



# Executive Summary

This document provides important background and summary information for the FY 2023-24 budget development process, and highlights key financial issues and recommendations provided in the City Budget Office (CBO) reviews. Interested parties are encouraged to read this document and then look to individual bureau reviews for additional details. The reviews are posted at the City Budget Office website [here](#).

## OVERVIEW

The preparation of the FY 2023-24 Budget for the City can be characterized as a “challenging process” for the following reasons: 1) Charter reform and the changes to the City’s form of government will begin to have impacts; 2) recent significant investments of one-time resources will begin to expire; 3) we are entering a “pinch year” in terms of General Fund revenues and expenditures temporarily growing close together; and 4) non-General Fund revenues such as transportation revenues are declining. Each of these issues is discussed further below.

### Charter Changes to the City’s current form of government

In November 2022 Measure 26-228 was approved by the voters to reform the City’s government structure including the following:

- **Establishment of a City Administrator** to be supervised by the mayor to manage the daily operations of the city,
- **Expansion of the City Council** from five members elected at-large to twelve members with three assigned to each of 4 newly created districts,
- **Implementation of ranked-choice voting** for city elections.

The transition work is currently underway, with the City required to operate in this new structure effective January 2025. Prior to the election, the Charter Commissioners requested that the City Budget Office provide one-time and ongoing cost estimates for the initiative. The details of this report to the Charter Commission are posted on the website [here](#). The CBO has [previously estimated](#) the ongoing costs to support the new form of government as a range of \$900,000 to \$8.7 million or roughly 0.1 to 1.47% of available General Fund discretionary funds. The range is significant due to the decisions that will be made by the salary and the districting commissions. Once these inputs, plus decisions as to locations of council offices are known, the certainty for ongoing expenses will improve.

Work is currently underway to determine the facility improvements and associated costs needed to accommodate council and chief administrative officer working space including a new council chamber to accommodate the new 12-member council. As indicated in the Mayor's January 26, 2023 memorandum, "the City must be prepared to budget and operate in a new structure as the new council will be seated in the middle of 2024-25." The City must also ensure the new government and council is provided with the resources and financial stability to seamlessly continue city services and priority programs.

### **Heading off the Fiscal Cliff: Eventual Expiration of One-Time Funding**

The City has allocated unprecedented one-time resources over the past two years. Pre-pandemic (2016-early 2020), the General Fund forecast averaged \$10.2 million of one-time resources per year. These resources represented a small increment at less than 5% of discretionary resources in the General Fund and per policy, were directed to either one-time specific projects or to provide funding for the Capital Set-Aside allocation process. In the FY 2022-23 Budget, the City Council appropriated \$247 million of one-time General Fund and American Rescue Plan Act (ARPA) resources across multiple City bureaus and programs. This amount was increased by \$26.1 million of one-time resources in the General Fund contingency ordinance, approved by Council in November 2022. The City now faces a fiscal cliff due to the upcoming expiration of one-time resources, which in some cases are supporting expenses that are recurring in nature. Either additional resources will need to be allocated to support programs, or there will be needed service reductions in order to balance revenues to expenses.

#### *General Fund One-time Allocations with Ongoing Potential*

Of the one-time resources allocated in FY 2022-23, an estimated \$65.9 million supports potential ongoing or recurring programs. This figure represents an initial estimate of some ongoing costs based in large part off the initial description of the request as entered in the City's budget system and provided by the bureau. Due in part to the lack of available new one-time resources, budget guidance did not provide instructions for bureaus to request continuation of these resources. As such, this estimate includes some one-time allocation amounts as placeholders for the ongoing cost in the absence of a decision package from the bureau to convert one-time funds into ongoing programs or services. The CBO anticipates that ongoing resource requirements will be refined as bureaus proceed to spend down the one-time funds and determine the true need for ongoing support. It is likely the \$65.9 million is a floor, and not a ceiling. The true cost will depend on which programs the City Council determine should sunset and which should be considered for conversion to ongoing funding for support.

Most of the truly one-time General Fund allocations (capital projects and FY 2021-22 carryover resources) will expire in the current fiscal year, with others anticipated to be part of the Spring BMP carryover process to allow for continuation into FY 2023-24. With only \$6.5 million in new ongoing resources available in FY 2023-24 to support council priorities, the continuation of any recurring one-time programs will likely require the re-prioritization and reallocation of existing resources for the services to continue beyond the current one-time resources. In addition, some of the one-time funds are supporting a scaled-up version

of an existing program or service, and there will be policy choices to determine if this level of scaled up service should return to pre-pandemic levels. It is also notable that unlike in prior years no one-time funds are available within the December forecast. There are likely to be service-level impacts to some programs if recurring one-time resources are allowed to expire. For example, there are Limited Term positions supporting recruitment and classification and compensation in the Bureau of Human Resources that will impact those functions if the funding is allowed to expire.

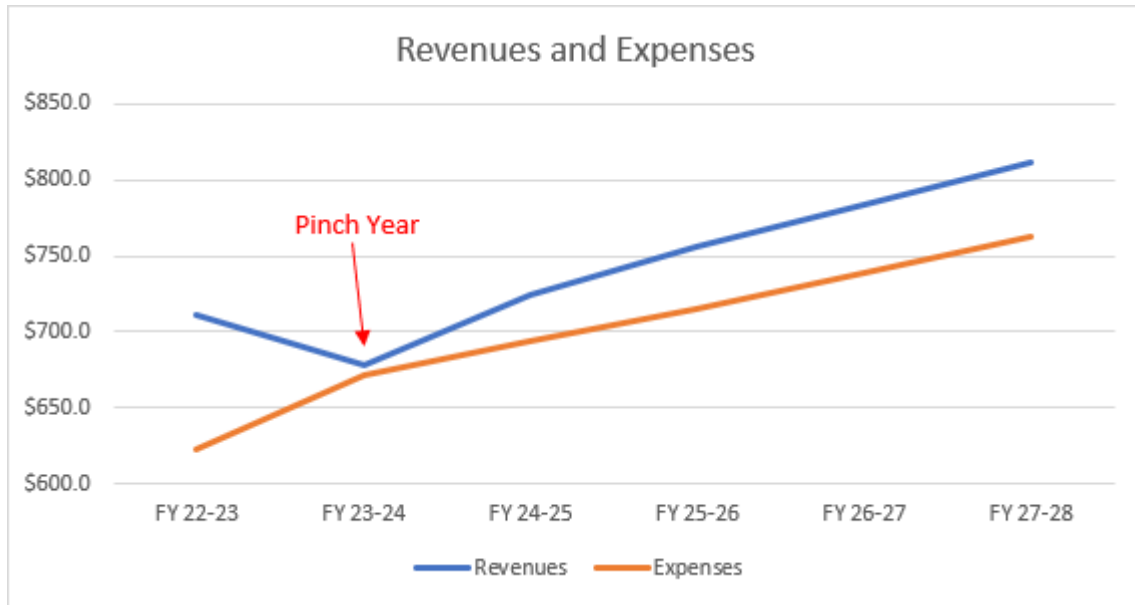
#### *American Rescue Plan Act resources support programs continuing in FY 2023-24*

The City received an allocation of \$209 million of one-time federal grant resources through the American Rescue Plan Act (ARPA) Local Fiscal Recovery Funds. These funds were distributed in two allocations, which must be expended by December 2025. The City allocated the funds to 50 total projects, of which 13 are reported as complete as of March 2023. The Grants Management Division (GMD) in the Office of Management and Finance has an open data dashboard available to the public with program data updated quarterly. The CBO reviewed the allocations for potential for ongoing expenses associated with the proposed projects. Of those that were funded, 25 were identified as having the potential for requiring additional or ongoing resources. By default, grant funds are considered one-time in nature and FIN 2.03 states that the City should not use grants for ongoing expenses.

As of the March 2023 ARPA report, the City has spent \$90.3 million of the total award, and approximately \$117 million remains. Larger allocations supporting initiatives to address housing and shelter are in the initial implementation phase and have not expended resources. Once these projects move into contracts and implementation, substantially more resources will be spent. Reprogramming for changing current allocations represents a complicated process to ensure compliance with federal rules regarding ARPA. The CBO recommends that if the City Council is interested in reprogramming resources, those decisions involve the GMD of OMF and are made early in the FY 2023-24 budget process

#### ***FY 2023-24 is the Pinch Year***

As indicated in the following chart, the 2023-24 budget characterized as being a “pinch year” or the year where revenues and expense are the closest in the five-year forecast:



In FY 2022-23, the beginning fund was \$72.3 million because actual revenues came in significantly higher than the April 2021 forecast, largely due to the unanticipated spike in corporate profits during the pandemic. The beginning fund balance is currently estimated to return to more normal levels—and drop by approximately \$50 million—starting in FY 2023-24. Additionally, in FY 24-25 the bulk of Urban Renewal Area property taxes are expected to return to the General Fund (more on this in the Return of Property Taxes bullet point below). As a result, all available revenue in FY 2023-24 (\$6.5 million) is expected to last throughout the life of the forecast and therefore is considered ongoing. This will allow for very limited investments in the Mayor and Council’s priority areas, specifically the priorities highlighted in the Mayor’s Budget Memo 3: restoration of police positions, funding for the transition to the new form of Government, and support for ongoing homelessness programs. Unlike in prior years there are no one-time resources for allocation to one-time project expenditures. As a result, and consistent with financial policy, General Fund bureaus were not allowed to submit decision packages for one-time funded recurring programs, some of which will be critical for maintaining city operations. While the forecast will be updated in late April, it is not expected to result in any substantial changes, either negative or positive (see additional information in the General Fund Forecast Update section below).

#### *Return of Property Taxes*

As Urban Renewal Areas (URAs) come to end and bond proceeds used to make improvements in these districts supported by tax increment financing<sup>1</sup> have been paid off, accumulated property taxes are returned to individual governments. For the City of Portland, the bulk of the revenue is estimated to return in FY 2024-25 with an additional

<sup>1</sup> Tax increment financing freezes local property taxes at the time the district is formed, and future increases (increments) of property taxes are used to issue bonds or to directly to support economic development and housing programs within the URA.

\$18.85 million in property tax revenue—largely due to the sunset of a number of districts. Thereafter, the new property tax revenue from expiring URAs is expected to contribute \$1 million or less annually throughout the life of the forecast. Related to this returning property tax revenue, during the FY 2022-23 budget process, City Council approved a budget note directing the City Economist to set aside \$8 million of the available projected ongoing revenue for Prosper Portland and the Portland Housing each, and an additional \$4 million was designated for Portland Harbor (for a total of \$20 million). Budget notes are designed to give policy guidance and future appropriations must be approved by Council, in this case for the FY 2024-25 budget. Consistent with the five-year forecast, should this budget note be executed there will be little appropriation to be allocated for other council priorities.

#### *Capital Set-aside*

Approved City policy directs that any new one-time resources within General Fund Forecasts be allocated in part to capital improvement projects through capital set-aside. Primarily as a result 2023-24 being “pinch year,” there are no one-time resources available for the capital set-aside. As a result, any new capital projects would need to be appropriated from the \$6.5 million available ongoing General Fund resources or through reallocation of existing resources. Should the April forecast include any one-time resources, these would be subject to City financial policy, and 50% of the forecasted one-time revenues would be set aside for capital investments per policy.

### **Non-General Financial Notable Issues**

Outside of the General Fund there are other financial issues underlying the FY 2023-24 budget. Both the Water and Environmental Services Bureaus are requesting increases in rates to address increasing inflation costs for both construction and operations. Since the onset of the COVID-19 pandemic, the Portland Bureau of Transportation (PBOT) has experienced a reduction of General Transportation Resources of 18% over three years, resulting in the loss of 43.5 positions and the need to increase parking rates. While the bureau’s FY 2023-24 Requested Budget is financially less dramatic than in prior years, PBOT does face an ongoing fiscal crisis with a forecasted \$60.7 million five-year deficit. To address the most immediate financial shortfall, PBOT’s FY 2023-24 Requested Budget puts forward a 4.3% cut to bureau programs, totaling approximately \$6.3 million.

#### *Recreational Cannabis Tax*

The cannabis industry is experiencing two significant headwinds: a drop in demand from pandemic highs, and too much supply. Combined, these factors have led to a decline in both the amount of cannabis sold, and its price, which, in turn, have led to more delinquent taxes. While the industry may normalize in the coming years, the short-term outlook indicates a reduction of \$362,000 (5%) to the City’s Recreational Cannabis Fund. Given this fund has a single, volatile, revenue source that supports ongoing programs, a reserve policy may be appropriate to limit future funding disruptions.

## General Fund Forecast Update

As of February, there is **no change to the forecast** (see table below for the December 2022 Forecast). Revenues from Property Taxes, Utility License/Franchise Fees, Transient Lodging Taxes, and State-Shared Revenue are tracking within 0.1% of the December Forecast. Furthermore, as expected, the indicator used to calculate the Cost-of-Living Adjustment (COLA) came in above the contractual ceiling of 5%<sup>2</sup>. Thus, there is no change to either the expense or revenue forecasts.

### Discretionary General Fund Five-Year Forecast (\$ millions)

Budget Category	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>Total Resources</b>	688.1	677.8	724.2	755.4	783.4	811.1
<b>Total Expenses</b>	688.1	671.3	700.7	745.9	780.5	805.9
<b>Available Ongoing</b>		6.5	3.5	9.6	2.8	2.3
<b>Available One-Time</b>		0.0	0.0	0.0	0.0	0.0
<b>Ongoing Funds Set Aside</b>		0.0	20.0	0.0	0.0	0.0
<b>Total Expenses with Adds &amp; One-Time Spending</b>	688.1	677.8	724.2	755.4	783.3	808.2
Note: Totals may not add due to rounding. FY 2022-23 figures are reflective of the Adopted Budget						
Note: \$20 million of ongoing funds are set aside in FY 2024-25 as per FY 2022-23 Budget Note						

The greatest source of uncertainty for General Fund Revenues comes the second largest revenue source, Business License Taxes. Most Business License Taxes are collected after the tax filing date in April, which historically has meant the most significant updates to the General Fund forecast happens in late April. One complicating factor for providing mid-year updates to this revenue source is that quarterly estimated payments have not been predictive of April receipts in recent years, likely because corporations use the prior year's tax liability to determine estimated payment amounts. In other words, quarterly estimated payments are not forward-looking, but backwards looking.

The April and December 2022 forecast memos highlighted the nuanced relationship between inflation and corporate profits, and made the economic case for a decline in corporate profits:

“For most businesses the largest expense is labor. Since wages do not rise as

<sup>2</sup> COLA increases are tied to the annual increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers for large western U.S. cities (CPI-W West Size A) (as measured by the annual change in the index between the second half 2020 and the second half 2021) for the West Region, size A index, published by the

Bureau of Labor Statistics, U.S. Department of Labor. However, in no event shall the salary increase be less than one percent (1%) or greater than five percent (5%).

quickly as other expenses, there is a period where firms can raise prices without a commensurate increase in expenses—leading to a short-term increase in net-income.” –April 2022 Forecast Memo

“...one expectation is that as supply chain problems diminish, competition will limit corporations’ ability to pass on higher prices; and profit margins across more and more industries will decline. Most Business License Tax receipts are from corporate filers, and all indications are that there will be a multi-year decline in this revenue relative to FY 2021-22 collections.” –December 2022 Forecast Memo

Available data seems to confirm the anticipated decline in corporate profits. According to financial data firm Factset, reported earnings (a proxy for profits) of S&P 500 companies are on pace to fall [4.7% from the prior year](#). Looking only at the industries that are most active in Portland, and the reported decline is closer to 10%. As always, forecasting an inflection point is challenging, and there remains the possibility that tax receipts for the current year—FY 2022-23—do not show the magnitude of decline that is expected. In this case, assuming the data about the underlying tax liability are consistent, the expectation would be that there is a large increase in refunds for extended filers—meaning that the decline is worse than anticipated in FY 2023-24. Regardless, the anticipated decline in corporate reported earnings indicates that there is no change in the outlook for Business License Taxes since the December forecast.

To conclude, revenues are tracking the forecast to date and despite the reported loss of relevant corporate profits, there is no need to change the forecast at this point. An updated forecast will be provided in late April.

### **Mayor’s Budget Guidance**

The Mayor issued three Budget Memos to provide guidance to bureaus in advance of their submissions for FY 2023-24 Requested Budgets. Budget Memo 1 provided instructions for General Fund bureaus to submit a Current Appropriation Level (CAL) budget, meaning no decision packages for either one-time or ongoing resources. Internal Services Funds, and other non-General Fund supported bureaus could submit decision packages for consideration. Budget Memo 2 asked bureaus to provide programmatic information on the purpose of programs: legally required, primary mission, or secondary mission. The final Budget Memo directed that no decision packages would come forward for General Fund resources due in part to the scarcity of funds in the forecast and the priorities of the Mayor for the Proposed Budget. These memos are posted on the [CBO website](#), along with forecast and other preparation materials.

## **SIGNIFICANT FINANCIAL POINTS & RECOMMENDATIONS IN BUREAU REVIEWS**

The CBO bureau reviews analyze bureaus’ base budgets and any requests for resources. However, for FY 2023-24, and consistent with guidance from the Mayor, bureaus were



prohibited from submitting proposals for new requested General Fund resources. Bureaus were allowed to submit decision packages for program realignments, non-General Fund resources, and any reduction of services, as well as changes to Interagency Agreements. Highlights of the CBO reviews and recommendations are described below.

## **Administration Service Area**

### **Office of Management and Finance**

The Office of Management and Finance (OMF) is requesting \$17,971,254 in additional ongoing interagency resources to address a variety of needs, including requests for infrastructure to expand EV charging in CityFleet, replacing CityFleet's Kerby Garage, increasing major maintenance reserve levels to address deferred maintenance in Facilities owned buildings, and 11 FTE to support planning, compliance, and operational support in Facilities. The requests in the Bureau of Technology Services include ongoing support for a data-informed decision-making service; capabilities to meet increasing cyber threats and cyber-insurance requirements; staffing to further develop, operationalize, and maintain two of the City's customer engagement and business platforms; resources needed to improve customer service turnaround times; and support for hybrid meetings in City facilities. In the Bureau of Revenues and Financial Services, OMF requests to add to positions in Risk Management to respond to higher workloads and meet new State of Oregon requirements. The Community Safety Division also submitted two realignment packages that have a net zero budget impact.

Prior to the release of the Mayor's Budget Memo 3, OMF intended to request \$4,575,330 in ongoing General Fund resources to offset the cost of the interagency decision packages for General Fund bureaus only. However, even without an option to request ongoing General Fund resources to offset the cost increases, the magnitude of OMF's total requests would create significant tradeoffs for customer bureaus, particularly non-General Fund bureaus who must reallocate existing resources to fund OMF's IA funded decision packages. Given this, the CBO currently does not make recommendations for General Fund resources in the reviews for FY 2023-24 as there were no other General Fund decision packages to allow for a citywide review and prioritization. The decision about a General Fund subsidy for any increased interagency funded programs will need to come during the consideration of the Mayor's Proposed Budget.

### *The City's Charter Change Transition Budget*

As designated by recent City Council Resolution, the Office of Management & Finance led by the Chief Administrative Officer, is designated as the lead project sponsor for the transition of the City's form of government as approved by voters in November 2022. The transition would span a total of three fiscal years, although some facilities-related aspects may take longer. The City allocated \$4.0 million for the transition effort in FY 2022-23, which is inclusive of a one-time policy set-aside of \$1.9 million in the General Fund and \$2.1 million in OMF-CAO's Office. OMF is currently continuing to refine its requests for funding for next year and beyond. CBO examined the most current iteration of requests for FY 2023-24 and FY 2024-25, which can be categorized into expenditures for outside



consultants, internal staffing, and facilities-related costs, with the facilities-related costs being the most in flux and in need of refinement.

At present, the \$4.0 million does not include resources associated with larger facility and technology improvements, and that budget is currently under development by the charter transition project team and may come forward as a projected project expense for FY 2023-24 during the development of the Mayor's Proposed Budget.

In the [CBO's report](#) on the potential costs of charter reform, issued in November 2022, it estimated that the annual ongoing cost of implementing the charter reform measure would be roughly \$911,000 to \$8.7 million annually. This estimate is in addition to the \$12.3 million already in the City's budget for similar uses supporting the current configurations for Council Offices. Actual costs are dependent on policy decisions that have yet to be made, for example, the Salary Commission will set the salaries of elected officials. Other variable factors affecting the range of costs include the size of commissioners' staff, changes in the Mayor's salary and staff size, and the City Administrator's salary and staff size.

#### *Expiring One-time Funds with Service Level Impact*

The OMF FY 2023-24 Requested Budget also includes service level impacts in the Bureau of Human Resources (BHR), the Chief Administrator's Office (CAO), the Bureau of Revenue & Financial Services (BRFS), and the Community Safety Division (CSD). The impacts are due to the expiration of one-time resources that will expire at year end that address ongoing needs. The bureau has not requested ongoing funding for these needs per Mayor's Budget Memo 1, which directed bureaus not to request additional General Fund resources.

#### **Programs that do not have funding in FY 2023-24**

##### ***Office of the CAO Programs***

- Public Environment Management Office (PEMO), which coordinates efforts to clean public spaces is funded with \$5.1 million in one-time resources this year. Ongoing funding is needed if the City wants to continue this effort.
- Impact Reduction Program has indicated that \$9.7 million to \$11.6 million in one-time resources are needed next year to maintain current service levels. The base budget for IRP without new resources is \$7.7 million for City-owned property clean-up.
- Bureau of Human Resources (BHR) will lose 17 limited term positions that are providing support for recruitment, classification & compensation, employee and labor relations, employee wellness, and leave administration.
- Community Safety Division (CSD) which oversees the Street Services Coordination Center (SSCC) is funded with over \$2 million in one-time resources. CSD has indicated that it needs approximately \$800,000 in additional one-time resources next year to continue the program.

- ESD Coordinator position remains unfilled due to the difficulty of hiring using one-time resources, leading to a continued lack of compliance with the recommendations from the City Auditor's Office's 2020 audit. While about \$43,000 of the one-time General Fund resources allocated for the position may be carried over into next year, ongoing resources of about \$87,000 will be needed annually.
- 311 Program received \$521,814 in one-time funds in the current year budget to staff an overnight shift for two years. The funding has not been spent due to the difficulty of hiring using one-time funding as well as the need to manage public expectations regarding a service that may be discontinued after one year. Thus, to provide this service, ongoing resources would be needed.

#### ***Bureau of Revenue and Financial Services***

- In the Bureau of Revenue & Financial Services, the FY 2022-23 budget includes \$445,198 in General Fund one-time resources for 4.6 FTEs in the Revenue Division. Not providing ongoing resources for these positions may result in the City not collecting \$1.3 million in revenues for the General Fund.

#### *CBO's OMF Recommendations*

#### **Bureau Technology Services**

The Bureau of Technology Services has five decision packages in its FY 2023-24 Requested Budget, which if all adopted, would add \$4.3 million in additional costs to City bureaus. Mindful of the limited resources the bureaus have, CBO is only recommending the funding of those requests that are most essential to the City, including those that fulfill legal mandates (Hybrid Meeting Technology Support) or reduce liability (Increased Information Security Maturity), while providing the public with necessary services (a portion of Technology for Unified Community Engagement). While recommending some portion or the total of these three requests, CBO has concerns about some of their aspects: large costs in the Hybrid Meeting Technology Support request associated with supporting all of the City's audio/visual equipment even though only certain pieces are used for public meetings; and the change in cost allocation methodology in the Increased Information Security Maturity request resulting in disproportionately large costs to some bureaus that may need the services less than others.

#### **Bureau of Revenue & Financial Services**

BRFS has only one decision package in the FY 2023-24 Requested budget, adding two permanent positions in the Risk Management section - one in the Insurance & Claims program and one in Workers Compensation program. Costing City bureaus \$289,615, these were added in response to increased workloads and new State of Oregon requirements. CBO notes that the costs of various forms of insurance continue to increase for the City. CBO does recommend this request.

#### **Division of Asset Management**

The Division of Asset Management (DAM) has seven decision packages in FY 2023-24

Requested Budget, totaling \$13.8 million in additional ongoing interagency resources. Of the \$13.8 million in requests, \$4,575,330 funds 12.0 FTE to support Facilities with planning, compliance, property management and human resource coordination in Facilities. These positions relate to legal compliance with federal, state, and local requirements such as OSHA, ADA, and building code, as well as ensuring delivery of vendor services and contract management. CityFleet is also requesting approval to establish a \$4.95 million Line of Credit (LOC) to pay for one-time capital costs related to the installation of Electric Vehicle (EV) charging infrastructure. They are also requesting one additional FTE to manage CityFleet's expanded fuel program. The cost of one additional FTE and LOC debt service totals \$432,649 for FY 2023-24 in additional interagency resources and increases to \$1,046,565 by FY 2028-29 as additional bureaus bring EV infrastructure online. CBO is recommending this request as it represents a necessary investment for CityFleet's transition to EVs and provides long-term cost savings. Finally, Facilities submitted a request for \$9,245,000 in interagency resources to relocate City's Kerby Garage, and CBO does not recommend this request at this time due to the significant cost burden of increased interagency rates that would be passed on to the customers and the lack of other resources to provide a subsidy to bureaus for this expense. CBO does recognize the significant need for this building to be replaced due to the health and life safety issues with the existing facility, and encourages OMF to continue work to identify a path forward including possible debt financing.

## Office of Government Relations

In January 2023, Council authorized a two-year contract between OGR and Thorn Run Partners, LLC for representation at the Oregon State Legislature and the Executive Office of the Oregon Governor to mitigate the departure of a Government Relations Specialist II in the State Relations team just before the 2023 State Legislative Agenda.<sup>3</sup> The not-to-exceed amount of this contract totals \$360,000, with the bureau currently projecting a \$90,000 outlay for January through June of FY 2022-23, leaving \$270,000 for the remaining duration of the contract (through January 2025). At the current burn rate of \$15,000 per month, the bureau anticipates \$180,000 in related costs in FY 2023-24.

However, the bureau has not incorporated the cost of this contract into its FY 2023-24 Requested base budget submission but does anticipate fully incurring the \$180,000 outlay for FY 2023-24. Currently, the bureau has a vacant Government Relations Specialist II position in its State Relations team that has one-year costs of approximately \$180,000. The bureau has stated that it would prefer to fill the vacant position on the State Relations team and retain the firm it contracted with to do state lobbying to meet workload demands and that being required to hold the position vacant to absorb the cost of the contract would result in service level reductions, though it is difficult to quantify how less lobbying would be done. The bureau notes that the number of lobbyists the City has in Salem directly correlates to the ability to advance and defend the City's policy interests. CBO

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<sup>3</sup> Exhibit A of the Ordinance 191151 is a memo from Mayor Wheeler that discusses the lobbying initiatives, viewable here: <https://efiles.portlandoregon.gov/record/15844583>. Exhibit B, a proposal memorandum from Thorn Run Partners, LLC notes their retainer agreement contains a 30-day "out clause" should the City want to terminate the agreement.

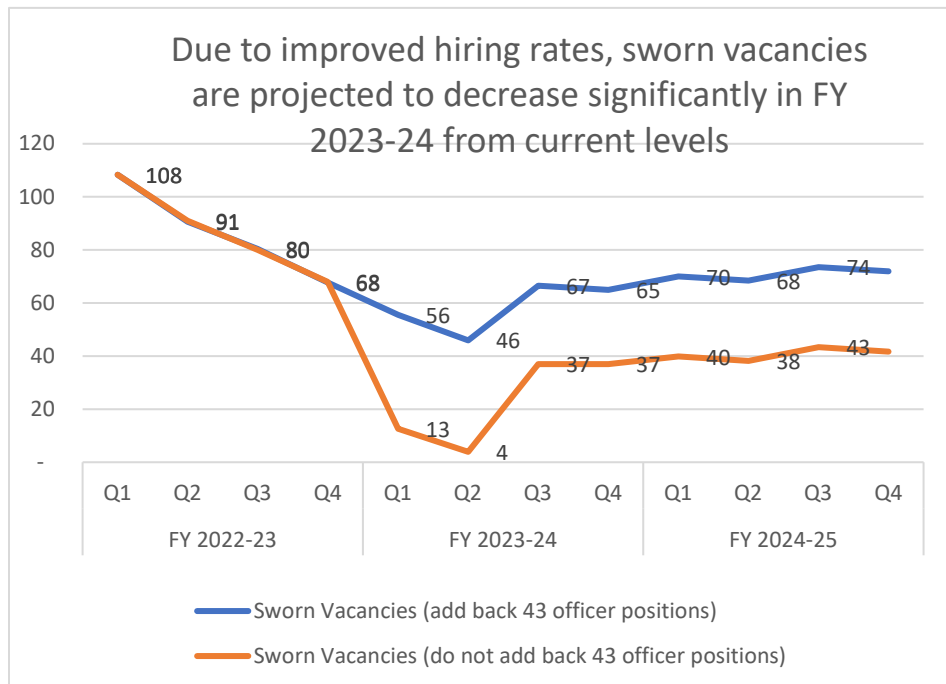
notes that there is not currently any one-time discretionary resource in the General Fund forecast that could be allocated to the bureau for this cost, meaning the only resource for funding this contract currently is the bureau's vacancy savings—raising value propositions regarding the benefits of contracting for State Lobbying versus staffing and/or growing the in-house State Relations team.

## Public Safety Service Area

### Police Bureau

The Police Bureau's FY 2023-24 Requested Budget totals \$256,003,294 across all funds. In accordance with the Mayor's Budget Guidance to focus on current base budget allocations, the bureau submitted one only decision package for two full-time non-sworn positions in the Victims Advocate Program that are funded through a reallocated ongoing resource. CBO recommends this request.

The Mayor's Budget Guidance also places the restoration of funding for the 43 sworn officer positions as one of his three priority areas for the \$6.5 million of new ongoing resources. This priority is predicated on the assumption that they will be able to utilize the resources. Based on the Police Bureau's personnel forecast, the bureau will need some



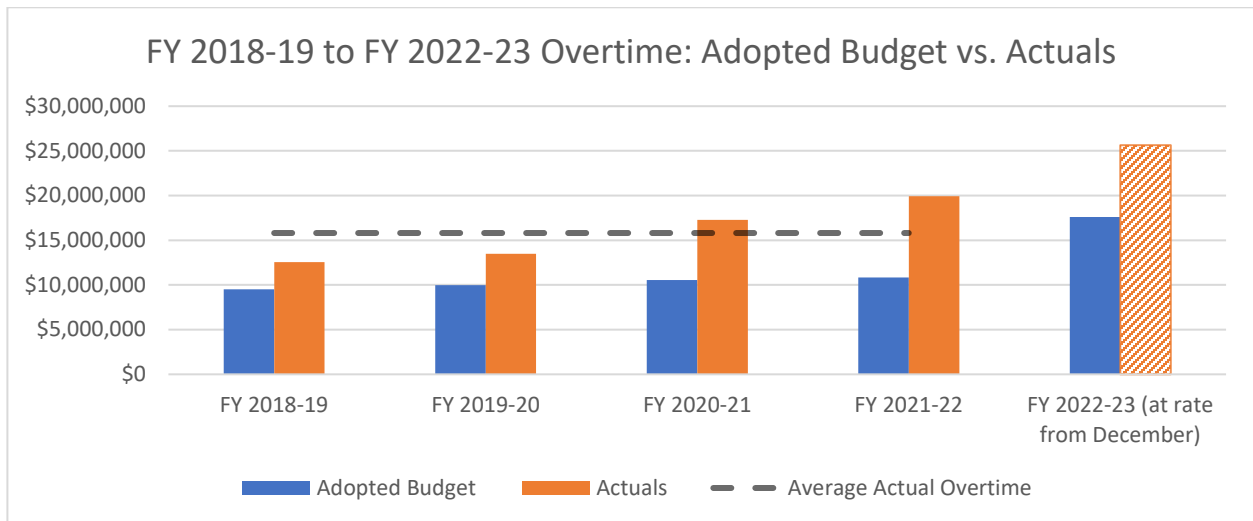
portion – if not all – of the position authority, and ongoing General Fund resources for the 43 officers in the next two to three years.

CBO's analysis detailed in this review illustrates that it is not expected that the bureau will need funding for the 43 positions in FY 2023-24. Thus,

CBO recommends that the position authority and ongoing funds be restored in the FY 2023-24 budget, but that the resources be pulled back on a one-time basis to serve as a resource for consideration of other City needs, such as support for replacement of the electrical BUS at the Justice Center. This is a multi-year project with partial funding, and the City has an obligation due to the current condo agreement with the County to resource the City's share of the project. If the Police Bureau meets their hiring and attrition targets next year, the bureau should have sufficient non-sworn vacancies to cover the costs.

## Portland Fire and Rescue

Staffing challenges, labor bargaining agreements, and pandemic related leave have created a situation where Portland Fire & Rescue (PF&R or Fire) annually overspends its overtime budget (see figure below). Over the last 3 fiscal years, overtime actuals were an average of \$6.5 million above overtime estimates (or roughly 5% of the total Adopted Budget in those Fiscal Years). This is a key base budget issue for both the current fiscal year and future years.



One potential means to mitigate these effects would be to create new position authority which would reduce the need for overtime. Functionally, this works as a swap of expenses—overtime for straight-time costs. However, the timeframe for hiring and training new firefighters means this is not an immediate solution for FY 2022-23. Fire has indicated that they are awaiting a staffing sufficiency study by Citygate and Associates to better understand staffing model options. CBO recommends the creation of new positions occur as soon as operationally possible and financially feasible to account for the lengthy training time of new firefighters.

The other main issue regarding the Fire Bureau is the elimination of the Rapid Response Vehicle (RRV) program. Per a budget note, PF&R's base budget for FY 2023-24 reflects the reduction of \$2.7 million in ongoing resources in Fire's Budget for the RRV program. If the funding is not restored, Fire will operationalize these cuts by shifting RRV staffers to the traveler's pool to reduce overtime usage. This will reduce on-duty staffing by 8 firefighters and will lead to longer response times. Given the constraints within Fire's budget, and the inability to ask for new General Fund Discretionary, CBO again recommends creating new positions as soon as feasible.

## Community & Economic Development Service Area

### Bureau of Planning and Sustainability

The Bureau of Planning and Sustainability faces pressure to prioritize and, as needed, realign resources across its programs. It has received \$6.3 million in one-time resources

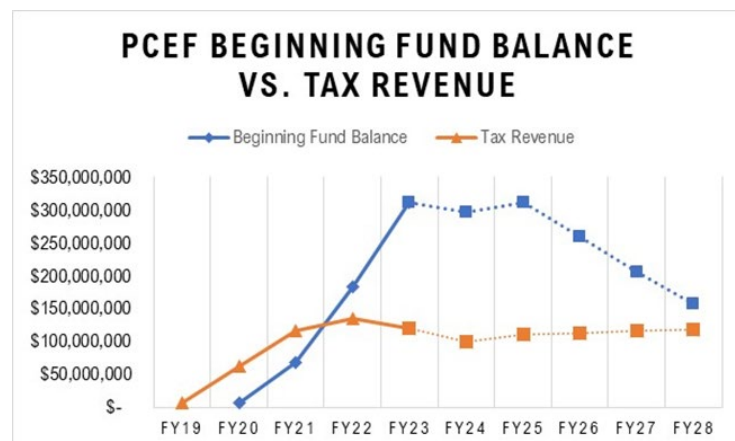
over the last two years - \$5.7 million in General Fund and \$600,000 in ARPA resources. The bureau received \$4.36 million for projects and programs that are truly one-time. These resources represent projects and policies close to the bureau's mission, including record one-time investments in climate change-related initiatives and data management for the public. The bureau received another \$1.92 million one-time General Fund resources for projects and programs that they believe to be on-going work. Furthermore, the bureau added the Graffiti Abatement Program, which moved from Civic Life, and is currently relying on one-time resources, and the Office of Community Technology in the FY 2022-23 Fall BMP.

BPS also manages the Portland Clean Energy Fund (PCEF), a resource generated by the Clean Energy Surcharge (CES) that dedicates significant resources for the bureau to advance local climate change initiatives while pursuing racial equity. Preceding the implementation of the CES, the surcharge was expected to generate \$44.0 to \$61.0 million annually but is now projected to generate over \$100 million annually. Since the fund's inception, PCEF has consistently reported growth in resources as compared to expenditures, resulting in a sizable fund balance (FY 2022 ACFR balance of \$298.7 million). The bureau proposed a series of changes in fall of 2022 that were adopted by Council in order to: (1) get money more quickly and strategically to organizations; (2) more clearly connect PCEF with the City's carbon reduction goals; (3) address administrative and operational needs; and (4) address the 2022 audit recommendations. These code changes inform two of the bureau's requested Decision Packages to support the administration of PCEF resources and are reflected in their five-year forecast shown in the PCEF Beginning Fund Balance vs. Tax Revenue chart. CBO does note that assuming revenues come in at last year's rate (audited collection of \$135.0 million) or better, it is unlikely beginning fund balance would be significantly reduced over the five-year forecast, even assuming an aggressive rate of expenditure.

BPS has three decisions for consideration:

- 1) Adding 14.0 FTE to support PCEF administrative capacity
- 2) Adding 5.0 to support internal services capacity, and
- 3) A technical adjustment to move the Graffiti Abatement program from the Office of Community and Civic Life to BPS. The bureau is requesting 14.0 and 5.0 positions across the first two decision packages respectively to support administration of PCEF. The PCEF code was amended in Fall 2022 to change the administrative cap for PCEF from 5% to 12% revenue, making resources available for these requests.

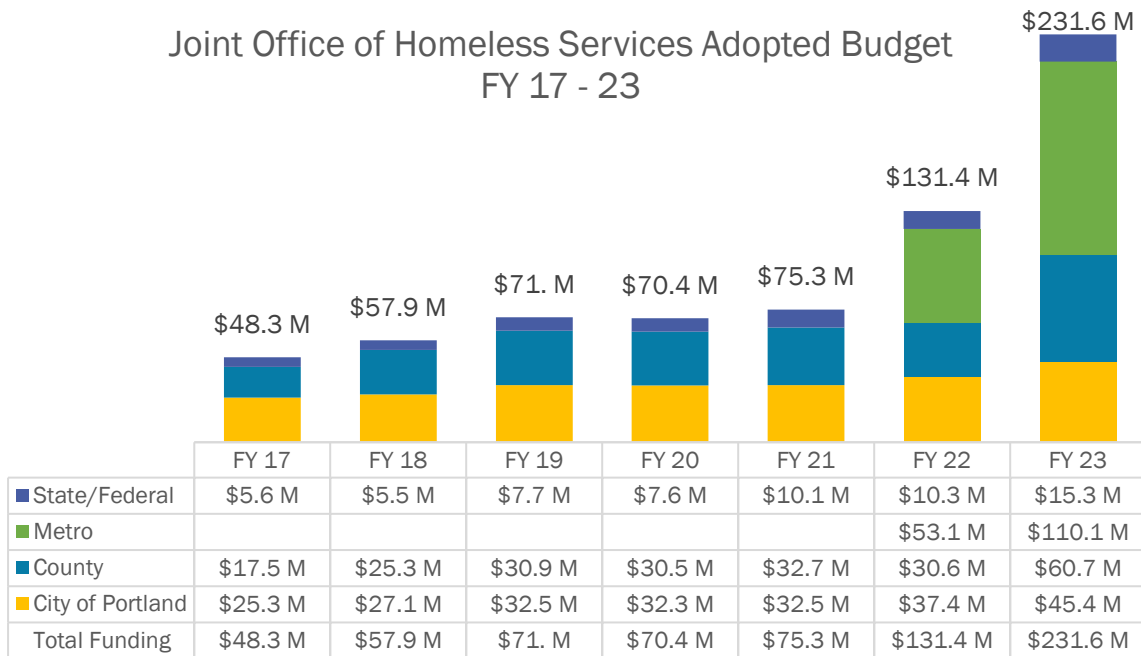
CBO recommends all the decision packages, primarily to support the bureau's inaugural Climate Investment Plan (projected Summer 2023) which will accomplish the goals of the



Council-adopted amendments cited above.

## Joint Office of Homeless Services

The Joint Office of Homeless Services requested budget is 24% less than FY 2022-23 due to the expiration of one-time funds. In the last four budget cycles, the City has allocated one-time funding to the Joint Office, to the extent that these resources have been assumed by the County in the current homeless services system. CBO has recommended to either plan for scaling down services, reallocate resources from other programs, or identify a new sustainable funding source to continue current service levels in a stable, ongoing way. The current unmet ongoing need to maintain current service levels is estimated at \$9 million. Additionally, the Joint Office budget in FY 2022-23 was 4.8 times greater than its FY 2016-17 inaugural budget, primarily due to the addition of Metro funds through the Supportive Housing Services tax. Metro funding represented 47.5% of the Joint Office total budget in FY 2022-23, at \$110.1 million, whereas the City was a minority funder, contributing \$45.4 million which represents about 20% of the total budget.



Prioritization of funds is done by the Joint Office and Multnomah County. In FY 2022-23, the majority of City Funds (\$19.8 million) were prioritized to providing adult shelter through the Safety off and on the Streets program offer. The Joint Office's Requested Budget further prioritizes City funds towards adult shelter, with \$21.4 million, or 68.0% of the requested City resources allocated in this program area.

As the City continues to negotiate the intergovernmental agreement governing the Joint Office, CBO continues to recommend identifying ongoing funds to meet committed service levels, and further recommends that the City clearly define its role in the allocation of City funds to ensure agreement and cohesion between the various organizations participating in the funding of the Joint Office of Homeless Services.



## Portland Housing Bureau

For several years after 2015, when the Housing Emergency was first declared, the Portland Housing Bureau experienced significant resource and service expansion, but these resources have since peaked and are sloping downwards to pre-emergency levels. Not considering the recent adoption of the new Tax Increment Financing (TIF) District in Cully, the bureau projects TIF revenue sources in its budget to decline significantly as the existing TIF Districts are reaching maximum indebtedness and/or the final year to issue debt in the next several years. Paired with the expiration of both the City and Metro Affordable Housing Bonds, there will be a significant reduction of resources available for affordable housing development and homeownership programs, and the bureau will need to make internal service and operational changes to meet this forecasted reduction in resources. New local sources of revenues have been added, including the Construction Excise Tax, two Short Term Rental revenue streams, and the Rental Registration Fee, but some of these have been impacted by the COVID-19 pandemic. Looking at the future, the bureau likely faces a greater reliance on federal grants to achieve financial stability within their funding mix.

CBO recommends that the City continue to pursue additional funding from the Metro Supportive Housing Services tax for eligible uses, including staffing capacity for Supportive Housing and to supplement the Risk Mitigation Pool. Furthermore, after the COVID-19 pandemic ends, the City should identify what the ongoing service level should be for the Rental Services Office, what services are needed, and how they should be funded.

The Portland Housing Bureau's FY 2023-24 Requested Budget has two significant changes for consideration: 1) the addition of three limited term positions funded by internal reallocations, and 2) a new \$60 million, five-year partnership with the Portland Clean Energy Fund to implement energy efficiency and renewable energy improvements to newly regulated, multi-family affordable housing projects. CBO recommends both adjustments as submitted by the bureau.

## Prosper Portland

Long-term financial sustainability remains the primary challenge for Prosper Portland as current TIF districts mature and reach their maximum debt levels. The FY 2023-24 Requested Budget includes \$58 million in TIF resources. Approximately \$45.5 million of these resources (27.7% of Prosper's operating budget) will expire in the next two years. Meanwhile, the agency is actively exploring new TIF districts in partnership with the community and recently brought the Cully TIF district online. The Cully TIF district is expected to generate \$537,000 in FY 2023-24 and reach a total of \$20 million in debt resources by FY 2027-28.

Prosper has received significant one-time resources in recent years that will soon be fully expended. Council has allocated \$28 million of one-time General Fund, Recreational Cannabis Tax, and ARPA resources since FY 2020-21. Prosper anticipates that \$19.7 million of these funds will be expended by the end of FY2022-23, while the remaining \$8.3 million will be expended in the subsequent year.

The decline of TIF and one-time resources requires development of alternative funding

strategies for Prosper to achieve long-term financial sustainability. Preliminary sources of revenue identified by Prosper to address their scheduled revenue declines include requesting new General Fund resources, increasing program income (i.e., loan collections and property income), amendments to existing TIF districts, and creating new TIF districts. The agency has been working on and plans to release its updated Financial Sustainability Plan 2.0 in FY 2023-24 to address these. Included in their plan, Prosper anticipates roughly \$8 million in General Fund be allocated to them based on a FY 2022-23 Budget Note, discussed in the Overview section of this Executive Summary. While the Budget Note is intended to provide continued funding for Prosper Portland, the CBO recommends the agency not rely on this directive as a certain resource given the significant cost pressures on the General Fund. Also, because the budget note is not a formal budget action, the funds will only be available if allocated by City Council.

## **Public Works Service Area**

### **Portland Bureau of Transportation**

PBOT continues to struggle with a long-term fiscal crisis due to both rising expenses and structural revenue issues exacerbated by the COVID-19 Pandemic. The bureau's five-year financial forecast details a deficit of \$60.7 million through FY 2027-28, requiring ongoing expense reductions of over 9% to balance unless implementation of new sources of revenue are realized. The Bureau identifies several primary issue areas including: 1) Revenue sources that PBOT and the City have little or no control, such the state gas taxes; 2) growth in funds streams lag the rise in bureau expenses and service level expectations (i.e., inflationary pressures on external materials and services, expanded transportation services to houselessness, etc.), and 3) revenue sources are at odds with the city's stated climate, equity, and mobility goals.

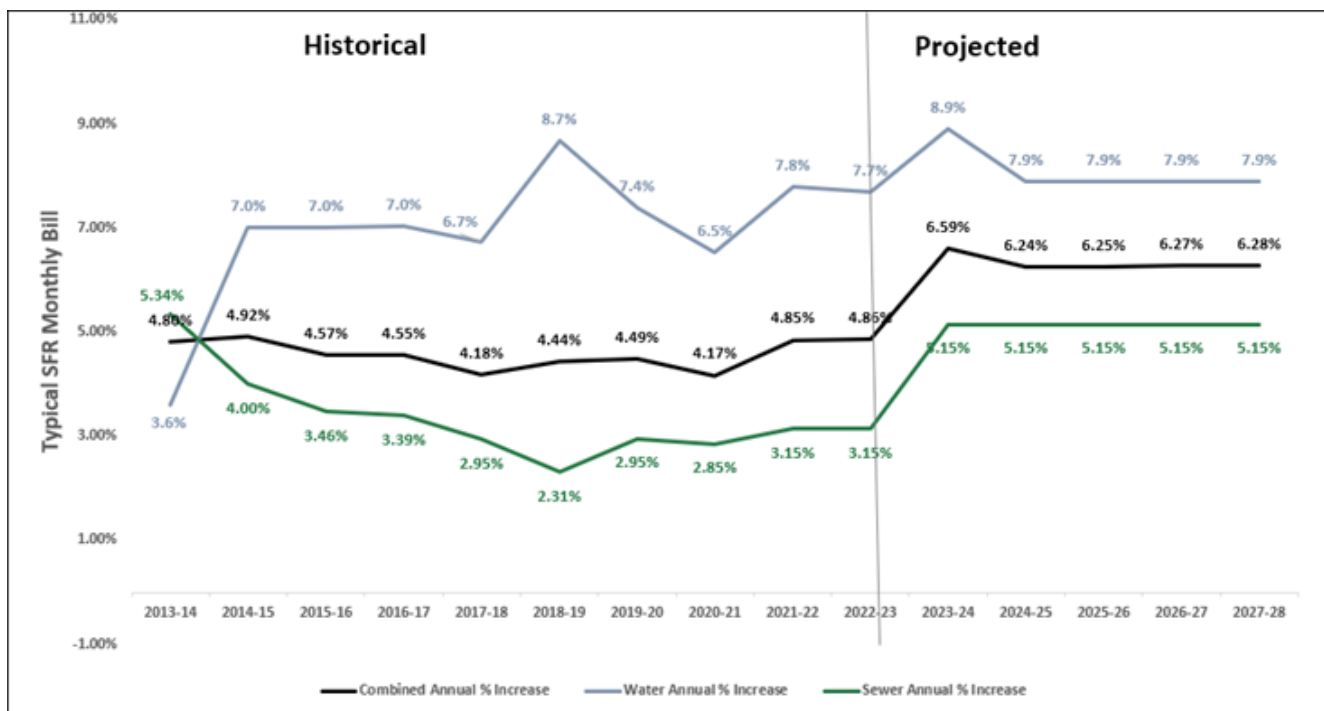
In response to the Bureau's deficit, PBOT is putting forward a Budget Stabilization package with reductions totaling \$6.3 million (4.3%) in ongoing programmatic and personnel cuts, including the elimination of 16 vacant FTE positions. The requested decision package cuts are grouped into four categories including \$2.4 million in major programmatic reductions, \$1.2 million in reductions to asset maintenance and parking services, \$645,000 in reductions to policy and administrative support, and \$2 million in efficiencies & alternative revenues. CBO recommends this package, which represents the first reduction package of the Bureau's two-year budget stabilization plan. To balance the five-year forecast (FY 2023-24 through FY 2024-25), PBOT tentatively plans on putting forward an additional reduction of at least 4.5% in FY 2024-25.

CBO additionally notes the need for PBOT to present comprehensive plan which addresses its long-term financial sustainability. While uncertainty regarding state level gas revenues, future parking activity, and other revenue sources loom, a unified strategy to address long-term declines are necessary so the bureau can avoid annual reductions that are not part of cohesive, multiyear strategy.

### **Utility Bureaus**

The Bureau of Environmental Services and the Portland Water Bureau are requesting a FY

2023-24 rate higher than what was forecasted in the previous Fiscal Year. Combined, the average Single-Family home can expect to see a monthly 6.59% increase in their utility bill which amounts to \$8.90 per month or \$26.70 per quarter more.



## Bureau of Environmental Services

The Bureau of Environmental Services (BES) submitted a Requested Budget totaling \$527.7 million which includes a Sewer System Operating budget of \$216.1 million and a Capital Improvement Plan (CIP) budget of \$311.5 million. The bureau's Requested Budget proposes an average effective retail sewer/stormwater rate increase of 5.15%, which would result in a \$4.27 increase in the typical residential monthly bill, raising it from \$82.83 to \$87.10. The FY 2023-24 requested rate is 2.0% higher than what was forecasted in the FY 2022-23 budget. The rate increase is due to higher than planned inflation, additional regulatory requirements, and higher construction costs due to the increased cost of labor and material on capital projects.

BES's capital budget is increasing by 31% from the FY 2022-23 Revised Budget, which is due primarily to expense increases for the Secondary Treatment Expansion Program (STEP), which is \$58 million higher than last year at \$184.9 million in FY 2023-24. The total cost increase for STEP over the five-year Capital Improvement Plan is roughly \$300 million. The higher project cost for STEP caused the bureau to reprioritize and delay projects in their five-year CIP.

## Portland Water Bureau

The Portland Water Bureau (PWB) submitted a Requested Budget totaling \$1.2 billion,

which includes a Water Division base operating budget of \$139.7 million and a CIP budget of \$290 million. The bureau's Requested Budget proposes an average effective retail water rate increase of 8.9% which would result in a \$4.64 increase in the average residential monthly bill, raising it from \$52.11 to \$56.75. The FY 2023-24 requested rate is 1.2% higher than what was previously forecasted in the FY 2022-23 budget. The rate increase is due to higher than planned inflation, additional operating needs and regulatory requirements, and higher construction costs due to the increased costs of labor and materials on capital projects.

## **Culture & Livability Service Area**

### **Community and Civic Life**

Civic Life is in the midst of a significant reorganization, some of which has already occurred and some of which is in progress with a plan to be complete by the end of FY 2022-23. As a result, the bureau's requested budget is transitional. The decision packages that the bureau submitted are simply completing realignments that were already approved by Council in FY 2022-23. However, the Resolution 37609, passed by City Council in February 2023 outlining organizational changes associated with charter reform directs Civic Life to work with the Bureau of Development Services (BDS) to transfer the Cannabis Licensing, Liquor Licensing, Noise to BDS, and with Prosper Portland (Prosper) to transfer the Cannabis Reinvestment program. The budget details of these realignments are being worked out currently.

Without the programs that have been directed to be transferred to other bureaus, the largest program remaining in Civic Life is the Neighborhood Outreach program, which supports the Neighborhood Associations. The bureau's Requested Budget shifts ongoing resources of \$0.5 million from the Diversity and Civic Leadership program to the Neighborhood Outreach program to address expiring one-time resources that have been used for the past two Fiscal Years to backfill the Neighborhood Outreach program after it was subject to a 5% across reduction in FY 2020-21. CBO recommends doing a thorough analysis of the options for realigning ongoing resources based on the extensive strategic planning that the bureau is currently conducting. City Council could consider allowing one-time carryover to be used in FY 2023-24 for this unique situation.

### **Portland Parks & Recreation**

In addition to its known major maintenance backlog that is approaching \$600 million, CBO is highlighting recent investments of one-time General Fund discretionary resources in three capital projects and identifies an unfunded liability of \$48.5 million, escalating to \$63.5 million pending design choices:

#### **Citywide Light Poles**

PP&R recently conducted a system-wide review of 1,000 light poles in City parks, some of which are over 100 years old. Through this effort, PP&R identified 243 light poles that include structurally unsound anchoring systems that may pose a life and safety hazard to

the public and must be removed.<sup>4</sup> Due to this life and safety hazard, the entirety of the funding was re-prioritized for the removal and partial replacement of these lamp posts. The bureau projects that the removal of the light poles and replacement of at least two parks will cost about \$5 million and total project costs are estimated at \$15 million—a figure that represents a currently-unfunded liability within the bureau and the City.

#### North Portland Aquatics Center

Another of one-time General Fund discretionary resource allocation brought forward on the floor as an amendment from the Commissioner's Office in the FY 2021-22 Fall BMP was a \$1.5 million allocation to explore interim solutions for North Portland aquatics multi-year service interruption.<sup>5</sup> To date, the bureau has expended approximately \$6,500 of that allocation with expenditures expected to increase with the launch of the "North Portland Pass" that provides North Portland residents free drop-in access and Tri-Met passes to Matt Dishman Community Center in the Eliot Neighborhood of Northeast Portland. The funding will also support a new position to increase staffing of lifeguards and swim instructors as well as subsidizing free swim lessons in the PP&R pools at Pier and Peninsula Parks.

Currently, the Columbia Pool replacement has expense estimates of approximately \$50 million to support this project, with the City of Portland contributing \$16.7 million in SDC revenue and the State of Oregon contributing \$15.0 million in State Lottery Revenue Bonds over the next three fiscal years.<sup>6</sup> This effectively gives PP&R \$31.7 million in "funding in hand" for a North Portland aquatics facility to replace Columbia Pool. However, depending on which design is chosen, the bureau will need between \$18.3 million and \$33.3 million to fully fund the project. The bureau has exploring potential funding sources, including a voter-approved ballot measure, a Parks Foundation campaign for donations, future PP&R external revenue, and/or future City of Portland General Fund discretionary allocations.

#### O'Bryant Square

Portland Parks & Recreation requested \$2.2 million in one-time General Fund unrestricted contingency resources in the FY 2022-23 Fall Supplemental Budget process to fund a portion of the O'Bryant Square project in downtown Portland and eventually a received a \$1.0 million allocation which will be applied towards initial public engagement, a planning charette with PBOT and Portland State University, design, permitting, and some construction activation (low-confidence estimate) to assess the needs of the central city in a post-COVID environment and remote-work realities. In addition to this one-time General Fund discretionary resource, the bureau has allocated \$3.0 million in SDC revenue for capacity-enhancing portions of the project. The bureau notes that the fully loaded costs for to activate downtown urban park development like O'Bryant Square is a low- to medium-

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<sup>4</sup> PP&R "Light Pole Safety Project" <https://www.portland.gov/parks/construction/light-pole-safety-project>

<sup>5</sup> Ordinance No. 190606 "Additional Documents" <https://efiles.portlandoregon.gov/Record/14752655/>

<sup>6</sup> Ordinance No. 191095 "Accept and appropriate grant in the amount of \$15 million from State of Oregon Department of Administrative Services for design and construction of the North Portland Aquatic Center" <https://www.portland.gov/council/documents/ordinance/passed/191095>

confidence estimate of \$15 million. PP&R does not have any funding currently allocated to the project in its capital improvement plan.

## **Budget Equity Tool**

Each City bureau is required to submit a Budget Equity Tool as part of their annual requested budget. The Budget Equity Tool is binding City policy and consists of 13 questions that guide bureaus in providing a holistic assessment of how budget allocations benefit or burden communities, with an emphasis on Black people, Indigenous people, people of color, immigrants and refugees, LGBT2QIAS+, people with disabilities, and other historically and presently underserved community members. The Office of Equity and Human Rights conducts an annual assessment of each bureau's Budget Equity Tool. In calendar year 2023, the bureau will update the Budget Equity Tool to simplify and broaden the use of it throughout the budget development process. For FY 2023-24, all bureaus submitted Budget Equity Tools. Bureaus without Equity Managers are limited in ability and capacity when compared to bureaus with Equity Managers to create deeply imbedded structures and systems rooted in equity and anti-racism that meet the unique needs of their staff and the communities they seek to serve. Equity Managers and equity-specific staff are essential leaders in bureaus, in their ability to advocate for and advance the City's Core Values of equity and anti-racism, and to work with bureau leadership in building systems of accountability and transparency, such as developing and implementing Racial Equity Plans and in contributing to bureaus' Strategic Plans. Improvements can be made across bureaus in intentional community engagement efforts during the budget development process. While some bureaus developed their requested budgets with feedback from their Budget Advisory Committees, more robust engagement processes throughout the year could yield greater results in allocating resources to communities historically and presently underserved by government.

In recent years, the City has adopted several policies and increased investments in equity-related positions and programming, with an estimated \$42 million in new investments over the past two years. While equity-centered positions in bureaus have increased in recent years, the structure of and support for these positions is highly inconsistent across bureaus, with some lacking any equity-centered positions. City initiatives that aim to improve equity in the community often track output measures but could benefit from establishing and tracking outcomes to ensure services are achieving intended results. For further recommendations and analysis on the City's recent investments in Equity, please review the Fiscal Year 2022-23 [Equity Prior Year Performance Report](#).

## City of Portland

### CBO Recommended Decision Packages

Page 1

Bureau of Planning & Sustainability	Requested					CBO Recommended				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Graffiti Abatement Program Move	2		710,000		710,000	Yes	2	710,000		710,000
Internal Services Capacity	5				0	Yes	5			0
PCEF Administrative Capacity	14			2,668,038	2,668,038	Yes	14		2,668,038	2,668,038
<b>Bureau of Planning &amp; Sustainability Total</b>	<b>21</b>		<b>710,000</b>	<b>2,668,038</b>	<b>3,378,038</b>		<b>21</b>	<b>710,000</b>	<b>2,668,038</b>	<b>3,378,038</b>

City Budget Office	Requested					CBO Recommended				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Robert's Test DP				0		No			0	
<b>City Budget Office Total</b>				<b>0</b>					<b>0</b>	

Office of Community and Civic Life	Requested					CBO Recommended				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Community Safety re-alignment			139,929	0	139,929	Yes		139,929	0	139,929
Graffiti Program to OSD			-710,000		-710,000	Yes		-710,000		-710,000
<b>Office of Community and Civic Life Total</b>			<b>-570,071</b>	<b>0</b>	<b>-570,071</b>			<b>-570,071</b>	<b>0</b>	<b>-570,071</b>



## City of Portland

### CBO Recommended Decision Packages

Page 2

Office of Management & Finance	Requested					CBO Recommended				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Administrative Support for DAM Manager	1		490	336,514	337,004	No	0	0	0	0
BHR - Occ Health & Well-being Assistant	1			115,800	115,800	No	0		0	0
BHR - Occupational Health Software				85,000	85,000	No			0	0
BTS-Bolster Technology Support	4			545,000	545,000	No	0		0	0
BTS-Data-Informed Decision Making	4			975,000	975,000	No	0		0	0
BTS-Hybrid Meeting Technology Support	3			1,700,191	1,700,191	Yes	3		1,700,191	1,700,191
BTS-Increase Information Security Maturity	2			500,000	500,000	Yes	2		500,000	500,000
BTS-Mature Technology for Unified Community Engagement	3			600,000	600,000	Yes	1		206,834	206,834
CityFleet Electric Vehicle Make-Ready Infrastructure & Staffing				2,548,075	2,548,075	Yes			2,548,075	2,548,075
CityFleet Relocation out of the Kerby Garage				9,245,000	9,245,000	No			0	0
Compliance Staffing for OMF Facilities Services	7		6,403	1,095,149	1,101,552	Yes	4	3,348	624,694	628,042
Convert LT Analyst II to Permanent and Convert LT Claims Tech to Permanent for Risk Funds	2			289,615	289,615	Yes	2		289,615	289,615
CSD - Director Position Funding Realignment			114,192	15,191	129,383	Yes		114,192	15,191	129,383
CSD - Realignment with Civic Life			-139,929		-139,929	Yes		-139,929		-139,929
EPP - Convert LT Financial Analyst III to Permanent	1				0	Yes	1			0
Lease Administrator for OMF Facilities Services	1		426	135,054	135,480	No	0	0	0	0
Long-Range Facilities & Real Estate Planning Team	3		3,792	540,916	544,708	No	0	0	0	0
Selective Increase in Major Maintenance				2,196,946	2,196,946	No			0	0
<b>Office of Management &amp; Finance Total</b>	<b>32</b>		<b>-14,626</b>	<b>20,923,451</b>	<b>20,908,825</b>		<b>13</b>	<b>-22,389</b>	<b>5,884,600</b>	<b>5,862,211</b>

## City of Portland

### CBO Recommended Decision Packages

Page 3

Portland Bureau of Emergency Management	Requested					CBO Recommended				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
CSD Director Funding Realignment			-11,059	-15,191	-26,250	Yes		-11,059	-15,191	-26,250
<b>Portland Bureau of Emergency Management Total</b>			<b>-11,059</b>	<b>-15,191</b>	<b>-26,250</b>			<b>-11,059</b>	<b>-15,191</b>	<b>-26,250</b>

Portland Bureau of Transportation	Requested					CBO Recommended				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Budget Stabilization: Reduction Package	-16			-5,949,169	-5,949,169	Yes	-16		-5,949,169	-5,949,169
<b>Portland Bureau of Transportation Total</b>	<b>-16</b>			<b>-5,949,169</b>	<b>-5,949,169</b>		<b>-16</b>		<b>-5,949,169</b>	<b>-5,949,169</b>

Portland Fire & Rescue	Requested					CBO Recommended				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Realign resources to CSD for Director			-103,133		-103,133	Yes		-103,133		-103,133
<b>Portland Fire &amp; Rescue Total</b>			<b>-103,133</b>		<b>-103,133</b>			<b>-103,133</b>		<b>-103,133</b>

Portland Parks & Recreation	Requested					CBO Recommended				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
AD_01 Trade Training Opportunity: 4 Utility Workers II				894,320	894,320	Yes			894,320	894,320
AD_02 Automotive Equipment Operators I				359,694	359,694	Yes			359,694	359,694
AD_05 O&M				456,891	456,891	Yes			456,891	456,891
AD_06 Heavy Equipment Vehicle Upgrades				230,000	230,000	Yes			230,000	230,000

## City of Portland

### CBO Recommended Decision Packages

Page 4

AD_07 Trash Can Supplemental Funding		120,000	120,000	Yes		120,000	120,000
LS_01 - Increasing Water Budget for Extended Splash Pad Hours		87,000	87,000	Yes		87,000	87,000
LS_02 - Increase water budget for green asset irrigation		160,000	160,000	Yes		160,000	160,000
LS_03 - Add 1 FTE Horticulturist for Horticultural Services	1	103,922	103,922	Yes	1	103,922	103,922
LS_07 - Convert Seasonal Maintenance Workers to 7 FTE Utility Worker Is	7	898,145	898,145	Yes	7	898,145	898,145
LS_08 - Add 1 FTE Park Technician to support City Nature West portfolio	1	174,313	174,313	Yes	1	174,313	174,313
LS_09 - Add 1 FTE Horticulturist Trainee for Ecologically Sustainable Landscape Initiative program	1	169,632	169,632	Yes	1	169,632	169,632
LS_13 - Increase budget for bark chips		160,000	160,000	Yes		160,000	160,000
OS_01 Healthy Parks Healthy Portland		240,000	240,000	Yes		240,000	240,000
OS_02 Sustainable Future		48,000	48,000	Yes		48,000	48,000
OS_03 Package Deleted		0	0	No		0	0
OS_05 Workforce Development		353,000	353,000	Yes		353,000	353,000
OS_08 Package Deleted	0	0	0	No	0	0	0
RS_03 - Arts Hub and Spoke Program Model	1	153,188	153,188	Yes	1	153,188	153,188
RS_04 - Recreation Demographic Data Capture	1	200,188	200,188	Yes	1	200,188	200,188
RS_05 - Aquatic Maintenance Team Resource Alignment	1	0	0	Yes	1	0	0
RS_06 - Swim Lesson Resource Expansion		236,904	236,904	Yes		236,904	236,904
RS_07 - Recreation Community Resource and Support	1	135,670	135,670	Yes	1	135,670	135,670
RS_10 - TeenForce and ParkSquad Expansion	2.75	374,271	374,271	Yes	2.75	374,271	374,271
RS_12 - Aquatic Positions Conversion		29,190	29,190	Yes		29,190	29,190
RS_13 - Reduce Cost As a Barrier - Recreation Programs		0	0	Yes		0	0

City of Portland

CBO Recommended Decision Packages

UF_01 - Title 11 Code Compliance	6			987,374	987,374	Yes	6			987,374	987,374
UF_02 Tree Permitting and Regulation Service Continuity	1			161,220	161,220	Yes	1			161,220	161,220
UF_08 Arborist Trainee Program				371,710	371,710	Yes				371,710	371,710
UF_10 Promote Equity in Tree Permitting Services				0	0	Yes				0	0
Portland Parks & Recreation Total	23.75	0	0	7,104,632	7,104,632		23.75	0	0	7,104,632	7,104,632

Portland Police Bureau	Requested					CBO Recommended				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Position Authority for Advocacy Program	0				0	Yes	0			0
Portland Police Bureau Total	0				0		0			0