile Loop (a trail circling the city that is now much more than 40 miles long); Forest Park, at 5,000 acres the largest wilderness park in the United States; Tom McCall Waterfront Park, built on the site of a freeway dismantled in 1974; and Tryon Creek State Park.

### Visitor Opportunities

Known as the City of Roses, many tourist and business visitors are drawn to Portland's attractions. The Oregon Symphony and Portland Opera, the annual Rose Festival, art and historical museums, the Oregon Museum of Science and Industry (OMSI), the Western Forestry Center, the Classical Chinese and Japanese Gardens, the International Rose Test Garden, and the Oregon Zoo are some of Portland's cultural and recreational highlights.

Portland's professional sports teams include the Trail Blazers of the NBA, the Winter Hawks hockey team, and the Timbers of Major League Soccer. The city's main arena, the Rose Garden, was opened in October 1995 as a private-public joint venture. The renovation of the city's Civic Stadium, now called Jeld-Wen Field, brought the Timbers soccer team to Portland. In early 2009, Portland was awarded an expansion Major League Soccer franchise, and the Timbers began play as a Major League team in 2011.

### The Economy

*A diverse economy is key to Portland's future.*

### Overview

Portland's economy has slowly diversified over the past decades. Steady growth in nontraditional sectors, such as the manufacture of electrical equipment, instruments, and related products, has helped Portland's economy adapt to national and global trends.

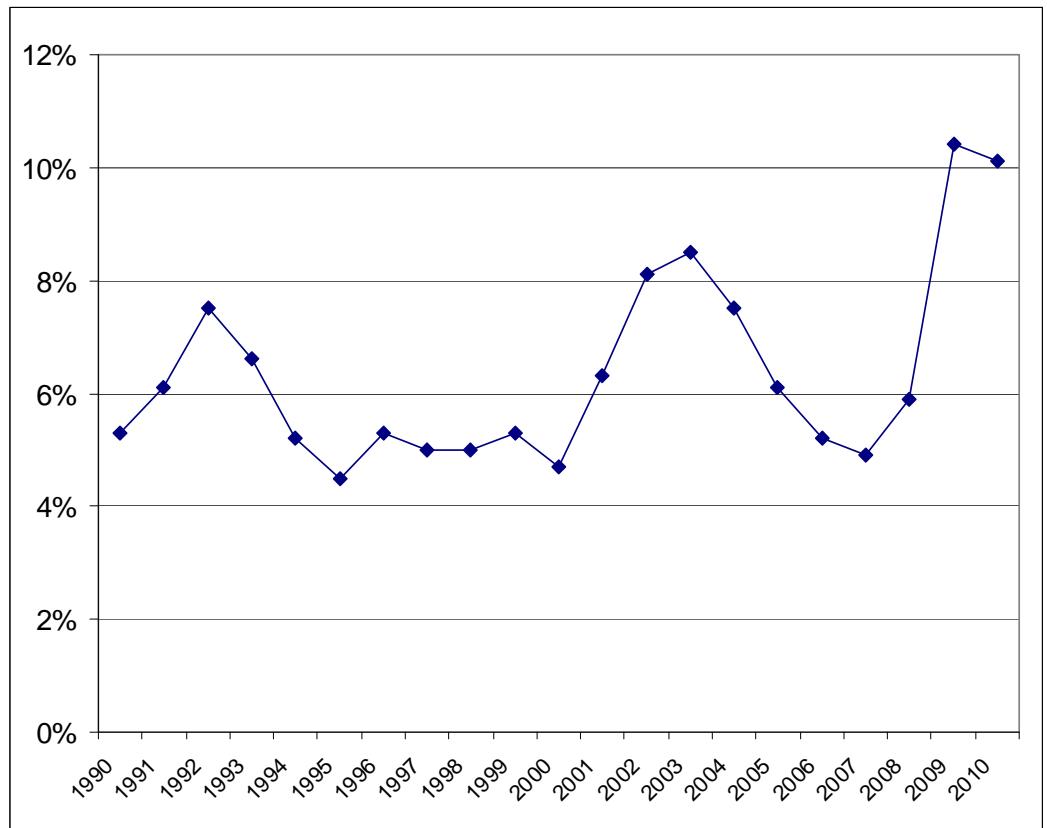
Semiconductor manufacturers, such as Intel and Wacker Siltronic, have established major facilities in the region. Tektronix, Nike, Providence Health & Services, Kaiser Permanente, and Legacy, as well as retailers Safeway, Albertsons, and Fred Meyer are some of the other major nongovernment employers in the Portland metropolitan area. Major public employers include Oregon Health and Science University (OHSU) and Portland State University (PSU).

**Recent Trends**

*Though still far from pre-recession levels, the local area economy has shown mild recovery over the last year.*

The lingering effects of the "Great Recession" continue to impact the Portland area economy. Though the city unemployment rate dropped two percentage points over the last two years, it still remained at a historically high level of 8.5% in April 2011. The rate peaked at 11% in January and February of 2010. Home prices have yet to see any of the tepid economic recovery seen in other indicators with prices falling 7.6% over the 12 months ending in March 2011, according to the S&P/Case-Shiller Index for Portland. Inflation also picked up over the first half of 2011. Local figures are not published until August; however, regional data suggest that, following two years of very low inflation, we could be approaching pre-recessionary levels of over three percent for 2011.

**Figure 1: Portland Metro Unemployment**



*The Port of Portland manages shipping facilities and the Portland International Airport.*

### Shipping and Other Port Facilities

The Port of Portland, the governmental unit responsible for air and marine port facilities, offers outstanding opportunities for expanding export industries, investments, business, and travel. Portland's deep water location on the Columbia River gives it substantial geographic and economic advantages for freight shipping – over 13 million tons of cargo in 2010. The Columbia River shipping channel is maintained at a depth of 43 feet from the Portland harbor to the Pacific Ocean, 103.5 miles downstream. The Portland Harbor is the largest wheat export hub in the country. The Port also owns and operates Portland International Airport (PDX). The airport serves more than 13 million annual passengers via 14 passenger carriers that average 237 scheduled flights daily to 48 nonstop domestic destinations and five international cities including Amsterdam, Calgary, Tokyo, Toronto and Vancouver. PDX is also served by 11 air cargo carriers that move more than 200,000 tons of air freight and mail annually, and offers nonstop air cargo service to Asia. The Port is the largest industrial landowner in the Portland metro area and the state. Within its 10,000 acres of property holdings, the Port oversees four industrial parks that offer businesses fast, efficient access to markets via nearby airports, deep-draft marine terminals, transcontinental rail lines, interstate freeways, and a river system that stretches from the Pacific Ocean to Idaho.

### Downtown and Surrounding Redevelopment Projects

*The City of Portland balances housing, retail, and office space in its development plans.*

The City's financial commitment to its downtown has resulted in one of the nation's most attractive urban cores. Development activity has balanced well with strong gains in housing, retail, and office space. Through 2002, the downtown area experienced one of the strongest building expansions in its history.

The City of Portland maintains strong historic preservation and multifamily housing programs. The preservation of downtown housing and historic structures has created a unique urban atmosphere. The blend of old and modern facilities enhances downtown livability. This livability is exemplified by the Pearl District, a modern mix of loft apartments, condominiums, small shops, and galleries, built in an area north of downtown formerly used for warehouses and factories.

As a means to build upon the growth in the Pearl District, and recognizing the need for additional development in parts of downtown, several changes are occurring in downtown urban renewal areas. Plans are for the South Park Blocks and Downtown Waterfront urban renewal districts to end (final debt service payments in 2024). As part of the development of the Portland Plan, citizens will have input on potential new urban renewal areas in the downtown core.

### Transportation and Land Use

#### TriMet: Tri-County Metropolitan Transportation District

TriMet provides transit services to about 570 square miles of the metropolitan area. TriMet operates 81 bus lines and a light rail system. In FY 2008-09, TriMet provided nearly 100 million bus, MAX light rail, and Westside Express Service (WES) commuter rail trips. TriMet carries more people than any other U.S. transit system its size. TriMet's rail lines and buses combined to eliminate 205,300 daily car trips or 65 million trips in 2009.



*The downtown Transit Mall is at the heart of TriMet's regional system.*

The centerpiece of the system is the downtown Portland Transit Mall. The Transit Mall has been revitalized with the addition of light rail and the return of buses along 5th and 6th Avenues in 2009. Fareless Square has become the Free Rail Zone, with free rides on MAX light rail in downtown Portland to the Lloyd District, as well as on the Portland Streetcar in downtown.

### **Growth of Regional Light Rail System**

*TriMet continues to expand the light rail system.*

TriMet's nationally recognized light rail system MAX extends 52 miles and now serves all three counties in the region. Portland was the first West Coast city to have rail service to its airport. The growth in MAX lines has also added significant economic value to the region. To date, more than \$8 billion has been invested in new development within walking distance of the 85 MAX stations.

### **Portland Streetcar Expansion**

*The Portland Streetcar complements bus and light rail transit.*

The City completed 2.4 miles of track to open the first modern streetcar line in July 2001. The alignment runs from Northwest Portland through the Pearl District to Portland State University's Urban Plaza. This successful system later added 0.6 miles to RiverPlace, 0.6 miles to SW Moody and Gibbs to connect with the Portland Aerial Tram to OHSU, and 0.4 miles in August 2007 to the South Waterfront District to complete a total system of 4.0 miles.

The City is currently extending the streetcar system across the Willamette River adding 3.3 miles from the Pearl District, across the Broadway Bridge, through the Rose Quarter, Convention Center, Lloyd Center, and Central Eastside to a temporary terminus at OMSI. The Streetcar to OMSI will begin operations in September of 2012. The Streetcar expansion will help stimulate and support new high-density, mixed-use development in the Central City east of the Willamette River. Serving as a catalyst for \$3.5 billion in transit-oriented investment, the streetcar system has helped revitalize Portland's urban core with more than 10,212 new housing units and 5.5 million square feet of office, institutional, retail and hotel construction, all within 2-3 blocks of the streetcar route and in some areas that were formerly home to industrial land in decline.

### **Metro**

*Metro is the country's only elected regional government.*

Under Oregon land use law, the Portland area is surrounded by an urban growth boundary. Metro, the country's only elected regional government, manages the boundary and growth within it. Balancing growth with the maintenance of natural amenities is one of the region's major challenges. Citizen desire for parks and natural areas was demonstrated through passage of a \$227 million Metro park and natural areas bond measure in 2006. Funds from the bond will preserve natural areas at the regional, local, and neighborhood levels.

### **The Region and Its Environment**

*Portland is one of the first cities in the country to have waterways listed under the Endangered Species Act.*

Portland works to maintain a high quality of life and a healthy environment. Under the Endangered Species Act, steelhead and salmon within Portland-area watersheds were listed as threatened species. In that context, the City must carefully balance environmental, recreational, and commercial concerns as it develops both banks of the Willamette River through the River Renaissance project.

# City Overview

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## Overviews

### Post-Secondary Education

PSU, one of three large state universities in Oregon and the largest in the Portland area, is located on a campus encompassing more than 28 blocks adjacent to the downtown business and commercial district. As part of its nationally recognized University District Plan, PSU opened a new public administration building and urban plaza in 2001, and built a new \$70 million Northwest Center for Engineering, Science, and Technology nearby, which opened in 2006. In 2010, the university unveiled its new LEED-Gold certified Academic and Student Recreation Center which houses the School of Social Work, the Oregon University System Chancellor's Office, the PSU Student Recreation Center, the PSU Bike Hub, and the City of Portland's Archives.

*Many fine schools dot the Portland landscape.*

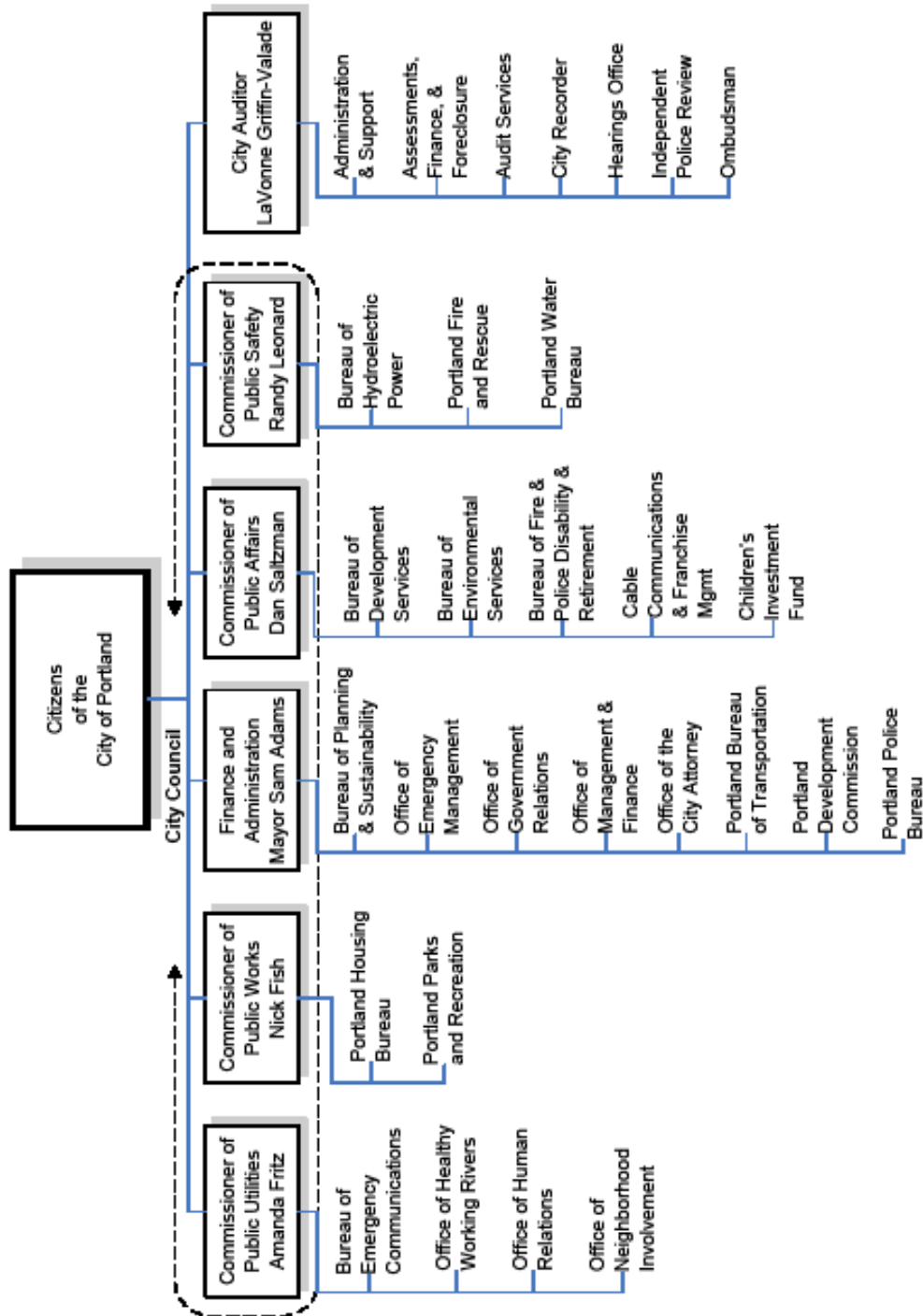
The Portland area also hosts many other notable institutions, including public, private, and health-oriented schools. Portland, Mount Hood, and Clackamas community colleges provide excellent and affordable two-year programs for area residents. Private institutions like Lewis & Clark College, Reed College, Concordia College, and the University of Portland have outstanding programs in diverse fields. Three health science institutions are found in Portland: OHSU, National College of Naturopathic Medicine, and Western States Chiropractic College.

These educational assets, plus clean water and air, cultural diversity, architectural beauty, and the relative ease of getting around, combine to make Portland a popular, livable city. Portland is consistently rated as one of the best cities in the United States in which to live.

Figure 2: A Profile of Portland's Citizens

General Characteristics	2000	Percent of Total	2009	Percent of Total	Percent Change
<b>City Population</b> <sup>1</sup>	529,121	--	566,606	--	7.1%
Male	261,565	49.4%	277,939	49.1%	6.3%
Female	267,556	50.6%	288,667	50.9%	7.9%
Age Median age (years)	35.2	--	35.3	--	0.3%
Under 5 years	32,300	6.1%	37,974	6.7%	17.6%
25 years and older	363,106	68.7%	405,807	71.6%	11.8%
65 years and older	61,163	11.6%	56,430	10.0%	-7.7%
<b>Race/Ethnic Distribution</b>					
One Race	507,166	95.9%	542,157	95.7%	6.9%
White	412,241	77.9%	442,980	81.7%	7.5%
Black or African American	35,115	6.6%	36,917	6.8%	5.1%
American Indian & Alaska Native	5,587	1.1%	3,706	0.7%	-33.7%
Asian	33,470	6.3%	36,839	6.8%	10.1%
Native Hawaiian & other Pac. Is.	1,993	0.4%	2,494	0.5%	25.1%
Some other race	18,760	3.5%	19,221	3.5%	2.5%
Two or more races	21,955	4.1%	24,449	4.3%	11.4%
Hispanic or Latino (of any race)	36,058	6.8%	50,824	9.0%	41.0%
<b>Household Population</b>	514,129	--	544,850	--	6.0%
Average household size	2.30	--	2.28	--	-0.9%
Average family size	3.00	--	3.19	--	6.3%
<b>Social Characteristics</b>					
Population 25 years and over	363,851	--	405,807	--	11.5%
High school graduate or higher	311,725	85.7%	365,083	90.0%	17.1%
Bachelor's degree or higher	118,698	32.6%	173,623	42.8%	46.3%
Civilian veterans (18 years and over)	49,757	11.9%	34,925	7.9%	-29.8%
Speak language other than English at home (population 5 years and over)	84,128	16.9%	92,483	17.7%	9.9%
<b>Portland at Work</b>					
Management, professional, and related occupations	102,760	37.2%	132,081	44.4%	28.5%
Service occupations	41,444	15.0%	46,634	15.7%	12.5%
Sales and office occupations	73,250	26.5%	69,048	23.2%	-5.7%
Farming, fishing, and forestry	679	0.2%	1,443	0.5%	112.5%
Construction, extraction, and maintenance occupations	19,405	7.0%	13,025	4.4%	-32.9%
Production, transportation, and material moving occupations	38,546	14.0%	33,070	11.1%	-14.2%
Median Household Income (dollars) <sup>2</sup>	\$40,146	--	\$50,203	--	25.1%
Median Family Income (dollars) <sup>2</sup>	\$50,271	--	\$61,557	--	22.5%
<b>Housing in Portland</b>					
Total Housing Units	237,307	--	258,001	--	8.7%
Owner-occupied housing units	124,767	55.8%	128,432	49.8%	2.9%
Renter-occupied housing units	98,970	44.2%	110,469	42.8%	11.6%
Vacant housing units	13,570	5.7%	19,100	7.4%	40.8%
Median home price <sup>3</sup>	\$163,400	--	\$220,000	--	34.6%
<sup>1</sup> All data is from the US Census Bureau's 2009 American Community Survey, unless noted.					
<sup>2</sup> Source: US Census Bureau, adjusted for inflation.					
<sup>3</sup> For the Metro Area. Source: local RMLS, May 2011					

Figure 3: City of Portland Organization Chart



## FORM OF CITY GOVERNMENT

The City of Portland, incorporated in 1851, is a home rule charter city. The City Charter is the basic law under which the City operates and can be amended only by a vote of the people. In 1913, a modified commission form of government was created, which is rare in cities as large as Portland. The City operates under the provisions of the City Charter and City Code, which are consistent with the Oregon Constitution and state law (the Oregon Revised Statutes). Nonemergency ordinances are passed by a simple majority vote of three of the five Council members.

The Charter provides for five nonpartisan Council members, called Commissioners, including the Mayor. They are elected at-large to four-year terms. The positions are full-time and salaried. The City Auditor is also elected and required by Charter to be a Certified Public Accountant. The Auditor is not part of the Council and has no formal voting authority.

*The Mayor and Commissioners act as legislators and administrators.*

The Mayor is the formal representative of the City and is responsible for assigning each of the Commissioners responsibility for one of five departments: Finance and Administration, Public Affairs, Public Safety, Public Utilities, and Public Works. The Mayor also decides which bureaus the Commissioners will manage. The Mayor can change these assignments at any time. Traditionally, the Mayor has been the Commissioner of Finance and Administration.

The Mayor and Commissioners act as legislators and administrators. Thus, Council members are responsible for both enacting and enforcing City laws, as well as administering bureaus under their supervision.

The Auditor receives and maintains all documents relating to the accounts and contracts of the City, including its debts, revenues, and financial affairs. The position is responsible for conducting financial and performance audits of City bureaus and their functions. In addition, the Auditor's Office serves as the Council Clerk, responsible for the processing and filing of all official Council actions.

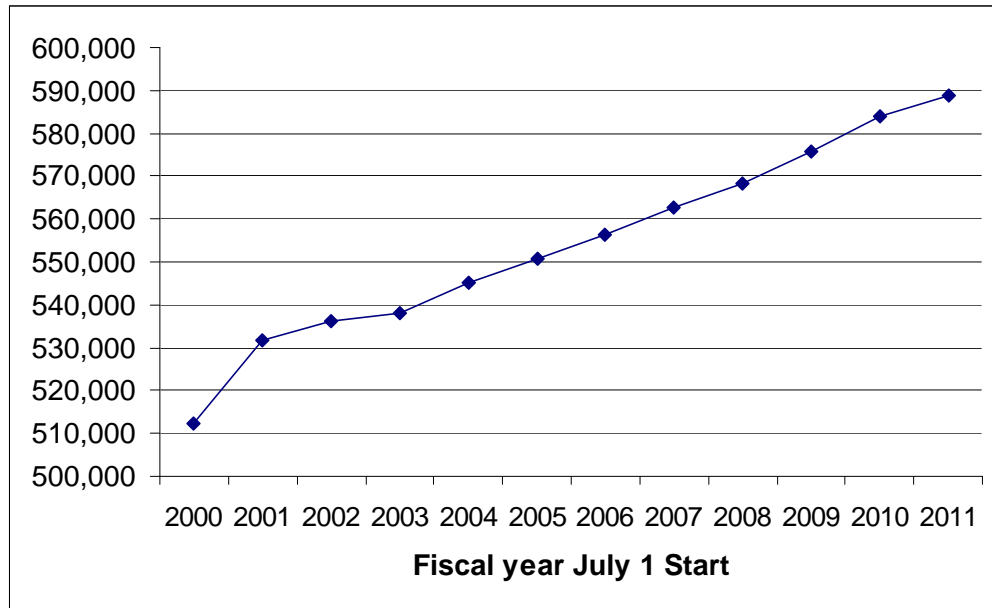
## DEMOGRAPHIC DATA

### Population

*Since 2000, Portland's Population has been growing at 1.19% per annum, which is well below the Metro average of 1.28.*

Rapid increases in population can be a negative trend if service demands increase faster than revenue growth. Similarly, declines in population can reduce demand and revenue requiring cuts in expenditures. From July 1, 1999 to July 1, 2010 Portland's population increased by about 74,166. This is overall increase of about 14.6% over eleven years or about 1.1% annually.

**Figure 4: Portland's Population Growth**

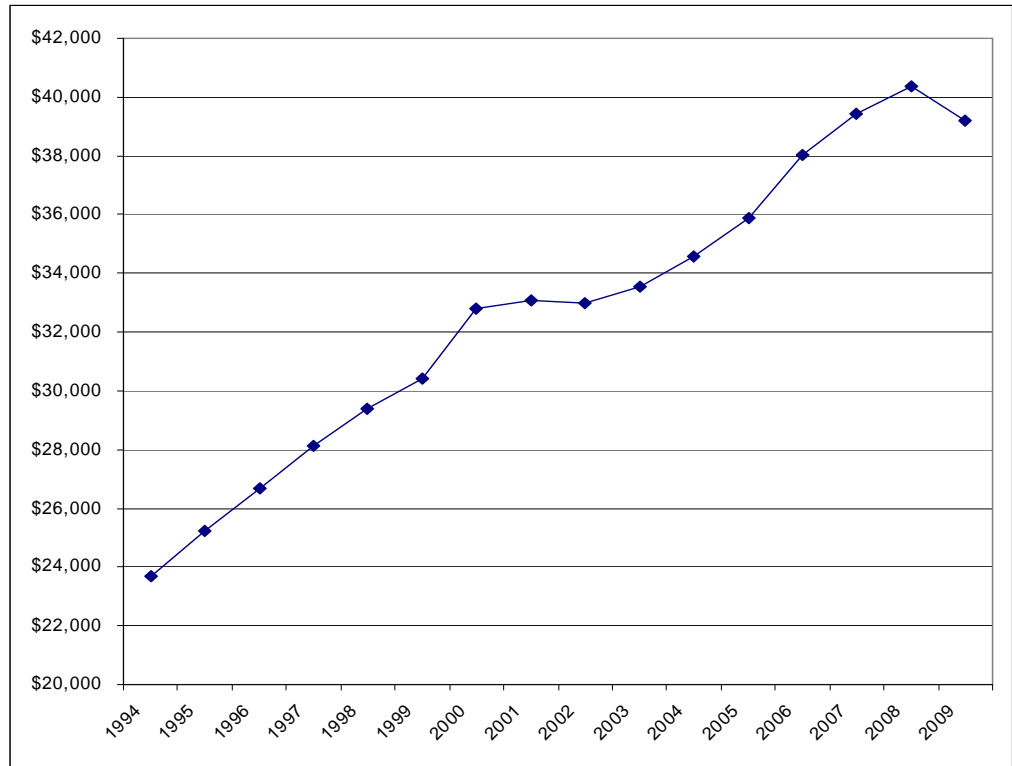


### Per Capita Income

*Portland's 2009 per capita income of \$39,206 is 5.7% higher than the state average.*

Per capita personal income is one measure of a community's ability to pay for government services. Though the data lags somewhat, we are beginning to see the effects of the "Great Recession" on per capita personal income. In 2009, per capita personal income in the Portland-Vancouver-Hillsboro MSA declined for only the second time since records were started in 1969 and by the greatest amount ever, 2.9%. From 1994 to 2008 per capita personal income in the Portland metro area increased by 3.8 percent per year in nominal dollars or by about 1 percent in constant dollars adjusted for inflation.

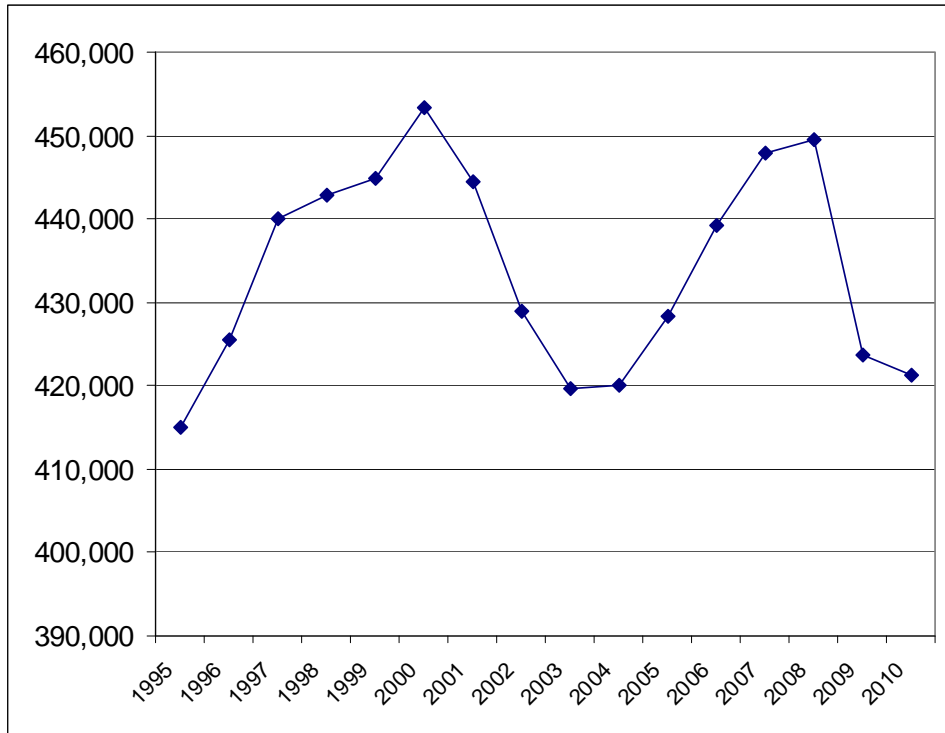
**Figure 5: Portland's Per Capita Income**



**Job Growth**

After gaining almost 77,500 jobs during the 1990's (20.6% growth), Multnomah County lost nearly 32,000 during the 2000s, representing a 7% decline. In fact the economic expansion between 2003 and 2008 failed to return to the peak level of employment achieved in 2000. Year-over-year growth returned in August 2010 and remained through at least April 2011, though at only modest levels.

Figure 6: Multnomah County Employment



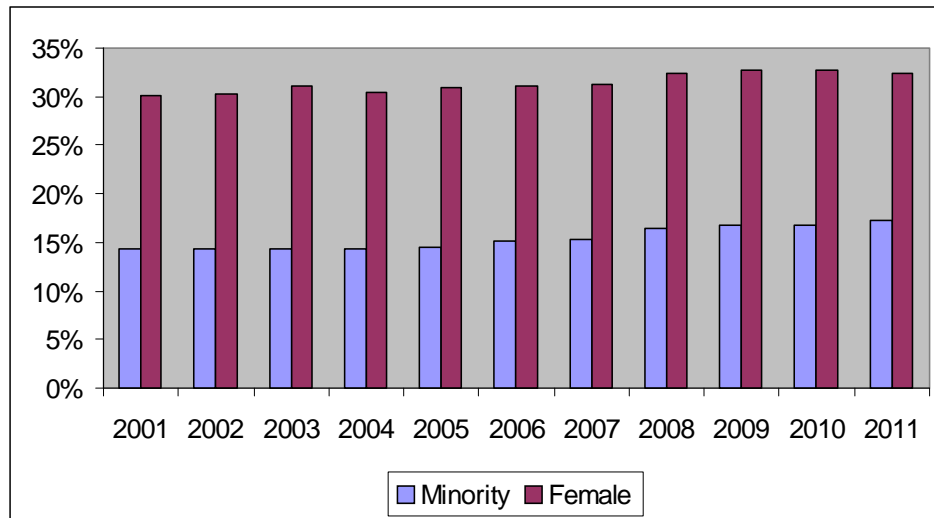
## Workforce Diversity

The Council has directed that all City bureaus develop a workforce reflecting the rich cultural diversity of Portland as a community. The figure below indicates that the percentage of all City employees who are women has roughly stabilized at 32.4% in 2011. The percentage of minority employees hovers at 17.2%.

The table below the figure is current as of March 31, 2011. It shows female and minority employment as a percentage of total employment within City bureaus, with a slight increase in racial diversity being reported in 2011.



**Figure 7: Citywide Workforce Diversity History  
Women and Minorities as a % of City Employees**



Citywide Workforce Diversity by Bureau—2011

Bureau	Female Employees as a Percent of Total	Minority Employees as a Percent of Total	Total Employees
Attorney	67.8%	13.6%	59
Auditor	64.0%	12.0%	50
Cable	55.6%	44.4%	9
Comm. Of Public Affairs (Saltzman)	66.7%	20.0%	15
Comm. Of Public Safety (Leonard)	33.3%	16.7%	6
Comm. Of Public Utilities (Fritz)	75.0%	25.0%	8
Comm. Of Public Works (Fish)	70.0%	20.0%	10
Development Services	43.1%	15.0%	160
Emergency Communications	72.4%	7.5%	134
Emergency Management	58.8%	11.8%	17
Environmental Services	33.0%	14.7%	525
Fire & Police Disability & Retirement	94.1%	29.4%	17
Fire & Rescue	10.3%	18.2%	760
Government Relations	50.0%	12.5%	8
Housing	59.0%	29.5%	61
Human Relations	50.0%	100.0%	4
Management & Finance	42.1%	25.8%	648
Mayor Sam Adam's Office	50.0%	29.2%	24
Neighborhood Involvement	64.9%	16.2%	37
Parks and Recreation	37.0%	15.0%	419
Planning & Sustainability	62.7%	20.0%	110
Police	26.4%	13.4%	1,205
Transportation	26.2%	17.5%	707
Water	31.6%	17.6%	601
<b>City Totals</b>	<b>1,813</b>	<b>961</b>	<b>5,594</b>

# Budget Overview

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## A Guide to the Budget Overview

The City of Portland (the City) budget document for FY 2011-12 serves as a fiscal, programmatic, and policy information guide. The document is organized to provide Citywide information at levels of increasing detail.

Within the Budget Overview, the City's budget decisions and financial information are presented from a variety of perspectives. There is special emphasis on the General Fund as it contains the discretionary resources available to the City, resources that can be allocated to any City program. In most instances, dollar amounts in the Budget Overview are shown in comparison with the Revised Budget for FY 2010-11. In the following pages, you will find information on:

- ◆ The total City budget
- ◆ The General Fund budget
- ◆ Highlights of budget decisions
- ◆ Highlights of the Capital Improvement Plan
- ◆ A description of the budget process

Summary financial tables are located in the Financial Overview section of this document.

## Preparing For Financial Challenges

The General Fund financial forecast for FY 2011-12 shows a City that has weathered the worst national recession in decades and is emerging on a path to a stronger, more resilient economy. Job creation is accelerating, business activity is increasing, and exports shipped out of the Port of Portland have already returned to their pre-recession peak. While unemployment is still high, it is trending downward.

The Mayor and Council started preparing early for the recession. In FY 2009-10, they asked bureaus to propose programmatic reductions of up to 5% in anticipation of declining revenues. In FY 2010-11, they asked public safety bureaus to prepare 2% reductions, and non-public safety bureaus to prepare 4% reductions. For this year's budget, they continued to ask for modest program and administrative savings, and asked bureaus to be creative in terms of realignments and efficiencies that could save money without reducing services. The actions in this budget and over the last two years have kept Portland ahead of the recession, and prepared to move into the future.

### Council Vision, Mission, Values, and Goals

#### Vision

We aspire to be a beautiful, safe, and clean city of choice for ourselves and future generations - a city with a healthy and sustainable economy, strong businesses, vital neighborhoods, a diverse population, excellent schools, a vibrant downtown, an honest government that is open and participatory, extensive recreational and cultural opportunities, a healthy environment, and sufficient housing stock to meet our needs.

## Mission

The City of Portland is a responsive and accessible local government that strives to continually identify and seize opportunities to improve the quality of life in our community. We work to support civic excellence and effective, responsive community and intergovernmental partnerships.

We provide urban services to meet the public health and safety, transportation, environmental, recreational, planning, and neighborhood livability needs of our citizens and visitors. We are responsible for providing clean and safe drinking water and for the maintenance of the City's water system. We are responsible stewards of our City's fiscal health and resources. We utilize a diverse, skilled, and dedicated workforce to provide seamless service to our citizens and visitors. We strive for excellence in all we do.

## Values

- ◆ **Commitment** We believe that service to our citizens and customers is our most important job. We will make sure that people can count on us to be responsive to the needs of the community.
- ◆ **Integrity** Whenever we make a decision, provide a service, or interact with citizens and customers, we act with honesty and integrity. People learn from experience that they can continue to trust us. We treat all people equally and equitably.
- ◆ **Partnerships** Our team supports and complements the leadership of our Mayor and City Council. We involve people and key stakeholders because we value their commitment, diversity, and ownership.
- ◆ **Innovation** We apply creative and cost-effective solutions when delivering services to our community with a goal of continuously improving the quality of life.

## Goals

The current goals of the Mayor and the City Council follow. In the coming years, these goals will be updated and realigned to reflect results of the Portland Plan.

### *Ensure a safe and peaceful community:*

- ◆ Protect life
- ◆ Preserve property
- ◆ Promote community responsibility, commitment, and preparedness

### *Promote economic vitality and opportunity:*

- ◆ Support quality education
- ◆ Provide high quality, reasonably priced public utility services
- ◆ Create an attractive location for businesses and jobs

### *Improve the quality of life in neighborhoods:*

- ◆ Ensure growth and development are well managed
- ◆ Provide access to transportation and recreation services
- ◆ Provide affordable housing and reduce neighborhood nuisances

# Budget Overview

## Overviews

### *Protect and enhance the natural and built environment:*

- ◆ Protect the city's land, water, air, and open spaces
- ◆ Provide safe drinking and waste water services
- ◆ Protect endangered species

### *Operate and maintain an effective and safe transportation system:*

- ◆ Provide multi-modal transportation choices
- ◆ Maintain and improve street conditions
- ◆ Support economic development and neighborhood livability

### *Deliver efficient, effective, and accountable municipal services:*

- ◆ Deliver responsive, competitive government services
- ◆ Maintain healthy City financial condition
- ◆ Manage government to achieve goals

## Budget Preparation Process and Direction

In building the budget, the Mayor outlined five key goals:

6. Return the City to full prosperity and invest in a stronger, more resilient City.
7. Help those hit hardest by the recession and provide support to the most vulnerable in our community.
8. Protect public safety services.
9. Increase the City's focus on equity to ensure that every Portlander has access to the most equal of opportunities.
10. Identify neighborhood nuisances and ensure more responsive City services.

Please see the Mayor's message for more detail on these goals and how they were achieved in the FY 2011-12 budget.

## Budget Summary

### Total City Budget

*The total City budget is down by \$84.9 million from the FY 2010-11 Revised Budget.*

### Total Legal Budget

State of Oregon Local Budget Law requires the City to report its total legal budget. This is defined to include total operating costs and the internal transactions between funds. The total Adopted Budget for FY 2011-12 is \$3.56 billion, which reflects a \$84.9 million (2.3%) decrease from the FY 2010-11 Revised Budget. As shown in Figure 1 below, the decreases are in bureau expenses, debt service, and cash transfers, offset somewhat by increases in contingency and ending balance.

### Total Net Budget

Although state budget law requires that all expenditures within and between funds are documented in the legal budget, this overstates actual expenditures for programs because it double counts internal transactions (internal materials and services and fund-level cash transfers). Such transactions occur between City funds, when one City agency provides services to another. Because this technically inflates the budget, the City usually references a net budget.

*The net City Budget is \$2.7 million more than the FY 2010-11 Revised Budget.*

After eliminating the intracity transfers, the City's net budget in FY 2011-12 is \$2.78 billion. Table 1 of the Financial Summaries provides greater detail of the total and net City budget figures. A summary is shown below.

Figure 8: Requirements by Major Object Category

Major Object Category	Revised FY 2010-11	Adopted FY 2011-12	Dollar Change	Percent Change
Personal Services	\$ 577,551,360	\$ 598,405,086	\$ 20,853,726	3.6%
External Materials & Services	720,434,585	643,486,204	(76,948,381)	-10.7%
Internal Materials & Services	189,329,929	189,326,907	(3,022)	0.0%
Capital Outlay	372,818,374	305,092,120	(67,726,254)	-18.2%
<b>Total City Bureau Expenses</b>	<b>1,860,134,248</b>	<b>1,736,310,317</b>	<b>(123,823,931)</b>	<b>-6.7%</b>
Contingency	500,947,364	608,315,179	107,367,815	21.4%
Ending Fund Balance	155,560,015	217,123,416	61,563,401	39.6%
Debt Service	451,881,829	409,445,145	(42,436,684)	-9.4%
Cash Transfers	680,722,478	593,154,065	(87,568,413)	-12.9%
<b>Total City Budget</b>	<b>3,649,245,934</b>	<b>3,564,348,122</b>	<b>(84,897,812)</b>	<b>-2.3%</b>
Less Intracity Transfers	(870,052,407)	(782,480,972)	87,571,435	-10.1%
<b>Total Net City Expenses</b>	<b>\$ 2,779,193,527</b>	<b>\$ 2,781,867,150</b>	<b>\$ 2,673,623</b>	<b>0.1%</b>

Resources for the net City budget are summarized in the figure below.

Figure 9: Resources by Major Object Category

Major Object Category	Revised FY 2010-11	Adopted FY 2011-12	Dollar Change	Percent Change
Beginning Fund Balance	\$ 628,379,953	\$ 734,526,424	\$ 106,146,471	16.9%
Taxes	447,566,283	452,073,547	4,507,264	1.0%
Licenses & Permits	143,418,134	154,333,950	10,915,816	7.6%
Service Charges & Fees	496,912,940	522,298,691	25,385,751	5.1%
Intergovernmental	360,857,100	277,016,033	(83,841,067)	-23.2%
Miscellaneous Sources	42,574,132	65,099,604	22,525,472	52.9%
Bond & Note Proceeds	659,484,985	576,518,901	(82,966,084)	-12.6%
Intracity Transfers	870,052,407	782,480,972	(87,571,435)	-10.1%
<b>Total City Budget</b>	<b>3,649,245,934</b>	<b>3,564,348,122</b>	<b>(84,897,812)</b>	<b>-2.3%</b>
Less Intracity Transfers	(870,052,407)	(782,480,972)	87,571,435	-10.1%
<b>Total Net City Budget</b>	<b>\$ 2,779,193,527</b>	<b>\$ 2,781,867,150</b>	<b>\$ 2,673,623</b>	<b>0.1%</b>

### Major Resources

The largest resource categories in the net City budget are beginning balance, taxes, service charges and fees, intergovernmental revenues, and bond and note proceeds.

Beginning fund balance is increasing by \$106.1 million (16.9%).

Tax revenues are increasing by \$4.5 million (1.0%).

Service charges and fees are up \$25.4 million (5.1%). The FY 2011-12 average effective sewer and stormwater bill increase is 6.0%, and the average effective water rate increase is 12.9%.

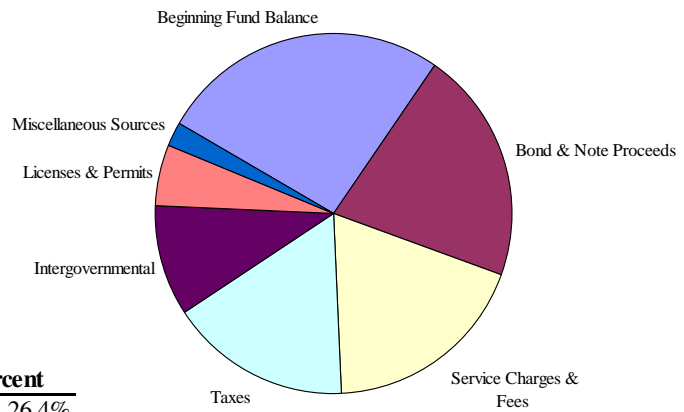
Intergovernmental revenues are decreasing by \$83.8 million (23.2%).

Bond and note proceeds are decreasing by \$83.0 million (12.6%).

# Budget Overview

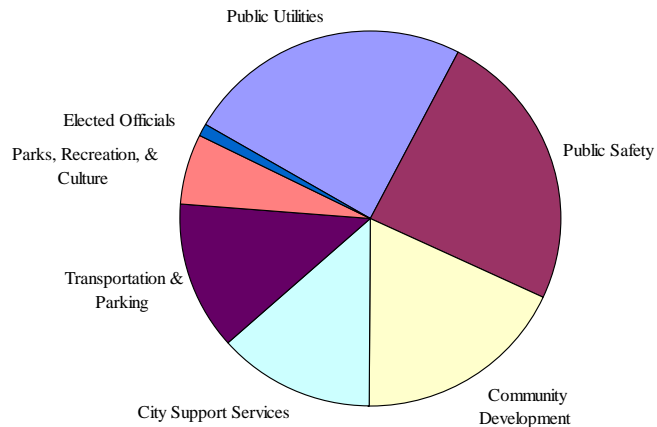
## Overviews

**Figure 10: City Net Budget—Resources**



Resource	Budget	Percent
Beginning Fund Balance	\$ 734,526,424	26.4%
Bond & Note Proceeds	576,518,901	20.7%
Service Charges & Fees	522,298,691	18.8%
Taxes	452,073,547	16.3%
Intergovernmental	277,016,033	10.0%
Licenses & Permits	154,333,950	5.5%
Miscellaneous Sources	65,099,604	2.3%
<b>Total Net Budget</b>	<b>\$ 2,781,867,150</b>	<b>100.0%</b>

**Figure 11: Total City Bureau Expenses—Requirements by Service Area**



Service Area	Budget	Percent
Public Utilities	\$ 425,641,159	24.5%
Public Safety	417,789,824	24.1%
Community Development	312,458,319	18.0%
City Support Services	233,936,266	13.5%
Transportation & Parking	219,172,410	12.6%
Parks, Recreation, & Culture	109,810,998	6.3%
Elected Officials	17,501,341	1.0%
<b>Total City Bureau Expenses</b>	<b>\$ 1,736,310,317</b>	<b>100.0%</b>

**General Fund Budget** General Fund resources are categorized as either discretionary or nondiscretionary. Discretionary resources are those that the City Council can allocate to programs and services in any area. In other words, these resources have few restrictions on how they can be allocated. General Fund discretionary resources are typically used to support such basic City services as police, fire, and parks.

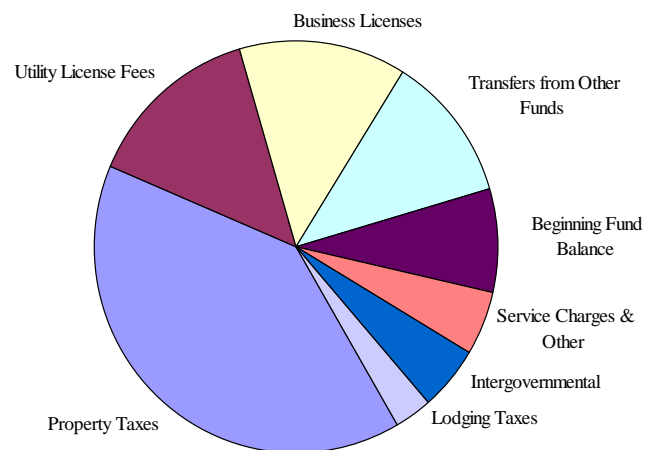
*Discretionary resources total \$408.6 million, 81.8% of the General Fund.*

Discretionary resources include property taxes, utility license fees, business license fees, transient lodging taxes, state shared revenues (from cigarette taxes and liquor sales), interest income, miscellaneous revenues, and cash transfers into the General Fund. Nondiscretionary resources include grants, contract revenues, service reimbursements, and other revenues specifically dedicated to a particular purpose.

All General Fund resources are also categorized as either one-time or ongoing. An example of a one-time resource is an increase in beginning fund balance. While available in the specific year, it is not a resource that can be relied on in future years. An example of an ongoing resource is an increase in property tax revenues that would be sustained over time. The City budget uses a combination of one-time and ongoing resources to fund programs and services. City financial policies state that one-time resources may not be used to fund ongoing expenses.

The following charts summarize the City's General Fund budget. General Fund resources are discussed in detail in the Financial Overview, and Table 9 in the Financial Summaries section shows General Fund discretionary and total resources as well as General Fund bureau appropriations backed by discretionary revenue.

**Figure 12: General Fund—Resources by Major Category**

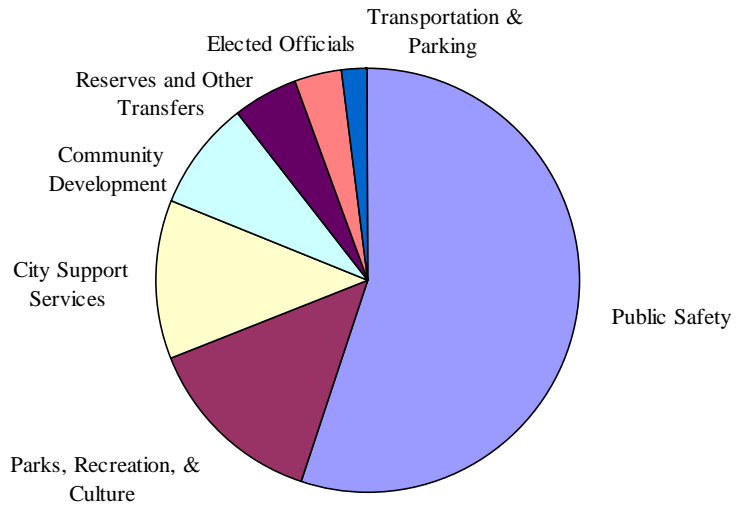


Resource	Budget	Percent
Property Taxes	\$ 198,009,386	39.6%
Utility License Fees	70,813,350	14.2%
Business Licenses	67,386,974	13.5%
Transfers from Other Funds	58,741,237	11.8%
Beginning Fund Balance	39,382,981	7.9%
Service Charges & Other	25,537,604	5.1%
Intergovernmental	24,705,316	4.9%
Lodging Taxes	15,248,600	3.1%
<b>Total General Fund Budget</b>	<b>\$ 499,825,448</b>	<b>100.0%</b>

# Budget Overview

## Overviews

Figure 13: General Fund—Requirements by Service Area



Service Area	Budget	Percent
Public Safety	\$ 274,766,508	55.0%
Parks, Recreation, & Culture	69,524,856	13.9%
City Support Services	60,938,543	12.2%
Community Development	41,239,887	8.3%
Reserves and Other Transfers	26,150,055	5.2%
Elected Officials	17,501,341	3.5%
Transportation & Parking	9,704,258	1.9%
<b>Total General Fund Budget</b>	<b>\$ 499,825,448</b>	<b>100.0%</b>

## Capital Improvement Plan

### Overview

The FY 2011-12 Proposed Capital Improvement Plan (CIP) budget totals \$399.9 million, not including the Portland Development Commission. The Citywide CIP for FY 2011-12 through FY 2015-16 is projected to be \$1.7 billion.

### FY 2011-12 Highlights

#### *Public Safety*

- ◆ Fire & Rescue Facilities GO Bond Program \$3,142,141
- ◆ Public Safety Systems Revitalization Project \$13,705,991
- ◆ Fire Apparatus Replacement \$2,724,000
- ◆ Emergency Coordination Center \$5,305,229

#### *Parks, Recreation, and Culture*

- ◆ Heron Lakes Clubhouse \$4,700,000
- ◆ River District Neighborhood Park \$4,000,000
- ◆ Dawson Park Improvements \$500,000

#### *Public Utilities*

- ◆ Water Treatment \$19,500,000
- ◆ Terminal Reservoirs \$43,300,000



◆ Distribution Mains	\$14,945,000
◆ Regulatory Compliance	\$16,500,000
◆ Combined Sewer Overflow Program	\$26,470,000
◆ Sewer Maintenance and Reliability	\$29,661,000
◆ Surface Water Management	\$24,499,000
<i>Transportation</i>	
◆ Paving Preservation	\$2,800,000
◆ Streetcar Eastside Extension & Vehicle Purchase	\$21,669,826
◆ Moody Parkway	\$20,899,111
◆ Red Electric Trail	\$389,413
<i>City Support Services</i>	
◆ New Archives Center	\$900,000
◆ CityFleet Replacement	\$7,304,540

## The Budget Process

### Local Budget Law

Local government budgeting in Oregon is governed by Local Budget Law, Chapter 294 of the Oregon Revised Statutes. The law has two major objectives:

- ◆ Provide standard procedures for preparing, presenting, and administering local budgets
- ◆ Ensure citizen involvement in the preparation of the budget

Budgeting in Oregon is an effort shared by citizens and elected and appointed officials. Citizens involved in the budget process work to ensure the services they require and want are adequately funded. City officials are responsible for building a budget that reflects the public interest and is structurally correct.

The Tax Supervising and Conservation Commission (TSCC), a five-member citizen board appointed by the Governor, reviews the budgets of all governmental jurisdictions in Multnomah County. The TSCC, together with the State Department of Revenue, is responsible for ensuring the City budget complies with Local Budget Law.

### Budget Officer and Budget Committee

To give the public ample opportunity to participate in the budget process, Local Budget Law requires that a Budget Officer be appointed and a Budget Committee formed. The Budget Officer prepares the Proposed Budget under direction of the Mayor. The Budget Committee then reviews and revises the Proposed Budget before it is formally adopted by the governing body. For the City, the Budget Officer is the Chief Administrative Officer, and the Budget Committee consists of the members of the City Council.

Notices are published, budgets are made available for public review, and opportunities for public comment are provided. These actions encourage public participation in the budget decision-making process and give public exposure to budgeted programs and fiscal policies prior to adoption.

# Budget Overview

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## Overviews

### Preparing the Proposed Budget

Acting as the Budget Officer, the Chief Administrative Officer is responsible for overseeing the preparation of the Mayor's Proposed Budget for presentation to the City Council, sitting as the Budget Committee. The Proposed Budget is the culmination of an extensive process of budget development, analysis, and revision. Bureaus prepare Requested Budgets in accordance with direction given by the Mayor. These are submitted to the Bureau of Financial Services, Financial Planning Division, which then analyzes the requests.

### Public Involvement Process

The City engages in a proactive public outreach effort as part of the budget process. In the past, the City has utilized a variety of methods to solicit budget input, including telephone and mass mailed surveys, community forums, and a community budget web site.

In order to ensure that all stakeholders were involved in the budget development process, the Mayor directed bureaus to continue with the Budget Advisory Committee (BAC) process that included management, labor, customers, and internal and external experts. These committees reviewed the bureau's draft budget request, weighed in on the program and service rankings, and provided input on proposed reductions.

This year, the City held two community forums, where specific input was gathered from Portland residents. The feedback Portlanders provided helped Council prioritize services and focus on specific areas for improvement as well as areas that could be cut. The City also conducted an extensive public information and survey process in order to statistically validate the input that was received at the community forums and to gauge public opinion on some high profile policy issues. Small groups, such as neighborhood coalitions and advocacy groups, were also given an opportunity to host Budget 101 sessions with their members, where members could both learn more about the city budgeting process as well as provide feedback and input about City programs. A public hearing was also held on May 19th to gather citizen input on the Proposed Budget.

Finally, the Mayor added a new component to public outreach this year, directing staff to create a survey asking Portlanders to report specific nuisances, irritations, or infrastructure issues in their neighborhoods and throughout the City. More than 5,000 responded. This budget uses one-time resources to fund some of these high priority annoyances, and City bureaus have been directed to address the most critical needs.

### Budget Web Site

The City maintains a community-oriented web site that includes a community budget web page: [www.portlandonline.com/communitybudget](http://www.portlandonline.com/communitybudget). At the web site, the public can submit questions about the budget and offer budget suggestions. During the budget decision-making process, electronic testimony is accepted from the web site. The web site also contains bureaus' Requested Budgets, financial analyses of the requests, current and historical budget documents, and other financial reports.

### **Portland Utility Review Board (PURB)**

PURB is an appointed body of nine community members who provide independent and representative review of water, sewer, stormwater, and solid waste financial plans, budgets, and rates. PURB operates in an advisory capacity to the City Council. Council expects the PURB to provide common ground between the rate makers and the ratepayers through analysis of financial plans and budgets. The board meets monthly to ensure a comprehensive understanding and assessment of the workings of the City's utilities.

### **Direct Public Testimony**

Community members may directly contact the Mayor and Commissioners with input for the budget. In addition to participating in the budget advisory committees, the PURB, and community budget forums described above, community members also have several opportunities to personally testify on bureau budget requests:

- ◆ Annual Budget Hearings - the City Council, sitting as the Budget Committee, holds one or more public hearings before the budget is approved. The public may testify on any budget topic during these hearings or submit online testimony. The teams of Commissioners and Community Budget Advisors also took public comments at their meetings, and the City held two budget forums, where participants' comments were transcribed and forwarded to Council.
- ◆ Tax Supervising and Conservation Commission Hearing - public testimony is taken during the TSCC hearing on the City's Approved Budget.
- ◆ Adopted Budget Hearing - testimony is taken at the City Council session for the final adoption of the budget.

Each year, the Office of the City Auditor issues a report identifying workload and performance trends for each of the City's public services. Part of the report, entitled Service Efforts and Accomplishments ([www.portlandonline.com/auditor](http://www.portlandonline.com/auditor)), is a nationally-recognized public opinion survey for the City overall and for each of the covered service areas. This report represents another form of public input used by the Council during the budget process.

### **Approving the Budget**

In accordance with Local Budget Law, the City Council will convene as the Budget Committee to consider the Proposed Budget. The public is encouraged to attend and provide testimony on the Proposed Budget. Announcements advertising the Budget Committee meeting are printed in local newspapers prior to the meeting. The timing and frequency of the public notices are governed by Local Budget Law.

### **Public Process**

The Budget Committee meets to accomplish four actions:

- ◆ Receive the budget message and budget document
- ◆ Hear and consider public testimony
- ◆ Review and approve a balanced budget
- ◆ Approve the rate for property taxes

The Budget Officer may provide a copy of the Proposed Budget to each member of the Budget Committee at any time prior to the first Budget Committee meeting. The budget becomes a public record at this point.

At the first Budget Committee meeting, the Mayor delivers the budget message, explaining the Proposed Budget and significant changes in the City's financial position. After the initial meeting, the Budget Committee may meet as many times as needed to revise and approve the budget. If two or more meetings are held to take comment from the public, the first meeting must meet Local Budget Law publication requirements. Notice of other meetings of the Budget Committee must be provided as required by Oregon public meeting law. All meetings are open to the public.

### **Output from the Approved Budget Process**

The Financial Planning Division summarizes the changes from the Mayor's Proposed Budget to the Approved Budget. This information and copies of the Proposed Budget are sent to TSCC for review and analysis.

### **Tax Supervising & Conservation Commission Hearing**

TSCC is responsible for reviewing, holding hearings, and producing a report on the budgets of every jurisdiction in Multnomah County. They hold a required public hearing, with Council in attendance, on the Approved Budget. The outcome of this hearing is a letter certifying that the budget is in compliance with Local Budget Law. The letter may contain recommendations and/or objections. The City is responsible for addressing any objections or recommendations.

### **Adopting the Budget**

City Council will vote to officially adopt the budget before the start of the new fiscal year. Changes that are allowed between the time the budget is approved and final adoption are defined by Local Budget Law and are limited. Changes normally include technical adjustments and carryover amendments.

### **Amending the Budget**

Changes after budget adoption are completed through the budget monitoring process (BMP), which also includes a supplemental budget. In a BMP, bureaus can request to transfer appropriation. In supplemental budgets, bureaus may ask to increase appropriation. The BMP and supplemental budgets provide Council the opportunity to change the budget three times a year.

### **Budget Calendar**

Below is a summary of the FY 2011-12 budget calendar, adopted in fall 2010.

**Figure 14: FY 2011–12 Budget Schedule**

Budget kickoff	November 17
Presentation of General Fund financial forecast to Council	December 8
Bureaus submit Requested Budgets, capital improvement plans, and if required, five-year financial plans	January 31
Financial Planning analysis of five-year plans, CIPs, and Requested Budget due	March 7
Bureaus present Requested Budgets to City Council	Mar 14-Apr 12
Mayor releases Proposed Budget decisions	April 29
Proposed Budget document available	May 17
Budget Committee meetings on the Proposed Budget	May 18-19
Utility Rate Review (two hearings)	May 18 & 25
Budget Committee action to approve budget	May 25
Tax Supervising & Conservation Commission hearing on Approved Budget	June 15
Council action to adopt budget	June 16

# Financial Overview

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## City Financial Planning Process

The first step in the budget process involves preparing updated five-year financial forecasts for each major fund. In addition to the General Fund, specific forecasts are prepared for other major City funds, including Transportation, Environment Services, Development Services, and Water.

These forecasts, which project resources and expenditure requirements over a five-year period, identify long-term service and financial issues requiring attention during the budget process. The forecasts aid Council by placing decisions in a long range financial context for purposes of developing budgets that are balanced for the coming year and subsequent out-years of the five-year financial forecast horizon. Council reviews these plans during work sessions early in the budget process. At that time, bureau managers are given direction on identified issues that provides guidance for preparing and finalizing budgets.

A summary of these financial forecasts is included in this section. Due to its significance to the City's annual budget, the General Fund five-year financial forecast is described in greater detail.

## General Fund Financial Forecast

### Overview

Financial Planning regularly generates five-year estimates of General Fund discretionary resources and requirements for Council. Discretionary resources include revenues plus beginning balance that are allocated by Council without restriction. Discretionary resources include property taxes, utility license fees, business license taxes, lodging tax revenues, state shared (cigarette and liquor) revenues, some interest income, some court fines, some cash transfers into the General Fund, and small amounts of other miscellaneous revenues. Discretionary resources exclude grants, bureau contract and service reimbursement revenues, bureau fee revenue, bureau overhead recovery, and other revenues dedicated for a specific purpose.

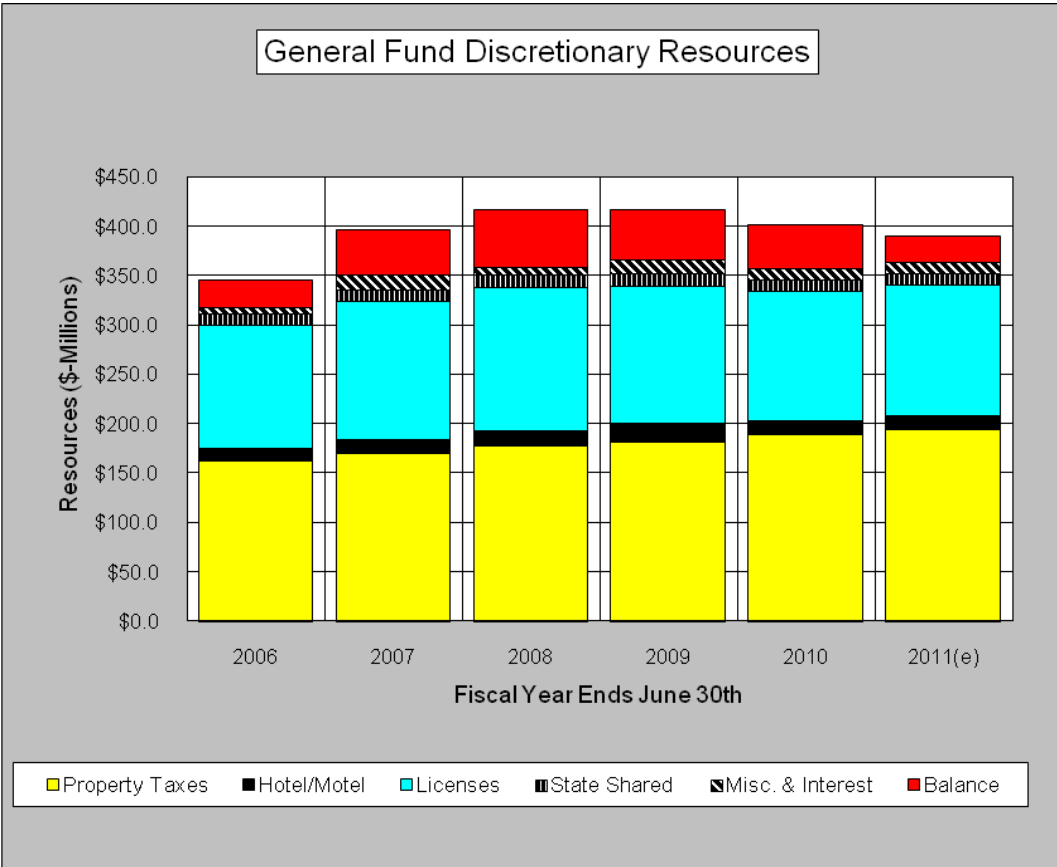
The Council's financial planning process starts with the preparation of a five-year revenue forecast. The five-year revenue forecast is used to develop the five-year financial forecast. The financial forecast compares estimated annual resources (revenue plus beginning fund balance) with projected costs of maintaining General Fund "current appropriation levels" (CAL). Initial revenue and financial forecasts were published in December 2010 and formally reviewed with Council. Both of these forecasts are typically updated prior to the Council's approval of an Adopted Budget. The original December financial forecast has since been updated once:

- ◆ Both the revenue and financial forecasts were updated in late April. The revenue forecast was updated using the most recent financial and economic data. The discretionary beginning balance estimate, a key resource of the General Fund, is updated each quarter and published in the Quarterly General Fund Budget and Economic Tracking Report. This report is electronically distributed within the City and to numerous outside recipients. The report provides current information on the General Fund's financial condition with the updated ending fund balance estimate fed into the financial forecast of General Fund resources. The most recent beginning balance estimate reflects financial information available to OMF through March 31, 2011.

Historical Resources

The figure below summarizes General Fund revenue growth over the past five years.

Figure 15: General Fund Discretionary Resources



In spite of the recent downturn, revenue growth over the past five years has averaged about 2.7% per year. The General Fund's beginning fund balance has averaged about \$42.4 million. Prior to FY 2009-10, beginning balances were higher than normal due to under-expenditure of budgets and higher revenues than forecasted. Overall resource growth (revenues plus beginning fund balance) has declined to about 2.4% per year reflecting a strong downturn in both the national and regional economies. The graph clearly shows the strong revenue growth over the period FY 2005-06 to FY 2007-08, followed by flat growth in FY 2008-09, and subsequent declines experienced over the last two years. General Fund discretionary revenue growth for the three-year period ending FY 2007-08 was about 6.3% per year. This was well above what could be considered "trend" growth in the 3% to 4% range. This financial environment, along with only modest inflation will allow the General Fund to modestly expand current appropriation levels and programs.

General Fund business license revenue growth averaged about 7.6% over the five-years ending FY 2008-09. Business license revenues declined in FY 2008-09 to about \$68.8 million from a peak of \$76.5 million realized in FY 2007-08. Business license revenue further declined in FY 2009-10 to \$59.8 million, representing a 21.8% decline since FY 2007-08. These revenues appear to be rebounding slightly in FY 2010-11, as record levels of corporate profits increase tax liabilities.

Utility license and franchise fees have grown steadily, but more slowly, averaging about 2.1% per year over the last five years. Growth has been weaker in this area due in part to the continuing decline in Qwest's franchise fee revenues and Council's action capping the Water Bureau's and Bureau of Environmental Services (BES) utility license fee revenues at FY 2004-05 levels. Qwest's franchise fee revenues are in a long slow decline as wireless and other telecom technologies displace traditional landline telecom technology. Traditional investor-owned electric utility franchise fees have also been growing very slowly. Recession and past electric rate increases have combined to depress energy consumption and revenue growth. NW Natural implemented a large rate and revenue decrease in November 2009. Meanwhile, PGE and PacifiCorp had rate cases before the Oregon Public Utilities Commission (OPUC) that resulted in substantial rate increases of 3.9% and 14.5%, respectively.

Transient lodging tax revenues are similar to business license revenues in that they follow the business cycle. Transient lodging tax revenues peaked at \$19.6 million during FY 2008-09, but this number is the result of an accounting adjustment to revenue recognition that shifts fiscal year revenues to the twelve month period September through August. Netting out this accounting adjustment for FY 2008-09 puts actual revenues at an estimated \$15.3 million, down 6.7% from FY 2007-08's \$16.4 million. These revenues fell further in FY 2009-10 to \$14.2 million, but are expected to slightly increase in FY 2010-11.

State-shared cigarette and liquor tax revenues grew at a 1.1% rate over the last five years, with most of this growth occurring by the end of FY 2008-09. Miscellaneous revenues and interest income stagnated for most of the last five years due, in large part, to a much lower interest rate environment. The low interest rate environment has sharply cut General Fund interest income revenue, and this revenue is expected to continue to decline over the next 12 to 18 months.



**Forecast Assumption    Slow Economic Recovery**

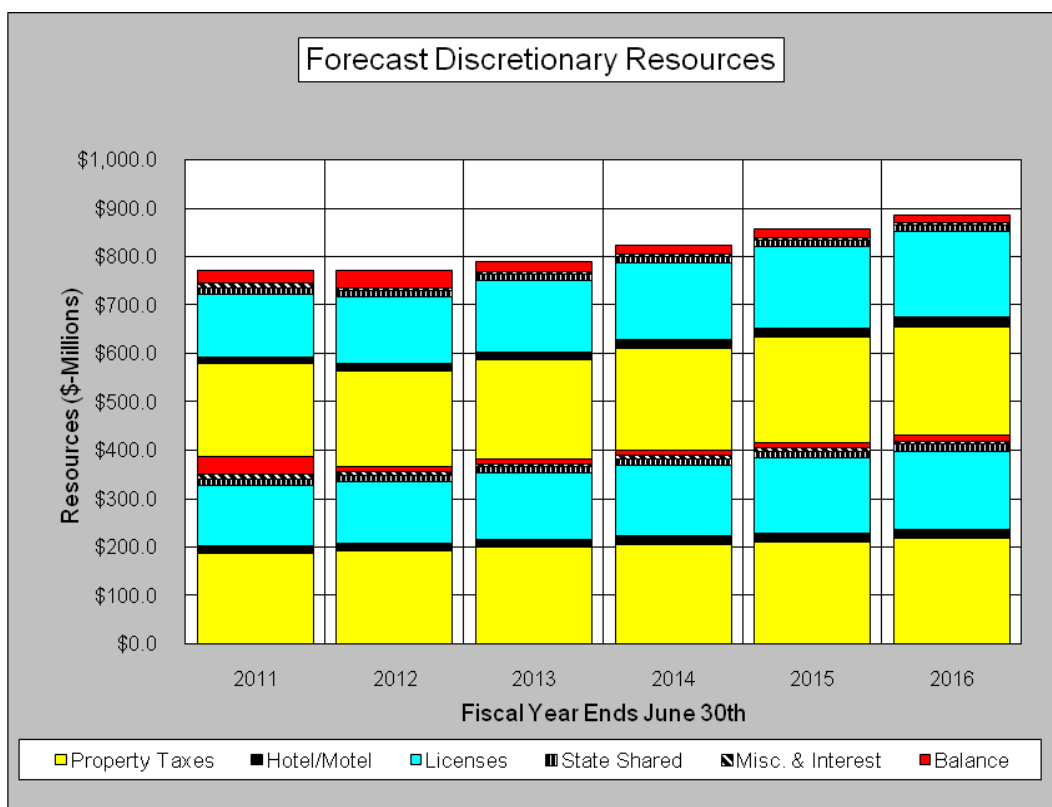
In spite of some recent better economic news, the hangover from the most recent recession persists. Employment growth has been extremely limited, as companies have been willing to eliminate furloughs and increase hours, but have not been willing to bring on new employees in large numbers. Though broad economic measures suggest significant positive momentum, it is important to recognize we are, in many cases, simply bouncing off of historic lows and have a long way to recover to the previous peak. This is particularly the case with the real estate industry, as new lows for housing prices are still being reached, even as permitting activity begins to resume again. The unemployment rate reached a post-recession low in April 2011. The non-seasonally adjusted rate of 8.3% represented a decrease of 1.6 percentage points from the prior April.

Specific revenue projections as of the April forecast are as follows:

- ◆ Transient Lodging Taxes - The transient lodging revenue forecast calls for FY 2011-12 revenues of about \$15.2 million versus an expected FY 2010-11 year-end of about \$14 to \$14.5 million and a current year FY 2009-10 budget of \$14.5 million. Revenues are forecast to grow strongly during the next two years of the five year forecast horizon.
- ◆ Utility License and Franchise Fees - The April forecast projects very modest energy-related revenue increases. Revenues are projected to continue to grow slowly but consistently over the life of the forecast. NW Natural implemented a large rate and revenue decrease in November of 2009. The price of natural gas has stayed at very low levels for the last couple of years, as new supplies continue to put downward pressure on prices. Water and BES license fees are expected to resume growth in the out-years of the forecast after having been capped for the last five years. Cable and telecom franchise and utility license revenues are expected to grow briskly over the five years while Qwest land line related revenues will continue to decline. Overall revenues are projected to grow at 3.2% per year.
- ◆ Property Taxes - Property taxes are expected to grow by about 2.8% annually over the life of the forecast. Revenue growth remains constrained by Measure 50 constitutional mechanics. Among the modest changes in April was a slightly lower property tax forecast, as conditions in the housing market have worsened since December. While General Fund property taxes are generally insulated from market conditions because of voter-approved Measures 5 and 50, changes to the real market values of properties will have an impact at the margins. The result is lower near-term growth in property tax collections.
- ◆ Business License - Revenues peaked at \$76.5 million (inclusive of audit recovery) in FY 2007-08 and then declined to \$68.8 million in FY 2008-09 and \$59.8 million in FY 2009-10. Revenue Bureau staff currently estimates an FY 2010-11 year-end of between \$63 and \$64 million. The forecast for FY 2011-12 has been set at \$67.4 million indicating the expectation of continued growth broadening to smaller firms, in addition to record corporate profits seen with larger companies. Revenues are forecast to grow moderately from this bottom but do not reach the previous cycle's peak until FY 2013-14.

Figure 2 summarizes the current five-year revenue forecast (as of April). Average annual revenue growth is projected at about 4%, but all of the revenue growth occurs in the out-years of the forecast. The critical resource forecast assumption is growth slightly accelerating during FY 2011-12 along with some much needed stabilization of the local housing market by the summer of 2012.

**Figure 16: Forecast General Fund Discretionary Resources**



### December and March Financial Forecast Results

At this point both the state and regional economies are experiencing a modest and protracted economic recovery following the most severe recession in nearly 80 years. When viewed in terms of cyclical revenue impacts (business license and transient lodging tax revenues), this past recession was deeper than the recession of the early 1980s and has already exceeded the length of all post World War II recessions. As noted above, Oregon and metro area unemployment rates remain stubbornly high.

This environment translated initially into a December resource forecast for FY 2011-12 of about \$397.6 million. The December financial forecast showed that sufficient resources would be available in FY 2010-11 and beyond to fund estimated General Fund CAL requirements of \$376 million leaving Council about \$21.6 for one-time projects, additional ongoing spending and future budgets. The increased resources were almost entirely the result of the City realizing a \$16.8 million accrual adjustment, as well as \$3.9 million carried forward by Council from the FY 2009-10 ending balance.

The December financial forecast was updated in late April using more recent current year revenue and expenditure information. The April revenue forecast update increased estimated revenues slightly but these revenues were more than offset by increases in expenses associated with newly agreed to labor contracts. The result was that the City needed to make \$1.5 million in ongoing spending cuts in order to meet current service levels over the five-year forecast horizon. The beginning balance estimate was increased from \$30.1 million to \$36.3 million, largely due to a change to the FY 2009-10 ending balance compared to what was estimated in early December. Though changes from December to April were largely modest in nature, the most significant revenue adjustments were lower near-term property taxes and higher lodging taxes throughout the forecast.

The table below summarizes April financial forecast results showing that \$1.5 million in ongoing CAL reductions were necessary to balance the General Fund over the life of the financial forecast. In addition, an estimated \$17.4 million in new one-time resources were available to the budget process. It is important to note that these results assumed that \$10 million is held in reserve for future spending.

Figure 17: Five-Year Financial Plan

Fiscal Year					
Budget Category	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Total Resources</b>	<b>\$405.6</b>	<b>\$408.3</b>	<b>\$423.9</b>	<b>\$439.7</b>	<b>\$454.2</b>
Necessary Ongoing Cuts <sup>1</sup>	-\$1.5	\$0.0	\$0.0	\$0.0	\$0.0
One-Time Spending	\$17.4	\$5.0	\$4.0	\$3.4	\$2.5
<b>Total Expenses with Cuts &amp; One-Time Spending</b>	<b>\$395.6</b>	<b>\$401.4</b>	<b>\$419.6</b>	<b>\$437.1</b>	<b>\$454.2</b>
<i>Reserved for Future Spending</i>	<i>\$10.0</i>	<i>\$6.8</i>	<i>\$4.4</i>	<i>\$2.6</i>	<i>\$0.0</i>

<sup>1</sup> An ongoing cut of \$1.5 million in FY 2011-12 is necessary in order to balance ongoing revenues with ongoing expenses throughout the five-year forecast.

The April financial forecast is based on two key assumptions:

- ◆ An expectation of modest economic growth, below that of a "typical" economic expansion. Of course, the preceding recession was anything but "typical" and economies coming out of financial crises have a harder time finding firm economic footing.
- ◆ The financial forecast assumes all of the City's labor contract costs above cost-of-living increases are borne by the General Fund (i.e., none are absorbed within existing bureau budgets). The most notable of these is with the Police Bureau where costs are expected to be \$2.9 million in FY 2011-12.

Future financial uncertainties that may upset the forecast include:

- ◆ The Multnomah County Library is currently funded, in part, from a local option property tax levy that is expiring next year. The County will refer to voters a measure that will in all likelihood either renew the current levy at a higher rate or establish a permanent levy. While voter approval of either scenario would result in lower property taxes to the City, the establishment of a permanent district would have a much larger impact - a decrease of at least \$5 million to the General Fund is likely.
- ◆ While the forecast is built on the expectation of slow economic growth, it does not assume that the U.S. will fall back into a recession. Should the economy deteriorate rapidly, especially in the near-term, the City could realize lower revenue, particularly in business licenses. It should be noted that this is also a risk on the upside, as a stabilizing housing market and sharper increases in job growth could help push revenues above forecasted levels.
- ◆ Commodities prices have stoked fears of rampant inflation. Absent underlying wage pressure, which in the current labor market is nonexistent, presumably limits the potential of a wage-price spiral. However, should prices escalate for a sustained period, there would be substantial increases in expenses above the current forecast. Ultimately, because a large majority of the forecast is based on inflation expectations, the exposure to the forecast from deviations in inflation could significantly move in either direction.
- ◆ The process of collecting business license taxes was changed in FY 2009-10 to a system in which total collections are net of refunds and after adjustments for the buildup of credits. Forecasts may tend to be less accurate than in the recent past because there is little or no historical data available to generate forecasts on net revenue.

The primary downside risks to the budget and five-year financial plan include a return to recession locally and the potential loss of property tax revenue due to compression from a newly formed county library district. Subsequent revenue forecasts, particularly for business licenses and property taxes, could show lower revenues making it difficult for Council to fund the ongoing CAL levels.

## Changes In Fund Balance - All Funds

The following table shows the beginning fund balance, change in fund balance, and ending fund balance for each fund within the City. Please note that most funds do not budget ending fund balance. Anticipated unspent funds are typically budgeted in contingency. Please also note that reserves for debt service are displayed as ending fund balance in the following table, but are broken out separately in the fund detail pages of Volume 2.

Figure 18: Changes in Fund Balance

Fund	Beginning Balance	Change in Fund Balance	Ending Balance
General Fund	39,382,981	(39,382,981)	-
Transportation Operating Fund	21,201,037	(21,201,037)	-
Assessment Collection Fund	78,893	(78,893)	-
Emergency Communication Fund	3,966,248	(3,966,248)	-
Development Services Fund	515,338	(515,338)	-
Cable Fund	4,811,493	(2,639,324)	2,172,169
Private for Hire Transportation Safety Fund	219,882	1,154	221,036
General Reserve Fund	46,969,304	(46,969,304)	-
Special Finance and Resource Fund	19,000	(19,000)	-
Transportation Reserve Fund	2,507,292	(2,507,292)	-
Housing Investment Fund	1,390,915	(1,390,915)	-
Parks Local Option Levy Fund	4,146,375	(4,146,375)	-
Children's Investment Fund	3,281,937	(3,281,937)	-
Grants Fund	99,105	(99,105)	-
Portland Parks Memorial Trust Fund	1,931,353	(1,931,353)	-
Police Special Revenue Fund	1,175,000	(1,175,000)	-
River District URA Debt Redemption Fund	8,241,096	(3,506,146)	4,734,950
Bonded Debt Interest and Sinking Fund	75,000	(75,000)	-
Waterfront Renewal Bond Sinking Fund	6,718,271	(171,830)	6,546,441
Interstate Corridor Debt Service Fund	5,816,917	(3,281,585)	2,535,332
Pension Debt Redemption Fund	753,523	(3,523)	750,000
South Park Blocks Redemption Fund	8,443,334	(69,988)	8,373,346
Airport Way Debt Service Fund	1,315,150	(147,772)	1,167,378
Gas Tax Bond Redemption Fund	4,553	(4,553)	-
Lents Town Center URA Debt Redemption Fund	3,802,869	(770,277)	3,032,592
Central Eastside Ind District Debt Service Fund	2,410,000	(4,137)	2,405,863
Bancroft Bond Interest and Sinking Fund	11,217,983	922,656	12,140,639
Convention Center Area Debt Service Fund	2,298,456	(2,298,456)	-
North Macadam URA Debt Redemption Fund	4,965,650	-	4,965,650
Special Projects Debt Service Fund	-	4,000	4,000
Gateway URA Debt Redemption Fund	249,550	(249,550)	-
Willamette Industrial URA Debt Service Fund	190,000	(190,000)	-
BFRS Facilities GO Bond Construction Fund	3,343,513	(3,343,513)	-
Local Improvement District Construction Fund	4,726,233	(4,726,233)	-
Parks Capital Construction & Maintenance Fund	4,888,233	(4,888,233)	-
Public Safety GO Bond Fund	19,358,949	(19,358,949)	-
Parks Endowment Fund	180,625	(18,003)	162,622
Sewer System Operating Fund	42,200,000	(42,000,000)	200,000
Hydroelectric Power Operating Fund	195,161	(195,161)	-
Water Fund	45,268,099	(45,268,099)	-
Golf Fund	1,560,541	(1,560,541)	-
Portland International Raceway Fund	718,471	(718,471)	-
Solid Waste Management Fund	2,390,139	(821,781)	1,568,358
Parking Facilities Fund	8,143,982	(8,143,982)	-
Spectator Facilities Operating Fund	6,990,105	(6,990,105)	-
Environmental Remediation Fund	1,500,000	(1,500,000)	-
Sewer System Debt Redemption Fund	30,770,500	18,005,541	48,776,041
Golf Revenue Bond Redemption Fund	636,605	4,456	641,061
Hydroelectric Power Bond Redemption Fund	4,451,694	82,635	4,534,329
Water Bond Sinking Fund	15,936,928	12,620,000	28,556,928
Sewer System Construction Fund	100,000,000	(100,000,000)	-
Water Construction Fund	72,034,535	11,564,632	83,599,167
Sewer System Rate Stabilization Fund	4,875,000	(4,875,000)	-
Hydroelectric Power Renewal Replacement Fund	9,481,050	(9,481,050)	-
Health Insurance Operating Fund	18,689,380	(18,689,380)	-
Facilities Services Operating Fund	30,860,250	(30,860,250)	-
CityFleet Operating Fund	17,596,186	(17,596,186)	-
Printing & Distribution Services Operating Fund	1,638,685	(1,638,685)	-
Insurance and Claims Operating Fund	20,028,736	(20,028,736)	-
Workers' Comp Self Insurance Operating Fund	18,303,000	(18,303,000)	-
Technology Services Fund	37,473,128	(37,473,128)	-
EBS Services Fund	4,289,349	(4,289,349)	-
Fire & Police Disability & Retirement Fund	17,005,428	(17,005,428)	-
Fire & Police Disability & Retirement Res Fund	750,000	(750,000)	-
Fire & Police Supplemental Retirement Res Fund	43,414	(7,900)	35,514

### Financial Outlook—Major Funds

In addition to the General Fund, the Financial Overview includes the outlook for the City's other major funds: the Sewer System Operating Fund, the Transportation Operating Fund, and the Water Fund. The following table shows the actual expenditures or budgets for the General Fund, the three other major funds, and the sum of all other funds for FY 2009-10, FY 2010-11, and FY 2011-12.

None of the major funds budget an unappropriated ending balance; each of the funds manages its reserves differently. The General Fund's 10% reserves are maintained in the General Reserve Fund. For the Bureau of Environmental Services, the combined ending fund balances of the Sewer System Operating Fund and the Sewer System Rate Stabilization Fund must be equal to or greater than 10% of each year's operating expenses, as defined by bond covenants. BES generally maintains 1% reserves in contingency in its operating fund and 9% in its rate stabilization fund. The Bureau of Transportation maintains a Transportation Reserve Fund but has been unable to fund it at the desired 10% level of discretionary revenues. The Water Bureau's policy is to keep a minimum of \$15 million in operating reserves in Water Fund contingency, representing about 45 days of operating budget expenditures, and a further minimum of \$5 million in Water Construction Fund contingency. Water's actual financial reserves at any point are typically larger than these amounts, and vary with the timing of bond sales, the dates for scheduled debt service payments, season of the year, weather, and other factors.

Five-year financial plans are prepared by each of the City's major non-General Fund bureaus. These financial plans provide a multi-year framework within which revenues, expenditures, and capital financing options are presented. This multi-year perspective allows the City to test the potential impact of policy, operational, and system changes, and to avoid subjecting customers to wide or irregular swings in rates and fees.

The FY 2011-12 budget is based upon bureaus' financial plans which were developed using information available through December 2010. The following is a brief overview of the updated financial outlook for the City's three major non-General Fund bureaus. For each fund, the chart shows total fund expenditures.

Figure 19: Summary of Major Funds

	General Fund	Sewer System Operating Fund	Transportation Operating Fund	Water Fund	All Other Funds	Total
<b>FY 2009-10 Actual</b>						
Beginning Balance	\$ 69,120,652	37,539,065	\$ 9,435,675	\$ 30,653,419	\$ 510,628,316	\$ 657,377,127
External Revenues	381,728,033	226,618,508	87,718,617	109,862,702	1,051,226,555	\$ 1,857,154,415
Internal Revenues	71,189,249	204,487,352	67,429,884	78,651,814	336,710,359	\$ 758,468,658
Total Resources	522,037,934	468,644,925	164,584,176	219,167,935	1,898,565,230	\$ 3,273,000,200
Bureau Expenses	418,298,973	282,212,210	139,748,397	126,402,642	588,211,440	\$ 1,554,873,662
Fund-level Expenses	69,025,986	144,462,466	18,985,340	42,995,936	820,964,239	\$ 1,096,433,967
Ending Fund Balance	34,712,975	41,970,249	5,850,439	49,769,357	489,389,551	\$ 621,692,571
Total Requirements	522,037,934	468,644,925	164,584,176	219,167,935	1,898,565,230	\$ 3,273,000,200
<b>FY 2010-11 Revised Budget</b>						
Beginning Balance	\$ 18,321,994	\$ 42,200,000	\$ 16,613,921	\$ 47,295,512	\$ 503,948,526	\$ 628,379,953
External Revenues	379,656,735	245,195,226	111,941,368	116,842,560	1,297,174,435	\$ 2,150,810,324
Internal Revenues	69,765,016	284,849,874	44,715,196	82,712,381	388,009,940	\$ 870,052,407
Total Resources	467,743,745	572,245,100	173,270,485	246,850,453	2,189,132,901	\$ 3,649,242,684
Bureau Expenses	421,040,071	343,589,099	133,989,872	137,561,977	823,949,979	\$ 1,860,130,998
Fund-level Expenses	38,593,487	185,680,194	12,679,712	66,487,860	829,163,054	\$ 1,132,604,307
Contingency	8,110,187	42,775,807	26,600,901	42,800,616	380,659,853	\$ 500,947,364
Ending Fund Balance	-	200,000	-	-	155,360,015	\$ 155,560,015
Total Requirements	467,743,745	572,245,100	173,270,485	246,850,453	2,189,132,901	\$ 3,649,242,684
<b>FY 2011-12 Adopted Budget</b>						
Beginning Balance	\$ 39,382,981	\$ 42,200,000	\$ 21,201,037	\$ 45,268,099	\$ 586,474,307	\$ 734,526,424
External Revenues	383,703,702	256,903,556	103,077,220	128,949,153	1,174,707,095	\$ 2,047,340,726
Internal Revenues	76,738,765	130,641,578	56,904,341	139,957,696	378,238,592	\$ 782,480,972
Total Resources	499,825,448	429,745,134	181,182,598	314,174,948	2,139,419,994	\$ 3,564,348,122
Bureau Expenses	443,197,952	214,316,050	157,844,927	198,844,861	722,106,527	\$ 1,736,310,317
Fund-level Expenses	40,832,961	185,578,637	13,215,309	62,973,937	699,998,366	\$ 1,002,599,210
Contingency	15,794,535	29,650,447	10,122,362	52,356,150	500,391,685	\$ 608,315,179
Ending Fund Balance	-	200,000	-	-	216,923,416	\$ 217,123,416
Total Requirements	499,825,448	429,745,134	181,182,598	314,174,948	2,139,419,994	\$ 3,564,348,122

# Financial Overview

## Overviews

### Bureau of Environmental Services

BES operating programs continue to emphasize water quality through efforts at pollution prevention, analytical services,

drainage system maintenance, and watershed improvement programs. Capital costs continue to be the prime driver behind forecast rate increases. The largest category of capital improvement costs is the combined sewer overflow (CSO) program, followed by maintenance and reliability projects, and sewage treatment systems projects.

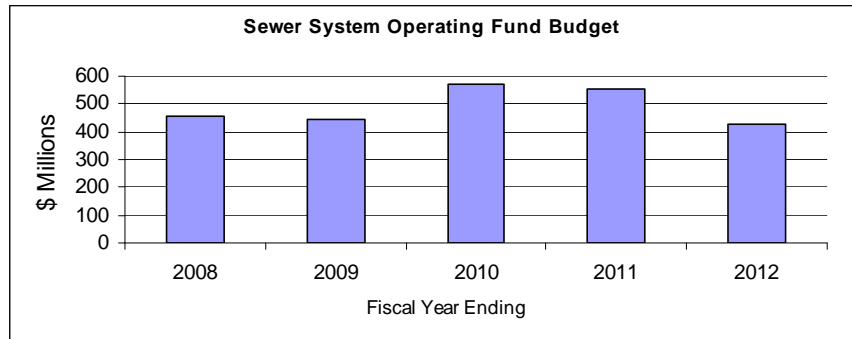
BES's estimated annual revenue requirement increases \$87.9 million over the forecast period from FY 2012-16. The five-year financial plan forecast is an increase of 6.0% in the FY 2011-12 average single-family monthly sewer and stormwater bill from \$53.33 to \$56.53.

**Operating Plan:** Five-year operating budget reductions are projected for the Portland Harbor Superfund program, electrical savings at the Swan Island pump station and from a new co-generation plant at the Columbia Boulevard Treatment Plant, and from the Clean River Rewards program. Five-year increases to the operating budget include additional resources for sewer pipe inspection and repair of sewer laterals, increased CSO flows, improvements for asset management, and resources to reduce the City's stormwater footprint and enhance watershed health.

**Capital Plan:** CIP expenditures are projected to total \$539.8 million over the forecast interval (including inflation). The pattern of expenditures is influenced primarily by the timing of the Eastside CSO project. These expenditures are funded by sewer system revenue bonds, but also include substantial cash contributions (\$91.1 million over the five-year forecast interval) made possible by coverage requirements on sewer system revenue bonds.

**Annual Operating and CIP Budgets:** The BES operating budget for FY 2011-12 is \$292.5 million including expenditures of \$109.0 million for operating programs, \$7.0 million for General Fund overhead, \$12.8 million for utility license fees, \$148.3 million for debt payments on bonds that have funded the capital program and \$15.4 million for cash transfers to other funds for future capital funding.

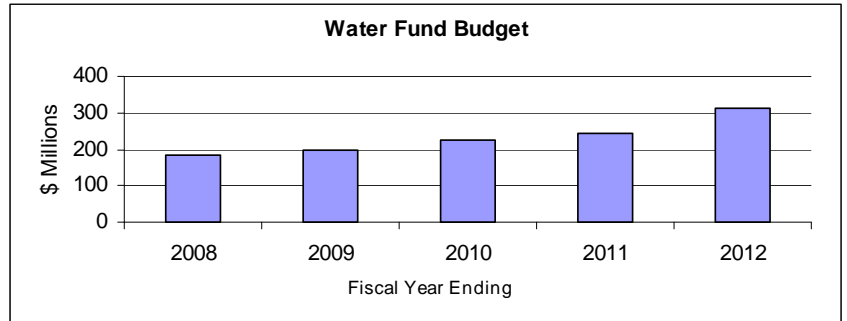
The capital budget for FY 2011-12 is \$112.1 million including expenditures of \$26.5 million for the CSO program, \$29.7 million for system maintenance and reliability, \$27.9 million for treatment systems, \$3.6 million for systems development, and \$24.5 million for surface water management projects.





**Water Bureau**

The preliminary 5-year financial plan for the Water Bureau projected an average effective retail rate increase of 13.9% for FY 2011-12. City



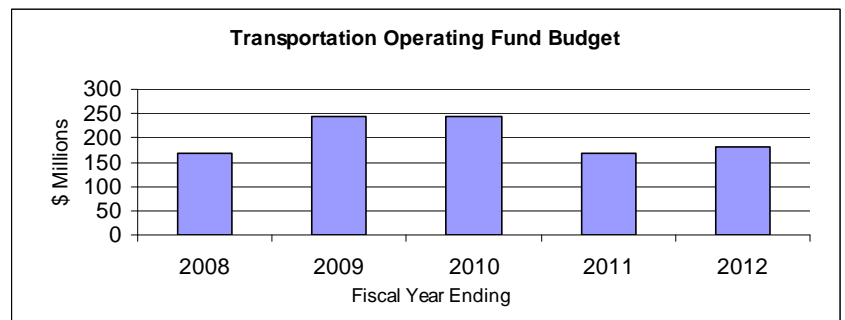
Council approved a retail rate increase of 12.9% for FY 2011-12. The primary factors contributing to the FY 2011-12 retail rate increase include funding related to the Long Term 2 Enhanced Surface Water Treatment Rule (LT2) compliance mandate, deferred rate increases, and lower retail water demand. Future-year rate increases are estimated at about 13% per year for the next four years. The average single-family residential water bill will experience a total bill increase of 12.9% for FY 2011-12.

**Operating Budget:** The operating budget of \$76.5 million for FY 2011-12 is an increase of \$0.7 million from the FY 2010-11 Adopted Budget of \$75.8 million.

**Capital Budget:** The FY 2011-12 CIP budget of \$122.3 million reflects an increase of \$61.7 million from the FY 2010-11 Revised CIP Budget. The increase in the FY 2011-12 CIP budget is due primarily projects required for compliance with Federal Safe Drinking Water regulations. The Water Bureau will continue design work on a water treatment system and water storage facilities to comply with the LT2 rule.

**Office of Transportation**

The 2009 Oregon State Legislature passed HB 2001, the "Jobs and Transportation Act". This legislation continues to provide



additional resources allowing The Portland Bureau of Transportation (PBOT) an opportunity to address some of its deferred capital maintenance and provide for capital projects that will improve transportation safety and provide multi-modal improvements.

In FY 2011-12, the bureau will receive \$9.7 million in General Fund one time resources for: streetlight operations and maintenance, various traffic safety capital improvements, and other transportation operations.

**Total Budget:** The FY 2011-12 Adopted Budget is \$258.8 million, reflecting 20% decrease from the FY 2010-11 Revised Budget. This reflects the decreased personal services and external materials and services support tied to completed capital projects.

*Capital Budget:* The capital budget is approximately \$102.7 million for FY 2011-12; a \$33 million increase from the FY 2010-11 Adopted Budget. This is primarily due to decreases the Centers and Main Streets and the Freight and Industrial Area program areas where several projects were completed.

**City Debt Management**

**Figure 20: Debt Ratings**

The City of Portland issues a variety of debt instruments to raise capital for construction projects and acquisition of equipment and facilities, and to refinance existing debt. Most of the City's debt is rated by one or more national rating agencies, including Moody's Investors Service and Standard & Poor's Corporation. Bond ratings are based on an independent analysis by financial market professionals and indicate the credit-worthiness of City's

<b>Definition</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
<i>Prime, Maximum Safety</i> Highest rating assigned Very strong	Aaa	AAA	AAA
<i>High Grade, High Quality</i> Very strong security. Only slightly below best rating.	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-
<i>Upper Medium Grade</i> Average security but more subject to adverse financial and economic developments	A1 A2 A3	A+ A A-	A+ A A-
<i>Lower Medium Grade</i> Adequate capacity to secure debt. Adverse developments may affect ability to meet debt service requirements.	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-
<i>Non-Investment Grade - Speculative</i>	Ba1 Ba2 Ba3	BB+ BB BB-	BB+ BB BB-
<i>Highly Speculative</i>	B1 B2 B3	B+ B B-	B+ B B-
<i>Substantial Risk - In Poor Standing</i>	Caa1 Caa2 Caa3	CCC+ CCC CCC-	CCC+ CCC CCC-
<i>Extremely Speculative</i> May be in default	Ca C	-- --	-- --
<i>Default</i>	-- -- --	-- -- D	DDD DDD D

debt obligations. "Aaa" is the highest possible rating, and is based on analysis of four basic factors: economic condition, debt load, financial condition, and overall management of the City.

Since 1973, the City's unlimited tax general obligation debt has been rated "Aaa" by Moody's. The rating by Moody's of the City's First Lien Water System Revenue Bonds has also been Aaa since May 2010. The City's limited tax revenue bonds are rated Aa1 by Moody's. The underlying ratings for most other types of City revenue bonds are between "Aa3" and "Aa1" by Moody's and "AA" by Standard & Poor's. Many of the City's revenue bonds are insured and had carried the triple-A rating of the bond insurer. However, with turmoil in the bond insurance industry, including widespread downgrades by the rating agencies, the effective rating for a significant portion of the City's insured bonds is the underlying rating, which currently is higher than the insured rating.

The following is a brief summary of the City's existing debt and debt instruments, projected as of June 30, 2011.

**General Obligation (GO) Debt**

General Obligation (GO) debt is backed by the full faith and credit and unlimited taxing power of the City. Under current Oregon law, all general obligation debt (except for refunding bonds) must be approved by the voters. The City has \$78.5 million of voter-approved GO debt outstanding for park system improvement, emergency facilities and public safety infrastructure.

**Revenue Bonds**

Revenue bonds are secured by, and payable from, specifically pledged revenue sources such as water or sewer user fees. The City's outstanding revenue bonds include:

- ◆ \$1.63 billion of sewer system revenue bonds
- ◆ \$426.3 million of urban renewal bonds
- ◆ \$394.8 million of water revenue bonds
- ◆ \$13.1 million of hydroelectric power revenue bonds
- ◆ \$8.5 million of gas tax revenue bonds
- ◆ \$1.5 million of golf revenue bonds

**General Fund-Backed Debt**

General Fund-backed debt is either paid from, or secured by, the General Fund and includes:

- ◆ \$271.4 million of limited tax pension obligation bonds, of which approximately \$100.8 million is attributed to General Fund bureaus and approximately \$170.6 to non-General Fund bureaus
- ◆ \$116.1 million of limited tax revenue bonds for projects related to an intergovernmental agreement known as the Visitor Development Initiative, which includes outstanding bonds for the Convention Center Expansion project (\$90.1 million), Civic Stadium Improvement project (\$24.7 million), and Portland Center for Performing Arts improvements (\$1.3 million). While ultimately secured by the General Fund, these bonds are expected to be repaid with revenues generated from surcharges on the transient lodging tax and the motor vehicle rental tax levied by Multnomah County and, for the Civic Stadium bonds, from revenues generated from Spectator Facilities operations.
- ◆ \$71.6 million of limited tax revenue bonds for building improvements and equipment acquisition
- ◆ \$17.0 million of arena limited tax revenue bonds. Proceeds of these bonds were used to refund bonds originally issued for public improvements relating to the Oregon Arena Project. These arena limited tax revenue refunding bonds are ultimately secured by the City's General Fund. However, the City expects to pay the debt service on these bonds from revenues received from the Oregon Arena Project.
- ◆ \$19.0 million of limited tax revenue bonds issued to refund bonds originally issued to pay for the Portland Streetcar project. These bonds are expected to be repaid from parking revenues, but are additionally secured by the General Fund.
- ◆ \$10.9 million of limited tax revenue bonds for improvements to the Portland Transit Mall. These bonds are expected to be repaid with revenues from the City's parking meters.

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- ◆ \$18.8 million of limited tax housing revenue bonds
- ◆ \$57.4 million of limited tax improvement bonds
- ◆ \$2.2 million of bonds issued for improvements in the South Waterfront area of the City
- ◆ \$103.9 million of principal on urban renewal lines of credit. It is expected these interim financing obligations will be retired with the proceeds of long-term urban renewal and redevelopment bonds.
- ◆ \$15.7 million of principal on lines of credit used to provide short-term and interim financing for local improvement district projects and the City's share of improvements to PGE Park for Major League Soccer.

## Debt Limitation

Under Oregon law (ORS 287.004), the City's general obligation debt limit is equal to 3% of the City's real market valuation (\$86.4 billion), or about \$2.6 billion. Certain self-supporting bonds are exempted from this limitation. The City's debt policies are more restrictive, specifying that general obligation debt can be no more than 0.75% of real market value, or approximately \$647.8 million for FY 2010-11. Currently the City has \$78.5 million of outstanding general obligation debt that is subject to these debt limitations.

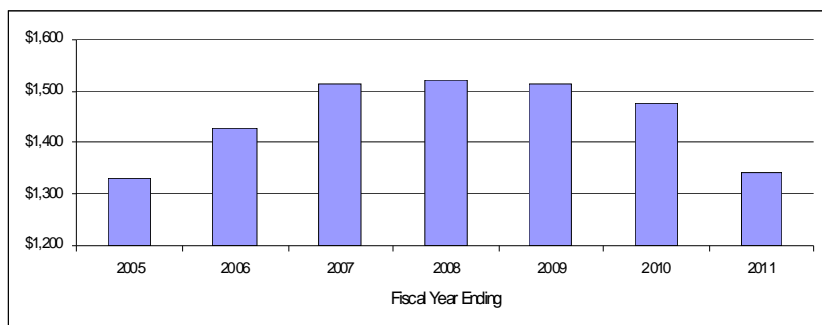
**Figure 21: Debt Limitation Criteria**

FY 2010-11 Real Market Value	\$86,374,680,444
3% of Real Market Value	\$2,591,240,413
City outstanding debt subject to limit	\$78,530,000
Percent of limitation outstanding	3.03%
Debt margin	\$2,512,710,413

The figure below displays gross bonded debt per capita. Included in these figures are the City's outstanding general obligation bonds, limited tax improvement bonds, limited tax revenue bonds, and General Fund-backed lines of credit.

**Figure 22: Gross Bonded Debt per Capita**

The City periodically assesses opportunities to refund bonds for economic savings. Additionally, there are times when existing bond covenants or other financial structures impinge on prudent and sound financial management. In such cases, the City may choose to refund debt for restructuring purposes.



The City's debt management policies prescribe the circumstances under which the City may refinance outstanding debt. In order to issue advance refunding bonds (i.e., bonds in which the call or maturity date of the refunded bonds is more than 90 days from the date of issuance of the refunding bonds), net present value savings must equal at least 5% of the proceeds of the refunding bonds. Exceptions to this policy can be made with the approval of the Debt Manager and the Director of the Bureau of Financial Services. Notwithstanding City policy, Oregon law requires that advance refunding bonds issued for the purpose of obtaining debt service savings, must attain present value savings of at least 3% of the proceeds of the bonds. The City may issue current refunding bonds (bonds in which the call or maturity date of the refunded bonds is 90 days or less from the date of issuance of the refunding bonds) when net present value savings equal or exceed \$100,000. Savings requirements for current or advance refundings undertaken to restructure debt may be waived by the Debt Manager and the Chief Administrative Officer if such a restructuring is in the City's overall best financial interests.

In FY 2010-11 the City issued two series of refunding bonds to provide economic savings. The City issued the South Park Blocks Urban Renewal and Redevelopment Refunding Bonds, 2011 Series A to refund the South Park Blocks Urban Renewal and Redevelopment Bonds, 2000 Series B and the Oregon Convention Center Urban Renewal and Redevelopment Refunding Bonds, 2011 Series A to refund the Oregon Convention Center Urban Renewal and Redevelopment Bonds, 2000 Series B.

In addition to the refunding bonds, the City issued about \$82.8 million of First Lien Water System Revenue Bonds to pay for improvements to the Water System; \$407.9 million of Second Lien Sewer System Revenue Bonds to finance sewer system improvements and takeout a \$160 million line of credit; 29.7 million of Central Eastside Urban Renewal and Redevelopment Bonds to takeout the outstanding balance of an interim line of credit; \$64.9 million of North Macadam Urban Renewal and Redevelopment Bonds to takeout the outstanding balance on the interim line of credit; \$25.8 million of General Obligation Public Safety Bonds to finance the first phase of public safety infrastructure improvements authorized by Ballot Measure 26-117 in the November 2010 election.

In FY 2010-11, the City borrowed approximately \$43.9 million on various lines of credit and state loans to fund capital projects including clean water, local improvement and urban renewal.

**Anticipated Debt Issuance in FY 2011-12**

The City anticipates issuing the following debt obligations during FY 2011-12 (amounts are approximate):

- ◆ \$210 million in Sewer System Revenue Bonds to finance improvements to the sewer system
- ◆ \$161 million in Water System Revenue Bonds to finance improvements to the water system
- ◆ \$32 million in urban renewal refunding bonds for the Downtown Waterfront urban renewal area
- ◆ \$45 million in urban renewal bonds for the Interstate Corridor urban renewal area
- ◆ \$32 million in urban renewal bonds for the Oregon Convention Center urban renewal area

## Financial Overview

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- ◆ \$35 million in urban renewal bonds for the River District urban renewal area
- ◆ \$78 million in limited tax revenue refunding bonds to refund bonds originally issued to expand the Oregon Convention Center

The City will likely incur additional indebtedness during FY 2011-12 for other capital needs. The amounts and specific types of debt instruments to be issued will be determined throughout the fiscal year.

## Tax Expenditures

The City of Portland offers a number of limited property tax abatement programs that serve as financial and policy tools designed to carry out housing goals, especially those that call for assisting low- and moderate- income households through the preservation or construction of housing or through programs which increase homeownership. The programs also advance important urban development, transportation, and growth management goals which are carried out by providing incentives for new housing development in certain locations.

The Portland Housing Bureau reports annually on current abatements and the estimated tax impacts. This report can be found on their website. The most recent report, issued in December 2010, covers tax year 2010-11. In that year 13,791 units received exemptions. The forgone revenue associated with these exemptions is \$4.9 million for the City and \$10.2 million for all other taxing jurisdictions.

## The City's Financial Structure

### Portland's Fund Structure

Revenues to the City are designated and set aside in funds. The fund structure used by the City is detailed below. Fund summaries, which provide revenue and expenditure detail, are included within the appropriate service area section of Volume Two of the City budget document. For example, all Water Bureau-related funds are found within the Public Utilities Service Area section. General Fund summaries are found in the Financial Summaries section of Volume One and the City Funds section of Volume Two.

### Types of Funds

The City's funds are divided into three classifications: governmental funds, proprietary funds, and fiduciary funds. Governmental funds are used to account for governmental activities. Proprietary funds include enterprise, or business-type activities, and internal service funds. Fiduciary funds are used for resources held for the benefit of parties outside City government where the City acts as an agent or trustee without commingling resources with general city programs.

### Major Governmental Funds

**General Fund:** The General Fund includes all activities of the City that are supported by property taxes and other non-dedicated revenues. These include license and permit fees and state shared cigarette and liquor tax revenues. Bureaus supported by the General Fund include Portland Fire & Rescue, Portland Police Bureau, and Portland Parks & Recreation, among others.

**Transportation Operating Fund:** This operating fund supports the Portland Bureau of Transportation and receives transportation-related revenues such as gas tax revenues as well as a transfer from the General Fund.

## Non-Major Governmental Funds

*Special Revenue Funds:* Special revenue funds receive money from specific sources and are restricted to expenditure for specified purposes. Reserve funds hold resources for future use in countering recessionary trends and mitigating mid-year economic downturns or other financial emergencies.

*Debt Service Funds:* Debt service funds account for the accumulation of resources for, and the payment of debt service on, general obligation, revenue, assessment, improvement, and urban renewal tax increment bonds. These funds are necessary to manage the City's diverse debt portfolio in a manner that ensures compliance with security covenants as well as state and federal regulations.

*Capital Projects Funds:* These funds account for major capital acquisition or construction projects such as those funded by general obligation bonds and those in local improvement districts and parks. Revenues are received when the City issues bonds and notes for capital projects. Revenues are also received from other sources of income to the City.

*Permanent Funds:* The City occasionally creates accounts for gifts or bequests that are legally restricted to the extent that only earnings, and not principal, may be used as designated by the donor. Currently, the City has only one fund of this type, the Parks Endowment Fund.

## Proprietary Funds

*Enterprise Funds:* Enterprise funds, such as the Water Fund and the Sewer System Operating Fund, support business-type activities that charge a fee to external users for goods and services.

*Internal Service Funds:* Internal service funds account for the sale of central services such as vehicle and printing services to other City and/or governmental agencies. These funds operate primarily on revenues received from the agencies using their services.

## Fiduciary Funds

The City has three funds for the retirement or disability costs of police and fire personnel. Revenues for the primary fund, the Fire & Police Disability & Retirement (FPDR) Fund, are received from a property tax levy authorized by Portland voters in 1948. Other City employees are covered by the Public Employees Retirement System (PERS), which is administered by the State of Oregon.

## Portland Development Commission

The Portland Development Commission (PDC) is the City of Portland's urban renewal and economic development agency. PDC is a semi-autonomous organization that interacts with various City programs. Revenue for PDC is provided through a combination of tax increment revenues, federal grants, program income, contracts, private funding, and transfers from the General Fund. PDC's budget is published as separate budget document.

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**How Funds Interact** City funds interact in a variety of ways. One fund may reimburse another fund for goods or services. Cash transfers may also result from the exchange of resources between funds to cover operating and capital expenses; for example, a transfer from the General Fund to the Transportation Operating Fund to support the operations and maintenance of street lights. Transfers between funds result in the budgeting of dollars in both funds.

**Budgetary Controls** City Council maintains oversight of the City's financial condition through three formal reviews of the annual budget, various informal reviews, and work sessions. Formal comparisons between historical and actual expenditures and revenues are completed three times per year under the direction of the Financial Planning Division, and reported to Council.

Adjustments to bureau budgets generally occur during one of these trimester reporting processes, through grant acceptance ordinances, or through an over-expenditure ordinance in late June. The trimester reports allow the Council to closely review the Citywide impact of budget adjustments and ensures that Council's directives are followed.

The City has a system for monitoring the financial condition of its General Fund. A Quarterly Financial Tracking Report is issued four times per year. The report provides Council, bureau managers, and the public with information on the status of General Fund revenues and expenditures in comparison to the budget, while also summarizing the current economic conditions.

## **Basis of Accounting and Accounting Structure**

Governmental accounting, governed by state statutes and Generally Accepted Accounting Principles (GAAP), differs substantially from private sector accounting. Private sector financial reports measure economic profits, whereas governmental accounting focuses on disclosing how public money is spent.

### **Types of Accounting**

*City funds employ either the accrual basis or modified accrual basis of accounting.*

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Governmental funds include the General Fund as well as major and non-major Special Revenue, Debt Service, Capital Projects, and Permanent funds.

Revenues are recognized as soon as they become both measurable and available. Federal and state grants revenues are recorded to the extent that revenues are earned as eligible expenditures are incurred. Expenditures are recorded when a liability is incurred with these exceptions: claims and judgments, interfund transactions for services which are recorded on the accrual basis, interest expenditures on general long-term debt that are recorded when due, earned but unpaid vacations that are recorded as expenditures to the extent they are expected to be liquidated with expendable, available financial resources.



**Basis of Budgeting**

The City budgets on a modified accrual basis. Any unexpended appropriation balances lapse at the end of the fiscal year.

**Financial Reporting**

The Comprehensive Annual Financial Report (CAFR) of the City presents a picture of the City's finances both on a Citywide and individual fund basis. The CAFR is prepared in accordance with GAAP. It reconciles differences between the budgetary basis, presented in the annual Adopted Budget, and the other presentations used in preparing the CAFR.

*The City has earned GFOA's Certificate of Achievement for the past 27 years.*

The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past 27 years. GFOA is a national organization, composed of professionals in the field of public financial management. The group has established stringent criteria for the awards program to ensure quality and full-disclosure accounting and reporting systems within the public sector.

**Independent Audit Requirements**

*The fiscal affairs of the City are audited by an independent auditor each year.*

The annual financial report of the City is prepared as required by state law and as recommended by the American Institute of Certified Public Accountants (AICPA). The AICPA requires that an annual audit of the fiscal affairs of the City be performed by an independent auditor in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, and with the minimum standards for audits of Oregon municipal corporations. Under the City Charter, the FPDR Funds and the PDC are required to have separate financial audits.

The City also has an independently elected auditor responsible by City Charter for conducting internal financial and performance audits of specific City services.

**Summaries of Financial Policies**

The City has formal financial policies, adopted by City Council, as a component of sound government financial management. These policies provide direction to City leaders in making budgetary and financial management decisions. The complete set of policies and their associated linked procedures are on the City's website under Portland Policy Documents, Finance Section. The policies were updated and adopted by City Council in May 2008, with an effective date of July 1, 2008. A summary of these policies, numbered as part of the Portland Policy Documents, follows.

**Comprehensive Financial Management Policies Overview**

The City of Portland is accountable to the community for the use of public dollars. Municipal resources will be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. Financial management policies serve as the blueprint to achieve the fiscal stability required to meet the City's goals and objectives.

# Financial Overview

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The objectives for comprehensive financial management policies are to:

- ◆ Guide City Council and City management policy decisions that have significant fiscal impact
- ◆ Support planning for long-term needs
- ◆ Maintain and protect City assets and infrastructure
- ◆ Set forth operating principles that minimize the financial risk in providing City services
- ◆ Optimize the efficiency and effectiveness of services to reduce costs and improve service quality
- ◆ Employ balanced and fair revenue policies that provide adequate funding for desired programs
- ◆ Maintain financial stability and sufficient financial capacity for present and future needs
- ◆ Promote sound financial management by providing accurate and timely information on the City's financial condition
- ◆ Maintain and enhance the City's credit ratings and prevent default on any municipal financial obligations
- ◆ Ensure the legal use of financial resources through an effective system of internal controls
- ◆ Promote cooperation and coordination within the City, with other governments and with the private sector in the financing and delivery of services
- ◆ Ensure the legal use of financial resources through an effective system of internal controls
- ◆ Promote cooperation and coordination within the City, with other governments and with the private sector in the financing and delivery of services

## Financial Planning

The City of Portland will prepare long-range financial plans to guide City Council in adopting the City budget and to assist Council in ensuring the delivery of needed services through all types of economic cycles. The plans help Council and the community evaluate the financial impact of all programs within the context of regional and local economic conditions. The plans will also assist in coordinating funding needs among enterprise, special revenue, and General Fund functions and needs.

Financial planning and budgeting will be based on the following principles:

- ◆ Revenue estimates will be prepared on a conservative basis to minimize the possibility that economic fluctuations could jeopardize ongoing service delivery during the fiscal year.
- ◆ Expenditure estimates will anticipate needs that are reasonably predictable.
- ◆ Forecasts will rely on a common set of basic economic assumptions that will be established, updated, and distributed by the Financial Planning Division of OMF Bureau of Financial Services.

The Financial Planning Division will prepare an annual City financial assessment report. This report will include a comprehensive overview of the City's financial condition. Five-year financial plans will be prepared annually for the General Fund, General Fund bureaus, major enterprise funds, special revenue funds, and internal service funds. General Fund bureaus will forecast and monitor their own revenues and expenditures. Enterprise and special revenue fund forecasts will identify any impact on rates.

Each bureau that has major capital assets will develop and maintain five-year capital improvement plans. The City will annually prepare a Citywide five-year Capital Improvement Plan that includes prioritized bureau needs for capital replacement, additions, and major maintenance.

The City will preserve its current physical assets and plan in an orderly manner for future capital investments, including the operating and maintenance costs associated with new or additional capital improvements or major equipment. The City will annually prepare a Citywide Capital Asset Management Report for Council consideration, and the report will be delivered to Council prior to the annual budget discussions. At least 25% of General Fund discretionary revenue that exceeds budgeted beginning balance (adjusted) will be allocated to infrastructure maintenance or replacement in the fall budget monitoring process.

## Budget Policies

The City will develop and implement a budget process that will:

- ◆ Make prudent use of public resources
- ◆ Include financial forecast information to ensure that the City is planning adequately for current and future needs
- ◆ Involve community members, elected officials, employees, and other key stakeholders
- ◆ Provide performance measurement data to assist in assessing program effectiveness
- ◆ Comply with City Charter, City Code, and State of Oregon Local Budget Law

The Mayor will develop and present a proposed City budget to the Council for consideration and adoption. The OMF Bureau of Financial Services Financial Planning Division will issue guidelines and rules for the preparation and review of bureau budget requests to the Mayor including a proposed annual budget process and calendar. The Financial Planning Division will maintain a system for financial monitoring and control of the City's budget during the fiscal year and will also review ordinances and significant administrative decisions submitted for Council actions throughout the fiscal year.

For the fall budget monitoring process, General Fund discretionary revenue that exceeds budgeted beginning balance (adjusted) will be added to General Fund contingency, except for those funds allocated to infrastructure maintenance or replacement and the Portland Bureau of Transportation. Funds that had been reserved to pay for General Fund encumbrances but are not needed for this purpose will also be added to General Fund contingency. These funds will be included as a resource in the annual budget process for the upcoming fiscal year.

# Financial Overview

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The budget will comply with the following operating principles:

- ◆ In each fund, resources shall be equal to or exceed requirements resulting in a balanced budget.
- ◆ One-time funds are General Fund resources designed to be used for projects and purchases that can be accomplished within the fiscal year, although Council has increasingly relied on them to fund ongoing needs in recent years.
- ◆ Unless otherwise stated explicitly by the Council, the City will not dedicate discretionary revenues for specific purposes in the General Fund. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.
- ◆ The City will budget only the amount of revenue that is needed to fund projected expenditures within the fiscal year.
- ◆ The City will optimize the efficiency and effectiveness of its services to reduce costs and improve service quality. The City will coordinate its service delivery with other applicable public and private service providers.
- ◆ City operations will be run on a self-supporting basis where doing so will increase efficiency in service delivery or recover the full cost of providing the service by a user fee or charge.
- ◆ The City will budget a contingency account for each operating fund adequate to address reasonable but unforeseen requirements within the fiscal year.

## Financial Reporting

The City shall maintain a system of financial monitoring, control, and reporting for all operations, funds, and agencies to provide effective means of ensuring that overall City goals and objectives will be met and to assure the City's citizens, partners, and investors that the City is well managed and fiscally sound.

The City will maintain its accounting records and report on its financial condition and results of operations in accordance with state and federal law and regulations, Generally Accepted Accounting Principles (GAAP), and standards established by the Governmental Accounting Standard Board (GASB). Budget reporting will be in accordance with Oregon Local Budget Law.

A qualified independent firm of certified public accountants will perform an annual financial and compliance audit of the City's financial statements. The firm's opinions will be presented in the City's Comprehensive Annual Financial Report (CAFR), in the single audit report as required by the Single Audit Act of 1984, and in the independent auditor's Report on Compliance and on Internal Control over Financial Reporting.

## Revenue Policies

The City will maximize and diversify its revenue base to raise sufficient revenue to support essential City services and to maintain services during periods of declining economic activity. City services providing private benefits should be paid for by fees and charges as much as possible to maximize flexibility in the use of City general revenue sources to meet the cost for services of broader public benefit. The City's overall revenue structure will be designed to recapture some of the financial benefits resulting from City economic and community development investments. Revenue collection efforts that produce positive net income for City service delivery will be the highest budget priority.

Charges for services that benefit specific users should recover full costs, including all direct costs, bureau overhead, General Fund overhead, loss of interest, and depreciation on capital plant and equipment.

The City will use and obtain resources as efficiently as possible according to the following principles:

- ◆ Use the resources that it already collects.
- ◆ Collect the resources to which it is already entitled.
- ◆ Seek new resources, consistent with its financial policies and City goals.
- ◆ Strive to keep a total revenue mix that encourages growth and keeps Portland competitive in the metropolitan area.
- ◆ Enforce its authority to collect revenue due the City, including litigation if necessary.

Bureaus shall conservatively estimate revenue and shall retain all excess bureau-generated revenue. Overall bureau revenue shortfall requiring additional discretionary General Fund resources will result in a bureau current appropriation level reduction.

**Reserve Funds**

Reserve funds will be established and maintained to ensure the continued delivery of City services to address emergencies, address a temporary revenue shortfall, or provide stability during economic cycles. Sufficient reserve funds will be managed to provide adequate cash flow, stabilize the City's interest rates, and provide continuity in service delivery.

The City shall maintain adequate cash reserves in each fund to maintain a positive cash position at any time during a fiscal year and at year-end.

The level of the General Reserve Fund shall be 10 percent of the General Fund revenues less any short-term borrowing receipts and intrafund revenue. There are two parts to the General Reserve Fund: one-half is designated as the emergency reserve and one-half as the countercyclical reserve. The Council will begin to restore the reserves used under this policy within 24 months after their first use. The Financial Planning Division of the OMF Bureau of Financial Services will manage and monitor the General Reserve Fund and report on the current and projected level of the reserve funds during each budget process.

**Cost Allocation**

The City will establish and maintain a consistent methodology for allocating the costs of the City's central service functions and activities that benefit or are used by several City organizations. The goal is to provide stable, predictable, and equitable costs and rates to organizations that pay for these services.

The two primary methods used to allocate central services costs to City organizations are the General Fund overhead (GFOH) model and interagency agreements. Business service activities that recover costs through rates and interagency agreements will periodically compare the cost of their fees and rates with other comparable agencies and/or businesses, and report these findings to their customers.

# Financial Overview

## Overviews

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Costs will be allocated for general central support services or activities budgeted in the General Fund. Bureaus and operations that are budgeted in the General Fund do not pay GFOH. The amount to be recovered through the GFOH model shall include all costs of the bureau or activity less all internal and external revenue. The Financial Planning Division of the OMF Bureau of Financial Services will provide each paying agency with its projected GFOH costs in a timely manner so the costs can be included in each agency's budget request.

The Financial Planning Division will annually review the updated GFOH model to ensure that it meets the goal of providing a stable, predictable, and equitable allocation of GFOH costs. Every five years, Financial Planning will conduct a comprehensive review of the GFOH model to identify any needed changes. The results of this review and any recommendations will be provided to the Council.

Costs for services or activities provided to customers that can be defined on a per unit basis based on actual consumption will be allocated through rates. Designated business service activities will recover their costs by charging rates. Those bureaus recovering costs through the use of rates shall do so through the use of interagency agreements between the providing bureau and the receiving bureau. The amount to be recovered by those bureaus through rates shall include all direct and indirect costs of the bureau less any external revenue.

The system of interagency agreements involves budgeting, billing, and service description components. The Chief Administrative Officer issues procedures for interagency agreements that describe the types of agreements, the required elements, budgeting, rate setting, billing, and dispute resolution.

### Cash Management

The City will manage its cash assets to ensure accurate records, reduce the chance of loss or theft, and allow the City to maximize interest income. The Treasury Division will ensure the accurate and timely accounting, investment, and security of all cash assets, and will develop, maintain, and constantly seek to improve cash management systems. All cash received by City bureaus will be deposited to Treasury accounts in accordance with Accounting Administrative Rules. Only the City Treasurer is authorized to establish bank accounts for the City.

### Electronic Payment Processing

The City will ensure that its banking services, systems, and procedures, including electronic payment processing, are easy for the public to use, provide a cost-effective service, and maintain security for transactions.

The Treasury Division will establish and maintain all City banking-related services, including those related to payment card or automated clearinghouse (ACH) processing. Payment cards refer to credit and debit cards. Electronic payment processing refers to the use of credit, debit, or ACH methods of payment.

Bureaus will use the City's e-Commerce platform (also known as the City's payment processing gateway, or PPG) for all electronic payment card services.

Bureaus that provide electronic payment processing options will be responsible for all direct and indirect costs associated with providing the service.

**Treasury Holding Accounts** The Treasury Division will maintain Treasury Holding Accounts (formerly called Trustee Accounts) for use by, and as a service to, City bureaus. Treasury Holding Accounts (THAs) may be established by a bureau only for the exclusive purpose of holding non-City funds that cannot otherwise be recognized as bureau revenue within the City's financial system. THAs will be non-interest bearing accounts unless otherwise required by law.

**Debt Management** The primary objectives of the City's Debt Management policy are to maintain the City's Aaa bond rating issued by Moody's, to ensure prudent debt decisions, and to reduce the overall cost of debt management. The policy also places limits on the City's debt, centralizes the management function, and requires completion of various reports critical to maintaining the City's financial health. These guidelines are used both in constructing the debt portions of the budget and in gauging debt-related decisions.

The City Debt Manager will be responsible for the implementation of this policy.

The Debt Management policy provides additional detail on comprehensive capital planning and financing, limitations on City indebtedness, structure and term of City indebtedness, short-term debt and interim financing, improvement district assessment contract financing, urban renewal financing, conduit financings, financing proposals, selection of finance consultants and service providers, method of sale, refunding of City indebtedness, use of credit enhancement, credit ratings, rebate reporting, covenant compliance, ongoing disclosure, and derivative products.

**Interest Rate Exchange Agreement** The primary objective of the Interest Rate Exchange Agreement policy is to ensure that the City Council, City management and other decision makers adhere to sound financial and risk management practices when evaluating and entering into interest rate exchange agreements.

The City will use interest rate exchange agreements (swaps) and related financial instruments as appropriate interest rate management tools for the purpose of increasing the City's financial flexibility and providing opportunities for interest rate savings. Swaps are designed to reduce the amount or duration of interest rate risk or produce a lower cost of borrowing when used in combination with the issuance of bonds. Swaps are appropriate to use when they achieve specific financial objectives consistent with this policy and the Debt Management policy.

The City Debt Manager, in consultation with the City Treasurer and City Controller and subject to the approval of the Chief Financial Officer, will be responsible for determining if and when it is in the City's best financial interests to enter into a swap or related financial instruments covered in this policy.

The Interest Rate Exchange Agreement policy provides additional detail on the authority for entering into swap agreements, permitted financial instruments, risk analysis, procurement and execution, credit rating designations, terms of swap agreements, and monitoring and reporting requirements.

**Investment Policies** The primary objective of the Investment policy is to establish a conservative set of investment criteria that will prudently protect the City's principal sums, enable the City to generate a fair rate of return from its investment activities, and provide ample liquidity to meet the City's daily cash requirements.

## Financial Overview

### Overviews

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The City Treasurer will be responsible for the implementation of this policy. Consistent with the Oregon Revised Statutes governing the investment of public funds, the City Council will adopt a City investment policy annually.

The Investment policy provides additional detail on authorized investments, authorized investment institutions and dealers, risk analysis, diversification, distribution of portfolio maturities, internal controls, and reporting.

## Summaries of Planning Policies

The Council has adopted numerous policies governing the provision of specific services by the City. These policies provide further guidance to bureaus as they develop the annual budget.

**Comprehensive Plan** The 1980 Comprehensive Plan for the City includes goals, policies, objectives, and a plan map, to guide future development and redevelopment of the city. The goals and policies of the Comprehensive Plan provide the context and guidance for future City programs, major capital projects, and other funding decisions. The Comprehensive Plan establishes policies for how and where development occurs in the city. It includes policies that address such issues as public involvement, land use, environmental protection, transportation, and affordable housing. The Bureau of Planning and Sustainability is continuing those efforts in FY 2011-12.

**Community Policing** Resolution 34670, approved by Council in 1990, adopted the original five-year plan for the Police Bureau transition to a community policing philosophy. The plan included community policing goals and objectives and called for 200 additional positions to implement community policing.

In 1994, Council further committed to the community policing philosophy with the passage of Resolution 35264, which adopted the Community Policing Strategic Plan. The plan is updated every five years and defines the bureau's community policing mission, goals and objectives, strategies, and performance measures. The current Community Policing Strategic Plan covers 2007-2012.

**Regional Transportation** Resolution #34690, approved by Council in 1990, formalized the Council's commitment to development of a regional light rail plan. This action resulted from the successful installation and operation of a light rail line connecting downtown with the city of Gresham, east of Portland. The Westside rail line extending to Hillsboro opened in August 1998.

In 2001 the Airport MAX rail service began running between downtown Portland and the Portland International Airport, and in May 2004, the north-south Interstate light rail line opened, extending from the Rose Quarter in inner Northeast Portland to the Expo Center in North Portland.

In 2001 the City began operation of a new streetcar system that runs north and south through the central city. The street car has since been extended to SW Lowell; continued work on the Portland - Milwaukie Light rail is included in the FY 2010-15 Five Year Capital Improvement Plan and Adopted Budget.



**Regional Water Supply Plan (RWSP) and Regional Water Providers Consortium (RWPC)**

The RWSP provides a comprehensive, integrated framework of technical information, resource strategies, and actions to meet the water supply needs of the cities, counties, and water districts in the Portland metropolitan area through the year 2050. The Oregon part of the metropolitan region is made up of three counties and 25 cities with a population of approximately 1.3 million. The RWSP was updated in 2004 by the entities which make up the Regional Water Providers Consortium.

The Consortium has a five-year strategic plan which was updated in September 2008. In addition, the Regional Water Supply Plan was also updated. These two plans direct the Consortium to focus on conservation program implementation, emergency planning and preparedness, water issue coordination, and planning decision support tools for water providers through the use of conservation, demand forecasting, and integration models. Part of this effort included negotiation of new wholesale water sales agreements between the City and its major wholesale water customers.

**Environmental Services Policy**

The budget for the Bureau of Environmental Services reflects a number of policies, with many intended to comply with federal and state requirements.

**Endangered Species Act**

*The City complies with federal ESA requirements to protect and restore salmon and steelhead species.*

In 1998 and 1999, NOAA-Fisheries (then called the National Marine Fisheries Service) issued final rules to list the Lower Columbia steelhead and chinook salmon as threatened species under the Endangered Species Act. To respond, the BES budget includes funding to develop and implement comprehensive watershed plans for the Willamette River watershed as well as the Fanno/Tryon Creek, Johnson Creek, and Columbia Slough sub-watersheds. The plans will provide background information and recommendations to improve watershed health that will support the City's fish recovery efforts.

**Combined Sewer Overflow Program**

*The CSO capital program continues with eastside tunnel construction in FY 2011-12*

The budget provides for compliance with three administrative orders issued by the State Environmental Quality Commission relating to overflows from the combined sewer portion of the collection system. Terms of those orders require the City to eliminate discharges that violate applicable water quality standards. Such work must be completed by December 1, 2011 and is expected to cost approximately \$1.4 billion in current dollars.

**Sustainable Development**

In 2000, City Council created the Office of Sustainable Development (OSD) by merging the former Energy Office and Bureau of Refuse Disposal. In January, 2009, City Council merged OSD with the Bureau of Planning, creating the Bureau of Planning and Sustainability (BPS). BPS implements the Portland Energy Policy, adopted by Council in 1990, and the Local Action Plan on Global Warming, adopted by both the City and Multnomah County in 2001. The bureau is also responsible for implementing the Green Building Initiative, which Council adopted in 1999, and supports and staffs the joint City-County Sustainable Development Commission, which was created to carry out the Sustainable City Principles adopted in 1994.

### Solid Waste

Council adopted Ordinance #162497 in 1990 to establish residential garbage collection franchise areas, expand neighborhood-based recycling programs, and assess a garbage collection franchise fee. In 1996, a commercial recycling program was implemented. In FY 2001-02, the City Council approved renewal of the franchise contracts with private haulers for the residential solid waste and recycling collection services. Residential franchise fees are set at 5% of haulers' gross revenue. The FY 2010-11 Adopted Budget includes a \$1.00 per ton increase over the FY 2009-10; the revised residential haulers' rate is \$6.80 per ton.

### Economic Development Strategy

PDC economic and urban development activities are guided by two primary plans: the City of Portland's five-year Economic Development Strategy and the PDC 2010 - 2015 Strategic Plan.

In July 2009, PDC endorsed and Council adopted the City of Portland Economic Development Strategy - A Five Year Plan for Promoting Economic Growth and Job Creation. In doing so, the City Council adopted Portland's first economic development strategy in more than 15 years. The goal of the strategy is to build the most sustainable economy in the world and create 10,000 jobs in five years. Key objectives of the strategy are to:

- ◆ Maximize Portland's competitiveness
- ◆ Drive urban innovation
- ◆ Stimulate neighborhood business vitality

At the center of PDC's recently adopted 2010 - 2015 Strategic Plan are three goals that focus and drive the work of the Urban Development Department:

- ◆ Healthy neighborhoods
- ◆ A vibrant Central City
- ◆ Strong economic growth and competitiveness.

### Housing Policies

The City Council adopted Ordinance 180547 on October 25, 2006, and later amended it on May 12, 2007 to include language in the Affordable Housing Policy of the City of Portland which states that 30% of Tax Increment Financing (TIF) over the life of an Urban Renewal District shall be dedicated to the development, preservation and rehabilitation of housing affordable to households with incomes below 80% median family income.

City Council's Comprehensive Plan includes a Housing Policy, known as Goal 4, which sets forth Portland's policies and objectives for housing supply, safety, quality, opportunity, and affordability. The Council also updated and adopted the Consolidated Plan 2005-10 in 2005. The Consolidated Plan describes the city's housing needs, and contains certain principles and priorities to guide expenditure of federal housing and community development funds to address those needs.

In 2004, the City completed and published Home Again: A 10-Year Plan to End Homelessness. The plan focuses resources on programs and activities designed to end chronic homelessness, reduce the duration of homelessness, and improve coordination among the various public and private agencies that fund and administer programs. Affordable housing for people at 0-30% of median family income, along with necessary services, is a critical component of the 10-year plan, which calls for 1,600 new units of permanent supportive housing for chronically homeless people and an additional 600 new units for homeless families by 2015.

*The City has a five-year goal to create 1,791 new affordable housing units.*

In 2003 the Council adopted Resolution #36190 establishing an affordable housing production goal. The goal is intended to meet the requirements of Metro's Urban Growth Management Functional Plan Title 7. The resolution sets the City's voluntary affordable housing production goal for the five-year reporting period at 1,791 new housing units. These are units affordable to households at or below 30% of area median income.

In 2001, the City Council adopted a No Net Loss Policy establishing the goal of creating, preserving, and rehabilitating the supply of affordable housing in the central city and throughout the Portland metropolitan area.

In FY 2010-11, the newly-formed Portland Housing Bureau developed a new Strategic Plan and brought forward a five-year Consolidated Plan for adoption by Council. These documents, together with the Portland Plan being developed by the Bureau of Planning and Sustainability, set goals for City-funded housing programs going forward.

# Budget Notes

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## Purpose

Budget notes convey Council direction on a particular topic. They typically instruct a City bureau or office to take specific actions during the fiscal year. Sometimes they are also used to formally express Council intent, even if no specific action is directed. Budget notes are part of the budget adoption ordinance and have the same legal authority as any other ordinance.

## City Support Services

### **Office of Management and Finance (PSSRP and BTS)**

The Public Safety Systems Revitalization Project (PSSRP), in consultation with Bureau of Technology Services staff, shall begin crafting sustainment plans for the projects remaining in PSSRP's portfolio, including the human and financial resources necessary for the successful and continuous operation and maintenance of those projects. PSSRP shall report back to Council by January 1, 2012 with initial operations and maintenance estimates for the remaining projects. In addition, PSSRP shall continuously update the plans as the projects become more fully developed and more information about operation and maintenance needs are available.

### **Office of Management and Finance (Enterprise Business Solution)**

The Office of Management and Finance will work with City bureaus to document efficiencies resulting from the effective use of SAP and how those efficiencies improved service delivery. The first priority for any identified savings will be to reinvest those resources to fund future automation projects that will further increase operational efficiency.

### **Office of Management and Finance (General Fund Target Adjustments for FY 2012-13)**

Council directs the Office of Management and Finance to increase General Fund current appropriation level targets for the following bureaus in FY 2012-13:

- ◆ Bureau of Emergency Communications - \$1,052,692 for additional costs to operate and maintain the new Computer Aided Dispatch system.
- ◆ Multiple bureaus - Out-year increases in all approved labor contracts.
- ◆ Portland Police Bureau - \$1,785,000 for ten consecutive years for the repayment of a \$15,000,000 bond to support the construction of a public safety training center. OMF, Portland Police Bureau, and Portland Parks & Recreation are directed to return to Council in the Fall BMP with the refined project timeline, cost estimates, comprehensive financing strategies, and a report on the prospects for private/public partnerships for this project.

**Office of Management and Finance (Capital Budgeting Process)**

Council directs the Office of Management and Finance to establish a taskforce to review the citywide Capital Improvement Project (CIP) budget documents and processes. The taskforce will generate recommendations to improve the public transparency and accountability of the documents and process. The taskforce will include members of the Financial Planning Division, Public Utility Review Board, one representative each from the major infrastructure bureaus' Budget Advisory Committees, the Auditor's Office, one representative from the Public Involvement Advisory Council, and appropriate representatives from the major infrastructure bureaus which include Portland Water Bureau, Bureau of Environmental Services, Portland Bureau of Transportation, Portland Parks and Recreation and the Office of Management and Finance. A report is due back to Council by November 1, 2011, so that changes can be incorporated into the FY 2012-13 budget process.

**Office of Management and Finance (ADA Compliance)**

Council directs Commissioner Fritz to provide the oversight of the compliance activities related to the Americans with Disabilities Act. The budgeted appropriation for these activities will remain within the Office of Management & Finance - Facilities Services.

**Office of Management and Finance (Financial Policies)**

Council directs the Office of Management and Finance to develop a citywide financial policy outlining guidelines for what should and should not be included in the rates of rate-dependent City bureaus, with a particular focus on the Portland Water Bureau and Bureau of Environmental Services rates.

**Office of Management and Finance (Overhead Model)**

Council directs the Office of Management and Finance to update the General Fund Overhead Model. Updates to the model may include adjustments to cost pools, bureau metrics, and allocation methodologies. A report to Council outlining the changes to the model will be delivered to Council during the FY 2011-12 Fall Budget Monitoring Process. Upon receipt of the report, Council may authorize General Fund target adjustments for FY 2012-13 as recommended in the report.

**Community Development****Office of Cable Communications and Franchise Management**

Council directs Financial Planning to add sustainable levels of funding to the FY 2012-13 forecast to replace the one-time funds (i.e. litigation and audit funds) of the Office of Cable Communication and Franchise Management. Financial Planning and the Office of Cable Communication and Franchise Management will provide adequate accountability to separate its materials and services to prevent the comingling of these funds.

### **Office of Management and Finance (Office of Equity)**

The Office of Equity will be established in FY 2011-12 and funded with a combination of \$525,000 in new ongoing General Fund Discretionary resources and \$617,937 of existing resources currently budgeted in the Office of Human Relations. An ordinance establishing the new office, and a work plan, must be approved by Council before the \$525,000 of new resources can be expended on staff, materials and services, and related costs. However, up to \$100,000 of the new funding may be used to assist with the development of the structure and operations of the new office. Beginning in FY 2012-13, the Office of Equity will be considered for funding through the General Fund overhead model, with the General Fund Overhead Committee making a recommendation to Council in the FY 2011-12 Fall Budget Monitoring Process. Any overhead metrics necessary for the new office will be approved by the General Fund Overhead Committee.

## **Public Safety**

### **Portland Fire and Rescue (Staffing Study)**

The Office of Management & Finance working with Portland Fire and Rescue (PF&R) shall hire an independent expert consultant to prepare a report for Council consideration comparing PF&R staffing and deployment levels to like metropolitan fire and rescue departments. Particularly, the report shall address efficient and innovative methods of recognized service delivery.

The report shall also provide data to assist Council in determining whether the new response vehicles being purchased with funds from the 2010 Fire Bond shall be staffed utilizing existing or new personnel. The report shall be prepared and presented to Council within six months of the budget adoption in a Council Work Session.

## **Transportation and Parking**

### **Portland Bureau of Transportation (Utility License Fee Payment)**

The annual Utility License Fee (ULF) payment to the Portland Bureau of Transportation (PBOT) will be held constant at \$2.2 million dollars starting in FY 2011-12 and continuing through the five-year forecast. ULF revenues received by the City over and above the April 2011 forecast will be diverted to PBOT up to the original \$4.3 million cap.

## **Public Utilities**

### **Bureau of Environmental Services (Maintenance Services Interagency)**

The City Auditor's December 2010 audit of the \$19 million interagency agreement, in which the Bureau of Transportation provides sewer maintenance services for the Bureau of Environmental Services, suggests the possibility of a first-year savings to ratepayers of \$1.7 million and \$1 million a year following if those maintenance services are performed in-house at the Bureau of Environmental Services.

City Council directs the Bureau of Environmental Services, the Bureau of Transportation, and the Office of Management and Finance to retain an independent consultant during the 2011 calendar year that will recommend efficiencies to the interagency agreement.

**Office of Management and Finance (PURB Review)**

Council directs the Office of Management and Finance to work with the Portland Water Bureau, Bureau of Environmental Services, and the Bureau of Planning and Sustainability, to develop a process for the members of the Portland Utility Review Board to review mid-year budget monitoring process changes.

**Portland Water Bureau (Monthly Billing)**

Council directs the Portland Water Bureau to adjust its billing system and business processes so that the majority of its water and waste water customers are billed monthly. If the change will result in additional costs that impact future rates, the Water Bureau should report those costs to Council and receive authorization before implementation.

**Portland Water Bureau (LT2)**

Council directs the Portland Water Bureau to comply with the Federal Environmental Protection Agency's Long Term 2 (LT2) enhanced treatment rule regarding open reservoirs and to pursue a variance with the Oregon Health Authority Drinking Water Program for treating Bull Run Watershed for *Cryptosporidium* under the LT2 rule. Council directs the Portland Water Bureau and Portland Parks and Recreation to conduct an open public process to plan desired uses of the reservoirs if it is decided to have them taken off-line.





# Financial Summaries

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## Introduction

The Financial Summaries section contains a variety of tables intended to help the reader view the FY 2011–12 Adopted Budget as a whole, consolidating budget figures across all the City's funds and bureaus.

The tables in this section only include the City's General Fund funding for the Portland Development Commission (PDC). PDC is a semi-autonomous agency that operates under City charter but is budgeted separately and has other funding sources.

## Summary Tables

### Total City Budget

Table 1, *Total City Budget - Revenues and Expenses*, offers the broadest picture of the City budget. The table includes FY 2008-09 Actuals, FY 2009-10 Actuals, the FY 2010-11 Revised Budget reflecting through accounting period 11 (May 31, 2011), and the FY 2011–12 Adopted Budget. Table 1 shows the budget broken out into major revenue and expense classes. There are two types of major expenses classes: bureau expenses and fund expenses. Bureau expenses are the types of operating and capital expenditures that result from the provision of programs or services by the City's bureaus. Categories of bureau expenses are personal services, external materials and services, internal materials and services, and capital outlay. Fund expenses are financial requirements for a fund to meet its obligations such as contingencies, debt service, and interfund transfers.

The Citywide totals in Table 1 and elsewhere show the sum of the various funds and a net budget figure. The net budget subtracts the double count caused by interfund transfers and internal materials and services.

### Appropriation Schedule

Table 2, the *Appropriation Schedule*, is a legally required summary of budgeted expenditures by bureau by fund. Appropriations are divided into bureau program expenses and fund expenses. Fund requirements are divided into contingency, interfund cash transfers, and debt service.

### Bureau Expenses

Table 3, *Summary of Bureau Expenses by Fund*, shows the amount budgeted for each major bureau program expense category. The total column of Table 3 is equal to the first column in Table 2.

### Bureau Revenues

Table 4, *Summary of Bureau Revenues by Fund*, provides a more detailed view of the major revenue types received by each bureau.

### Total Expenses by Fiscal Year

Table 5, *Total Revenues and Expenses by Fund by Fiscal Year*, shows the total budget for all bureaus in the budget year, current year, and two prior years.

# Guide to Financial Summaries

## Financial Summaries

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**Tax Levy Computation** Table 6, *Tax Levy Computation*, outlines City property tax levy calculations. It includes Measure 5 and Measure 47/50 tax base, operating property tax revenues, and pension obligation bond debt service property tax revenues. The table states total requirements for each tax supported fund less nontax revenues, which leaves the amount the fund receives in current year tax revenues. This amount is then factored up for delinquencies and any applicable Measure 5 and 50 losses. The result is a certified property tax levy for each fund.

**Urban Renewal Certification** Table 7, *Urban Renewal Certification*, shows estimated FY 2011–12 tax increment collections for the City's urban renewal districts.

**Authorized Positions** Table 8, *Summary of Authorized Positions*, is a summary of the positions authorized by Council through the budget process. The figures include regular part-time positions, limited term positions, and regular full-time positions.

**General Fund Revenues and Expenses** Table 9, *General Fund Revenues and Expenses*, summarizes the budget for the General Fund, one of the City's largest, most visible, and most flexible funds. It shows the different sources of revenue, the budgets for individual bureaus within the General Fund, and the fund level expenses. The table compares the FY 2010-11 Revised Budget to the FY 2011–12 Adopted Budget.

Table 9 also shows what portion of a bureau's budget is supported with discretionary General Fund resources. Some General Fund revenues, known as nondiscretionary resources, are restricted to certain purposes by contract or policy. For instance, TriMet (the regional transit authority) contracts with the Police Bureau for police services. Those dollars, provided by TriMet, can only be spent by the Police Bureau for activities related to that contract. Similarly, Portland Parks & Recreation generates fee income from its recreation programs that the City Council has decided to dedicate for parks and recreation functions.

The major types of nondiscretionary resources are grants and donations, contract revenues, interagency service agreements between City bureaus, fee revenue, and overhead recovery revenues. Overhead recovery from non-General Funds cover these funds' share of the cost of services provided by central administrative bureaus within the General Fund.

A bureau's discretionary budget does not include nondiscretionary resources, and thus represents the bureau's allocation of those dollars over which the City Council exercises discretion, such as property taxes, business license revenue, or utility license fees.

**Service Area Summary** Table 10, *Operating and Capital Budget by Service Area*, summarizes the operating and capital expenditures included in bureau budgets for each fiscal year by service area and bureau or fund. It does not include fund requirements, such as contingencies, debt retirement, or interfund transfers.

**Capital Budget by Bureau** Table 11, *Capital Budget by Bureau*, summarizes the Citywide Capital Improvement Plan (CIP) Budget for each bureau.

**Capital Budget by Geographic Area** Table 12, *Capital Budget by Geographic Area*, shows CIP budgets by geographic area for each bureau. Some capital projects overlap districts and are reflected in the geographic areas of east, west, or citywide.

**Historical Funds**

Table 13, *Historical Funds and Appropriations*, shows information for City funds and General Fund special appropriations that have been closed during the past three fiscal years. This information is required by Local Budget Law.

**Debt Summaries**

Tables 14 through 18 provide summary information about the City's debt:

- ◆ Table 14, *Summary of Indebtedness - Debt Outstanding*, compares the City's total outstanding debt for FY 2009-10 and FY 2010-11 and the projected debt outstanding for FY 2011-12.
- ◆ Table 15, *Summary of Indebtedness - Debt Service*, shows the amount of debt payments (both principal and interest) the City expects to make in FY 2011-12.
- ◆ Table 16, *Principal Over the Life of the Debt*, shows the amount of debt principal paid off each fiscal year for all City debt.
- ◆ Table 17, *Interest Over the Life of the Debt*, shows the amount of interest paid each fiscal year on the City's debt.
- ◆ Table 18, *Summary of Defeased Indebtedness*, provides information on bonds the City has refunded, but have not yet been paid off by the escrow accounts established for that purpose.

# Total City Budget - Revenues and Expenses

Table 1

## Financial Summaries

This table summarizes the City budget as a whole according to the major categories of expenses and revenues. The figures on this page combine all of the City's funds except those of the Portland Development Commission, a semi-autonomous agency that operates under City charter but is budgeted separately. All subsequent budget tables follow this format.

	Actual FY 2008-09	Actual FY 2009-10	Revised FY 2010-11	Proposed FY 2011-12	Adopted FY 2011-12
<b>Resources</b>					
<b>External Revenues</b>					
Taxes	405,407,671	440,508,008	447,566,283	452,073,547	452,073,547
Licenses & Permits	158,844,256	149,901,654	143,418,134	154,333,950	154,333,950
Charges for Services	449,085,404	458,754,032	496,912,940	519,631,089	522,298,691
Intergovernmental	120,305,150	188,464,502	360,857,100	280,548,502	277,016,033
Bond & Note	306,709,783	558,408,068	659,484,985	573,908,512	576,518,901
Miscellaneous	70,794,457	61,118,150	42,574,132	65,993,230	65,099,604
<b>Total External Revenues</b>	<b>1,511,146,721</b>	<b>1,857,154,416</b>	<b>2,150,813,574</b>	<b>2,046,488,830</b>	<b>2,047,340,726</b>
<b>Internal Revenues</b>					
General Fund Discretionary	0	0	0	0	0
Fund Transfers - Revenue	554,350,977	587,630,509	680,722,478	592,306,780	593,154,065
Interagency Revenue	178,436,836	170,838,149	189,329,929	188,238,776	189,326,907
<b>Total Internal Revenues</b>	<b>732,787,813</b>	<b>758,468,658</b>	<b>870,052,407</b>	<b>780,545,556</b>	<b>782,480,972</b>
Beginning Fund Balance	836,240,412	657,377,127	628,379,953	750,859,791	734,526,424
<b>Total Resources</b>	<b>3,080,174,946</b>	<b>3,273,000,200</b>	<b>3,649,245,934</b>	<b>3,577,894,177</b>	<b>3,564,348,122</b>
Less Intracity Transfers	(732,787,813)	(758,468,658)	(870,052,407)	(780,545,556)	(782,480,972)
<b>Total NET Budget</b>	<b>2,347,387,133</b>	<b>2,514,531,542</b>	<b>2,779,193,527</b>	<b>2,797,348,621</b>	<b>2,781,867,150</b>
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personal Services	540,910,069	547,949,863	577,551,360	597,923,239	598,405,086
External Materials and Services	570,311,159	570,758,683	720,434,585	631,001,810	643,486,204
Internal Materials and Services	178,436,836	170,838,149	189,329,929	188,238,776	189,326,907
Capital Outlay	186,005,681	265,326,967	372,818,374	309,494,428	305,092,120
<b>Total Bureau Expenditures</b>	<b>1,475,663,745</b>	<b>1,554,873,662</b>	<b>1,860,134,248</b>	<b>1,726,658,253</b>	<b>1,736,310,317</b>
<b>Fund Expenditures</b>					
Debt Service	392,783,099	508,803,382	451,881,829	416,119,141	409,445,145
Contingency	0	0	500,947,364	625,780,732	608,315,179
Fund Transfers - Expense	554,350,977	587,630,585	680,722,478	592,306,780	593,154,065
<b>Total Fund Expenditures</b>	<b>947,134,076</b>	<b>1,096,433,967</b>	<b>1,633,551,671</b>	<b>1,634,206,653</b>	<b>1,610,914,389</b>
Ending Fund Balance	657,377,125	621,692,571	155,560,015	217,029,271	217,123,416
<b>Total Requirements</b>	<b>3,080,174,946</b>	<b>3,273,000,200</b>	<b>3,649,245,934</b>	<b>3,577,894,177</b>	<b>3,564,348,122</b>
Less Intracity Transfers	(732,787,813)	(758,468,734)	(870,052,407)	(780,545,556)	(782,480,972)
<b>Total NET Budget</b>	<b>2,347,387,133</b>	<b>2,514,531,466</b>	<b>2,779,193,527</b>	<b>2,797,348,621</b>	<b>2,781,867,150</b>

FY 2009-10 Net City Budget is out of balance due to unbalanced cash transfers in the Comprehensive Annual Financial Report (CAFR)

**Table 2****Appropriation Schedule - FY 2011-12****Financial Summaries**

This table summarizes the major categories of expenditures, including fund-level expenses, by fund and by bureau. It does not include unappropriated ending balance.

	Bureau Program Expenses	Fund Requirements			Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Service	
<b>Bureau of Development Services</b>					
Development Services Fund	27,943,607	1,336,640	2,172,972	755,372	32,208,591
<b>Total Bureau of Development Services</b>	<b>27,943,607</b>	<b>1,336,640</b>	<b>2,172,972</b>	<b>755,372</b>	<b>32,208,591</b>
<b>Bureau of Emergency Communications</b>					
Emergency Communication Fund	18,439,715	2,641,966	614,394	1,330,111	23,026,186
<b>Total Bureau of Emergency Communications</b>	<b>18,439,715</b>	<b>2,641,966</b>	<b>614,394</b>	<b>1,330,111</b>	<b>23,026,186</b>
<b>Bureau of Environmental Services</b>					
Environmental Remediation Fund	5,453,199	1,502,293	135,448	928	7,091,868
Grants Fund	1,347,781	0	0	0	1,347,781
Sewer System Construction Fund	0	218,150,000	108,000,000	400,000	326,550,000
Sewer System Debt Redemption Fund	0	0	0	148,474,459	148,474,459
Sewer System Operating Fund	214,316,050	29,650,447	183,405,038	2,173,599	429,545,134
Sewer System Rate Stabilization Fund	0	6,735,000	20,000,000	0	26,735,000
<b>Total Bureau of Environmental Services</b>	<b>221,117,030</b>	<b>256,037,740</b>	<b>311,540,486</b>	<b>151,048,986</b>	<b>939,744,242</b>
<b>Bureau of Fire &amp; Police Disability &amp; Retirement</b>					
Fire & Police Disability & Retirement Fund	114,525,035	9,864,815	337,008	27,012,042	151,738,900
Fire & Police Disability & Retirement Res Fund	0	0	750,000	0	750,000
<b>Total Bureau of Fire &amp; Police Disability &amp; Retirement</b>	<b>114,525,035</b>	<b>9,864,815</b>	<b>1,087,008</b>	<b>27,012,042</b>	<b>152,488,900</b>
<b>Bureau of Planning and Sustainability</b>					
General Fund	9,509,734	0	0	0	9,509,734
Grants Fund	14,524,407	0	0	0	14,524,407
Solid Waste Management Fund	4,986,314	0	148,316	40,208	5,174,838
<b>Total Bureau of Planning and Sustainability</b>	<b>29,020,455</b>	<b>0</b>	<b>148,316</b>	<b>40,208</b>	<b>29,208,979</b>
<b>Cable Communications and Franchise Management</b>					
Cable Fund	7,354,809	1,015,158	28,549	0	8,398,516
General Fund	1,977,593	0	0	0	1,977,593
<b>Total Cable Communications and Franchise Management</b>	<b>9,332,402</b>	<b>1,015,158</b>	<b>28,549</b>	<b>0</b>	<b>10,376,109</b>
<b>Commissioner of Public Affairs</b>					
Children's Investment Fund	15,474,011	6,011	25,000	0	15,505,022
General Fund	1,567,377	0	0	0	1,567,377
<b>Total Commissioner of Public Affairs</b>	<b>17,041,388</b>	<b>6,011</b>	<b>25,000</b>	<b>0</b>	<b>17,072,399</b>
<b>Commissioner of Public Safety</b>					
General Fund	777,571	0	0	0	777,571
<b>Total Commissioner of Public Safety</b>	<b>777,571</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>777,571</b>
<b>Commissioner of Public Utilities</b>					
General Fund	896,340	0	0	0	896,340
<b>Total Commissioner of Public Utilities</b>	<b>896,340</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>896,340</b>
<b>Commissioner of Public Works</b>					
General Fund	922,590	0	0	0	922,590
<b>Total Commissioner of Public Works</b>	<b>922,590</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>922,590</b>
<b>Office of Government Relations</b>					
General Fund	1,319,876	0	0	0	1,319,876
<b>Total Office of Government Relations</b>	<b>1,319,876</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,319,876</b>

# Appropriation Schedule - FY 2011-12

Table 2

## Financial Summaries

This table summarizes the major categories of expenditures, including fund-level expenses, by fund and by bureau. It does not include unappropriated ending balance.

	Fund Requirements				Total Appropriation
	Bureau Program Expenses	Contingency	Interfund Cash Transfers	Debt Service	
<b>Office of Human Relations</b>					
General Fund	617,937	0	0	0	617,937
<b>Total Office of Human Relations</b>	<b>617,937</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>617,937</b>
<b>Office of Management and Finance</b>					
Airport Way Debt Service Fund	0	0	0	5,591,500	5,591,500
BFRES Facilities GO Bond Construction Fund	2,456,509	836,866	69,171	0	3,362,546
Bonded Debt Interest and Sinking Fund	0	0	0	10,677,890	10,677,890
Central Eastside Ind District Debt Service Fund	0	0	0	5,220,079	5,220,079
CityFleet Operating Fund	28,363,223	17,458,873	923,206	302,469	47,047,771
Convention and Tourism Fund	3,034,531	0	18,189	0	3,052,720
Convention Center Area Debt Service Fund	0	0	0	12,390,436	12,390,436
EBS Services Fund	7,953,575	4,418,446	175,818	4,393,763	16,941,602
Emergency Communication Fund	150,772	0	500,000	0	650,772
Facilities Services Operating Fund	27,332,836	31,699,041	1,460,588	5,810,510	66,302,975
Fire & Police Supplemental Retirement Res Fund	8,200	0	0	0	8,200
Gateway URA Debt Redemption Fund	0	0	0	3,506,504	3,506,504
General Fund	55,290,157	15,794,535	34,797,267	5,950,694	111,832,653
General Reserve Fund	0	49,355,438	0	0	49,355,438
Governmental Bond Redemption Fund	0	0	0	1,273,149	1,273,149
Health Insurance Operating Fund	43,892,192	17,438,533	499,985	26,660	61,857,370
Insurance and Claims Operating Fund	9,504,772	21,029,076	467,795	56,480	31,058,123
Interstate Corridor Debt Service Fund	0	0	0	16,790,920	16,790,920
Lents Town Center URA Debt Redemption Fund	0	0	0	10,444,631	10,444,631
North Macadam URA Debt Redemption Fund	0	0	0	13,745,392	13,745,392
Pension Debt Redemption Fund	142,000	0	0	3,469,755	3,611,755
Printing & Distribution Services Operating Fund	6,896,574	948,610	833,687	102,501	8,781,372
Private for Hire Transportation Safety Fund	0	0	46	0	46
Property Management License Fund	5,032,686	0	0	0	5,032,686
Public Safety GO Bond Fund	5,492,083	7,084,094	0	0	12,576,177
River District URA Debt Redemption Fund	0	0	0	32,209,994	32,209,994
South Park Blocks Redemption Fund	0	0	0	7,173,432	7,173,432
Special Finance and Resource Fund	111,670,742	0	19,000	649,258	112,339,000
Special Projects Debt Service Fund	0	0	0	6,642,243	6,642,243
Spectator Facilities Operating Fund	2,340,780	5,726,513	205,015	6,957,030	15,229,338
Technology Services Fund	48,156,344	27,934,565	9,931,675	1,880,681	87,903,265
Waterfront Renewal Bond Sinking Fund	0	0	0	10,196,237	10,196,237
Willamette Industrial URA Debt Service Fund	0	0	0	1,394,914	1,394,914
Workers' Comp Self Insurance Operating Fund	4,297,427	17,774,199	224,061	52,831	22,348,518
<b>Total Office of Management and Finance</b>	<b>362,015,403</b>	<b>217,498,789</b>	<b>50,125,503</b>	<b>166,909,953</b>	<b>796,549,648</b>
<b>Office of Neighborhood Involvement</b>					
General Fund	7,079,728	0	0	0	7,079,728
<b>Total Office of Neighborhood Involvement</b>	<b>7,079,728</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,079,728</b>
<b>Office of the City Attorney</b>					
General Fund	9,578,419	0	0	0	9,578,419
<b>Total Office of the City Attorney</b>	<b>9,578,419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,578,419</b>

Table 2

## Appropriation Schedule - FY 2011-12

Financial Summaries

This table summarizes the major categories of expenditures, including fund-level expenses, by fund and by bureau. It does not include unappropriated ending balance.

	Bureau Program Expenses	Fund Requirements			Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Service	
<b>Office of the City Auditor</b>					
Assessment Collection Fund	1,532	78,320	41	0	79,893
Bancroft Bond Interest and Sinking Fund	0	0	0	7,338,193	7,338,193
General Fund	9,140,697	0	0	0	9,140,697
Local Improvement District Construction Fund	1,417,330	4,113,232	17,481,581	4,190,986	27,203,129
<b>Total Office of the City Auditor</b>	<b>10,559,559</b>	<b>4,191,552</b>	<b>17,481,622</b>	<b>11,529,179</b>	<b>43,761,912</b>
<b>Office of the Mayor</b>					
General Fund	4,196,766	0	0	0	4,196,766
<b>Total Office of the Mayor</b>	<b>4,196,766</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,196,766</b>
<b>Portland Bureau of Transportation</b>					
Gas Tax Bond Redemption Fund	0	0	0	1,080,710	1,080,710
Grants Fund	53,811,617	0	0	0	53,811,617
Parking Facilities Fund	7,515,866	6,686,668	4,193,329	1,875,375	20,271,238
Transportation Operating Fund	157,844,927	10,122,362	6,430,163	6,785,146	181,182,598
Transportation Reserve Fund	0	2,516,292	0	0	2,516,292
<b>Total Portland Bureau of Transportation</b>	<b>219,172,410</b>	<b>19,325,322</b>	<b>10,623,492</b>	<b>9,741,231</b>	<b>258,862,455</b>
<b>Portland Development Commission</b>					
General Fund	5,788,326	0	0	0	5,788,326
<b>Total Portland Development Commission</b>	<b>5,788,326</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,788,326</b>
<b>Portland Fire and Rescue</b>					
General Fund	95,300,759	0	0	0	95,300,759
Grants Fund	91,222	0	0	0	91,222
Public Safety GO Bond Fund	2,724,000	4,397,000	0	0	7,121,000
<b>Total Portland Fire and Rescue</b>	<b>98,115,981</b>	<b>4,397,000</b>	<b>0</b>	<b>0</b>	<b>102,512,981</b>
<b>Portland Housing Bureau</b>					
Community Development Block Grant Fund	12,748,352	0	0	400,000	13,148,352
General Fund	11,751,046	0	0	0	11,751,046
Grants Fund	4,180,545	0	0	0	4,180,545
Headwaters Apartment Complex Fund	25,552	0	1,828	786,748	814,128
HOME Grant Fund	7,212,931	0	0	0	7,212,931
Housing Investment Fund	9,189,304	795,249	67,666	0	10,052,219
Tax Increment Financing Reimbursement Fund	54,191,179	0	73,744	0	54,264,923
<b>Total Portland Housing Bureau</b>	<b>99,298,909</b>	<b>795,249</b>	<b>143,238</b>	<b>1,186,748</b>	<b>101,424,144</b>
<b>Portland Office of Emergency Management</b>					
General Fund	1,769,727	0	0	0	1,769,727
Grants Fund	7,965,781	0	0	0	7,965,781
<b>Total Portland Office of Emergency Management</b>	<b>9,735,508</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,735,508</b>
<b>Portland Parks and Recreation</b>					
General Fund	60,774,937	0	0	85,000	60,859,937
Golf Fund	11,758,564	1,773,736	1,075,787	129,484	14,737,571
Golf Revenue Bond Redemption Fund	0	0	0	806,669	806,669
Grants Fund	876,323	0	0	0	876,323
Parks Capital Construction & Maintenance Fund	22,117,095	2,212,137	327,760	1,284,314	25,941,306
Parks Endowment Fund	18,923	0	0	0	18,923
Parks Local Option Levy Fund	962,618	3,197,449	18,450	0	4,178,517

# Appropriation Schedule - FY 2011-12

**Table 2**

## Financial Summaries

This table summarizes the major categories of expenditures, including fund-level expenses, by fund and by bureau. It does not include unappropriated ending balance.

	Bureau Program Expenses	Fund Requirements			Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Service	
Portland International Raceway Fund	1,440,996	738,945	44,327	297,816	2,522,084
Portland Parks Memorial Trust Fund	2,492,070	492,572	0	0	2,984,642
<b>Total Portland Parks and Recreation</b>	<b>100,441,526</b>	<b>8,414,839</b>	<b>1,466,324</b>	<b>2,603,283</b>	<b>112,925,972</b>
<b>Portland Police Bureau</b>					
General Fund	164,938,372	0	0	0	164,938,372
Grants Fund	2,047,640	0	0	0	2,047,640
Police Special Revenue Fund	1,850,009	0	4,991	0	1,855,000
<b>Total Portland Police Bureau</b>	<b>168,836,021</b>	<b>0</b>	<b>4,991</b>	<b>0</b>	<b>168,841,012</b>
<b>Portland Water Bureau</b>					
Hydroelectric Power Bond Redemption Fund	0	0	0	2,711,765	2,711,765
Hydroelectric Power Operating Fund	692,954	190,928	390,794	15,847	1,290,523
Hydroelectric Power Renewal Replacement Fund	0	9,665,050	125,000	0	9,790,050
Water Bond Sinking Fund	0	0	0	31,576,394	31,576,394
Water Construction Fund	0	20,577,970	137,186,465	0	157,764,435
Water Fund	198,844,861	52,356,150	59,989,911	2,984,026	314,174,948
<b>Total Portland Water Bureau</b>	<b>199,537,815</b>	<b>82,790,098</b>	<b>197,692,170</b>	<b>37,288,032</b>	<b>517,308,115</b>
<b>Total Citywide Appropriation</b>	<b>1,736,310,317</b>	<b>608,315,179</b>	<b>593,154,065</b>	<b>409,445,145</b>	<b>3,347,224,706</b>



**Table 3****Summary of Bureau Expenses by Fund - FY 2011-12**

Financial Summaries

This table summarizes the major categories of expenditures included in bureau program budgets by fund and by bureau.

	Personal Services	External Mat'l & Svcs	Internal Mat'l & Svcs	Capital Outlay	Total Bureau Expenses
<b>Bureau of Development Services</b>					
Development Services Fund	19,015,310	2,296,626	6,631,671	0	27,943,607
<b>Total Bureau of Development Services</b>	<b>19,015,310</b>	<b>2,296,626</b>	<b>6,631,671</b>	<b>0</b>	<b>27,943,607</b>
<b>Bureau of Emergency Communications</b>					
Emergency Communication Fund	14,076,415	314,818	4,048,482	0	18,439,715
<b>Total Bureau of Emergency Communications</b>	<b>14,076,415</b>	<b>314,818</b>	<b>4,048,482</b>	<b>0</b>	<b>18,439,715</b>
<b>Bureau of Environmental Services</b>					
Environmental Remediation Fund	493,596	3,956,209	1,003,394	0	5,453,199
Grants Fund	57,500	258,612	54,500	977,169	1,347,781
Sewer System Operating Fund	56,629,091	33,034,350	39,150,412	85,502,197	214,316,050
<b>Total Bureau of Environmental Services</b>	<b>57,180,187</b>	<b>37,249,171</b>	<b>40,208,306</b>	<b>86,479,366</b>	<b>221,117,030</b>
<b>Bureau of Fire &amp; Police Disability &amp; Retirement</b>					
Fire & Police Disability & Retirement Fund	1,718,200	106,606,111	5,925,724	275,000	114,525,035
<b>Total Bureau of Fire &amp; Police Disability &amp; Retirement</b>	<b>1,718,200</b>	<b>106,606,111</b>	<b>5,925,724</b>	<b>275,000</b>	<b>114,525,035</b>
<b>Bureau of Planning and Sustainability</b>					
General Fund	7,171,233	1,401,038	937,463	0	9,509,734
Grants Fund	1,757,374	12,462,289	304,744	0	14,524,407
Solid Waste Management Fund	1,943,651	1,594,142	1,448,521	0	4,986,314
<b>Total Bureau of Planning and Sustainability</b>	<b>10,872,258</b>	<b>15,457,469</b>	<b>2,690,728</b>	<b>0</b>	<b>29,020,455</b>
<b>Cable Communications and Franchise Management</b>					
Cable Fund	436,703	6,826,585	91,521	0	7,354,809
General Fund	582,493	933,868	461,232	0	1,977,593
<b>Total Cable Communications and Franchise Management</b>	<b>1,019,196</b>	<b>7,760,453</b>	<b>552,753</b>	<b>0</b>	<b>9,332,402</b>
<b>Commissioner of Public Affairs</b>					
Children's Investment Fund	448,184	14,911,058	114,769	0	15,474,011
General Fund	1,049,850	367,817	149,710	0	1,567,377
<b>Total Commissioner of Public Affairs</b>	<b>1,498,034</b>	<b>15,278,875</b>	<b>264,479</b>	<b>0</b>	<b>17,041,388</b>
<b>Commissioner of Public Safety</b>					
General Fund	656,431	9,331	111,809	0	777,571
<b>Total Commissioner of Public Safety</b>	<b>656,431</b>	<b>9,331</b>	<b>111,809</b>	<b>0</b>	<b>777,571</b>
<b>Commissioner of Public Utilities</b>					
General Fund	757,300	12,881	126,159	0	896,340
<b>Total Commissioner of Public Utilities</b>	<b>757,300</b>	<b>12,881</b>	<b>126,159</b>	<b>0</b>	<b>896,340</b>
<b>Commissioner of Public Works</b>					
General Fund	784,606	13,378	124,606	0	922,590
<b>Total Commissioner of Public Works</b>	<b>784,606</b>	<b>13,378</b>	<b>124,606</b>	<b>0</b>	<b>922,590</b>
<b>Office of Government Relations</b>					
General Fund	841,004	346,866	132,006	0	1,319,876
<b>Total Office of Government Relations</b>	<b>841,004</b>	<b>346,866</b>	<b>132,006</b>	<b>0</b>	<b>1,319,876</b>
<b>Office of Human Relations</b>					
General Fund	422,473	156,713	38,751	0	617,937
<b>Total Office of Human Relations</b>	<b>422,473</b>	<b>156,713</b>	<b>38,751</b>	<b>0</b>	<b>617,937</b>

# Summary of Bureau Expenses by Fund - FY 2011-12

Table 3

## Financial Summaries

This table summarizes the major categories of expenditures included in bureau program budgets by fund and by bureau.

	Personal Services	External Mat'l & Svcs	Internal Mat'l & Svcs	Capital Outlay	Total Bureau Expenses
<b>Office of Management and Finance</b>					
BFRES Facilities GO Bond Construction Fund	0	160,606	241,036	2,054,867	2,456,509
CityFleet Operating Fund	6,716,627	11,726,617	1,588,033	8,331,946	28,363,223
Convention and Tourism Fund	0	2,871,475	163,056	0	3,034,531
EBS Services Fund	2,210,737	1,294,806	4,448,032	0	7,953,575
Emergency Communication Fund	0	150,772	0	0	150,772
Facilities Services Operating Fund	3,582,569	18,957,795	3,140,986	1,651,486	27,332,836
Fire & Police Supplemental Retirement Res Fund	0	8,200	0	0	8,200
General Fund	28,514,294	20,242,961	6,532,902	0	55,290,157
Health Insurance Operating Fund	1,105,888	42,244,911	541,393	0	43,892,192
Insurance and Claims Operating Fund	1,150,449	5,799,164	2,373,159	182,000	9,504,772
Pension Debt Redemption Fund	0	0	142,000	0	142,000
Printing & Distribution Services Operating Fund	1,943,626	3,855,459	726,239	371,250	6,896,574
Property Management License Fund	0	4,949,777	82,909	0	5,032,686
Public Safety GO Bond Fund	181,153	877,330	433,600	4,000,000	5,492,083
Special Finance and Resource Fund	0	111,670,742	0	0	111,670,742
Spectator Facilities Operating Fund	0	1,695,000	645,780	0	2,340,780
Technology Services Fund	26,102,359	15,713,707	3,924,002	2,416,276	48,156,344
Workers' Comp Self Insurance Operating Fund	1,005,579	2,443,846	666,002	182,000	4,297,427
<b>Total Office of Management and Finance</b>	<b>72,513,281</b>	<b>244,663,168</b>	<b>25,649,129</b>	<b>19,189,825</b>	<b>362,015,403</b>
<b>Office of Neighborhood Involvement</b>					
General Fund	3,427,123	3,160,397	492,208	0	7,079,728
<b>Total Office of Neighborhood Involvement</b>	<b>3,427,123</b>	<b>3,160,397</b>	<b>492,208</b>	<b>0</b>	<b>7,079,728</b>
<b>Office of the City Attorney</b>					
General Fund	8,049,019	751,946	777,454	0	9,578,419
<b>Total Office of the City Attorney</b>	<b>8,049,019</b>	<b>751,946</b>	<b>777,454</b>	<b>0</b>	<b>9,578,419</b>
<b>Office of the City Auditor</b>					
Assessment Collection Fund	0	0	1,532	0	1,532
General Fund	4,939,032	1,751,966	2,449,699	0	9,140,697
Local Improvement District Construction Fund	0	5,000	1,412,330	0	1,417,330
<b>Total Office of the City Auditor</b>	<b>4,939,032</b>	<b>1,756,966</b>	<b>3,863,561</b>	<b>0</b>	<b>10,559,559</b>
<b>Office of the Mayor</b>					
General Fund	2,433,829	1,421,819	341,118	0	4,196,766
<b>Total Office of the Mayor</b>	<b>2,433,829</b>	<b>1,421,819</b>	<b>341,118</b>	<b>0</b>	<b>4,196,766</b>
<b>Portland Bureau of Transportation</b>					
Grants Fund	6,112,480	2,872,781	5,367,925	39,458,431	53,811,617
Parking Facilities Fund	132,348	2,845,000	3,538,518	1,000,000	7,515,866
Transportation Operating Fund	65,606,240	34,890,312	21,457,254	35,891,121	157,844,927
<b>Total Portland Bureau of Transportation</b>	<b>71,851,068</b>	<b>40,608,093</b>	<b>30,363,697</b>	<b>76,349,552</b>	<b>219,172,410</b>
<b>Portland Development Commission</b>					
General Fund	0	5,788,326	0	0	5,788,326
<b>Total Portland Development Commission</b>	<b>0</b>	<b>5,788,326</b>	<b>0</b>	<b>0</b>	<b>5,788,326</b>

**Table 3****Summary of Bureau Expenses by Fund - FY 2011-12**

Financial Summaries

This table summarizes the major categories of expenditures included in bureau program budgets by fund and by bureau.

	Personal Services	External Mat'l & Svcs	Internal Mat'l & Svcs	Capital Outlay	Total Bureau Expenses
<b>Portland Fire and Rescue</b>					
General Fund	84,145,529	5,324,297	5,830,933	0	95,300,759
Grants Fund	0	64,145	0	27,077	91,222
Public Safety GO Bond Fund	0	0	0	2,724,000	2,724,000
<b>Total Portland Fire and Rescue</b>	<b>84,145,529</b>	<b>5,388,442</b>	<b>5,830,933</b>	<b>2,751,077</b>	<b>98,115,981</b>
<b>Portland Housing Bureau</b>					
Community Development Block Grant Fund	1,775,863	10,846,394	126,095	0	12,748,352
General Fund	346,993	11,396,038	8,015	0	11,751,046
Grants Fund	621,228	3,559,317	0	0	4,180,545
Headwaters Apartment Complex Fund	0	25,552	0	0	25,552
HOME Grant Fund	384,077	6,828,854	0	0	7,212,931
Housing Investment Fund	727,370	8,461,934	0	0	9,189,304
Tax Increment Financing Reimbursement Fund	1,953,074	51,203,210	1,034,895	0	54,191,179
<b>Total Portland Housing Bureau</b>	<b>5,808,605</b>	<b>92,321,299</b>	<b>1,169,005</b>	<b>0</b>	<b>99,298,909</b>
<b>Portland Office of Emergency Management</b>					
General Fund	1,168,637	145,737	455,353	0	1,769,727
Grants Fund	1,308,771	6,657,010	0	0	7,965,781
<b>Total Portland Office of Emergency Management</b>	<b>2,477,408</b>	<b>6,802,747</b>	<b>455,353</b>	<b>0</b>	<b>9,735,508</b>
<b>Portland Parks and Recreation</b>					
General Fund	39,655,970	13,955,741	7,163,226	0	60,774,937
Golf Fund	3,067,561	3,467,750	463,253	4,760,000	11,758,564
Grants Fund	375,266	54,887	1,170	445,000	876,323
Parks Capital Construction & Maintenance Fund	1,696,021	4,495,908	167,111	15,758,055	22,117,095
Parks Endowment Fund	0	17,823	1,100	0	18,923
Parks Local Option Levy Fund	384,311	0	578,307	0	962,618
Portland International Raceway Fund	783,997	570,685	86,314	0	1,440,996
Portland Parks Memorial Trust Fund	592,356	1,722,615	158,074	19,025	2,492,070
<b>Total Portland Parks and Recreation</b>	<b>46,555,482</b>	<b>24,285,409</b>	<b>8,618,555</b>	<b>20,982,080</b>	<b>100,441,526</b>
<b>Portland Police Bureau</b>					
General Fund	125,102,749	8,791,775	30,793,848	250,000	164,938,372
Grants Fund	913,859	1,133,781	0	0	2,047,640
Police Special Revenue Fund	0	1,850,009	0	0	1,850,009
<b>Total Portland Police Bureau</b>	<b>126,016,608</b>	<b>11,775,565</b>	<b>30,793,848</b>	<b>250,000</b>	<b>168,836,021</b>
<b>Portland Water Bureau</b>					
Hydroelectric Power Operating Fund	262,380	195,900	234,674	0	692,954
Water Fund	61,084,308	19,063,435	19,881,898	98,815,220	198,844,861
<b>Total Portland Water Bureau</b>	<b>61,346,688</b>	<b>19,259,335</b>	<b>20,116,572</b>	<b>98,815,220</b>	<b>199,537,815</b>
<b>Total Citywide Bureau Expenses</b>	<b>598,405,086</b>	<b>643,486,204</b>	<b>189,326,907</b>	<b>305,092,120</b>	<b>1,736,310,317</b>

# Summary of Revenues by Fund - FY 2011-12

Table 4

## Financial Summaries

This table summarizes the major categories of estimated resources, including beginning fund balance and transfers from other funds, in total appropriation budgets by fund.

	Property & Transient Lodging Taxes	Service Charges, Licenses, & Permits	Other External Revenue	Intracity Transfers	Beginning Balances	Total Revenues
<b>Bureau of Development Services</b>						
Development Services Fund	0	23,512,915	4,632,878	3,547,460	515,338	32,208,591
<b>Total Bureau of Development Services</b>	<b>0</b>	<b>23,512,915</b>	<b>4,632,878</b>	<b>3,547,460</b>	<b>515,338</b>	<b>32,208,591</b>
<b>Bureau of Emergency Communications</b>						
Emergency Communication Fund	0	200,000	6,775,278	12,735,432	3,315,476	23,026,186
<b>Total Bureau of Emergency Communications</b>	<b>0</b>	<b>200,000</b>	<b>6,775,278</b>	<b>12,735,432</b>	<b>3,315,476</b>	<b>23,026,186</b>
<b>Bureau of Environmental Services</b>						
Environmental Remediation Fund	0	5,206,868	15,000	370,000	1,500,000	7,091,868
Grants Fund	0	0	1,347,781	0	0	1,347,781
Sewer System Construction Fund	0	350,000	210,500,000	15,700,000	100,000,000	326,550,000
Sewer System Debt Redemption Fund	0	0	18,200,000	148,280,000	30,770,500	197,250,500
Sewer System Operating Fund	0	256,026,556	877,000	130,641,578	42,200,000	429,745,134
Sewer System Rate Stabilization Fund	0	0	21,860,000	0	4,875,000	26,735,000
<b>Total Bureau of Environmental Services</b>	<b>0</b>	<b>261,583,424</b>	<b>252,799,781</b>	<b>294,991,578</b>	<b>179,345,500</b>	<b>988,720,283</b>
<b>Bureau of Fire &amp; Police Disability &amp; Retirement</b>						
Fire & Police Disability & Retirement Fund	105,700,575	0	28,136,927	895,970	17,005,428	151,738,900
Fire & Police Disability & Retirement Res Fund	0	0	0	0	750,000	750,000
<b>Total Bureau of Fire &amp; Police Disability &amp; Retirement</b>	<b>105,700,575</b>	<b>0</b>	<b>28,136,927</b>	<b>895,970</b>	<b>17,755,428</b>	<b>152,488,900</b>
<b>Bureau of Planning and Sustainability</b>						
General Fund	0	0	9,397,390	112,344	0	9,509,734
Grants Fund	0	0	14,524,407	0	0	14,524,407
Solid Waste Management Fund	0	4,200,847	76,423	75,787	2,390,139	6,743,196
<b>Total Bureau of Planning and Sustainability</b>	<b>0</b>	<b>4,200,847</b>	<b>23,998,220</b>	<b>188,131</b>	<b>2,390,139</b>	<b>30,777,337</b>
<b>Cable Communications and Franchise Management</b>						
Cable Fund	0	5,343,985	58,000	357,207	4,811,493	10,570,685
General Fund	0	41,000	1,926,593	10,000	0	1,977,593
<b>Total Cable Communications and Franchise Management</b>	<b>0</b>	<b>5,384,985</b>	<b>1,984,593</b>	<b>367,207</b>	<b>4,811,493</b>	<b>12,548,278</b>
<b>Commissioner of Public Affairs</b>						
Children's Investment Fund	12,167,402	0	50,000	5,683	3,281,937	15,505,022
General Fund	0	0	1,567,377	0	0	1,567,377
<b>Total Commissioner of Public Affairs</b>	<b>12,167,402</b>	<b>0</b>	<b>1,617,377</b>	<b>5,683</b>	<b>3,281,937</b>	<b>17,072,399</b>
<b>Commissioner of Public Safety</b>						
General Fund	0	0	777,571	0	0	777,571
<b>Total Commissioner of Public Safety</b>	<b>0</b>	<b>0</b>	<b>777,571</b>	<b>0</b>	<b>0</b>	<b>777,571</b>
<b>Commissioner of Public Utilities</b>						
General Fund	0	0	802,704	93,636	0	896,340
<b>Total Commissioner of Public Utilities</b>	<b>0</b>	<b>0</b>	<b>802,704</b>	<b>93,636</b>	<b>0</b>	<b>896,340</b>
<b>Commissioner of Public Works</b>						
General Fund	0	0	822,590	100,000	0	922,590
<b>Total Commissioner of Public Works</b>	<b>0</b>	<b>0</b>	<b>822,590</b>	<b>100,000</b>	<b>0</b>	<b>922,590</b>
<b>Office of Government Relations</b>						
General Fund	0	0	1,235,547	84,329	0	1,319,876
<b>Total Office of Government Relations</b>	<b>0</b>	<b>0</b>	<b>1,235,547</b>	<b>84,329</b>	<b>0</b>	<b>1,319,876</b>

Table 4

## Summary of Revenues by Fund - FY 2011-12

Financial Summaries

This table summarizes the major categories of estimated resources, including beginning fund balance and transfers from other funds, in total appropriation budgets by fund.

	Property & Transient Lodging Taxes	Service Charges, Licenses, & Permits	Other External Revenue	Intracity Transfers	Beginning Balances	Total Revenues
<b>Office of Human Relations</b>						
General Fund	0	0	617,937	0	0	617,937
<b>Total Office of Human Relations</b>	<b>0</b>	<b>0</b>	<b>617,937</b>	<b>0</b>	<b>0</b>	<b>617,937</b>
<b>Office of Management and Finance</b>						
Airport Way Debt Service Fund	5,395,991	0	47,737	0	1,315,150	6,758,878
BFRES Facilities GO Bond Construction Fund	0	0	19,033	0	3,343,513	3,362,546
Bonded Debt Interest and Sinking Fund	10,572,890	0	30,000	0	75,000	10,677,890
Central Eastside Ind District Debt Service Fund	5,166,303	0	35,639	14,000	2,410,000	7,625,942
CityFleet Operating Fund	0	0	850,000	28,601,585	17,596,186	47,047,771
Convention and Tourism Fund	3,049,720	0	3,000	0	0	3,052,720
Convention Center Area Debt Service Fund	10,042,772	0	49,208	0	2,298,456	12,390,436
EBS Services Fund	0	0	140,000	12,512,253	4,289,349	16,941,602
Emergency Communication Fund	0	0	0	0	650,772	650,772
Facilities Services Operating Fund	0	957,285	6,024,004	28,461,436	30,860,250	66,302,975
Fire & Police Supplemental Retirement Res Fund	0	0	300	0	43,414	43,714
Gateway URA Debt Redemption Fund	3,248,427	0	8,527	0	249,550	3,506,504
General Fund	213,257,986	121,737,076	(323,089,090)	60,543,700	39,382,981	111,832,653
General Reserve Fund	0	0	533,900	1,852,234	46,969,304	49,355,438
Governmental Bond Redemption Fund	0	0	0	1,273,149	0	1,273,149
Health Insurance Operating Fund	0	39,071,924	4,096,066	0	18,689,380	61,857,370
Insurance and Claims Operating Fund	0	0	296,519	10,732,868	20,028,736	31,058,123
Interstate Corridor Debt Service Fund	13,429,581	0	79,754	0	5,816,917	19,326,252
Lents Town Center URA Debt Redemption Fund	9,627,853	0	46,501	0	3,802,869	13,477,223
North Macadam URA Debt Redemption Fund	13,669,749	0	70,643	5,000	4,965,650	18,711,042
Pension Debt Redemption Fund	0	0	521,566	3,086,666	753,523	4,361,755
Printing & Distribution Services Operating Fund	0	108,676	1,106,655	5,927,356	1,638,685	8,781,372
Private for Hire Transportation Safety Fund	0	0	1,200	0	219,882	221,082
Property Management License Fund	0	5,028,886	3,800	0	0	5,032,686
Public Safety GO Bond Fund	0	0	84,898	253,330	12,237,949	12,576,177
River District URA Debt Redemption Fund	28,596,243	0	107,605	0	8,241,096	36,944,944
South Park Blocks Redemption Fund	6,971,607	0	131,837	0	8,443,334	15,546,778
Special Finance and Resource Fund	0	0	112,320,000	0	19,000	112,339,000
Special Projects Debt Service Fund	0	0	6,646,243	0	0	6,646,243
Spectator Facilities Operating Fund	0	6,360,870	1,878,259	104	6,990,105	15,229,338
Technology Services Fund	0	155,547	5,854,840	44,419,750	37,473,128	87,903,265
Waterfront Renewal Bond Sinking Fund	9,942,547	0	81,860	0	6,718,271	16,742,678
Willamette Industrial URA Debt Service Fund	1,201,759	0	3,155	0	190,000	1,394,914
Workers' Comp Self Insurance Operating Fund	0	0	315,173	3,730,345	18,303,000	22,348,518
<b>Total Office of Management and Finance</b>	<b>334,173,428</b>	<b>173,420,264</b>	<b>(181,701,168)</b>	<b>201,413,776</b>	<b>304,015,450</b>	<b>831,321,750</b>
<b>Office of Neighborhood Involvement</b>						
General Fund	0	145,025	6,891,773	42,930	0	7,079,728
<b>Total Office of Neighborhood Involvement</b>	<b>0</b>	<b>145,025</b>	<b>6,891,773</b>	<b>42,930</b>	<b>0</b>	<b>7,079,728</b>

# Summary of Revenues by Fund - FY 2011-12

Table 4

## Financial Summaries

This table summarizes the major categories of estimated resources, including beginning fund balance and transfers from other funds, in total appropriation budgets by fund.

	Property & Transient Lodging Taxes	Service Charges, Licenses, & Permits	Other External Revenue	Intracity Transfers	Beginning Balances	Total Revenues
<b>Office of the City Attorney</b>						
General Fund	0	0	4,528,826	5,049,593	0	9,578,419
<b>Total Office of the City Attorney</b>	<b>0</b>	<b>0</b>	<b>4,528,826</b>	<b>5,049,593</b>	<b>0</b>	<b>9,578,419</b>
<b>Office of the City Auditor</b>						
Assessment Collection Fund	0	0	1,000	0	78,893	79,893
Bancroft Bond Interest and Sinking Fund	0	0	8,260,849	0	11,217,983	19,478,832
General Fund	0	373,385	7,909,108	858,204	0	9,140,697
Local Improvement District Construction Fund	0	773,500	21,680,374	23,022	4,726,233	27,203,129
<b>Total Office of the City Auditor</b>	<b>0</b>	<b>1,146,885</b>	<b>37,851,331</b>	<b>881,226</b>	<b>16,023,109</b>	<b>55,902,551</b>
<b>Office of the Mayor</b>						
General Fund	0	0	3,452,941	743,825	0	4,196,766
<b>Total Office of the Mayor</b>	<b>0</b>	<b>0</b>	<b>3,452,941</b>	<b>743,825</b>	<b>0</b>	<b>4,196,766</b>
<b>Portland Bureau of Transportation</b>						
Gas Tax Bond Redemption Fund	0	0	0	1,076,157	4,553	1,080,710
Grants Fund	0	0	53,811,617	0	0	53,811,617
Parking Facilities Fund	0	11,350,000	63,000	714,256	8,143,982	20,271,238
Transportation Operating Fund	0	32,242,049	70,835,171	56,904,341	21,201,037	181,182,598
Transportation Reserve Fund	0	0	9,000	0	2,507,292	2,516,292
<b>Total Portland Bureau of Transportation</b>	<b>0</b>	<b>43,592,049</b>	<b>124,718,788</b>	<b>58,694,754</b>	<b>31,856,864</b>	<b>258,862,455</b>
<b>Portland Development Commission</b>						
General Fund	0	0	5,788,326	0	0	5,788,326
<b>Total Portland Development Commission</b>	<b>0</b>	<b>0</b>	<b>5,788,326</b>	<b>0</b>	<b>0</b>	<b>5,788,326</b>
<b>Portland Fire and Rescue</b>						
General Fund	0	2,490,000	89,952,137	2,858,622	0	95,300,759
Grants Fund	0	0	91,222	0	0	91,222
Public Safety GO Bond Fund	0	0	0	0	7,121,000	7,121,000
<b>Total Portland Fire and Rescue</b>	<b>0</b>	<b>2,490,000</b>	<b>90,043,359</b>	<b>2,858,622</b>	<b>7,121,000</b>	<b>102,512,981</b>
<b>Portland Housing Bureau</b>						
Community Development Block Grant Fund	0	0	13,148,352	0	0	13,148,352
General Fund	0	0	11,751,046	0	0	11,751,046
Grants Fund	0	0	4,081,440	0	99,105	4,180,545
Headwaters Apartment Complex Fund	0	0	814,128	0	0	814,128
HOME Grant Fund	0	0	7,212,931	0	0	7,212,931
Housing Investment Fund	0	260,800	8,396,649	3,855	1,390,915	10,052,219
Tax Increment Financing Reimbursement Fund	0	0	54,264,923	0	0	54,264,923
<b>Total Portland Housing Bureau</b>	<b>0</b>	<b>260,800</b>	<b>99,669,469</b>	<b>3,855</b>	<b>1,490,020</b>	<b>101,424,144</b>
<b>Portland Office of Emergency Management</b>						
General Fund	0	0	1,752,727	17,000	0	1,769,727
Grants Fund	0	0	7,965,781	0	0	7,965,781
<b>Total Portland Office of Emergency Management</b>	<b>0</b>	<b>0</b>	<b>9,718,508</b>	<b>17,000</b>	<b>0</b>	<b>9,735,508</b>
<b>Portland Parks and Recreation</b>						
General Fund	0	14,585,439	43,611,007	2,663,491	0	60,859,937
Golf Fund	0	8,456,683	4,718,355	1,992	1,560,541	14,737,571
Golf Revenue Bond Redemption Fund	0	0	4,456	806,669	636,605	1,447,730

**Table 4****Summary of Revenues by Fund - FY 2011-12****Financial Summaries**

This table summarizes the major categories of estimated resources, including beginning fund balance and transfers from other funds, in total appropriation budgets by fund.

	Property & Transient Lodging Taxes	Service Charges, Licenses, & Permits	Other External Revenue	Intracity Transfers	Beginning Balances	Total Revenues
Grants Fund	0	0	876,323	0	0	876,323
Parks Capital Construction & Maintenance Fund	0	4,226,234	15,140,116	1,686,723	4,888,233	25,941,306
Parks Endowment Fund	0	0	920	0	180,625	181,545
Parks Local Option Levy Fund	32,142	0	0	0	4,146,375	4,178,517
Portland International Raceway Fund	0	1,794,925	8,400	288	718,471	2,522,084
Portland Parks Memorial Trust Fund	0	222,502	740,662	90,125	1,931,353	2,984,642
<b>Total Portland Parks and Recreation</b>	<b>32,142</b>	<b>29,285,783</b>	<b>65,100,239</b>	<b>5,249,288</b>	<b>14,062,203</b>	<b>113,729,655</b>
<b>Portland Police Bureau</b>						
General Fund	0	2,523,192	158,854,089	3,561,091	0	164,938,372
Grants Fund	0	0	2,047,640	0	0	2,047,640
Police Special Revenue Fund	0	0	680,000	0	1,175,000	1,855,000
<b>Total Portland Police Bureau</b>	<b>0</b>	<b>2,523,192</b>	<b>161,581,729</b>	<b>3,561,091</b>	<b>1,175,000</b>	<b>168,841,012</b>
<b>Portland Water Bureau</b>						
Hydroelectric Power Bond Redemption Fund	0	0	2,794,400	0	4,451,694	7,246,094
Hydroelectric Power Operating Fund	0	0	906,250	189,112	195,161	1,290,523
Hydroelectric Power Renewal Replacement Fund	0	0	309,000	0	9,481,050	9,790,050
Water Bond Sinking Fund	0	0	12,753,188	31,443,206	15,936,928	60,133,322
Water Construction Fund	0	1,000,000	148,963,495	19,365,572	72,034,535	241,363,602
Water Fund	0	127,886,472	1,062,681	139,957,696	45,268,099	314,174,948
<b>Total Portland Water Bureau</b>	<b>0</b>	<b>128,886,472</b>	<b>166,789,014</b>	<b>190,955,586</b>	<b>147,367,467</b>	<b>633,998,539</b>
<b>Total Citywide Resources</b>	<b>452,073,547</b>	<b>676,632,641</b>	<b>918,634,538</b>	<b>782,480,972</b>	<b>734,526,424</b>	<b>3,564,348,122</b>

# Total Revenues and Expenses by Fund by Fiscal Year

Table 5

## Financial Summaries

In each fund total revenues, including beginning fund balances, must equal total expenses, including ending fund balances. This table states the total revenues and expenses for each City fund.

	Actual FY 2008-09	Actual FY 2009-10	Revised FY 2010-11	Proposed FY 2011-12	Adopted FY 2011-12
<b>Bureau of Development Services</b>					
Development Services Fund	44,933,951	30,937,464	34,990,865	31,836,264	32,208,591
<b>Total Bureau of Development Services</b>	<b>44,933,951</b>	<b>30,937,464</b>	<b>34,990,865</b>	<b>31,836,264</b>	<b>32,208,591</b>
<b>Bureau of Emergency Communications</b>					
Emergency Communication Fund	20,763,425	19,968,137	19,016,958	23,026,186	23,026,186
Grants Fund	1,431	6,580	100,245	0	0
<b>Total Bureau of Emergency Communications</b>	<b>20,764,856</b>	<b>19,974,717</b>	<b>19,117,203</b>	<b>23,026,186</b>	<b>23,026,186</b>
<b>Bureau of Environmental Services</b>					
Environmental Remediation Fund	5,639,439	7,169,451	6,791,051	7,220,000	7,091,868
Grants Fund	623,605	(136,813)	1,433,554	1,347,781	1,347,781
Sewer System Construction Fund	241,501,451	241,793,406	324,337,789	326,550,000	326,550,000
Sewer System Debt Redemption Fund	123,991,760	122,799,545	181,509,339	197,250,500	197,250,500
Sewer System Operating Fund	444,678,586	468,644,925	572,245,100	428,871,705	429,745,134
Sewer System Rate Stabilization Fund	78,615,053	69,540,996	52,550,000	26,735,000	26,735,000
<b>Total Bureau of Environmental Services</b>	<b>895,049,894</b>	<b>909,811,511</b>	<b>1,138,866,833</b>	<b>987,974,986</b>	<b>988,720,283</b>
<b>Bureau of Fire &amp; Police Disability &amp; Retirement</b>					
Fire & Police Disability & Retirement Fund	136,204,832	143,433,543	151,807,312	151,738,900	151,738,900
Fire & Police Disability & Retirement Res Fund	1,500,000	750,000	750,000	750,000	750,000
<b>Total Bureau of Fire &amp; Police Disability &amp; Retirement</b>	<b>137,704,832</b>	<b>144,183,543</b>	<b>152,557,312</b>	<b>152,488,900</b>	<b>152,488,900</b>
<b>Bureau of Planning and Sustainability</b>					
General Fund	11,015,928	13,396,833	9,948,097	9,741,770	9,509,734
Grants Fund	42,852	1,609,647	24,413,550	14,524,407	14,524,407
Solid Waste Management Fund	0	8,426,281	7,688,460	6,743,196	6,743,196
<b>Total Bureau of Planning and Sustainability</b>	<b>11,058,780</b>	<b>23,432,761</b>	<b>42,050,107</b>	<b>31,009,373</b>	<b>30,777,337</b>
<b>Cable Communications and Franchise Management</b>					
Cable Fund	10,043,752	10,795,158	11,028,413	10,521,935	10,570,685
General Fund	1,995,552	1,951,837	1,912,089	1,928,843	1,977,593
<b>Total Cable Communications and Franchise Management</b>	<b>12,039,304</b>	<b>12,746,994</b>	<b>12,940,502</b>	<b>12,450,778</b>	<b>12,548,278</b>
<b>Commissioner of Public Affairs</b>					
Children's Investment Fund	16,478,848	20,209,990	17,621,823	15,455,022	15,505,022
General Fund	954,975	1,783,845	2,585,428	1,567,377	1,567,377
Grants Fund	0	0	225,000	0	0
<b>Total Commissioner of Public Affairs</b>	<b>17,433,823</b>	<b>21,993,835</b>	<b>20,432,251</b>	<b>17,022,399</b>	<b>17,072,399</b>
<b>Commissioner of Public Safety</b>					
General Fund	690,150	722,952	750,716	777,571	777,571
<b>Total Commissioner of Public Safety</b>	<b>690,150</b>	<b>722,952</b>	<b>750,716</b>	<b>777,571</b>	<b>777,571</b>
<b>Commissioner of Public Utilities</b>					
General Fund	812,459	806,782	852,706	896,340	896,340
Grants Fund	0	2,500	0	0	0
<b>Total Commissioner of Public Utilities</b>	<b>812,459</b>	<b>809,282</b>	<b>852,706</b>	<b>896,340</b>	<b>896,340</b>



Table 5

## Total Revenues and Expenses by Fund by Fiscal Year

Financial Summaries

In each fund total revenues, including beginning fund balances, must equal total expenses, including ending fund balances. This table states the total revenues and expenses for each City fund.

	Actual FY 2008-09	Actual FY 2009-10	Revised FY 2010-11	Proposed FY 2011-12	Adopted FY 2011-12
<b>Commissioner of Public Works</b>					
General Fund	771,886	816,447	920,148	922,590	922,590
<b>Total Commissioner of Public Works</b>	<b>771,886</b>	<b>816,447</b>	<b>920,148</b>	<b>922,590</b>	<b>922,590</b>
<b>Office of Government Relations</b>					
General Fund	1,207,673	1,156,883	1,202,964	1,319,876	1,319,876
<b>Total Office of Government Relations</b>	<b>1,207,673</b>	<b>1,156,883</b>	<b>1,202,964</b>	<b>1,319,876</b>	<b>1,319,876</b>
<b>Office of Human Relations</b>					
General Fund	414,715	666,231	551,509	617,937	617,937
<b>Total Office of Human Relations</b>	<b>414,715</b>	<b>666,231</b>	<b>551,509</b>	<b>617,937</b>	<b>617,937</b>
<b>Office of Management and Finance</b>					
Airport Way Debt Service Fund	6,999,621	7,118,692	7,392,494	6,758,878	6,758,878
BFRES Facilities GO Bond Construction Fund	19,904,788	11,314,530	6,470,091	3,362,546	3,362,546
Bonded Debt Interest and Sinking Fund	8,376,599	46,367,405	8,462,209	10,677,890	10,677,890
Central Eastside Ind District Debt Service Fund	4,976,723	6,338,572	7,782,460	7,625,942	7,625,942
CityFleet Operating Fund	45,347,838	43,394,133	49,400,569	45,892,967	47,047,771
Closed - Business License Surcharge Fund	1,816,074	12,854	0	0	0
Closed - Parking Facilities Debt Redemption Fund	25,281,970	0	0	0	0
Closed - Portland Police Assoc Health Insurnc Fd	2,020,028	0	0	0	0
Convention and Tourism Fund	4,237,312	3,302,854	3,842,090	3,052,720	3,052,720
Convention Center Area Debt Service Fund	11,206,025	12,371,489	13,331,585	12,390,436	12,390,436
EBS Services Fund	5,184,438	28,009,529	15,390,870	16,637,092	16,941,602
Emergency Communication Fund	2,128,082	13,510,420	8,150,525	1,236,772	650,772
Facilities Services Operating Fund	55,412,224	55,392,152	58,948,327	64,542,063	66,302,975
Fire & Police Supplemental Retirement Res Fund	66,927	59,726	51,753	43,714	43,714
Gateway URA Debt Redemption Fund	2,573,042	2,975,895	3,556,228	3,506,504	3,506,504
General Fund	177,786,164	152,824,845	91,075,060	111,270,829	111,832,653
General Reserve Fund	64,083,692	64,458,965	49,983,595	49,355,438	49,355,438
Governmental Bond Redemption Fund	3,224,520	10,435,487	4,943,469	1,273,149	1,273,149
Grants Fund	51,689	23,386,229	23,035,234	0	0
Health Insurance Operating Fund	52,808,752	57,356,554	56,159,390	61,857,370	61,857,370
Insurance and Claims Operating Fund	27,249,864	30,955,659	32,729,982	31,058,123	31,058,123
Interstate Corridor Debt Service Fund	10,350,106	12,161,511	23,482,271	19,326,252	19,326,252
Lents Town Center URA Debt Redemption Fund	7,898,412	34,008,888	13,826,396	13,477,223	13,477,223
NorthMacadamURADebtRedemptionFund	9,190,752	11,678,908	16,319,402	18,711,042	18,711,042
Parking Facilities Fund	22,674,447	0	0	0	0
Pension Debt Redemption Fund	19,026,553	7,025,363	3,400,068	4,361,755	4,361,755
Printing & Distribution Services Operating Fund	9,330,869	9,071,080	9,529,494	8,809,372	8,781,372
Private for Hire Transportation Safety Fund	259,587	221,204	220,487	221,082	221,082
Property Management License Fund	4,531,566	4,757,681	4,969,552	5,032,686	5,032,686
Public Safety GO Bond Fund	0	0	39,343,822	31,787,416	12,576,177

# Total Revenues and Expenses by Fund by Fiscal Year

Table 5

## Financial Summaries

In each fund total revenues, including beginning fund balances, must equal total expenses, including ending fund balances. This table states the total revenues and expenses for each City fund.

	Actual FY 2008-09	Actual FY 2009-10	Revised FY 2010-11	Proposed FY 2011-12	Adopted FY 2011-12
River District URA Debt Redemption Fund	29,236,777	33,358,448	38,596,492	36,944,944	36,944,944
South Park Blocks Redemption Fund	40,773,065	16,106,796	15,979,206	15,546,778	15,546,778
Special Finance and Resource Fund	105,212,782	89,601,872	120,169,351	112,339,000	112,339,000
Special Projects Debt Service Fund	6,189,363	6,436,941	6,449,843	13,292,486	6,646,243
Spectator Facilities Operating Fund	16,080,920	18,371,947	26,052,008	15,129,338	15,229,338
Technology Services Fund	97,959,782	93,198,381	90,543,160	87,249,726	87,903,265
Waterfront Renewal Bond Sinking Fund	17,739,894	17,529,932	17,130,738	16,742,678	16,742,678
Willamette Industrial URA Debt Service Fund	697,385	812,471	1,202,457	1,394,914	1,394,914
Workers' Comp Self Insurance Operating Fund	22,848,108	23,391,762	23,157,492	22,348,518	22,348,518
<b>Total Office of Management and Finance</b>	<b>940,736,740</b>	<b>947,319,173</b>	<b>891,078,170</b>	<b>853,257,643</b>	<b>831,321,750</b>
<b>Office of Neighborhood Involvement</b>					
General Fund	6,017,166	7,333,576	6,769,839	7,079,728	7,079,728
Grants Fund	0	0	50,000	0	0
<b>Total Office of Neighborhood Involvement</b>	<b>6,017,166</b>	<b>7,333,576</b>	<b>6,819,839</b>	<b>7,079,728</b>	<b>7,079,728</b>
<b>Office of Sustainable Development</b>					
General Fund	2,873,078	0	0	0	0
Grants Fund	441,960	(1,238,877)	0	0	0
Solid Waste Management Fund	8,663,949	0	0	0	0
<b>Total Office of Sustainable Development</b>	<b>11,978,987</b>	<b>(1,238,877)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Office of the City Attorney</b>					
General Fund	8,016,265	8,415,443	8,844,159	9,578,419	9,578,419
<b>Total Office of the City Attorney</b>	<b>8,016,265</b>	<b>8,415,443</b>	<b>8,844,159</b>	<b>9,578,419</b>	<b>9,578,419</b>
<b>Office of the City Auditor</b>					
Assessment Collection Fund	79,892	80,406	81,924	79,893	79,893
Bancroft Bond Interest and Sinking Fund	21,455,865	22,057,890	24,641,895	19,478,832	19,478,832
Closed - Campaign Finance Fund	1,646,461	1,291,011	545,896	0	0
General Fund	7,799,810	7,771,333	9,313,086	9,287,736	9,140,697
Local Improvement District Construction Fund	11,753,020	58,791,219	15,515,063	27,203,129	27,203,129
<b>Total Office of the City Auditor</b>	<b>42,735,048</b>	<b>89,991,859</b>	<b>50,097,864</b>	<b>56,049,590</b>	<b>55,902,551</b>
<b>Office of the Mayor</b>					
General Fund	2,395,678	2,971,314	4,491,807	4,196,766	4,196,766
<b>Total Office of the Mayor</b>	<b>2,395,678</b>	<b>2,971,314</b>	<b>4,491,807</b>	<b>4,196,766</b>	<b>4,196,766</b>
<b>Portland Bureau of Transportation</b>					
Gas Tax Bond Redemption Fund	3,499,600	1,096,824	1,091,035	1,085,263	1,080,710
Grants Fund	1,497,549	49,331,381	124,070,720	53,696,617	53,811,617
Parking Facilities Fund	0	22,773,300	20,696,495	20,271,238	20,271,238
Transportation Operating Fund	139,293,812	164,584,176	173,270,485	181,180,409	181,182,598
Transportation Reserve Fund	1,137,878	2,498,292	2,540,000	2,516,292	2,516,292
<b>Total Portland Bureau of Transportation</b>	<b>145,428,839</b>	<b>240,283,973</b>	<b>321,668,735</b>	<b>258,749,819</b>	<b>258,862,455</b>
<b>Portland Development Commission</b>					
General Fund	0	0	4,075,126	5,788,326	5,788,326
Grants Fund	0	20,171	0	0	0
<b>Total Portland Development Commission</b>	<b>0</b>	<b>20,171</b>	<b>4,075,126</b>	<b>5,788,326</b>	<b>5,788,326</b>
<b>Portland Fire and Rescue</b>					
General Fund	86,135,450	89,658,856	95,348,897	95,277,759	95,300,759

Table 5

## Total Revenues and Expenses by Fund by Fiscal Year

Financial Summaries

In each fund total revenues, including beginning fund balances, must equal total expenses, including ending fund balances. This table states the total revenues and expenses for each City fund.

	Actual FY 2008-09	Actual FY 2009-10	Revised FY 2010-11	Proposed FY 2011-12	Adopted FY 2011-12
Grants Fund	57,050	818,666	592,107	91,222	91,222
Public Safety GO Bond Fund	0	0	7,293,000	7,293,000	7,121,000
<b>Total Portland Fire and Rescue</b>	<b>86,192,500</b>	<b>90,477,521</b>	<b>103,234,004</b>	<b>102,661,981</b>	<b>102,512,981</b>
<b>Portland Housing Bureau</b>					
Community Development Block Grant Fund	10,965,509	14,058,463	16,226,715	9,947,702	13,148,352
General Fund	14,283,529	12,219,233	10,643,564	11,099,071	11,751,046
Grants Fund	1,031,605	5,277,976	10,908,341	3,988,642	4,180,545
Headwaters Apartment Complex Fund	0	0	1,012,294	1,364,828	814,128
HOME Grant Fund	3,661,335	8,331,585	6,000,213	5,177,900	7,212,931
Housing Investment Fund	22,240,152	17,303,370	11,695,900	7,086,822	10,052,219
Tax Increment Financing Reimbursement Fund	0	1,193,009	52,530,434	52,234,079	54,264,923
<b>Total Portland Housing Bureau</b>	<b>52,182,130</b>	<b>58,383,636</b>	<b>109,017,461</b>	<b>90,899,044</b>	<b>101,424,144</b>
<b>Portland Office of Emergency Management</b>					
General Fund	1,540,713	1,632,718	1,684,672	1,769,727	1,769,727
Grants Fund	1,410,344	(1,233,703)	5,945,058	7,942,364	7,965,781
<b>Total Portland Office of Emergency Management</b>	<b>2,951,057</b>	<b>399,015</b>	<b>7,629,730</b>	<b>9,712,091</b>	<b>9,735,508</b>
<b>Portland Parks and Recreation</b>					
General Fund	56,837,966	57,138,977	59,701,881	60,798,605	60,859,937
Golf Fund	9,754,562	9,565,865	9,378,238	14,737,571	14,737,571
Golf Revenue Bond Redemption Fund	1,456,271	1,443,974	1,447,385	1,447,730	1,447,730
Grants Fund	181,693	928,890	3,408,344	876,323	876,323
Parks Capital Construction & Maintenance Fund	35,492,269	21,935,173	19,204,790	29,278,072	25,941,306
Parks Endowment Fund	185,540	185,399	183,134	181,545	181,545
Parks Local Option Levy Fund	19,415,495	7,711,665	5,829,553	4,178,517	4,178,517
Portland International Raceway Fund	2,372,217	2,496,143	2,564,923	2,522,084	2,522,084
Portland Parks Memorial Trust Fund	3,138,513	3,024,806	2,989,854	2,979,317	2,984,642
<b>Total Portland Parks and Recreation</b>	<b>128,834,526</b>	<b>104,430,891</b>	<b>104,708,102</b>	<b>116,999,764</b>	<b>113,729,655</b>
<b>Portland Police Bureau</b>					
General Fund	153,358,313	160,769,831	157,071,997	164,938,372	164,938,372
Grants Fund	603,810	1,282,237	5,506,374	2,047,640	2,047,640
Police Special Revenue Fund	16,833	1,508,440	1,722,903	1,855,000	1,855,000
<b>Total Portland Police Bureau</b>	<b>153,978,956</b>	<b>163,560,508</b>	<b>164,301,274</b>	<b>168,841,012</b>	<b>168,841,012</b>
<b>Portland Water Bureau</b>					
Closed - Water Growth Impact Charge Trust Fund	1,912,526	0	0	0	0
Grants Fund	124,014	(324,122)	1,038,400	0	0
Hydroelectric Power Bond Redemption Fund	7,302,040	7,136,865	7,146,800	7,246,094	7,246,094
Hydroelectric Power Operating Fund	1,617,223	1,263,360	1,172,206	1,290,523	1,290,523
Hydroelectric Power Renewal Replacement Fund	9,130,318	9,357,058	9,747,308	9,790,050	9,790,050
Water Bond Sinking Fund	26,663,406	40,908,913	44,902,410	60,127,322	60,133,322
Water Construction Fund	109,806,284	115,889,368	137,188,970	241,314,546	241,363,602

# Total Revenues and Expenses by Fund by Fiscal Year

Table 5

## Financial Summaries

In each fund total revenues, including beginning fund balances, must equal total expenses, including ending fund balances. This table states the total revenues and expenses for each City fund.

	Actual FY 2008-09	Actual FY 2009-10	Revised FY 2010-11	Proposed FY 2011-12	Adopted FY 2011-12
Water Fund	199,288,920	219,167,935	246,850,453	313,968,259	314,174,948
Total Portland Water Bureau	355,844,731	393,399,377	448,046,547	633,736,794	633,998,539
Total Citywide	3,080,174,946	3,273,000,200	3,649,245,934	3,577,894,177	3,564,348,122

Table 6

## Tax Levy Computation

Financial Summaries

This table shows the calculation of the City's property tax levies in the format prescribed by state law.

	Total	General Fund	Bonded Debt	Fire & Police Disability & Retirement	Parks Local Option Levy	Children's Local Option Levy
<b>Fiscal Year 2011-12</b>						
Total Budget Requirements	681,925,777	499,825,448	10,677,890	151,738,900	4,178,517	15,505,022
Less: Budgeted Resources, Except Taxes to Be Levied	(362,727,782)	(306,737,935)	(205,000)	(47,938,325)	(4,178,517)	(3,668,005)
Equals: Taxes Necessary To Balance	319,197,995	193,087,513	10,472,890	103,800,575	0	11,837,017
Add: Taxes Estimated Not to Be Received due to Delinquency & Discount	19,178,679	11,585,251	669,483	6,228,035	0	695,911
Equals: Estimated (Measure 50) Levy Receivable	338,376,674	204,672,764	11,142,373	110,028,610	0	12,532,928
Add: Estimated Measure 5 Levy Compression	18,324,919	7,879,901	0	4,236,101	0	6,208,916
<b>Taxes to Be Levied</b>	<b>356,701,593</b>	<b>212,552,665</b>	<b>11,142,373</b>	<b>114,264,711</b>	<b>0</b>	<b>18,741,844</b>
<b>Legal Basis of Taxes to Be Levied</b>						
Fixed Tax Rate Levy-Subject to \$10 Limit	231,294,509	212,552,665	0	0	0	18,741,844
Local Option Operating Tax	0	0	0	0	0	0
Local Option Capital Construction Tax	0	0	0	0	0	0
Levy for Gap Bonds	0	0	0	0	0	0
Levy for Pension & Disability Obligations	114,264,711	0	0	114,264,711	0	0
Levy for Bonded Indebtedness	11,142,373	0	11,142,373	0	0	0
<b>Taxes To Be Levied</b>	<b>356,701,593</b>	<b>212,552,665</b>	<b>11,142,373</b>	<b>114,264,711</b>	<b>0</b>	<b>18,741,844</b>
<b>Fiscal Year 2010-11</b>						
Total Budget Requirements	636,599,643	451,812,997	8,462,209	151,805,634	5,829,553	18,689,250
Less: Budgeted Resources Except Taxes to Be Levied	(320,100,710)	(264,478,578)	(295,000)	(44,275,344)	(5,829,553)	(5,222,235)
Equals: Taxes Necessary to Balance	316,498,933	187,334,419	8,167,209	107,530,290	0	13,467,015
Add: Taxes Estimated Not to Be Received due to Delinquency & Discount	20,527,321	12,169,755	530,564	6,985,461	0	841,542
Equals: Estimated (Measure 50) Levy Receivable	337,026,254	199,504,174	8,697,773	114,515,751	0	14,308,557
Add: Estimated Measure 5 Levy Compression	14,664,459	6,986,796	0	4,010,433	0	3,667,229
<b>Taxes to Be Levied</b>	<b>351,690,713</b>	<b>206,490,970</b>	<b>8,697,773</b>	<b>118,526,184</b>	<b>0</b>	<b>17,975,786</b>
<b>Legal Basis of Taxes to Be Levied</b>						
Permanent Rate Limit Levy-Subject to \$10 Limit	224,466,756	206,490,970	0	0	0	17,975,786
Local Option Operating Tax	0	0	0	0	0	0
Local Option Capital Construction Tax	0	0	0	0	0	0
Levy for Gap Bonds	0	0	0	0	0	0
Levy for Pension & Disability Obligations	118,526,184	0	0	118,526,184	0	0
<b>Levy for Bonded Indebtedness</b>	<b>8,697,773</b>	<b>0</b>	<b>8,697,773</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Taxes to Be Levied</b>	<b>351,690,713</b>	<b>206,490,970</b>	<b>8,697,773</b>	<b>118,526,184</b>	<b>0</b>	<b>17,975,786</b>

# Urban Renewal Certification

Table 7

## Financial Summaries

This table shows the amount of tax increment collections planned for the City's urban renewal districts.

### Part 1: Option One Plans (Reduced Rate)

Plan Area Name	Increment Value to Use		100% from Division of Tax	Special Levy Amount

### Part 2: Option Three Plans (Standard Rate)

Plan Area Name	Increment Value to Use		Amount from Division of Tax	Special Levy Amount
Airport Way		OR	\$2,540,000	\$3,589,189
Oregon Convention Center		OR	\$5,740,000	\$5,608,713
Downtown Waterfront		OR	\$7,710,000	\$3,557,465
South Park Blocks		OR	\$5,660,000	\$2,244,633

### Part 3: Other Standard Rate Plans

Plan Area Name	Increment Value to Use		100% from Division of Tax	Special Levy Amount
Lents Town Center		OR	Yes	\$10,966,101
Gateway Regional Center		OR	Yes	\$3,699,950
River District	\$1,592,116,769			\$33,086,511
North Macadam		OR	Yes	\$15,569,810
Interstate Corridor		OR	Yes	\$15,296,261

### Part 4: Other Reduced Rate Plans

Plan Area Name	Increment Value to Use		100% from Division of Tax	Estimated Division of Tax
Central Eastside Industrial District		OR	Yes	\$5,791,495
Willamette Industrial Area		OR	Yes	\$1,368,801

### Notice to Assessor of Permanent Increase in Frozen Value

Plan Area Name	New frozen value \$
Plan Area Name	New frozen value \$

Table 8

## Summary of Authorized Positions

Financial Summaries

This table summarizes the number of regular permanent or limited term full-time and part-time positions authorized in each bureau. Temporary part-time positions are not included.

	Actual FY 2008-09	Actual FY 2009-10	Revised FY 2010-11	Adopted FY 2011-12	Change
Bureau of Development Services		303.93	163.70	178.53	14.83
Bureau of Emergency Communications		144.42	145.75	145.00	(0.75)
Bureau of Environmental Services		540.75	548.10	538.60	(9.50)
Bureau of Fire & Police Disability & Retirement		17.70	16.70	16.70	0.00
Bureau of Planning and Sustainability		119.56	113.58	109.60	(3.98)
Cable Communications and Franchise Management		9.00	8.80	8.80	0.00
Commissioner of Public Affairs		15.50	14.80	14.80	0.00
Commissioner of Public Safety		6.90	6.39	6.39	0.00
Commissioner of Public Utilities		10.00	9.00	9.00	0.00
Commissioner of Public Works		8.00	8.80	8.80	0.00
Office of Government Relations		7.00	7.50	8.00	0.50
Office of Human Relations		4.00	4.00	4.00	0.00
Office of Management and Finance		673.93	672.58	683.23	10.65
Office of Neighborhood Involvement		39.60	36.75	38.65	1.90
Office of the City Attorney		60.50	59.60	57.05	(2.55)
Office of the City Auditor		50.50	50.00	48.62	(1.38)
Office of the Mayor		25.00	25.60	25.40	(0.20)
Portland Bureau of Transportation		743.48	750.73	761.18	10.45
Portland Fire and Rescue		750.15	743.47	747.97	4.50
Portland Housing Bureau		34.00	67.00	57.00	(10.00)
Portland Office of Emergency Management		14.82	18.90	18.73	(0.17)
Portland Parks and Recreation		446.66	444.52	440.89	(3.63)
Portland Police Bureau		1,252.88	1,238.57	1,230.90	(7.67)
Portland Water Bureau		642.25	641.15	627.75	(13.40)
<b>Total Full-Time Equivalents</b>		<b>5,920.53</b>	<b>5,795.98</b>	<b>5,785.59</b>	<b>(10.39)</b>

# General Fund Revenues and Expenses

Table 9

## Financial Summaries

This table summarizes the type of revenues into the General Fund, as well as the bureau expense budgets, with a comparison between fiscal years.

	Discretionary Budget		Total Budget	
	Revised FY 2010-11	Adopted FY 2011-12	Revised FY 2010-11	Adopted FY 2011-12
<b>Resources</b>				
Property Taxes	191,959,956	198,009,386	191,959,956	198,009,386
Lodging Taxes	14,524,258	15,248,600	14,524,258	15,248,600
Business Licenses	57,831,084	67,386,974	57,831,084	67,386,974
Utility License Fees	70,250,023	70,813,350	70,250,023	70,813,350
Overhead, Service Reimbursements	0	0	44,734,747	49,476,992
Service Charges, Permits & Fees	65,000	0	22,739,064	21,692,321
Other Intergovernmental Revenues	2,562,265	2,659,989	13,576,837	12,064,368
State Shared Cigarette & Liquor	12,867,392	12,389,324	12,867,392	12,389,324
Interest Income	1,148,805	1,081,911	2,179,696	2,232,069
Cash Transfers	7,122,001	1,591,449	7,923,791	9,515,869
Miscellaneous Revenues	50,000	50,000	2,328,243	1,613,214
Bond and Note Proceeds	8,506,660	0	8,506,660	0
Beginning Fund Balance	18,321,994	39,382,981	18,321,994	39,382,981
<b>General Fund Resources</b>	<b>385,209,438</b>	<b>408,613,964</b>	<b>467,743,745</b>	<b>499,825,448</b>
<b>Expenses</b>				
Bureau of Planning & Sustainability	8,109,046	8,257,385	9,948,097	9,509,734
Bureau of Police	144,523,941	153,396,631	157,071,997	164,938,372
Commissioner of Public Affairs	1,400,687	1,057,317	2,585,428	1,567,377
Commissioner of Public Safety	318,943	327,198	750,716	777,571
Commissioner of Public Utilities	317,366	335,644	852,706	896,340
Commissioner of Public Works	340,105	342,509	920,148	922,590
Office of Cable Communications & Franchise Mgmt	1,789,943	1,926,593	1,912,089	1,977,593
Office of the City Attorney	1,781,135	1,722,115	8,844,159	9,578,419
Office of the City Auditor	4,152,903	4,161,907	9,313,086	9,140,697
Office of Government Relations	483,718	566,117	1,202,964	1,319,876
Office of Human Relations	551,509	617,937	551,509	617,937
Office of Management & Finance	14,469,517	13,798,059	37,449,129	46,859,276
Office of the Mayor	2,610,245	2,156,115	4,491,807	4,196,766
Office of Neighborhood Involvement	6,131,164	6,436,186	6,764,839	7,079,728
Portland Development Commission	4,075,126	5,788,326	4,075,126	5,788,326
Portland Fire & Rescue	90,035,371	88,995,796	95,348,897	95,300,759
Portland Housing Bureau	10,020,258	10,962,493	10,638,564	11,751,046
Portland Office of Emergency Management	670,170	671,186	1,684,672	1,769,727
Portland Parks & Recreation	41,091,826	42,962,510	59,456,881	60,774,937
Special Appropriations	7,021,702	9,468,254	7,177,257	8,430,881
<b>Bureau Expenditures</b>	<b>339,894,675</b>	<b>353,950,278</b>	<b>421,040,071</b>	<b>443,197,952</b>
Total Bureau Expenses	339,894,675	353,950,278	421,040,071	443,197,952
Contingency - Operating & Reserve	8,110,187	15,792,573	8,110,187	15,794,535
Overhead Recovery True-Up	940,130	(1,077,826)	0	0
Debt Service	5,485,124	5,950,694	5,485,124	6,035,694
Transfers to Other Funds	30,779,322	33,998,245	33,108,363	34,797,267
<b>General Fund Expenditures</b>	<b>385,209,438</b>	<b>408,613,964</b>	<b>467,743,745</b>	<b>499,825,448</b>



Table 10

## Operating and Capital Budget by Service Area

Financial Summaries

This table summarizes the operating and capital expenditures included in bureau budgets for each fiscal year, by service area, and by bureau. It does not include fund requirements such as contingencies, reserves, debt service, or interfund transfers.

	Revised FY 2010-11			Adopted FY 2011-12		
	Operating Budget	Capital Improvements	Total Expenditures	Operating Budget	Capital Improvements	Total Expenditures
<b>Public Safety</b>						
BFRes Facilities GO Bond Construction	\$113,854	\$4,554,244	\$4,668,098	\$114,368	\$2,342,141	\$2,456,509
Bureau of Emergency Communications	17,304,900	6,272,253	23,577,153	18,439,715	150,772	18,590,487
Office of Emergency Management	7,629,730	0	7,629,730	9,735,508	0	9,735,508
Portland Fire and Rescue	93,942,878	1,998,126	95,941,004	95,391,981	0	95,391,981
Fire & Police Disability & Retirement	108,848,314	20,000	108,868,314	114,293,235	240,000	114,533,235
Portland Police Bureau	162,578,371	0	162,578,371	166,986,012	0	166,986,012
Police Special Revenue	1,621,175	0	1,621,175	1,850,009	0	1,850,009
Public Safety GO Bond	64,600	7,394,688	7,459,288	127,600	8,088,483	8,216,083
Special Appropriations	0	0	0	30,000	0	30,000
<b>Total Public Safety</b>	<b>\$392,103,822</b>	<b>\$20,239,311</b>	<b>\$412,343,133</b>	<b>\$406,968,428</b>	<b>\$10,821,396</b>	<b>\$417,789,824</b>
<b>Parks, Recreation, and Culture</b>						
Golf	\$6,690,412	\$96,000	\$6,786,412	\$7,058,564	\$4,700,000	\$11,758,564
Portland Parks and Recreation	60,322,638	2,542,587	62,865,225	61,016,260	635,000	61,651,260
Parks Construction	2,342,045	12,097,586	14,439,631	1,577,382	20,539,713	22,117,095
Parks Endowment	20,512	0	20,512	18,923	0	18,923
Parks Local Option Levy	960,952	0	960,952	962,618	0	962,618
Parks Memorial Trust	2,284,416	0	2,284,416	2,492,070	0	2,492,070
Portland International Raceway	1,461,783	0	1,461,783	1,440,996	0	1,440,996
Special Appropriations	867,019	0	867,019	7,028,692	0	7,028,692
Spectator Facilities	12,296,667	0	12,296,667	2,340,780	0	2,340,780
<b>Total Parks, Recreation, and Culture</b>	<b>\$87,246,444</b>	<b>\$14,736,173</b>	<b>\$101,982,617</b>	<b>\$83,936,285</b>	<b>\$25,874,713</b>	<b>\$109,810,998</b>
<b>Public Utilities</b>						
Bureau of Environmental Services	\$105,776,181	\$239,246,472	\$345,022,653	\$103,513,831	\$112,150,000	\$215,663,831
Portland Water Bureau	77,146,377	61,454,000	138,600,377	76,509,861	122,335,000	198,844,861
Environmental Remediation	5,846,619	0	5,846,619	5,453,199	0	5,453,199
Hydroelectric Power Operating	680,007	0	680,007	692,954	0	692,954
Solid Waste Management	5,528,297	0	5,528,297	4,986,314	0	4,986,314
<b>Total Public Utilities</b>	<b>\$194,977,481</b>	<b>\$300,700,472</b>	<b>\$495,677,953</b>	<b>\$191,156,159</b>	<b>\$234,485,000</b>	<b>\$425,641,159</b>
<b>Community Development</b>						
Assessment Collection	\$1,321	\$0	\$1,321	\$1,532	\$0	\$1,532
Cable Comm and Franchise Mgmt	7,484,364	0	7,484,364	9,332,402	0	9,332,402
Children's Investment	16,233,771	0	16,233,771	15,474,011	0	15,474,011
Convention and Tourism	3,550,154	0	3,550,154	3,034,531	0	3,034,531
Development Services	28,415,336	0	28,415,336	27,943,607	0	27,943,607
HOME Grant	5,926,168	0	5,926,168	7,212,931	0	7,212,931
Bureau of Housing	21,546,905	0	21,546,905	15,931,591	0	15,931,591
Headwater Apartment Complex	137,000	0	137,000	25,552	0	25,552
Housing & Community Development	14,817,839	0	14,817,839	12,748,352	0	12,748,352
Housing Investment	8,108,134	0	8,108,134	9,189,304	0	9,189,304
Office of Human Relations	551,509	0	551,509	617,937	0	617,937
Local Improvement District Construction	2,093,940	0	2,093,940	1,417,330	0	1,417,330
Office of Neighborhood Involvement	6,804,839	10,000	6,814,839	7,079,728	0	7,079,728
Bureau of Planning and Sustainability	34,361,647	0	34,361,647	24,034,141	0	24,034,141

# Operating and Capital Budget by Service Area

Table 10

## Financial Summaries

This table summarizes the operating and capital expenditures included in bureau budgets for each fiscal year, by service area, and by bureau. It does not include fund requirements such as contingencies, reserves, debt service, or interfund transfers.

	Revised FY 2010-11			Adopted FY 2011-12		
	Operating Budget	Capital Improvements	Total Expenditures	Operating Budget	Capital Improvements	Total Expenditures
Portland Development Commission	4,075,126	0	4,075,126	5,788,326	0	5,788,326
Property Management License	4,891,742	0	4,891,742	5,032,686	0	5,032,686
Special Appropriations	(41,250)	0	(41,250)	1,732,437	0	1,732,437
Special Finance & Resource	117,973,120	0	117,973,120	111,670,742	0	111,670,742
Tax Increment Financing Reimburse	50,411,862	0	50,411,862	54,191,179	0	54,191,179
<b>Total Community Development</b>	<b>\$327,343,527</b>	<b>\$10,000</b>	<b>\$327,353,527</b>	<b>\$312,458,319</b>	<b>\$0</b>	<b>\$312,458,319</b>
<b>Transportation and Parking</b>						
Bureau of Transportation	\$112,752,203	\$132,308,389	\$245,060,592	\$108,860,279	\$102,796,265	\$211,656,544
Parking Facilities	6,339,406	0	6,339,406	7,515,866	0	7,515,866
<b>Total Transportation and Parking</b>	<b>\$119,091,609</b>	<b>\$132,308,389</b>	<b>\$251,399,998</b>	<b>\$116,376,145</b>	<b>\$102,796,265</b>	<b>\$219,172,410</b>
<b>Elected Officials</b>						
Office of the City Auditor	\$9,313,086	\$0	\$9,313,086	\$9,140,697	\$0	\$9,140,697
Mayor and Commissioners' Offices	9,825,805	0	9,825,805	8,360,644	0	8,360,644
<b>Total Elected Officials</b>	<b>\$19,138,891</b>	<b>\$0</b>	<b>\$19,138,891</b>	<b>\$17,501,341</b>	<b>\$0</b>	<b>\$17,501,341</b>
<b>City Support Services</b>						
Campaign Finance	\$20,109	\$0	\$20,109	\$0	\$0	\$0
Office of the City Attorney	8,844,159	0	8,844,159	9,578,419	0	9,578,419
CityFleet	20,592,256	12,719,585	33,311,841	21,058,683	7,304,540	28,363,223
Enterprise Business Solution Services	8,075,317	245,760	8,321,077	7,953,575	0	7,953,575
Facilities Services	29,055,370	1,837,328	30,892,698	25,478,223	1,854,613	27,332,836
Government Relations	1,202,964	0	1,202,964	1,319,876	0	1,319,876
Health Insurance Operating	43,734,355	0	43,734,355	43,892,192	0	43,892,192
Insurance and Claims	12,301,761	250,000	12,551,761	9,329,772	175,000	9,504,772
Management & Finance - Gen Fund	37,189,662	259,467	37,449,129	37,463,726	8,180,430	45,644,156
Management & Finance - Grants	8,526,058	1,092,691	9,618,749	0	0	0
Pension Debt Redemption	0	0	0	142,000	0	142,000
Printing & Distribution	7,181,636	0	7,181,636	6,896,574	0	6,896,574
Special Appropriations	6,351,488	0	6,351,488	854,872	0	854,872
Technology Services	45,036,470	2,590,068	47,626,538	45,558,344	2,598,000	48,156,344
Workers' Compensation	4,881,625	250,000	5,131,625	4,122,427	175,000	4,297,427
<b>Total City Support Services</b>	<b>\$232,993,230</b>	<b>\$19,244,899</b>	<b>\$252,238,129</b>	<b>\$213,648,683</b>	<b>\$20,287,583</b>	<b>\$233,936,266</b>
<b>Total Expenditures</b>	<b>\$1,372,895,004</b>	<b>\$487,239,244</b>	<b>\$1,860,134,248</b>	<b>\$1,341,930,992</b>	<b>\$391,922,816</b>	<b>\$1,736,310,317</b>
<b>Fund Requirements</b>						
Contingency			500,947,364			608,315,179
Debt Service			451,881,829			409,445,145
Ending Fund Balance			155,560,015			217,123,416
General Fund Overhead Transfers			21,642,330			24,655,158
Other Cash Transfers			659,080,148			568,498,907
<b>City Budget</b>			<b>\$3,649,245,934</b>			<b>\$3,564,348,122</b>
Less Intracity Transfers			(870,052,407)			(782,480,972)
<b>Net City Budget</b>			<b>\$2,779,193,527</b>			<b>\$2,781,867,150</b>

**Table 11****Capital Budget by Bureau**

Financial Summaries

This table summarizes Capital Improvement Plan project costs by bureau.

Bureau	Prior Years	Revised	Adopted	Capital Plan				5-Year Total
		FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	
Bureau of Environmental Services	384,741,929	193,564,941	112,150,000	74,489,000	125,487,000	101,823,000	124,732,000	538,681,000
Bureau of Fire & Police Disability & Retirement	0	20,000	240,000	36,750	38,500	38,500	38,500	392,250
Office of Management and Finance	32,564,202	23,256,411	33,305,901	33,970,946	35,854,562	12,535,127	7,189,912	122,856,448
Portland Bureau of Transportation	14,701,025	114,057,254	102,796,265	34,437,977	6,649,195	5,324,785	5,359,785	154,568,007
Portland Fire and Rescue	0	0	2,724,000	3,897,000	3,831,000	8,804,000	544,000	19,800,000
Portland Parks and Recreation	13,266,312	10,854,524	26,377,591	65,905,748	86,957,214	79,286,380	53,766,308	312,293,241
Portland Water Bureau	139,924,885	0	122,335,000	181,025,000	119,700,000	70,525,000	69,925,000	563,510,000
<b>Total City Capital Plan</b>	<b>585,198,353</b>	<b>341,753,130</b>	<b>399,928,757</b>	<b>393,762,421</b>	<b>378,517,471</b>	<b>278,336,792</b>	<b>261,555,505</b>	<b>1,712,100,946</b>

# Capital Budget by Geographic Area

**Table 12**

## Financial Summaries

This table summarizes Capital Improvement Plan project costs by geographic area within each bureau.

Bureau Geographic Area	Prior Years	Revised FY 2010-11	Adopted FY 2011-12	Capital Plan				5-Year Total
				FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	
<b>Bureau of Environmental Services</b>								
Central City	218,002	3,062,000	3,162,000	5,000,000	2,098,000	0	0	10,260,000
Citywide	107,183,988	35,392,941	39,294,000	28,710,000	63,357,000	47,557,000	44,011,000	222,929,000
East	266,648,529	47,851,000	14,883,000	1,024,000	3,715,000	6,644,000	11,800,000	38,066,000
North	4,064,994	34,475,000	21,172,000	19,689,000	11,434,000	8,924,000	7,074,000	68,293,000
Northeast	121,619	2,518,000	4,611,000	1,316,000	1,877,000	15,000	472,000	8,291,000
Northwest	4,432,368	43,400,000	7,563,000	1,906,000	10,467,000	8,875,000	9,369,000	38,180,000
Southeast	447,754	6,000,000	12,555,000	9,959,000	12,143,000	18,232,000	44,591,000	97,480,000
Southwest	1,568,277	20,866,000	8,910,000	6,719,000	19,752,000	10,366,000	7,415,000	53,162,000
Undetermined	56,398	0	0	166,000	644,000	1,210,000	0	2,020,000
<b>Total Bureau of Environmental Services</b>	<b>384,741,929</b>	<b>193,564,941</b>	<b>112,150,000</b>	<b>74,489,000</b>	<b>125,487,000</b>	<b>101,823,000</b>	<b>124,732,000</b>	<b>538,681,000</b>
<b>Bureau of Fire &amp; Police Disability &amp; Retirement</b>								
Citywide	0	20,000	240,000	36,750	38,500	38,500	38,500	392,250
<b>Total Bureau of Fire &amp; Police Disability &amp; Retirement</b>	<b>0</b>	<b>20,000</b>	<b>240,000</b>	<b>36,750</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>392,250</b>
<b>Office of Management and Finance</b>								
Central City	17,499,419	1,000,000	8,204,540	6,171,202	4,443,223	7,971,727	6,564,812	33,355,504
Citywide	10,067,500	16,731,839	15,873,991	19,292,748	25,474,500	3,985,000	65,000	64,691,239
East	1,110,447	837,328	5,380,229	5,046,767	184,839	0	0	10,611,835
Southeast	2,767,841	3,268,948	1,618,031	2,210,229	4,932,000	0	0	8,760,260
Southwest	1,118,995	1,418,296	2,229,110	1,250,000	820,000	578,400	560,100	5,437,610
<b>Total Office of Management and Finance</b>	<b>32,564,202</b>	<b>23,256,411</b>	<b>33,305,901</b>	<b>33,970,946</b>	<b>35,854,562</b>	<b>12,535,127</b>	<b>7,189,912</b>	<b>122,856,448</b>
<b>Portland Bureau of Transportation</b>								
Citywide	6,597,570	75,078,983	44,569,682	18,181,031	5,289,785	5,324,785	5,359,785	78,725,068
North	3,599,790	7,956,714	9,112,921	0	0	0	0	9,112,921
Northeast	1,186,233	6,525,407	9,504,524	4,329,037	0	0	0	13,833,561
Northeast/Southeast	58,215	332,567	210,570	1,206,764	0	0	0	1,417,334
Southeast	1,519,567	2,495,856	6,535,536	3,410,801	0	0	0	9,946,337
Southwest	1,739,650	21,667,727	32,763,032	7,310,344	1,359,410	0	0	41,432,786
West	0	0	100,000	0	0	0	0	100,000
<b>Total Portland Bureau of Transportation</b>	<b>14,701,025</b>	<b>114,057,254</b>	<b>102,796,265</b>	<b>34,437,977</b>	<b>6,649,195</b>	<b>5,324,785</b>	<b>5,359,785</b>	<b>154,568,007</b>
<b>Portland Fire and Rescue</b>								
Citywide	0	0	2,724,000	3,897,000	3,831,000	8,804,000	544,000	19,800,000
<b>Total Portland Fire and Rescue</b>	<b>0</b>	<b>0</b>	<b>2,724,000</b>	<b>3,897,000</b>	<b>3,831,000</b>	<b>8,804,000</b>	<b>544,000</b>	<b>19,800,000</b>
<b>Portland Parks and Recreation</b>								
Central City	0	0	0	675,000	9,759,220	1,000,000	1,000,000	12,434,220
Citywide	8,894,882	3,459,142	5,740,608	18,793,748	19,563,994	14,204,380	8,262,308	66,565,038
East	0	0	0	3,916,000	4,215,000	6,046,000	0	14,177,000
North	1,025,876	2,934,979	7,380,000	10,830,000	17,601,000	0	0	35,811,000
Northeast	431,443	1,216,501	1,720,563	11,444,000	4,427,000	10,899,000	8,336,000	36,826,563
Northwest	466,545	1,010,000	4,610,000	3,336,000	7,325,000	9,456,000	6,806,000	31,533,000
Southeast	2,343,470	1,318,020	3,782,000	6,276,000	20,234,000	37,681,000	22,456,000	90,429,000
Southwest	104,096	915,882	3,144,420	10,635,000	3,832,000	0	6,906,000	24,517,420
<b>Total Portland Parks and Recreation</b>	<b>13,266,312</b>	<b>10,854,524</b>	<b>26,377,591</b>	<b>65,905,748</b>	<b>86,957,214</b>	<b>79,286,380</b>	<b>53,766,308</b>	<b>312,293,241</b>

**Table 12****Capital Budget by Geographic Area**

Financial Summaries

This table summarizes Capital Improvement Plan project costs by geographic area within each bureau.

Bureau Geographic Area	Prior Years	Revised	Adopted	Capital Plan				5-Year Total
		FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	
<b>Portland Water Bureau</b>								
Central City	403,065	0	150,000	150,000	150,000	150,000	150,000	750,000
Citywide	69,331,477	0	36,815,000	39,505,000	31,905,000	39,955,000	32,255,000	180,435,000
Northeast	1,865,991	0	820,000	820,000	820,000	1,420,000	1,120,000	5,000,000
Southeast	25,415,124	0	45,300,000	84,050,000	65,500,000	18,250,000	12,000,000	225,100,000
Undetermined	42,909,228	0	39,250,000	56,500,000	21,325,000	10,750,000	24,400,000	152,225,000
<b>Total Portland Water Bureau</b>	<b>139,924,885</b>	<b>0</b>	<b>122,335,000</b>	<b>181,025,000</b>	<b>119,700,000</b>	<b>70,525,000</b>	<b>69,925,000</b>	<b>563,510,000</b>
<b>Total City Capital Plan</b>	<b>585,198,353</b>	<b>341,753,130</b>	<b>399,928,757</b>	<b>393,762,421</b>	<b>378,517,471</b>	<b>278,336,792</b>	<b>261,555,505</b>	<b>1,712,100,946</b>

# Historical Funds and Appropriations

**Table 13**

## Financial Summaries

This table shows the City funds and General Fund special appropriations that have been closed in the past three years.

	Actual FY 2008-09	Actual FY 2009-10	Revised FY 2010-11	Adopted FY 2011-12
<b>HISTORICAL FUNDS</b>				
Parking Facilities Debt Redemption Fund	25,281,970	0	0	0
Portland Police Association Health Insurance Fund	2,020,028	0	0	0
Water Growth Impact Charge Trust Fund	1,912,527	0	0	0
Business License Surcharge	1,816,074	12,854	0	0
Campaign Finance Fund	16,461,461	1,291,011	545,896	0
<b>Total Historical Funds</b>	<b>47,492,060</b>	<b>1,303,865</b>	<b>545,896</b>	<b>0</b>
<b>HISTORICAL SPECIAL APPROPRIATIONS</b>				
1st Thursday Art	1,824	0	0	0
Alternatives to Prostitution	250,000	0	0	0
Blandena Street Transitional Housing	100,000	0	0	0
Camp Namanu/Camp Fire USA	88,434	0	0	0
Children Receiving Center	135,927	0	0	0
Countywide Public Safety	12,898	0	0	0
Human Relations Project (HRP)	1,072	37	0	0
NAYA Parks Equity Project	120,000	0	0	0
PGE Acquisition	3,428	0	0	0
Project 57/VSAT	456,250	0	0	0
Racial Profiling	10,298	0	0	0
Self Enhancement Inc. (SEI)	200,000	0	0	0
Artists Repertory Theater	250,000	83,600	0	0
Diverse Empowered Employees of Portland (DEEP)	11,772	6,429	0	0
Labor Management Committee	26,888	5,013	0	0
Lewis & Clark Small Business Legal Clinic	80,000	120,000	0	0
Farmers Market Expansion	0	15,000	0	0
Steel Bridge SkatePark Study	0	74,131	0	0
African American Chamber - Small Business Outreach	0	250,000	0	0
Black Citizen Coalition	0	25,000	0	0
Community Gardens Strategic Plan	0	35,000	0	0
Diverse Empowered Employees of Portland (DEEP)	0	6,429	0	0
ETAP Minority Apprenticeship	0	45,000	0	0
Hispanic Chamber - Small Business Outreach	0	250,000	0	0
International Air Service	0	300,000	0	0
Labor Management Committee	0	5,013	0	0
Outreach Efforts for 2010 Census	0	25,000	0	0
PSU Sustainability Conference	0	15,000	0	0
Third Angle New Music Assemble	0	5,000	0	0
First Stop Portland	0	12,000	12,000	0
East Portland Action Plan	0	0	150,000	0
Parkrose School District	0	0	35,000	0
Roosevelt Athletic Complex	0	0	200,000	0
Sports Field Parkrose	0	0	100,000	0
Village Market	0	0	50,000	0
World Affairs Council of Oregon	0	0	7,500	0
<b>Total Historical Special Appropriations</b>	<b>1,748,791</b>	<b>1,277,652</b>	<b>554,500</b>	<b>0</b>
<b>Total Historical Funds and Appropriations</b>	<b>\$49,240,851</b>	<b>\$2,581,517</b>	<b>\$1,100,396</b>	<b>\$0</b>

Table 14a

## Summary of Indebtedness - Debt Outstanding

Financial Summaries

Service Area/Facility/Function	Type of indebtedness	07/01/10	07/01/11	Change
<b>DEBT OUTSTANDING BY SERVICE AREA</b>				
<b>Public Safety</b>				
PSSRP (Computer Aided Dispatch)	Limited Tax Revenue Bonds	\$7,160,000	\$6,230,000	(\$930,000)
		<b>\$7,160,000</b>	<b>\$6,230,000</b>	<b>(\$930,000)</b>
<b>Parks, Recreation, and Culture</b>				
Arena	Limited Tax Revenue Refunding Bonds	\$19,400,000	\$17,045,000	(\$2,355,000)
MLS PGE Park	Line of Credit	2,059,854	11,900,000	9,840,146
Civic Stadium	Limited Tax Revenue Bonds	26,055,000	24,695,000	(1,360,000)
Golf	Revenue Bonds	2,191,000	1,496,000	(695,000)
PIR	Limited Tax Revenue Bonds	1,530,000	1,350,000	(180,000)
		<b>\$51,235,854</b>	<b>\$56,486,000</b>	<b>\$5,250,146</b>
<b>Public Utilities</b>				
Sewer System	1st Lien Revenue Bonds	\$987,650,000	\$937,835,000	(\$49,815,000)
	2nd Lien Revenue Bonds	310,510,000	695,490,000	384,980,000
	3rd Lien Loans	179,336,459	20,859,746	(158,476,713)
Water System	1st Lien Revenue Bonds	259,540,000	332,360,000	72,820,000
	2nd Lien Revenue Bonds	64,175,000	62,420,000	(1,755,000)
	General Obligation Water Revenue Bonds	1,590,000	0	(1,590,000)
Hydroelectric Power	Revenue Bonds	15,035,000	13,095,000	(1,940,000)
		<b>\$1,817,836,459</b>	<b>\$2,062,059,746</b>	<b>\$244,223,287</b>
<b>Community Development and Services</b>				
Public Infrastructure	Limited Tax Improvement Bonds	\$63,105,000	\$57,425,000	(\$5,680,000)
Local Improvement line of credit	Limited Tax Revenue (secured)	2,842,969	3,793,399	950,430
Headwaters Apartments	Limited Tax Revenue (Housing)	11,165,000	10,930,000	(235,000)
		<b>\$77,112,969</b>	<b>\$72,148,399</b>	<b>(\$4,964,570)</b>
<b>Urban Renewal &amp; Redevelopment</b>				
	Airport Way Tax Increment	\$43,670,000	\$40,140,000	(\$3,530,000)
	Central Eastside Tax Increment	29,195,340	32,874,000	3,678,660
	Convention Center Tax Increment	69,121,155	65,916,155	(3,205,000)
	Lents Tax Increment	36,890,000	35,715,000	(1,175,000)
	River District Tax Increment	58,205,486	67,309,718	9,104,232
	Interstate Corridor Tax Increment	55,829,127	62,936,683	7,107,556
	North Macadam Tax Increment	62,863,661	62,060,000	(803,661)
	Gateway Tax Increment	12,545,073	12,545,073	0
	South Park Blocks Tax Increment	68,740,000	65,390,000	(3,350,000)
	Downtown Waterfront Tax Increment	88,950,000	84,020,000	(4,930,000)
		<b>\$526,009,842</b>	<b>\$528,906,629</b>	<b>\$2,896,787</b>
<b>Transportation and Parking</b>				
Parking Facilities	Parking Revenue Refunding Bonds	\$1,855,000	\$0	(\$1,855,000)
Streetcar	Limited Tax Revenue Bonds	20,190,000	19,025,000	(1,165,000)
Transit Mall	Limited Tax Revenue Bonds	12,425,000	10,870,000	(1,555,000)
Transportation (Recycling and Meters)	Lines of Credit	4,247,315	4,015,000	(232,315)
Street Improvements	Gas Tax Revenue Bonds	4,295,000	3,715,000	(580,000)
		<b>\$43,012,315</b>	<b>\$37,625,000</b>	<b>(\$5,387,315)</b>
<b>City Support Services</b>				
Equipment and Facility	Limited Tax Revenue Bonds	\$72,140,000	\$63,130,000	(\$9,010,000)
	Limited Tax Revenue Bonds (FF&C Ref.)	1,255,000	855,000	(400,000)
Pension	Limited Tax Pension Obligations	280,178,346	271,403,346	(8,775,000)

# Summary of Indebtedness - Debt Outstanding

Table 14a

## Financial Summaries

Service Area/Facility/Function	Type of indebtedness	07/01/10	07/01/11	Change
Convention Center Expansion	Limited Tax Revenue Bonds	91,639,108	90,129,668	(1,509,440)
South Waterfront	Limited Tax Revenue (secured)	2,243,491	2,158,974	(84,517)
Housing Opportunity Bond	Limited Tax Revenue (Housing)	8,300,000	7,890,000	(410,000)
Parks System	Voter Approved General Obligation Bonds	19,960,000	16,275,000	(3,685,000)
Public Safety	Voter Approved General Obligation Bonds	0	25,835,000	25,835,000
PCPA	Limited Tax Revenue Bonds	1,390,000	1,290,000	(100,000)
Emergency Facilities	Voter Approved General Obligation Bonds	38,930,000	36,420,000	(2,510,000)
		<b>\$516,035,945</b>	<b>\$515,386,988</b>	<b>(\$648,957)</b>
<b>TOTAL DEBT OUTSTANDING</b>		<b>\$3,038,403,384</b>	<b>\$3,278,842,762</b>	<b>\$240,439,378</b>
<b>TYPE OF INDEBTEDNESS</b>				
	Limited Tax Bonds	\$280,178,346	\$271,403,346	(\$8,775,000)
	Limited Tax Improvement Bonds	63,105,000	57,425,000	(5,680,000)
	General Obligation Water Revenue Bonds	1,590,000	0	(1,590,000)
	Voter Approved General Obligation Bonds	58,890,000	78,530,000	19,640,000
	Gas Tax Revenue Bonds	8,542,315	7,730,000	(812,315)
	Revenue Bonds	1,800,956,000	2,042,696,000	241,740,000
	Limited Tax Revenue Bonds	279,795,422	271,292,041	(8,503,381)
	State / Federal Loans	19,336,459	20,859,746	1,523,287
	Tax Increment	526,009,842	528,906,629	2,896,787
<b>TOTAL DEBT OUTSTANDING</b>		<b>\$3,038,403,384</b>	<b>\$3,278,842,762</b>	<b>\$240,439,378</b>



Table 14b

## Summary of Indebtedness - Actual Debt Outstanding

Financial Summaries

Service Area/Facility/Function	Type of indebtedness	FY 2009-10	FY 2010-11	FY 2011-12
Actual Debt Outstanding July 1, 2010			\$3,038,403,384	
<b>Debt Issued Fiscal Year 2010-11</b>				
Community Development (Urban Renewal)	North Macadam Urban Renewal Bonds		\$64,925,000	
Community Development (Urban Renewal)	Central Eastside Urban Renewal Bonds		29,690,000	
Community Development (Urban Renewal)	S. Park Blocks Urban Renewal Ref. Bonds		2,585,000	
Community Development (Urban Renewal)	Convention Ctr Urban Renewal Ref. Bonds		7,540,000	
Public Utilities (Water)	Water System Revenue Bonds		82,835,000	
Public Utilities (Sewer)	Sewer System Revenue Bonds		407,850,000	
Public Safety	General Obligation Public Safety Bonds		25,835,000	
Public Safety (FPD&R)	Tax Anticipation Notes		21,825,000	
Various	Lines of Credit/State Loans		43,903,695	
			<b>\$686,988,695</b>	
<b>Debt Redeemed Fiscal Year 2010-11</b>			<b>(\$446,549,317)</b>	
<b>Projected Debt Outstanding July 1, 2011</b>			<b>\$3,278,842,762</b>	
<b>Estimated Debt to be Issued Fiscal Year 2011-12</b>				
Public Utilities (Sewer)	Sewer System Revenue Bonds			\$210,000,000
Public Utilities (Water)	Water System Revenue Bonds			161,000,000
Community Development (Urban Renewal)	Dwntwn Waterfront Urban Rnwl. Refunding			32,000,000
Community Development (Urban Renewal)	Interstate Corr. Urban Rnwl. Refunding			45,000,000
Community Development (Urban Renewal)	Oregon Conv. Ctr. Urban Rnwl. Refunding			32,000,000
Community Development (Urban Renewal)	River District Urban Rnwl. Refunding			35,000,000
Public Safety (FPD&R)	Tax Anticipation Notes			27,000,000
City Support Services (Special Projects)	Limited Tax Revenue Refunding Bonds			78,000,000
				<b>\$620,000,000</b>
<b>Projected Debt Redeemed Fiscal Year 2011-12</b>				
Scheduled Debt Redemption				(\$178,701,837)
Redemption From Bonds Issued				(214,000,000)
				<b>(\$392,701,837)</b>
<b>Projected Debt Outstanding July 1, 2012</b>				<b>\$3,506,140,925</b>

# Summary of Indebtedness - Debt Service

Table 15

## Financial Summaries

Service Area	Facility/Function	Type of Debt	Principal	Interest	Total
<b>FY 2011-12 DEBT SERVICE BY SERVICE AREA</b>					
<b>Parks, Recreation and Culture</b>					
Arena		Limited Tax Revenue Bonds	\$2,555,000	\$813,925	\$3,368,925
Arena		MLS Line of Credit	0	400,000	400,000
			<b>\$2,555,000</b>	<b>\$1,213,925</b>	<b>\$3,768,925</b>
Golf		Revenue Bonds	\$729,000	\$77,669	\$806,669
Portland International Raceway		Limited Tax Revenue Bonds	190,000	82,890	272,890
Civic Stadium 2001		Limited Tax Revenue Bonds	1,445,000	1,693,105	3,138,105
			<b>\$2,364,000</b>	<b>\$1,853,664</b>	<b>\$4,217,664</b>
<b>Public Safety</b>					
PSSRP (Computer Aided Dispatch)		Limited Tax Revenue Bonds	960,000	219,600	1,179,600
			<b>\$960,000</b>	<b>\$219,600</b>	<b>\$1,179,600</b>
<b>Public Utilities</b>					
Sewer System		First Lien Revenue Bonds	\$52,300,000	\$45,489,894	\$97,789,894
		Second Lien Revenue Bonds	15,240,000	33,851,513	49,091,513
		Third Lien Debt	1,360,029	233,024	1,593,053
			<b>\$68,900,029</b>	<b>\$79,574,430</b>	<b>\$148,474,459</b>
Water System		First Lien Revenue Bonds	\$11,885,000	\$15,141,388	\$27,026,388
		Second Lien Revenue Bonds	1,835,000	2,715,006	4,550,006
			<b>\$13,720,000</b>	<b>\$17,856,394</b>	<b>\$31,576,394</b>
Hydroelectric Power		Revenue Bonds	2,045,000	666,764	2,711,764
			<b>\$84,665,029</b>	<b>\$98,097,589</b>	<b>\$182,762,618</b>
<b>Community Development and Services</b>					
Public Infrastructure		Limited Tax Improvement Bonds	\$4,850,000	\$2,488,193	\$7,338,193
Housing (Headwaters)		Limited Tax Housing Revenue Bonds	255,000	531,748	786,748
			<b>\$5,105,000</b>	<b>\$3,019,941</b>	<b>\$8,124,941</b>
Urban Renewal & Redev.		Airport Way Tax Increment	\$3,675,000	\$1,916,500	\$5,591,500
		Central Eastside Tax Increment	3,385,717	1,834,362	5,220,079
		Convention Center Tax Increment	9,036,644	3,353,792	12,390,436
		South Park Blocks Tax Increment	3,690,000	3,483,432	7,173,432
		Waterfront Tax Increment	5,235,000	4,961,236	10,196,236
		River District Tax Increment	29,205,412	3,004,582	32,209,994
		Gateway Tax Increment	3,230,453	276,051	3,506,504
		Lents Tax Increment	8,444,602	2,000,028	10,444,630
		North Macadam Tax Increment	10,860,000	2,885,391	13,745,391
		Interstate Tax Increment	12,487,626	4,303,293	16,790,919
	Willamette Industrial Tax Increment	1,390,000	4,914	1,394,914	
			<b>\$95,745,454</b>	<b>\$31,043,522</b>	<b>\$126,788,976</b>
<b>Transportation and Parking</b>					
Transit Mall Street Improvements		Limited Tax Revenue Bonds	\$1,620,000	\$468,900	\$2,088,900
Streetcar Improvements		Limited Tax Revenue Bonds	1,210,000	665,375	1,875,375
Parking Paystations		Gas Tax Line of Credit	1,650,000	136,945	1,786,945
Street Improvements		Gas Tax Revenue Bonds	905,000	175,710	1,080,710
			<b>\$5,385,000</b>	<b>\$1,446,930</b>	<b>\$6,831,930</b>
<b>City Support Services</b>					

Table 15

## Summary of Indebtedness - Debt Service

Financial Summaries

Service Area	Facility/Function	Type of Debt	Principal	Interest	Total
	Pension Bonds	Limited Tax Bonds	\$10,300,000	\$15,446,160	\$25,746,160
	Parks / Fire	Voter Approved General Obligation Bonds	7,790,000	2,887,890	10,677,890
	Equipment and Facility	Limited Tax Revenue Bonds	9,605,000	2,517,143	12,122,143
	North Macadam	Limited Tax Revenue Bonds	89,447	122,873	212,320
	Convention Ctr Expan.	Limited Tax Revenue Bonds	1,565,734	4,698,979	6,264,713
	PCPA 2001	Limited Tax Revenue Bonds	100,000	65,210	165,210
	Housing (HOB)	Limited Tax Housing Revenue Bonds	425,000	322,380	747,380
			<b>\$29,875,181</b>	<b>\$26,060,635</b>	<b>\$55,935,815</b>
<b>DEBT SERVICE BY SERVICE AREA</b>			<b>\$221,549,664</b>	<b>\$159,935,863</b>	<b>\$381,485,527</b>
		Limited Tax Bonds	\$10,300,000	\$15,446,160	\$25,746,160
		Limited Tax Improvement Bonds	4,850,000	2,488,193	7,338,193
		Voter Approved General Obligation Bonds	7,790,000	2,887,890	10,677,890
		Gas Tax Revenue Bonds	2,555,000	312,655	2,867,655
		Revenue Bonds	84,034,000	97,942,234	181,976,234
		Limited Tax Revenue Bonds	19,340,181	11,747,999	31,088,180
		Limited Tax Housing Revenue Bonds	680,000	854,128	1,534,128
		State Loans	1,360,029	233,024	1,593,053
		Tax Increment	90,640,454	28,023,581	118,664,035
<b>DEBT SERVICE BY TYPE</b>			<b>\$221,549,664</b>	<b>\$159,935,863</b>	<b>\$381,485,527</b>

## Principal Over the Life of the Debt

Table 16

## Financial Summaries

## Schedule of Projected Bond Principal Transactions

Fiscal Year	Parks, Recreation & Culture		Public Utilities			Community Development		Transportation and Parking		City Support Services and Public Safety Services		
	Arena	Golf/PIR	Sewer System	Water System	Hydroelectric	Public Improvement	Urban Renewal	Public Street Improvements	Parking System	Facility and Equipment	Convention Center & Performing Arts	Parks/Fire Gen. Obl.
2011/12	\$4,000,000	\$919,000	\$68,900,029	\$13,720,000	\$2,045,000	\$5,105,000	\$90,640,454	\$4,175,000	\$1,210,000	\$21,379,447	\$1,665,734	\$7,790,000
2012/13	4,300,000	972,000	71,777,301	14,715,000	2,145,000	1,625,000	25,415,000	2,330,000	1,240,000	22,979,664	1,808,250	8,065,000
2013/14	4,655,000	215,000	75,237,055	15,350,000	2,270,000	1,595,000	26,885,000	2,420,000	1,275,000	24,115,185	1,853,112	8,355,000
2014/15	5,035,000	230,000	78,986,926	16,090,000	2,390,000	1,445,000	28,215,000	2,525,000	1,310,000	26,431,029	1,940,530	8,650,000
2015/16	5,445,000	245,000	85,146,912	16,835,000	2,505,000	315,000	29,660,000	2,625,000	1,340,000	28,962,213	2,006,940	4,455,000
2016/17	3,850,000	265,000	89,407,015	17,925,000	1,740,000	8,945,000	31,265,000	2,225,000	1,370,000	26,481,438	2,349,000	4,590,000
2017/18	2,130,000		94,662,246	18,830,000		340,000	32,980,000	240,000	1,425,000	26,295,000	2,335,720	4,750,000
2018/19	2,275,000		97,508,066	20,875,000		360,000	38,100,000		1,485,000	26,675,000	2,599,480	4,950,000
2019/20	2,435,000		101,453,060	21,825,000		5,075,000	36,865,000		1,550,000	29,595,000	2,897,480	3,415,000
2020/21	2,605,000		106,793,158	22,785,000		390,000	21,990,000		1,600,000	32,750,000	3,901,250	3,535,000
2021/22	2,790,000		111,478,356	15,790,000		410,000	23,205,000		1,675,000	36,695,000	4,282,172	3,660,000
2022/23	2,220,000		116,803,662	16,480,000		7,595,000	24,405,000		1,740,000	7,700,175	6,640,000	3,790,000
2023/24			53,839,073	17,225,000		445,000	24,760,000		1,805,000	7,520,423	6,970,000	3,960,000
2024/25			56,354,590	13,140,000		465,000	10,225,000			7,349,733	7,320,000	3,070,000
2025/26			45,870,241	13,710,000		480,000	8,165,000			6,437,228	7,700,000	3,200,000
2026/27			47,309,029	14,300,000		20,185,000	8,520,000			6,258,274	8,090,000	1,120,000
2027/28			49,266,507	14,925,000		530,000	8,905,000			6,087,955	8,510,000	1,175,000
2028/29			51,635,000	15,575,000		555,000	9,315,000			5,034,559	9,040,000	
2029/30			54,110,000	16,265,000		10,535,000	9,775,000				9,510,000	
2030/31			56,700,000	16,985,000		610,000	2,280,000					
2031/32			41,075,000	17,760,000		640,000						
2032/33			43,090,000	13,940,000		665,000						
2033/34			25,270,000	14,595,000		700,000						
2034/35			26,540,000	9,755,000		690,000						
2035/36				5,385,000								
	\$41,740,000	\$2,846,000	\$1,649,213,226	\$394,780,000	\$13,095,000	\$69,700,000	\$491,570,454	\$16,540,000	\$19,025,000	\$348,747,320	\$91,419,668	\$78,530,000

**Table 17**

**Interest Over the Life of the Debt**

**Financial Summaries**

Schedule of Projected Bond Interest Transactions

Fiscal Year	Parks, Recreation & Culture		Public Utilities			Community Development		Transportation and Parking		City Support Services and Public Safety Services		
	Arena	Golf/PIR	Sewer System	Water System	Hydroelectric	Public Improvement	Urban Renewal	Public Street Improvements	Parking System	Facility and Equipment	Convention Center & Performing Arts	Parks/Fire Gen. Obl.
2011/12	\$2,907,030	\$160,559	\$79,574,430	\$17,856,394	\$666,764	\$3,019,941	\$28,023,581	\$781,555	\$665,375	\$18,628,156	\$4,764,189	\$2,887,890
2012/13	2,323,680	111,568	76,232,684	16,864,081	551,057	2,900,819	20,958,110	515,478	635,125	19,220,482	4,953,473	2,601,553
2013/14	2,084,040	58,637	72,762,016	16,212,025	429,137	2,863,025	19,628,215	419,513	604,125	17,952,366	5,157,831	2,321,015
2014/15	1,823,410	45,436	69,022,084	15,487,863	300,451	2,812,294	18,284,834	319,068	572,250	16,569,392	5,321,023	2,019,472
2015/16	1,541,910	31,314	65,094,461	14,732,288	165,276	2,765,653	16,848,573	208,963	539,500	15,017,460	5,651,613	1,722,047
2016/17	1,236,000	16,271	60,858,132	13,906,288	48,050	2,750,008	15,238,043	103,200	506,000	13,131,938	6,010,553	1,578,872
2017/18	1,007,590		56,454,035	13,005,038		2,302,863	13,528,890	12,000	451,200	11,427,516	6,083,703	1,429,197
2018/19	862,750		50,639,447	12,074,888		2,285,968	11,719,229		394,200	9,631,591	6,145,233	1,239,197
2019/20	703,500		45,818,266	11,118,909		2,268,088	9,643,866		334,800	7,754,053	6,184,433	1,057,062
2020/21	533,050		40,800,855	10,164,581		2,108,458	7,720,688		272,800	5,540,360	5,538,363	935,950
2021/22	350,700		37,030,089	9,371,581		2,089,078	6,509,206		208,800	3,064,730	5,098,540	808,300
2022/23	155,400		31,743,858	8,686,863		2,068,713	5,310,575		141,800	33,581,140	3,251,713	674,893
2023/24			26,149,222	7,948,531		1,735,703	4,052,573		72,200	35,349,968	2,919,713	531,100
2024/25			23,647,392	7,287,856		1,713,603	2,706,600			37,171,898	2,571,213	377,675
2025/26			21,354,429	6,717,022		1,690,503	2,238,000			39,046,670	2,196,063	247,700
2026/27			19,154,633	6,123,569		1,666,653	1,874,450			41,006,281	1,801,438	109,013
2027/28			16,880,896	5,501,856		657,568	1,489,950			43,035,520	1,386,825	55,813
2028/29			14,498,600	4,848,156		631,233	1,080,725			45,120,441	950,688	
2029/30			12,028,188	4,161,063		603,663	616,713				487,388	
2030/31			9,439,125	3,433,163		164,170	122,550					
2031/32			6,725,875	2,667,194		133,865						
2032/33			4,707,713	1,938,731		102,075						
2033/34			2,590,500	1,280,425		69,035						
2034/35			1,327,000	722,313		34,260						
2035/36				269,250								
	\$15,529,060	\$423,785	\$844,533,926	\$212,379,926	\$2,160,736	\$39,437,230	\$187,595,370	\$2,359,775	\$5,398,175	\$412,249,963	\$76,473,987	\$20,596,746

# Summary of Defeased Indebtedness

Table 18

## Financial Summaries

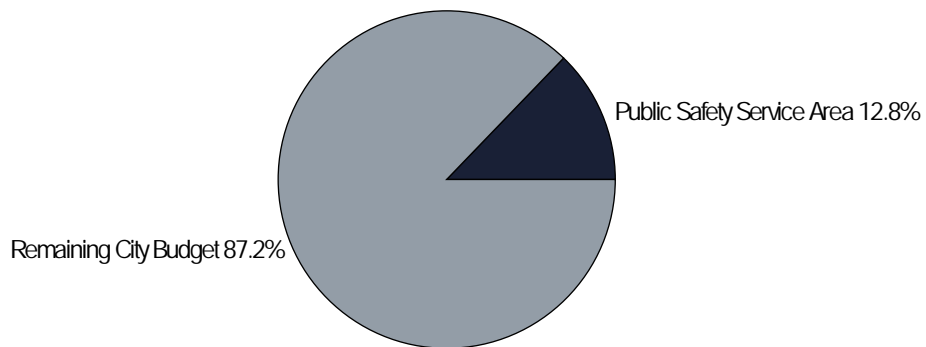
The City will have about no defeased bonds outstanding as of July 1, 2011. Defeased bonds are payable from fully funded irrevocable escrow accounts established with the proceeds from the sale of refunding bonds. Defeased bonds are thereby removed as actual liabilities of the City, and the refunding bond liabilities are assumed in their place. Defeased bonds are then paid by the escrow account until their first available call date, at which time they are paid in their entirety. Bonds are defeased in this manner in order to convert higher rate debt with lower interest rate debt, or modify bond covenants for the City's benefit, or a combination of both.

Type of Debt	Outstanding 07/01/10	Maturity FY 2010-11	Outstanding 07/01/11
The City will have about no defeased bonds outstanding as of July 1, 2011. Defeased bonds are payable from fully funded irrevocable escrow accounts established with the proceeds from the sale of refunding bonds. Defeased bonds are thereby removed as actual liabilities of the City, and the refunding bond liabilities are assumed in their place. Defeased bonds are then paid by the escrow account until their first available call date, at which time they are paid in their entirety. Bonds are defeased in this manner in order to convert higher rate debt with lower interest rate debt, or modify bond covenants for the City's benefit, or a combination of both.			
<b>DEFEASED BONDS OUTSTANDING</b>			
<b>Water System Revenue Bonds</b>			
Series 2000 A (2018-20 Maturities)	\$22,290,000	\$22,290,000	\$0
	<b>\$22,290,000</b>	<b>\$22,290,000</b>	<b>\$0</b>
<b>Sewer Revenue Bonds</b>			
Series 2000 A	\$146,000,000	\$146,000,000	\$0
	<b>\$146,000,000</b>	<b>\$146,000,000</b>	<b>\$0</b>
<b>DEFEASED BONDS OUTSTANDING</b>	<b>\$236,000,000</b>	<b>\$168,290,000</b>	<b>\$0</b>

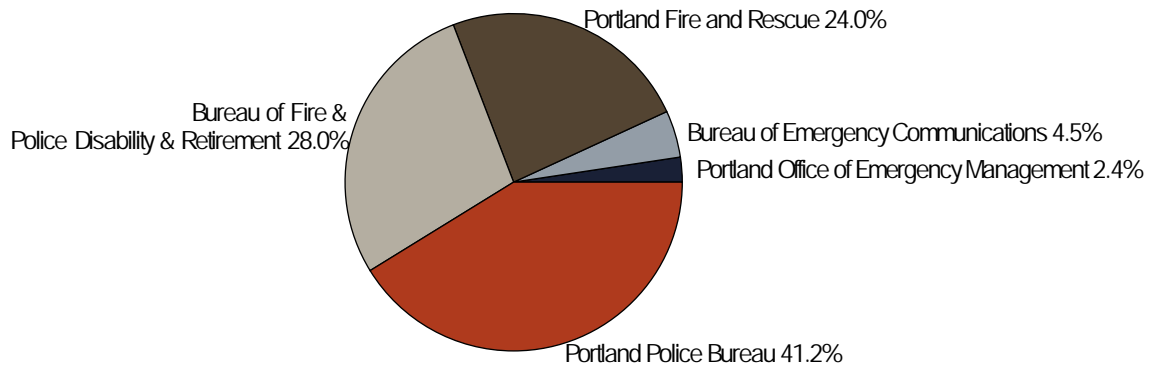
# Public Safety Service Area

- Bureau of Emergency Communications
  - Bureau of Fire & Police Disability & Retirement
- Portland Police Bureau
  - Portland Fire and Rescue
  - Portland Office of Emergency Management

Percent of City Budget



Percent of Service Area Budget



## Service Area Overview

Requirements	Revised FY 2010-11	Adopted FY 2011-12	Change from Prior Year	Percent Change
Operating	444,821,397	453,640,587	8,819,190	1.98
Capital	2,018,126	2,964,000	945,874	46.87
<b>Total Requirements</b>	<b>446,839,523</b>	<b>456,604,587</b>	<b>9,765,064</b>	<b>2.19</b>
Authorized Positions	2,163.38	2,159.30	(4.08)	(0.19)

## Service Area Highlights

### Description

The Public Safety service area includes the Bureau of Emergency Communications (BOEC), the Bureau of Fire & Police Disability & Retirement (FPDR), the Portland Police Bureau (PPB), Portland Fire & Rescue (PF&R), and the Portland Office of Emergency Management (POEM). These bureaus provide critical public safety services, such as police protection, fire and emergency medical response, 9-1-1 call taking, emergency dispatch, and disaster planning and response.

### Major Themes

One of the Mayor's goals during the FY 2011-12 budget development process was to protect public safety services since they are the most basic of City services. Even though City revenues appeared to be recovering, the Mayor requested that bureaus submit modest program and administrative reductions. Public safety bureaus were directed to reduce their General Fund allocations by 0.75% ongoing, while other bureaus had to cut by 1.5%. In addition, the bureaus were asked to be creative in terms of realignments and efficiencies that could save money without reducing services.

The FY 2011-12 Adopted Budget keeps the City's Police sworn staff at full strength, restores a medical rescue unit operated by the Fire Bureau, continues programs that keep the City's streets safe, and ensures that all existing fire stations remain open. The Adopted Budget provides a 4.6% increase in overall public safety General Fund spending, including a 6.9% increase for the Police Bureau. \$1.0 million in administrative reductions ensures that Portland Police Bureau sworn staff strength is not reduced, while funding for Police equipment and training is increased by \$2.0 million so that staff will be adequately supported in their work.

One major change from the previous year resulted from the voters' passage of the Public Safety General Obligation Bond measure in November 2010. Funds from the bond sales are now budgeted in the newly created Public Safety General Obligation Bond Fund. With the passage of the bond measure, the City will now have the resources it needs to replace its 800 MHz Radio system used for public safety purposes, partially finance the construction of a new Emergency Coordination Center, remodel Fire Station 21, and reserve resources to fund the replacement of fire apparatus for the next 14 years.

### Portland Police Bureau

The Police Bureau's Adopted Budget for FY 2011-12 is \$4.5 million higher than its FY 2010-11 Revised Budget. Grant acceptance and appropriation throughout the year is expected to further increase the FY 2011-12 budget. The bureau's discretionary General Fund revenue increased by \$8.9 million, driven by increases in personnel labor contract costs (\$2.9 million ongoing), an increased external materials and services appropriation (\$2.0 million one-time), and the return of funding for nine positions held vacant in FY 2010-11 (\$675,000 ongoing). The bureau's Adopted Budget also includes \$1.1 million in ongoing budget reductions (0.75%).



Additional highlights of the bureau's FY 2010-11 budget are discussed below:

- ◆ One-time budget increases continue funding for three programs: \$1.9 million for continuation of portions of the current Service Coordination Team program (a \$130,000 increase); \$1.1 million to continue to support private contracts for the Central City Concern Hooper Inebriate Emergency Response Service (CHIERS) program and sobering stations (a \$150,000 increase); \$125,000 to support a Multnomah County Deputy DA the Prostitution Coordination Team, and \$105,984 to support the Mobile Crisis Unit.
- ◆ New one-time allocations include \$250,000 to continue feasibility work on a training facility and \$63,600 to fund a 0.75 FTE graffiti abatement officer.
- ◆ The Adopted Budget includes a budget note dedicating \$1,785,000 for ten consecutive years for the repayment of \$15 million to support the construction of a public safety training center (beginning in FY 2012-13).
- ◆ To meet FY 2011-12 reduction targets for public safety bureaus (\$1.1 million for the Police Bureau), the following positions were held vacant: 12 background investigators who aid in hiring, a fleet program coordinator, and two Senior Administrative Specialists. These positions were also held vacant in FY 2010-11. Eight sworn officers will remain redirected to perform the duties of background investigators and one will serve as fleet program coordinator.

#### **Portland Fire and Rescue**

The \$102.5 million FY 2011-12 Adopted Budget for PF&R is 0.7% less than its FY 2010-11 Revised Budget mostly due to a substantial reduction in grant revenue as well as a reduction in General Fund discretionary resources. Significant changes include:

- ◆ As part of the Citywide budget reduction process, the bureau's external materials and services budget was reduced by \$505,463 ongoing and includes the elimination of the bureau's budgets for replacing Self-Contained Breathing Apparatus cylinders and for grant matches.
- ◆ The bureau received an additional \$320,000 ongoing for additional labor contract costs.
- ◆ Similar to last year, a portion of a fire station is funded using one-time funds of \$655,000.
- ◆ Two rescue units are funded one-time with \$916,000.
- ◆ An increase of \$151,000 one-time funds two support positions to handle payroll and social media outreach.

#### **Bureau of Emergency Communications**

BOEC's FY 2011-12 budget is about \$3.9 million (or 20.4%) higher than its FY 2010-11 Revised Budget. The bureau took a 0.75% reduction in its discretionary allocation from the General Fund and a minor reduction in revenues from partner jurisdictions. The bureau decided to reduce its overtime budget for these reductions. However, BOEC's budget for internal materials and services has been increased by 59.7% due to the additional costs of operating and maintaining the new Computer-Aided-Dispatch (CAD) system which the bureau is paying for largely with unspent resources from FY 2010-11.

The total budget for the Emergency Communications Fund, which includes the budget for BOEC operations as well as that of the CAD-Next project, is about \$23.7 million. The CAD-Next portion of the fund is about \$651,000. The new CAD system began operations in April of 2011.

**Portland Office of  
Emergency  
Management**

The FY 2011-12 budget for POEM is \$9.7 million, \$8 million of which is grants. The budget includes 18.73 FTE, 7.9 of which are grant-funded.

Major POEM projects in FY 2011-12 include finalizing the construction design for the new Emergency Coordination Center with construction planned to start in spring 2012, as well as moving forward on acquiring a suitable site that will serve as an emergency equipment and operations annex on the west side of the Willamette River.

**Bureau of Fire &  
Police Disability &  
Retirement**

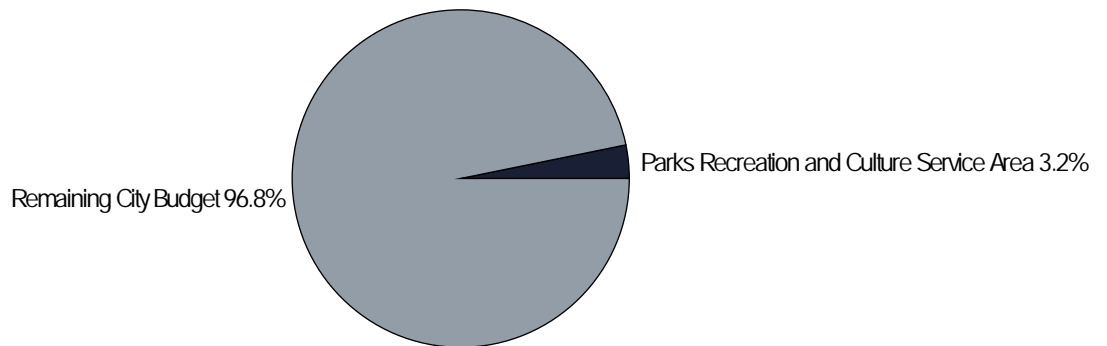
The total FY 2011-12 Adopted Budget for FPDR is slightly less than the FY 2010-11 Revised Budget. However, programmatic expenditures increased by 5.2%. Overall estimated expenditures for retirement programs increased by 5.7% over the FY 2010-11 Revised Budget, including a 69.3% increase in reimbursements to the Police and Fire Bureaus for the contributions they make to the Public Employees Retirement System. With regards to disability and death benefits, expenditures are estimated to decrease by 2.8% from the FY 2010-11 Revised Budget.

FPDR's five-year financial plan projects a 31% increase in total fund requirements, net of tax anticipation notes, over the life of the plan. Increased requirements are primarily attributable to direct pension benefits. The bureau's capital improvement plan includes one project, the rebuild of FPDR's FoxPro database in SQL server at an estimated cost of \$240,000.

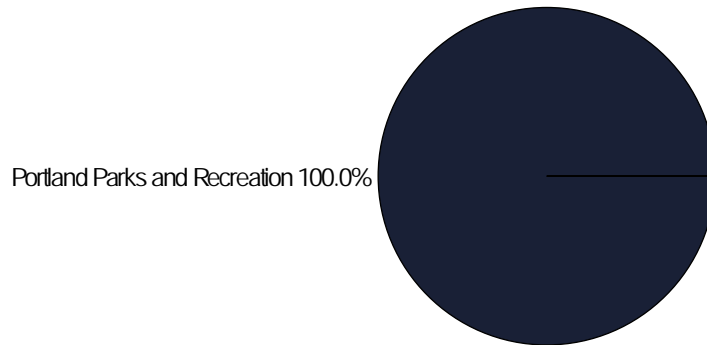
# Parks Recreation and Culture Service Area

- Portland Parks and Recreation

Percent of City Budget



Percent of Service Area Budget



## Service Area Overview

Requirements	Revised FY 2010-11	Adopted FY 2011-12	Change from Prior Year	Percent Change
Operating	89,971,929	87,352,064	(2,619,865)	(2.91)
Capital	14,736,173	26,377,591	11,641,418	78.97
<b>Total Requirements</b>	<b>104,708,102</b>	<b>113,729,655</b>	<b>9,021,553</b>	<b>8.62</b>
Authorized Positions	444.52	440.89	(3.63)	(0.82)

## Service Area Highlights

### Description

The Parks, Recreation, and Culture service area includes services for Portland Parks & Recreation, the Golf program, Portland International Raceway (PIR), and the Parks Capital Construction and Maintenance Fund.

### Major Themes

#### Portland Parks & Recreation Operating Budget

The FY 2011-12 Adopted Budget for Parks includes over \$1.3 million of new resources that will promote equity of access for the public, youth development, senior services and maintenance of Parks infrastructure. This budget also includes reductions amounting to \$707,908 which have been developed to minimize the impact on service to the public as much as possible. The budget reflects 440.89 FTE in FY 2011-12. Some of the significant elements of the budget include:

- ◆ \$500,000 for the E-205 - Parks Equity for Eastside Parks initiative
- ◆ \$300,000 for continuing enhanced teen programming
- ◆ \$100,000 for new Community Gardens
- ◆ \$50,000 for the Portland Summer Lunch program
- ◆ \$59,496 in ongoing resources to fund Multnomah County Aging Services
- ◆ \$156,305 for operations and maintenance of facilities and sites that will go into service in FY 2011-12

#### Parks Construction and Maintenance Program

Parks' FY 2011-12 CIP budget is \$26.4 million. Of this amount, more than \$1.0 million is supported by the City's General Fund with remaining funding derived from grants, system development charges, the Portland Development Commission, Metro, and other sources.

#### Portland International Raceway

The FY 2011-12 Adopted Budget for PIR includes \$1.8 million in program fee revenues, \$1.4 million in bureau level expenditures, and \$1.1 million in fund level expenditures that include contingency and debt service. The Adopted Budget includes 6.0 FTE.

#### Golf Program

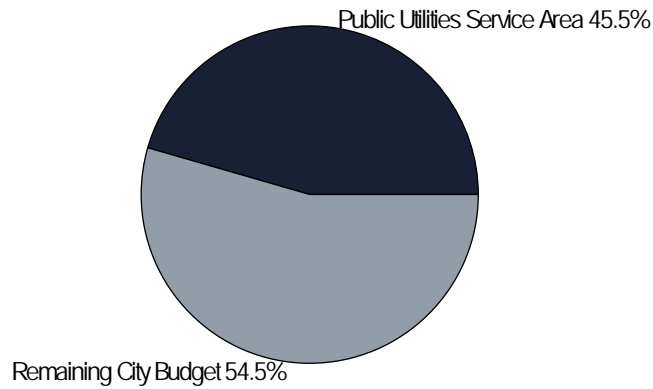
The FY 2011-12 Adopted Budget for the Golf program is \$14.7 million of which \$11.7 million is bureau level expenditure and \$3.0 million is comprised of contingency and debt service expenditures. Revenues for the Golf program are primarily derived from rounds of golf played and golf course concessions. The Golf program does not receive any General Fund resources. The FY 2010-11 Adopted Budget includes 29.0 FTE.

# Public Utilities Service Area

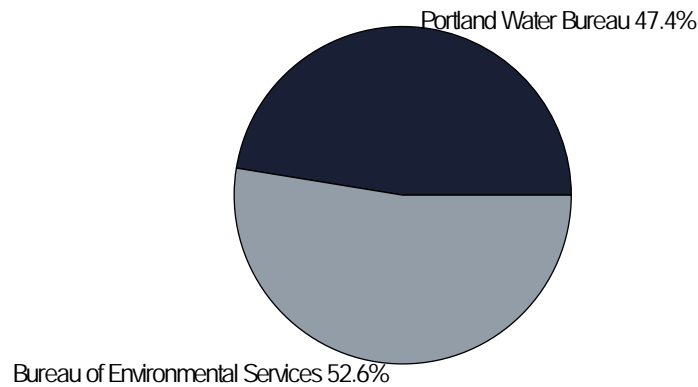
• Bureau of Environmental Services

• Portland Water Bureau

Percent of City Budget



Percent of Service Area Budget



## Service Area Overview

Requirements	Revised FY 2010-11	Adopted FY 2011-12	Change from Prior Year	Percent Change
Operating	1,286,212,908	1,388,233,822	102,020,914	7.93
Capital	300,700,472	234,485,000	(66,215,472)	(22.02)
<b>Total Requirements</b>	<b>1,586,913,380</b>	<b>1,622,718,822</b>	<b>35,805,442</b>	<b>2.26</b>
Authorized Positions	1,189.25	1,166.35	(22.90)	(1.93)

## Service Area Highlights

### Description

The Public Utilities service area includes utility services provided by the City. These include water service provided by the Portland Water Bureau and sewer and stormwater management services provided by the Bureau of Environmental Services (BES).

### Major Themes

**Utility Rate Increases** The Adopted Budget for FY 2011-12 includes an average monthly effective retail rate increase of 12.9% for water service. The average monthly single family sewer bill increase is 6.00%.

### Portland Water Bureau

The Water Division's budget of \$198.8 million is composed of the operating budget of \$76.5 million and the capital budget of \$122.3 million.

The operating budget of \$76.5 million represents an increase of \$0.7 million from the FY 2010-11 Adopted Budget of \$75.8.

The capital budget of \$122.3 million is an increase of \$61.7 million from the FY 2010-11 Revised CIP Budget. For additional information review the Water Bureau CIP section of the budget submission.

The budget funds 625.6 FTE, down from 642.6 in FY 2010-11. This includes 6 limited-term FTE that will end on June 30, 2012.

### EPA's Long Term 2 Enhanced Surface Water Treatment Rule

The EPA's rule has two components, described below:

**Treatment:** The LT2 rule requires treatment of the Bull Run surface water supply by April 1, 2014. The design of a \$100 million UV treatment plant is underway with construction planned for FY 2011-12. In addition, the bureau has completed the year long sampling and data collection to apply for a treatment variance, as Commissioner Leonard has directed the bureau to request a variance from the surface water treatment requirements of the rule from EPA. A variance could conceivably enable the bureau to avoid the expenses associated with building new treatment infrastructure if the City can demonstrate to the EPA that due to the nature of the Bull Run source, such action is unnecessary. The bureau is working to submit the variance application by Spring of 2011 and anticipates a decision from Oregon Drinking Water Program and EPA before the end of 2011. If the City obtains a treatment variance, it is anticipated that there would be capital and ongoing costs that would be involved with complying with the conditions of the variance. The FY 2011-12 Five-Year Capital Improvement Plan and this FY 2011-12 Five-Year Financial Plan rate forecasts assume construction of a UV treatment plant to comply with the LT2 Rule.

***Open Finished Drinking Water Reservoirs:*** In December 2009 EPA indicated, in response to the City's inquiry, that there were no variances under the Safe Drinking Water Act that applied to open finished drinking water reservoirs. EPA has approved the bureau's plan to comply with the covered storage requirements of the rule. The plan stipulates when the Mt. Tabor and Washington Park open reservoirs will be disconnected from the drinking water system as of December 31, 2015 and December 31, 2020, respectively. Additionally, the bureau plans to construct an enclosed 50 million gallon storage reservoir at Powell Butte, increase the storage capacity at Kelly Butte to 25 million gallons, replace Washington Park Reservoir 3 with a 15 million gallon buried storage tank and construct transmission pipes and other system improvements.

## Bureau of Environmental Services

The FY 2011-12 Adopted Budget for operating and capital expenditures is \$221.1 million which is \$129.7 million, or 36.98%, lower than the Revised Budget for FY 2010-11

The operating portion of BES's Adopted Budget is 1.6%, or \$1.7 million, higher than the FY 2010-11 Revised Budget.

The CIP decreases nearly \$81 million over the FY 2010-11 Revised Budget which is primarily due to decreases in Combined Sewer Overflow (CSO) abatement, specifically the Balch Consolidation Conduit, Portsmouth Force Main and Eastside CSO projects.

### **Combined Sewer Overflows**

The City is subject to Oregon Department of Environmental Quality (DEQ) administrative orders regarding overflows from the bureau's combined sewer and stormwater collection system. The City has agreed to eliminate CSO discharges that violate applicable water quality standards by December 1, 2011. The FY 2011-12 Adopted Budget includes \$26.5 million of CSO capital costs, reflecting the completion of the CSO Program.

### **Portland Harbor Superfund**

BES represents the city's interests on the Portland Harbor Superfund site by working with DEQ to identify and reduce sources of contamination conveyed to the Willamette River via stormwater outfalls, and working with other stakeholders to assess current and past land use practices within the lower Willamette drainage basin. This information will be used in the Superfund process over the next several years to assess the city's potential liability for cleanup activities. The FY 2011-12 Adopted Budget includes \$5.4 million of expenditures related to the Portland Harbor Superfund.

### **The Office of Healthy Working Rivers**

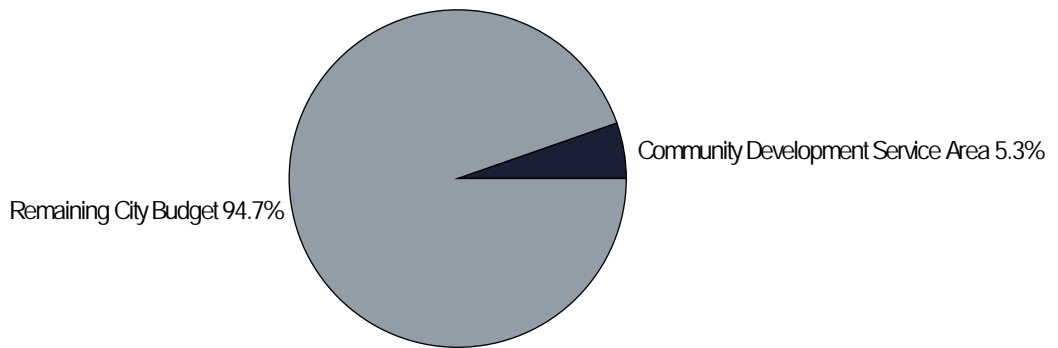
Healthy Working Rivers (HWR) will integrate environmental restoration, economic development, and community involvement for the Portland segments of the Willamette and Columbia Rivers. HWR will facilitate river-related projects contributing to City and regional economic prosperity, and implement habitat improvement projects to restore and protect riparian ecological functions. The Adopted Budget includes funding of \$715,726 for five positions, as well as funding for technical support. For FY 2011-12, one HWR position will be temporarily assigned to work on the Endangered Species Act Program.



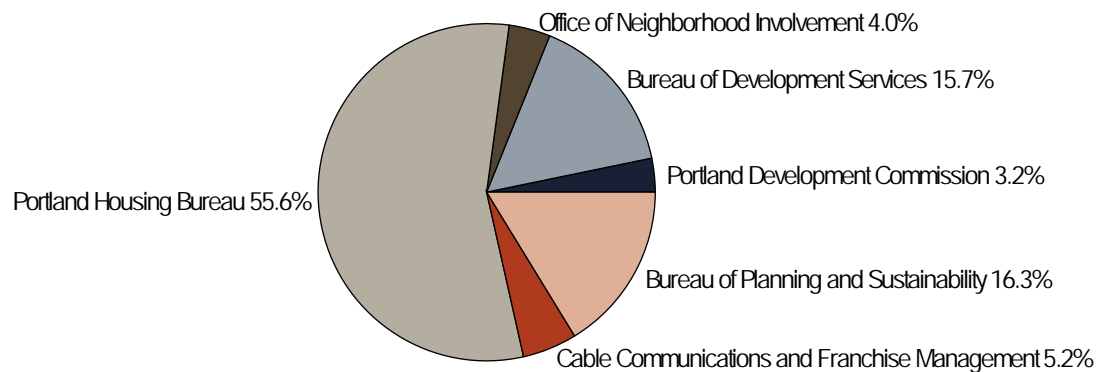
# Community Development Service Area

- Bureau of Development Services
- Portland Housing Bureau
- Bureau of Planning and Sustainability
- Cable Communications and Franchise Management
- Office of Neighborhood Involvement
- Office of Sustainable Development
- Portland Development Commission

Percent of City Budget



Percent of Service Area Budget



## Service Area Overview

Requirements	Revised FY 2010-11	Adopted FY 2011-12	Change from Prior Year	Percent Change
Operating	210,435,409	190,444,341	(19,991,068)	(9.50)
Capital	10,000	0	(10,000)	(99.83)
<b>Total Requirements</b>	<b>210,445,409</b>	<b>190,444,341</b>	<b>(20,001,068)</b>	<b>(9.50)</b>
Authorized Positions	393.83	396.58	2.76	0.70

## Service Area Highlights

### Description

The Community Development service area includes programs in the Bureau of Development Services (BDS), Portland Housing Bureau (PHB), Bureau of Planning and Sustainability (BPS), Office of Cable Communications and Franchise Management, Office of Neighborhood Involvement (ONI), the Office of Sustainable Development (now merged with the Bureau of Planning), and the Portland Development Commission.

### Major Themes

#### Bureau of Development Services

BDS implements the City's policies, plans, and codes related to land use, building, and plumbing. The bureau ensures compliance with site-related regulations, such as erosion control, grading, and onsite stormwater treatment and disposal. BDS also enforces the zoning code, as well as structural, mechanical, plumbing, and electrical codes.

The FY 2011-12 Adopted Budget for BDS is \$32.2 million. This represents an 8.0% decrease over the FY 2010-11 Revised Budget but a net increase of 14.83 FTEs. Declining permit revenues and workload led to staff reductions in 2009 and 2010, such that BDS now has less than half the staff it had two years ago. The bureau is challenged to meet a workload increasingly dominated by smaller projects that generate less revenue. BDS continues to communicate with customers and stakeholders regarding their needs and the bureau's ability to provide services while experiencing financial and staffing constraints. BDS staff remains committed to working collaboratively with customers to problem-solve and reach solutions.

#### Portland Housing Bureau

The FY 2011-12 Adopted Budget of \$101.4 million reflects the full consolidation of affordable housing and homelessness functions in the Portland Housing Bureau. Tax increment financing (TIF) resources as well as the management of all housing-related assets are budgeted in the bureau.

Discretionary General Fund resources in the bureau total \$11.0 million, of which \$4.9 million is one-time only. This one-time only figure is net of a 1% one-time cut to ongoing resources requested of all bureaus. In addition to funding a number of services to be continued from the FY 2010-11 budget, the Adopted Budget includes funding for a housing investment strategy, the first year of operation of the Bud Clark Commons (also known as the Resource Access Center), homelessness prevention and rapid rehousing to backfill expiring federal resources, and foreclosure prevention assistance.

#### Bureau of Planning and Sustainability

The FY 2011-12 Adopted Budget for BPS is \$30.8 million. This represents an 87% decrease over the program Adopted Budget for FY 2010-11. This increase is due to higher grant awards: when these are removed, the bureau's FY 2011-12 is \$800,000 below the previous year's budget (\$16.2 million vs. \$17.0 million). The largest grant appropriation is \$12.6 million a federal DOE Clean Energy Works grant; BPS will pass this money to the Clean Energy Works Oregon non-profit to administer loans for building upgrades to improve energy efficiency. Additional changes include

moving \$403,715 from General Fund to General Fund Overhead (recognizing the coordinative functions of the District Planning program), and the replacement of this General Fund so that BPS realizes a net funding increase. BPS also submitted 1.5% of General Fund revenue in program cuts. A total of \$889,427 in one-time funds were appropriated for various short-term and multi-year planning projects.

**Cable Communications and Franchise Management**

The Office of Cable Communications and Franchise Management administers utility and telecommunications franchises, protects the public's interest in cable communications, and regulates private use of telecommunications public rights-of-way. Bureau activities during FY 2011-12 include the development and implementation of the Broadband Strategic Plan which will provide a long term road map for the City's strategy on broadband policy, acquisition and infrastructure development. At the same time, the bureau will be negotiation the renewal of the Comcast cable franchise, a process that may end up in federally mandated arbitration.

**Office of Neighborhood Involvement**

ONI continues to coordinate efforts to make Portland neighborhoods more livable and to promote meaningful and diverse civic participation.

The FY 2011-12 Adopted Budget for ONI is \$7,079,728. This includes add packages totaling \$918,618 of one-time funding. The Adopted Budget includes funding for the Graffiti Abatement program, the Mediation and Facilitation program, the Enhanced Graffiti Abatement program, the Small Grants program, and East Portland Action Plan implementation and outreach.

**Portland Development Commission**

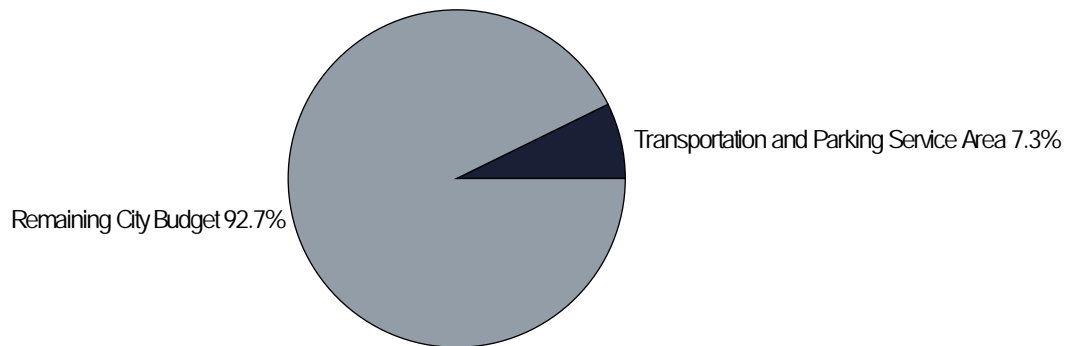
The FY 2011-12 Adopted Budget of \$5.8 million reflects the PDC's General Fund allocation. This allocation includes \$3.2 million of one-time General Fund resources. This allocation represents a \$1.7 million increase over the FY 2010-11 Revised Budget. PDC utilizes City General Fund for citywide economic development and economic opportunity programs.



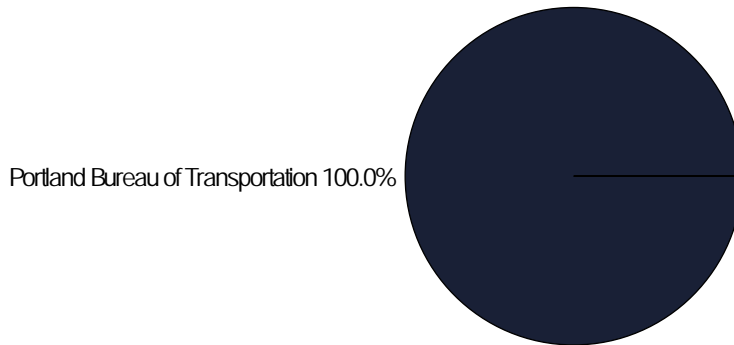
# Transportation and Parking Service Area

- Portland Bureau of Transportation

Percent of City Budget



Percent of Service Area Budget



## Service Area Overview

Requirements	Revised FY 2010-11	Adopted FY 2011-12	Change from Prior Year	Percent Change
Operating	186,993,176	156,066,190	(30,926,986)	(16.54)
Capital	134,675,559	102,796,265	(31,879,294)	(23.67)
<b>Total Requirements</b>	<b>321,668,735</b>	<b>258,862,455</b>	<b>(62,806,280)</b>	<b>(19.53)</b>
Authorized Positions	750.73	761.18	10.45	1.39

## Service Area Highlights

### Description

The Transportation and Parking service area includes those programs that plan, build, manage, maintain, and facilitate an effective and safe transportation system and provide access and mobility throughout the city. The service area consists of one bureau, the Portland Bureau of Transportation (PBOT).

### Major Themes

#### Bureau of Transportation

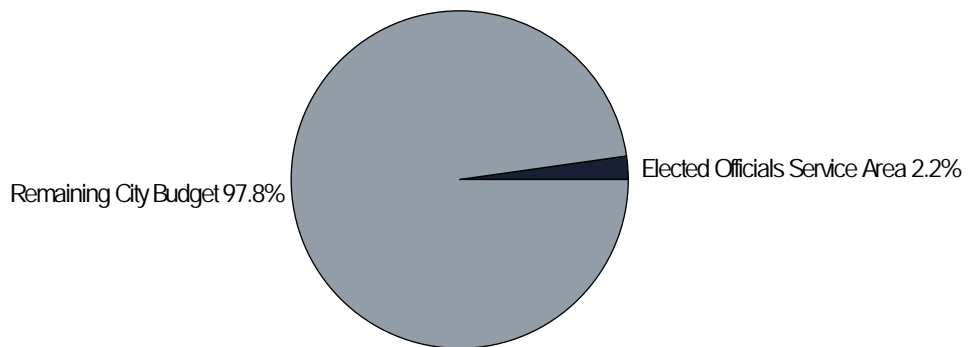
PBOT's total Adopted Budget for FY 2011-12 is \$258.9 million. Of that amount, the CIP for FY 2011-12 totals \$102.8 million.

After years of budget reductions, PBOT has an opportunity to address some of its deferred capital maintenance and provide for capital projects that will improve transportation safety and provide multi-modal improvements. The 2009 Oregon State Legislature passed HB 2001, the "Jobs and Transportation Act". This legislation will provide PBOT an estimated \$87 million over the five-year forecast.

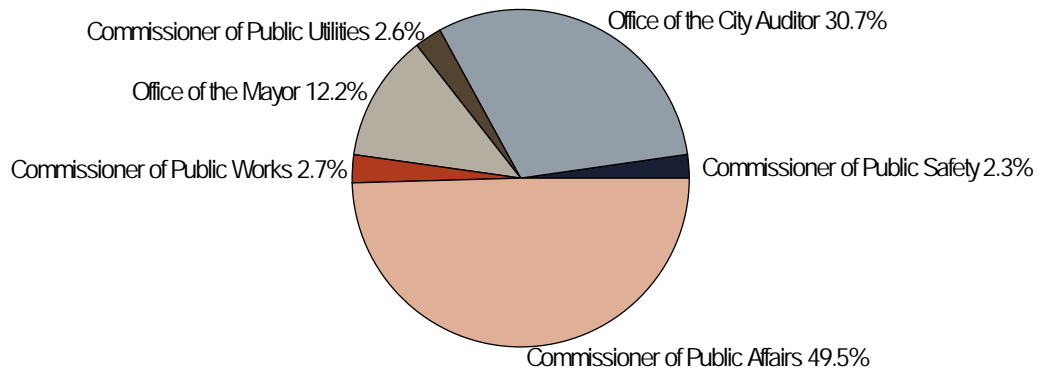
# Elected Officials Service Area

- Office of the City Auditor
- Office of the Mayor
- Commissioner of Public Affairs
- Commissioner of Public Safety
- Commissioner of Public Utilities
- Commissioner of Public Works

Percent of City Budget



Percent of Service Area Budget



## Service Area Overview

Requirements	Revised FY 2010-11	Adopted FY 2011-12	Change from Prior Year	Percent Change
Operating	77,545,492	79,768,217	2,222,725	2.87
Capital	0	0	0	0.00
<b>Total Requirements</b>	<b>77,545,492</b>	<b>79,768,217</b>	<b>2,222,725</b>	<b>2.87</b>
Authorized Positions	114.59	113.01	(1.58)	(1.38)

## Service Area Highlights

### Description

The Elected Officials service area includes the offices of the Mayor, the Commissioners, and City Auditor.

### Major Themes

#### Mayor's Office

The FY 2011-12 Adopted Budget for the Office of the Mayor is \$4.2 million. The budget includes \$450,750 for the Education program, \$235,000 for the Cradle-to-Career program, and \$32,500 for the Parkrose Restorative Justice program. A part-time Public Safety Counsel position was added. There is also an interagency agreement with the Office of Emergency Management for \$6,774 to support issues related to emergency management services.

#### Commissioners' Offices

The FY 2011-12 Adopted Budget for the Commissioner of Public Affairs includes an additional \$33,500 in ongoing resources to partially fund a Mental Health Specialist position at the Gateway Center for Domestic Violence Services.

The other commissioners' office budgets remain relatively unchanged. The mandatory 1.5% ongoing budget reductions and OMF interagency adds and reductions were taken by all.

#### Office of the City Auditor

The Auditor's Office FY 2011-12 Adopted Budget includes 48.62 FTEs and an operating budget of \$9.1 million, a decrease of about 2% from the FY 2010-11 Revised Budget. The budget includes reductions of \$25,117 to bureau external materials & services and a \$7,907 net reduction resulting from OMF interagency adjustments. The budget includes add packages of \$57,744 of ongoing General Fund resources to fund 0.50 FTE Assistant IPR Director position and \$62,620 in interagency funding for increased Single Audit costs related to federal grant programs.

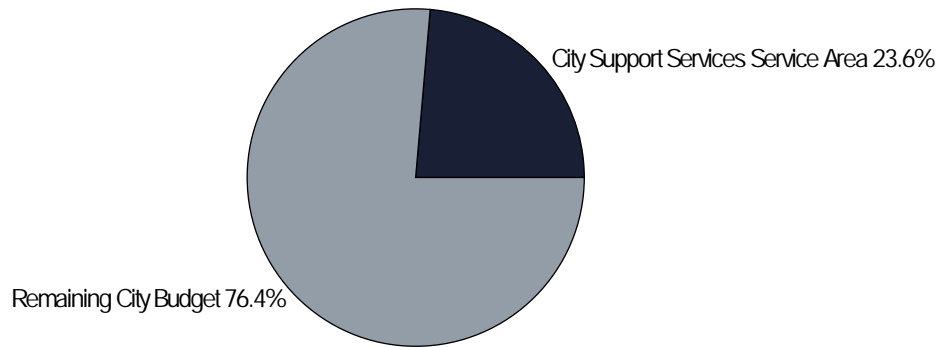
The Auditor's Office manages three funds: the Bancroft Bond Fund (\$19.5 million in FY 2011-12), the Assessment Collection Fund (\$80,000 in FY 2011-12), and the Local Improvement District Construction Fund (\$27 million in FY 2011-12). The Campaign Finance Fund, which had been managed by the Auditor's Office, was closed at the end of FY 2010-11.



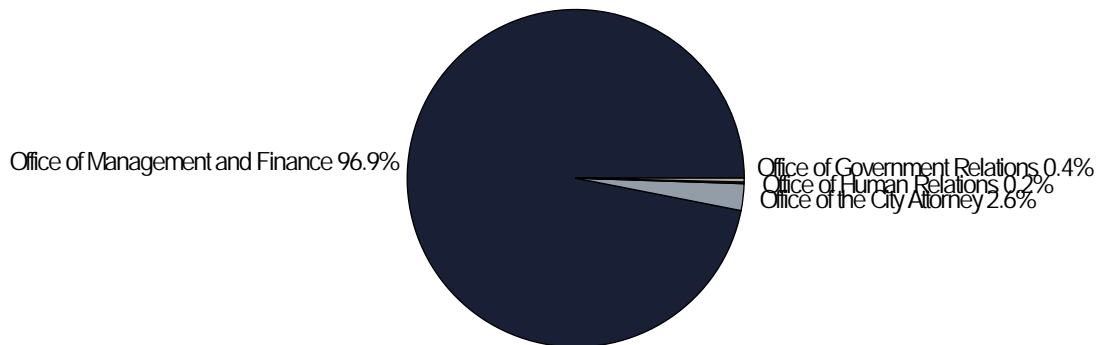
# City Support Services Service Area

- Office of the City Attorney
- Office of Government Relations
- Office of Human Relations
- Office of Management and Finance

Percent of City Budget



Percent of Service Area Budget



## Service Area Overview

Requirements	Revised FY 2010-11	Adopted FY 2011-12	Change from Prior Year	Percent Change
Operating	452,004,223	420,481,352	(31,522,871)	(6.97)
Capital	37,730,173	33,305,901	(4,424,272)	(11.73)
<b>Total Requirements</b>	<b>489,734,396</b>	<b>453,787,253</b>	<b>(35,947,143)</b>	<b>(7.34)</b>
Authorized Positions	739.68	748.28	8.60	1.16

## Service Area Highlights

### Description

The City Support Services service area includes the City's internal support bureaus and all Special Appropriations. The internal support bureaus are the Office of the City Attorney, the Office of Government Relations, the Office of Human Relations, and the Office of Management and Finance (OMF).

### Major Themes

#### Office of the City Attorney

The FY 2011-12 Adopted Budget for the City Attorney's Office is \$9.58 million, an increase of 8.3% from the FY 2010-11 Revised Budget. The budget includes a net reduction of \$5,092 captured from savings in interagency agreements with OMF. The office was held harmless from the 1.5% mandatory reduction packages taken by larger bureaus.

#### Office of Management and Finance

The FY 2011-12 Adopted Budget for the OMF totals \$442.9 million, a decrease of 7.7% from the FY 2010-11 Revised Budget. Significant budgetary actions include 1.5% mandatory budget reductions, funding for the purchase of the Kelly Building, an ADA compliance assessment of City facilities, positions in procurement for the Minority Evaluator program and to support the local and federal stimulus programs, and a position in the Revenue Bureau for enhanced regulatory program enforcement.

Special Appropriations are primarily used for General Fund expenditures that are not specific to a bureau and often provide Citywide benefit. These include payments to non-City agencies, funding for some City programs, and some City set-asides. Some special appropriations are one-time allocations while others are ongoing.

Special Appropriations in the FY 2011-12 Adopted Budget total \$14.9 million, including \$5.2 million for Compensation Set-aside. Other major items include \$4.0 million for the Regional Arts and Culture Council, \$1.1 million for Downtown Services to keep downtown Portland safe and attractive, \$525,000 for a proposed Office of Equity, \$500,000 for the Future Connect Scholarship program, and \$600,000 for the Crisis Assessment Center.

#### Office of Government Relations

The FY 2011-12 Adopted Budget for the Office of Government Relations is \$1.3 million, an increase of 9.7% from the FY 2010-11 Revised Budget. The budget includes a net reduction of \$2,109 captured from savings in interagency agreements with the Office of Management and Finance. The office was held harmless from the 1.5% mandatory reduction packages taken by larger bureaus. The office received one-time General Fund discretionary funding for a limited term federal assistant position (\$48,000) and for additional costs related to the state moving to annual legislative sessions (\$16,240).

#### Office of Human Relations

The FY 2011-12 Adopted Budget for the Office of Human Relations is \$617,937 and includes 4.0 FTEs. The Adopted Budget includes a net decrease of \$661 due to OMF IA adjustments. The Office of Human Relations will be merged into the proposed new Office of Equity when that office is formed.