

Attachment 2: Budget Notes

FY 2006-07 Budget Adoption Ordinance

Please Note: Recommended changes shown in the Adopted Budget Change Memo have been incorporated into the following budget notes.

PUBLIC SAFETY

Bureau of Fire, Rescue and Emergency Services

The Bureau of Fire, Rescue, and Emergency Services has an excellent record of returning to work firefighters with permanent restrictions, and the bureau is directed to expand on this record as other positions the bureau has identified as suitable for sworn employees with permanent restrictions become open. The Bureau of Fire, Rescue, and Emergency Services will report as part of each “BuMP” report on the number of positions available for sworn employees with permanent restrictions and the number of sworn employees with permanent restrictions currently on staff. The bureau will also report on the results achieved with the four permanent restriction positions added for FY 2006-07.

Bureau of Police

The Police Bureau will report as part of each budget “BuMP” report on the following with respect to the opening of the precincts 24 hours a day, seven days a week:

- The services made available to the community that were previously unavailable or available only on a limited basis
- The responsibilities transferred to the officers staffing the precinct desks on the afternoon and night shifts to ensure their maximum use and productivity
- Performance measures against which the success of opening the precincts can be gauged

FY 2006-07 is the final year additional resources will be provided for implementation of the problem-oriented policing strategies (POPS) begun in FY 2005-06. The Police Bureau will present a plan to Council in the winter 2007 budget monitoring process (BuMP) to incorporate these projects into regular bureau operations with existing ongoing resources.

The FY 2006-07 budget includes additional revenue of \$100,000 to be generated by the photo radar program. If less than this amount materializes, the Police Bureau will reduce its external materials and services budget as an offset.

The FY 2006-07 budget includes a \$343,862 appropriation that reflects the transfer of interest earned on forfeited assets from a trust account to the Police Bureau budget. Expenditure of these funds is subject to approval by the Mayor.

Bureau of Emergency Communications

The FY 2006-07 budget adds nine permanent and three limited term operator positions. Six of the permanent positions are funded through a reduction in the Bureau of Emergency Communications' overtime budget. It is Council's intent that anticipated salary savings be used to supplement the overtime budget. The other three permanent positions will be funded with additional General Fund resources and payments from other user jurisdictions, according to the pro-ration used for all bureau operating expenses. The three limited term positions will be funded with Public Safety Fund resources (for Portland's share of expenses) and payments from other user jurisdictions. It is Council's intent to convert some or all of these to permanent positions supported with General Fund and user jurisdiction payments in future budget years. The Bureau of Emergency Communications (BOEC) will report to Council in each BuMP on the following:

- Estimated salary savings generated thus far in the fiscal year that can be applied to the overtime budget
- The number of vacancies in the 12 new positions
- The status of other jurisdictions' payments for the six positions not funded through a reduction in the overtime budget

Council is concerned that there is inconsistency in the payment structure for the jurisdictions served by the bureau. BOEC will propose an amendment to the appropriate intergovernmental agreement(s) to require all user jurisdictions to provide BOEC with their entire share of the budget, regardless of actual expenditures, in FY 2007-08 and thereafter. Beginning in FY 2007-08, if there are surplus resources at fiscal year-end, BOEC will deposit these resources in the Public Safety Fund to cover capital improvement and technology upgrade expenses at the bureau. BOEC will establish a structure to govern the expenditure of these resources that includes all user jurisdictions.

PARKS, RECREATION, AND CULTURE

Portland Parks and Recreation

In order to be eligible for \$80,000 in one-time General Fund resources for the Interstate Firehouse Cultural Center (IFCC), the IFCC board will obtain \$80,000 in matching donations from non-City government sources and the approval of the oversight committee to disburse funds. Council will match dollar for dollar, up to \$80,000, the matching donations from non-City government sources.

In a change of direction from last year, this budget directs Parks to raise fees within the City's Golf operation in order to raise funds to support ongoing operations and capital improvements within the Golf program. Parks will report back to Council as part of each FY 2006-07 BuMP review on progress made in developing a five-year capital investment program for the Golf program.

This budget includes a General Fund set-aside of up to \$3.8 million for assisting with the completion of the East Portland Pool. Funds will be made available to Parks when construction begins, currently estimated for August 2007.

The General Fund contingency will include \$650,000 for the Parks maintenance facility. To be eligible for the funds Parks must submit to the City Council for consideration a final Maintenance Facility Plan showing site acquisition and facility construction requirements by October 1, 2006.

PUBLIC UTILITIES

Water, Environmental Services, and the Revenue Bureau will prepare a plan for maintenance and replacement of water meters. This plan will address the level of meter maintenance, frequency of meter replacement, evaluation of the costs and benefits of automatic meter reading, cost of the meter replacement program, method of payment, and share of the costs, for both large and small meters. This joint plan is to be incorporated into each bureau's five-year financial plan that is submitted in the fall of 2006.

Bureau of Environmental Services

The Bureau of Environmental Services (BES) is the responsible City agency for watershed issues, and it will lead a partnership with environmental organizations and the larger community to develop a prioritized plan by October 1, 2006 for completing watershed projects. BES can request up to \$500,000 in General Fund one-time funding to jump start project implementation but will incorporate a long-term watershed funding plan for projects into its future budgets.

COMMUNITY DEVELOPMENT

Bureau of Development Services

The Bureau of Development Services will prepare a report on the financial and programmatic status of the Signs Program in general and on the A-Board program in particular. The report should demonstrate the degree to which the program's processes are consistent with the program's objectives as set forth by Council.

Bureau of Housing & Community Development

The Bureau of Housing & Community Development will develop a financial plan by October 1 for sustainable funding of programs currently funded with one-time resources. The goal of this plan should be to minimize and eventually eliminate (within three years) the reliance on one-time funding for ongoing programs in order to minimize the risk to those served by these programs. In addition to addressing the loss of federal grant funding and local one-time resources, this financial plan should include a work plan to better coordinate housing and homeless services with the other service provider organizations in Multnomah County. One-time funds provided in FY 2006-07 should be considered a bridge to such a coordinated plan. The bureau should anticipate that the one-time bridge funding provided in FY 2006-07 will not necessarily be available in whole or in part in future years.

Office of Sustainable Development

The Office of Sustainable Development (OSD) is charged with developing an economic development program designed to attract and develop local and regional economic activity related to renewable energy and renewable energy technologies. OSD is directed to develop a proposal for utilizing up to \$735,000 that has been reserved for this effort, and will present their workplan to the City Council by September 1, 2006. If the proposal is accepted by Council all funds for this effort will be under the control and direction of the Office of Sustainable Development. The Portland Development Commission will utilize a portion of their existing resources to collaborate with OSD in the development of workplans and strategies.

This budget funds one-half of the sustainable government position in OSD using General Fund one-time resources. OSD will fund the remainder of the cost of the position with internal reallocations. OSD will report back during future BuMP reviews as to progress made in implementing the work plan identified by BIP #18.

LEGISLATIVE, ADMINISTRATIVE, AND SUPPORT SERVICES

Office of the City Auditor

Council requests that the Auditor work with the Bureau of Technology Services and other interested bureaus to develop an enterprise document management strategy.

The Managing for Results (MFR) management auditor position is continued as limited term for a second year. Twenty-five percent of this position will be devoted to supporting the recommendations of Bureau Innovation Project #7-Customer Service. Council asks the Auditor to report on the extent to which this utilization is effective before any decision is made regarding the permanence of the position.

Office of Management and Finance (OMF)

All City bureaus with staff involvement in the Enterprise Business Systems Project (EBSP) are strongly encouraged to bank budget savings to offset direct and indirect EBSP costs, including any staffing backfill needed to support the project, during the project's implementation period. The three budget monitoring processes during the year should be used to identify savings and make appropriate budget amendments.

Bureau of Purchases

During the spring BuMP, the bureau will identify the estimated Citywide savings due to the strategic sourcing position. The savings will be quantified by bureau. Sufficient dollars will be transferred to the General Fund to offset the one-time costs associated with the position. Savings beyond paying the cost of the position will be retained by the various bureaus.

Bureau of Technology Services (BTS)

BTS will work with the Auditor and other interested bureaus to develop an enterprise document management strategy.

Financial Planning

The OMF Financial Planning Division will work with all bureaus to ensure that bureaus report results achieved with all add packages. This reporting may include adjustments to performance goals for existing performance measures, the creation of new performance measures, or simply narrative reporting of results in the FY 2006-07 BuMP reports and the FY 2007-08 Requested Budget. Financial Planning will include bureaus' performance results in BuMP and Requested Budget analyses in order to better inform the Mayor and Council on whether continued funding is appropriate relative to stated goals.

Office of the Mayor

The FY 2006-07 Mayor's Office budget includes ongoing funds of \$25,000 for the Local Public Safety Coordinating Council (LPSCC). Before any of this appropriation is disbursed, LPSCC will submit a work plan and budget for these funds to the Mayor's Office.

This budget sets forth the City Council's intention to convert Central City Planning positions in the Bureau of Planning that are now funded by the Portland Development Commission to ongoing General Fund discretionary funding in the FY 2007-08 budget process. This budget also sets forth the City Council's intention to convert three new positions in the Portland Office of Emergency Management to ongoing General Fund discretionary and overhead funding in the FY 2007-08 budget process. These three positions are funded with one-time General Fund discretionary resources in FY 2006-07. Finally, this budget sets forth the City Council's intention to convert three limited term positions related to budget process coordination and gang reduction in the Mayor's Office to permanent positions with ongoing funding in FY 2007-08.

SPECIAL APPROPRIATIONS

Regional Arts & Culture Council (RACC)

RACC serves as Council's designated administrator of, and grantor for, area arts and culture programs. Council staff and RACC will work to amend the current RACC contract to further empower RACC to make decisions on behalf of Council and to entrust RACC with the responsibility of comprehensive support for, and communication with, the city's vibrant and diverse arts and culture community. Council will no longer consider stand-alone requests for funding from arts and culture organizations. The \$300,000 ongoing additional funding will allow RACC to expand the diversity of grant programs, offering new grant opportunities throughout the year outside existing granting cycles. These new grant opportunities shall include a citizen-advisory process in crafting guidelines and selecting recipients. The \$300,000 ongoing additional funding may be disbursed to RACC upon Council approval of the amended contract. RACC shall also develop a report to Council on the year-to-year needs of our arts and culture nonprofits and identify options beyond existing City resources for supporting them.

Funding for Jail Beds and Treatment Services

The City and Multnomah County share a joint responsibility to properly fund and manage the public safety system. The FY 2006-07 City budget sets aside continued funding of \$500,000 for voluntary substance abuse treatment (VSAT) programs. In addition, the FY 2006-07 City budget includes \$1.3 million to support the City's P57 Program to purchase the use of 57 jail beds from

Multnomah County. These funds will be allocated after considering the county's funding level for the broad spectrum of public safety programs. Some or all of the \$1.3 million may be redesignated to fund public safety programs if county funding is eliminated. Programs receiving funds will identify performance indicators to track the impact of any City investment.

Portland Development Commission: Small Business Legal Clinic

The City General Fund will provide \$50,000 in a one-time appropriation to the Portland Development Commission (PDC) for direct support to the law clinic for small business through Lewis & Clark School of Law. PDC has agreed to provide the clinic with office space and tenant improvements.