



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Tom Potter, Mayor
Ken Rust, Interim Chief Administrative Officer

Bureau of Financial Services
Jennifer Sims, Interim Director & CFO
1120 S.W. Fifth Avenue, Rm. 1250
Portland, Oregon 97204-1912
(503) 823-6859
FAX (503) 823-5384
TDD (503) 823-6868

TO: Mayor Tom Potter, Commissioner Sam Adams, Commissioner Randy Leonard,
Commissioner Dan Saltzman, Commissioner Erik Sten, Auditor Gary Blackmer

CC: Ken Rust, Jennifer Sims

FROM: Casey Short, Financial Planning Manager

RE: FY 2006-07 Fall Major Supplemental Budget

DATE: November 15, 2006

The attached ordinance adopts the FY 2006-07 fall major supplemental budget in the total amount of \$10,926,075. State law generally requires Council to adopt a major supplemental budget when a fund's expenditures will increase by 10% or more, or when more than 15% of a fund's contingency will be transferred to an expenditure line. This fall, budget adjustments for only three funds meet these criteria. Expenditures will increase by \$5,871,979 in the Housing Investment Fund and by \$5,054,096 in the Parks Capital Construction and Maintenance Fund. The Portland Parks Memorial Trust Fund will transfer \$1,647,093 out of contingency, although net expenditures will not change.

The primary difference between the major supplemental budget and other BuMP actions is the requirement that the Tax Supervising and Conservation Commission (TSCC) hold a public hearing and certify the major supplemental budget. TSCC is scheduled to hold a hearing and certify the major supplemental budget on November 28, one day before Council adopts this ordinance.

A summary of the major supplemental budget and descriptions of the specific actions requested in each fund are listed below. More detail is also available on Attachment 1 and Exhibits 1-3. Please do not hesitate to contact me or Stacy Jones at 823-6807 with any questions or concerns.

FY 2006-07 Fall Major Supplemental Budget Summary	FY 2006-07 Revised Budget (AP 3)	Supplemental Action	Total Budget
Housing Investment Fund	\$ 12,016,226	\$ 5,871,979	\$ 17,888,205
Parks Capital Construction & Maintenance Fund	\$ 28,313,966	\$ 5,054,096	\$ 33,368,062
Portland Parks Memorial Trust Fund	\$ 4,717,439	\$ 0	\$ 4,717,439
Total	\$ 45,047,631	\$ 10,926,075	\$ 55,973,706

Housing Investment Fund (Fund 209)

The Housing Investment Fund (HIF) will carry over \$2,486,000 in fund balance to complete Housing Opportunity Bond projects and the Headwaters mixed income housing project. The source of the fund balance is prior year bond proceeds. These projects were scheduled for completion in FY 2005-06 but will instead be completed in FY 2006-07. In addition, the HIF will receive \$280,000 from PDC to make interest payments on bonds issued for the Headwaters project. The HIF will also carry over \$3,105,979 in one-time General Fund resources appropriated in FY 2004-05 and FY 2005-06 for housing and homeless services, and re-appropriate the funds to these purposes in FY 2006-07.

Parks Capital Construction and Maintenance Fund (Fund 505)

The Parks Capital Construction and Maintenance Fund will carry over existing funds and receive new funds for a variety of capital construction and maintenance projects. Fund resources and expenditures will increase to reflect:

- \$1,819,000 in FY 2006-07 one-time General Fund resources for two new skateboard parks at Gabriel Park and Ed Benedict Park, as well as playground improvements throughout the city
- A \$550,079 transfer from PDC for Lents Park and Patton Square
- A \$1,065,739 transfer from the Parks Levy Fund for the University Park Community Center
- \$1,321,662 in fund balance carried over from FY 2005-06 and a \$783,323 transfer from contingency for continuation of several minor capital projects and potential land purchases
- \$297,616 in new or carry over grant funds for several projects, including Springwater Trail repaving; the Three Bridges grant; and Holly Farm, Irving Park, and Fernhill Park projects

Portland Parks Memorial Trust Fund (Fund 602)

The purpose of the Parks Trust Fund is to account for revenues and expenditures related to projects supported with legally restricted funds. The Parks Bureau and FPD have recently determined that some of the fund's revenues do not meet the Governmental Accounting Standards Board's definition of "legally restricted." To rectify this, the Parks Bureau will transfer \$1,532,147 of recurring revenue and \$1,186,442 of one-time revenue out of the fund. The \$1,532,147 will be transferred to Parks' General Fund appropriation unit to support ongoing programs. One-time revenues of \$785,525 will be transferred to the Parks Levy Fund to mitigate budget cuts that could result if the Parks Local Option Levy is not renewed in FY 2008-09. The remainder of the one-time revenue will be transferred to the Portland International Raceway and Golf Funds.