



INTRODUCTION TO THE BUDGET

City of Portland Budget Introduction

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January 2025





AGENDA

We'll cover:

- **Overview of City's budget process**
- **City's financial situation**
- **Community engagement opportunities**





NEW BUDGET DEVELOPMENT TIMELINE

Fiscal Year 2025-26 budget development

Budget Preparation

Draft budget
recommendations

Proposed Budget

Approved
Budget

Adopted
Budget

FY 25-26 starts

June 30,
2024

July 1,
2024

Oct.-Dec.

Feb.

May

June 30,
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July 1,
2025

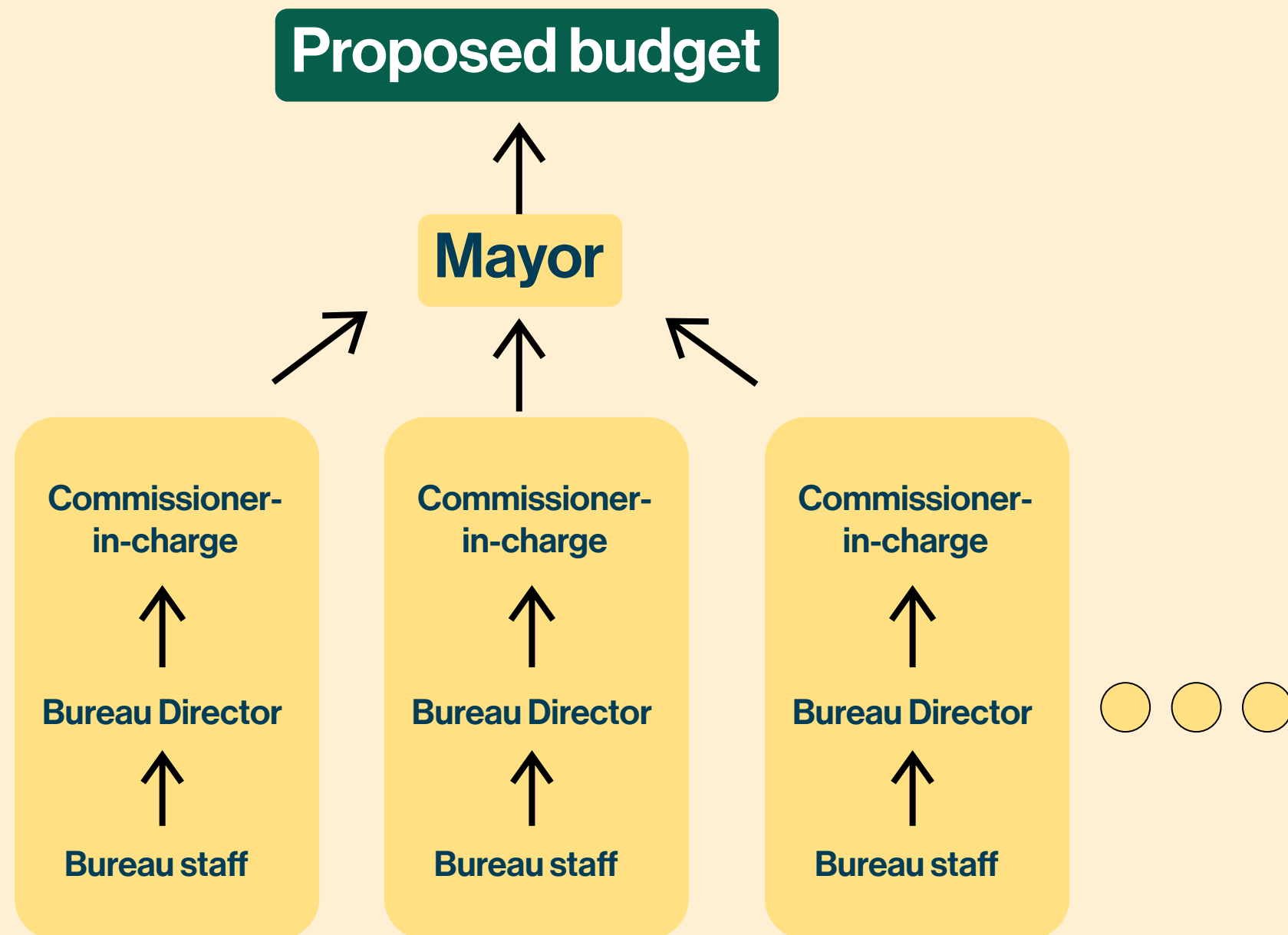
FY 24-25 starts

FY 24-25 ends

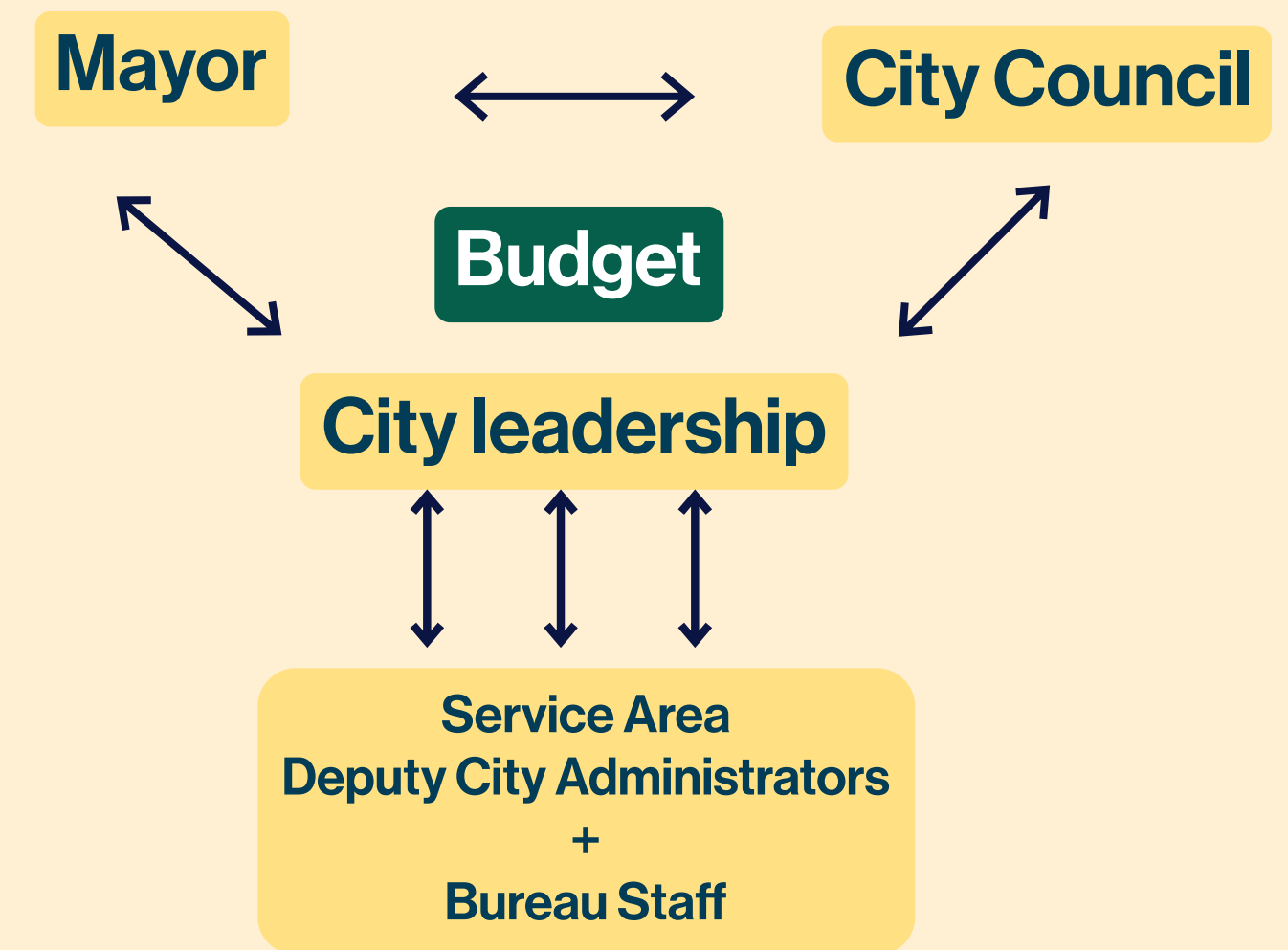


BUGET PROCESS CHANGES

Old budget process...



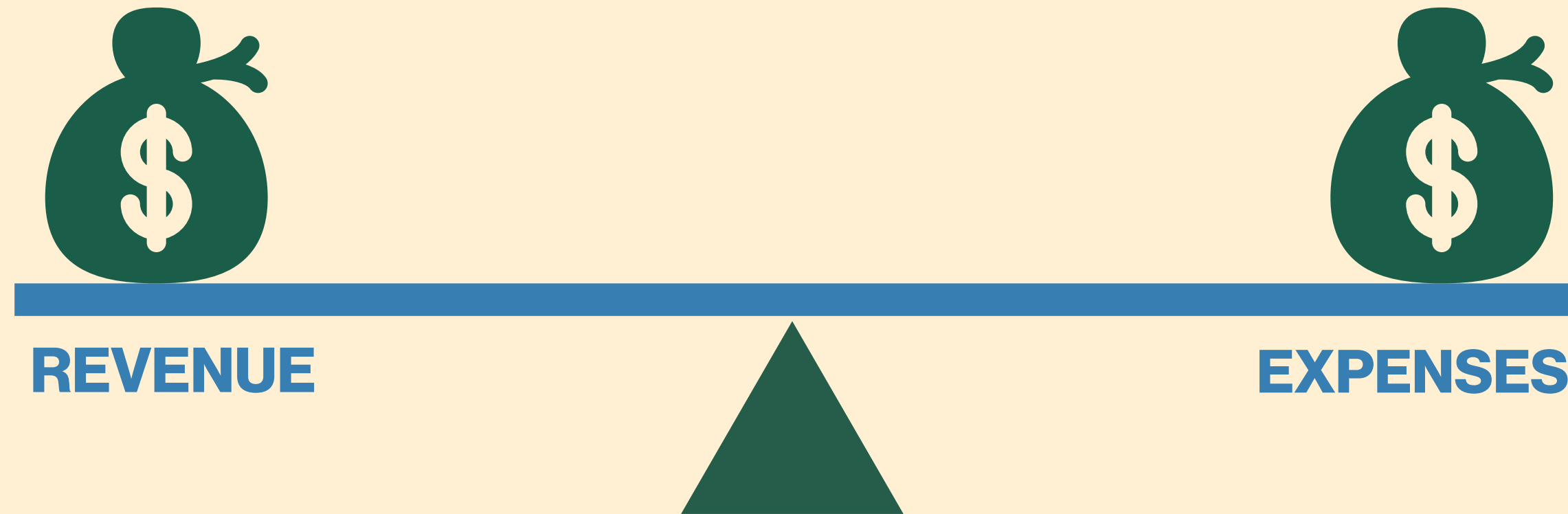
New budget process...





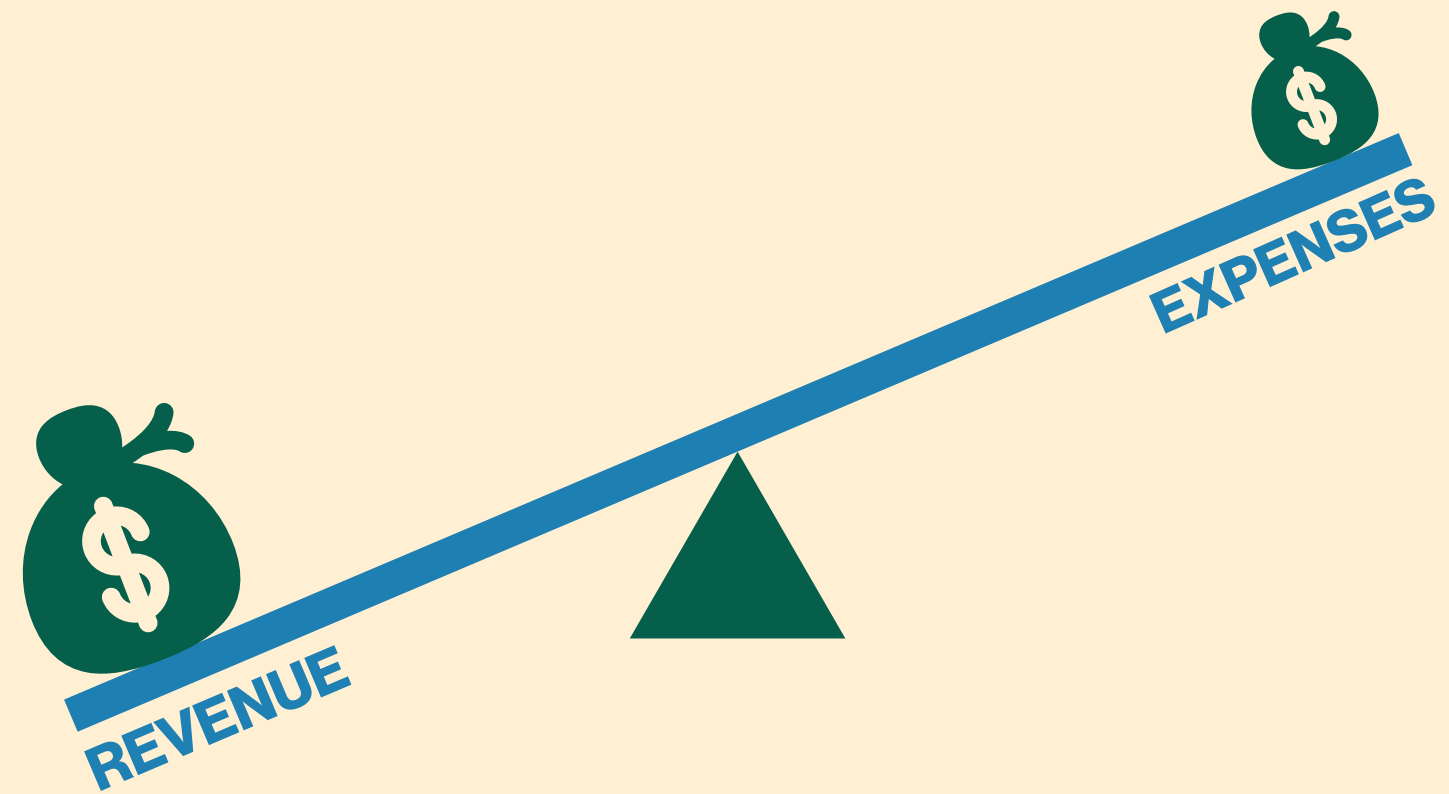
BUDGET BALANCING PROCESS

The budget must be balanced in any given year.



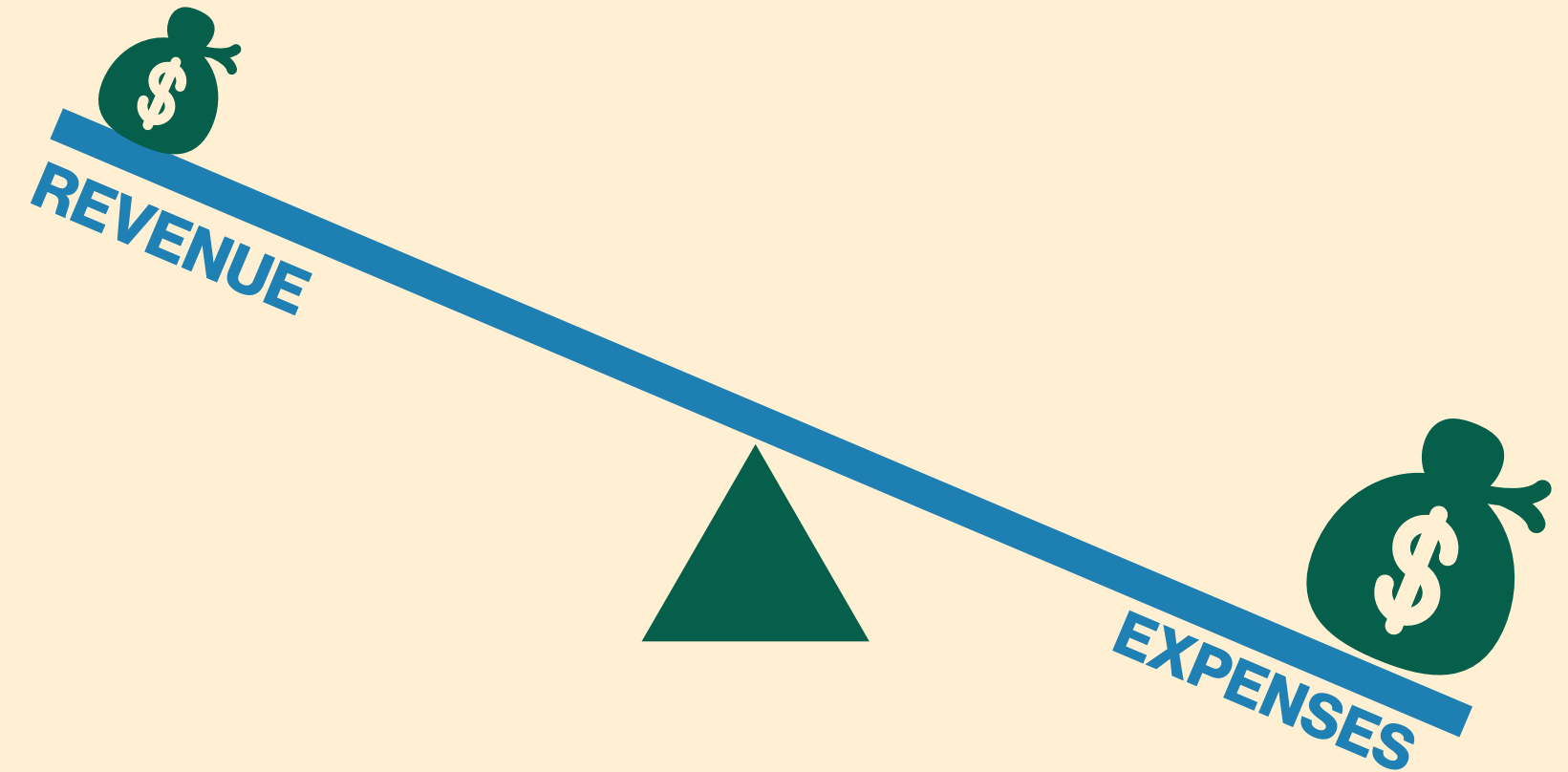


BUDGET BALANCING PROCESS



MORE \$\$ to...

- Add new programs
- Expand existing programs



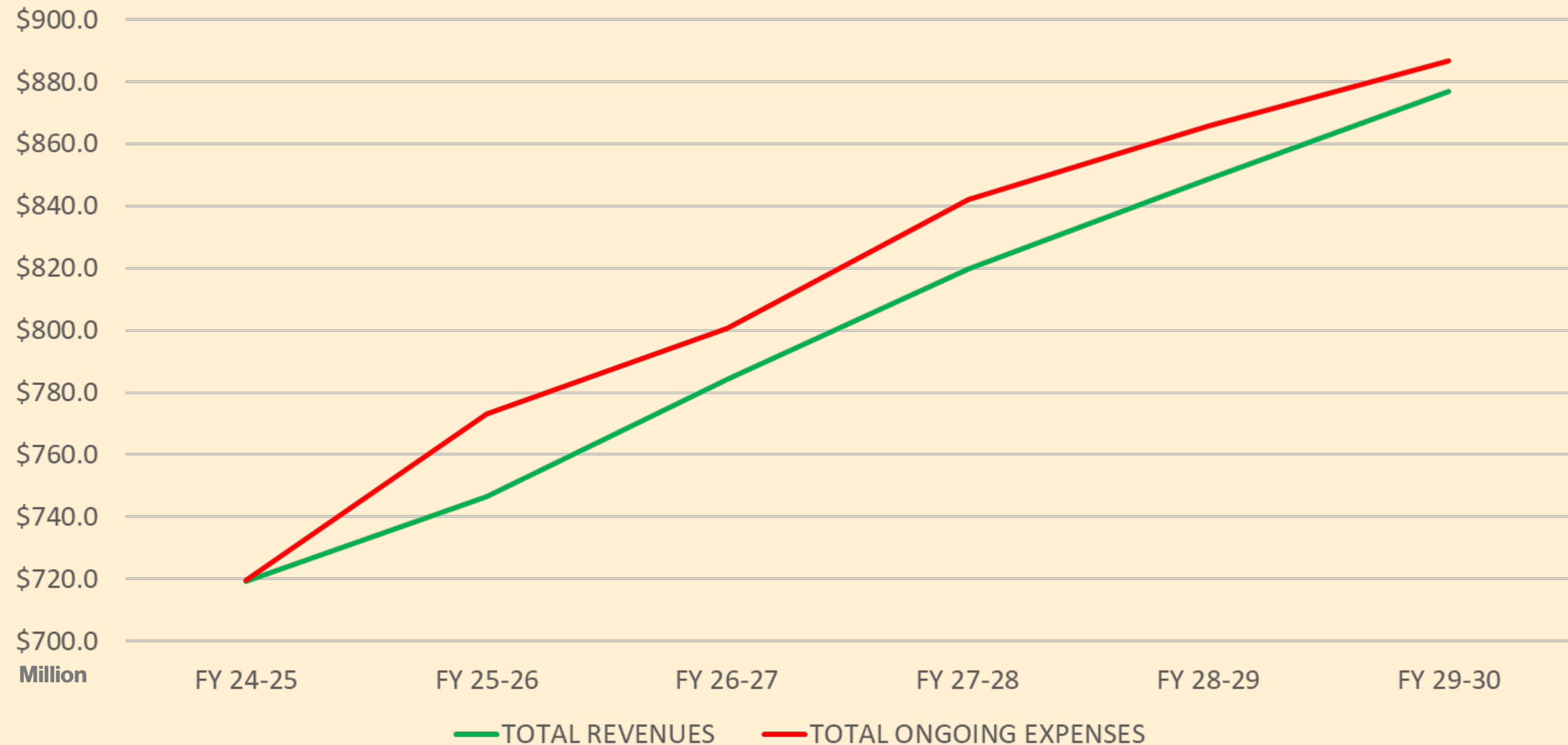
LESS \$\$...

The law requires the City to reduce expenses through budget cuts to balance the budget.



BUDGET BALANCING

5-YEAR BALANCED FORECAST





REVENUE CONSTRAINTS AND BRIGHT SPOTS

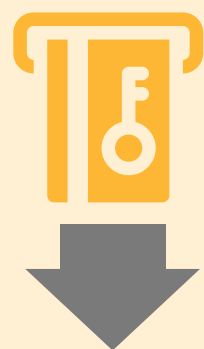


SLOWED
PROPERTY
TAX
GROWTH

PARKING REVENUE
DECLINE
↓ **45%**
From pre-pandemic levels



**BUSINESS
LICENSE TAX
FY 2023-34
DECLINE**



**LODGING
TAXES
DOWN**
Hotel, Airbnb taxes have not
recovered to 2019 levels

**PORTLAND CLEAN
ENERGY FUND
REVENUE**
↑ **4X** higher
than 2018
projections



**UTILITY
LICENSE
REVENUE
INCREASING**



EXPENSE PRESSURES

High inflation over the past 3 years drove increases in all expenses. Further increases in some areas include:

HEALTH CARE AND BENEFITS

12% increase in FY 2024-25
with more expected

PUBLIC SAFETY OVERTIME

High overtime in Police, Fire, 911

LEGAL OBLIGATIONS

Dept. of Justice
settlement, flood safety
benefit fee, ADA
compliance settlement

LABOR AGREEMENTS

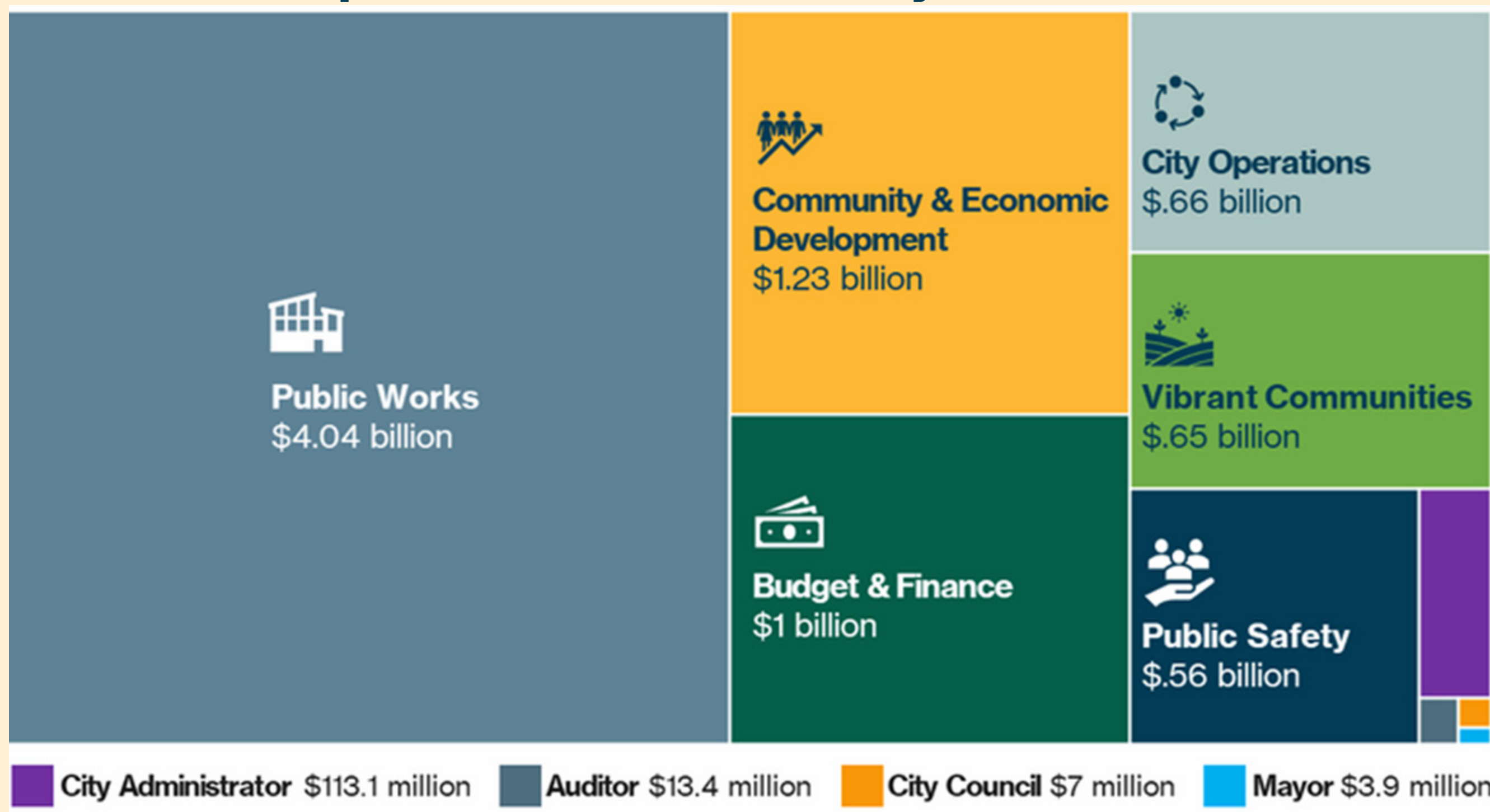
CHARTER REFORM



OVERVIEW

FY2024-25 ADOPTED BUDGET

FY 2024-25 Expenses Across All Funds by Service Area





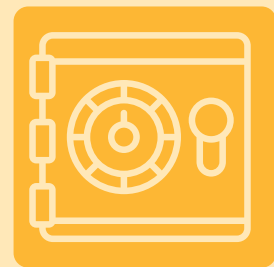
CITY FUNDING EXAMPLES

Two types of funding
(revenue sources)

90% Legally Restricted



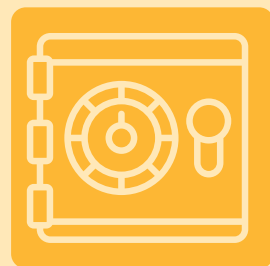
Utility Rates



Transportation



Debt Repayment

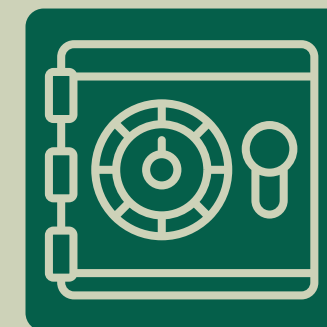


Federal Funds



Other....

10% Unrestricted

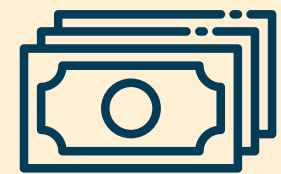


General Fund

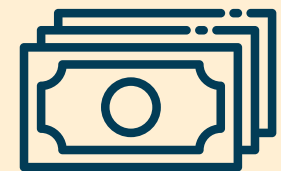


RESTRICTED FUND

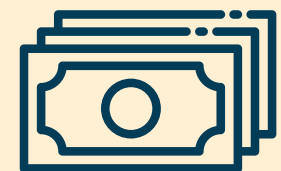
Restricted Funds examples



Water/Sewer bills



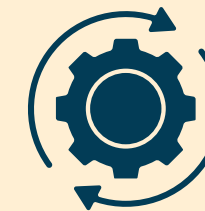
**Parking/vehicle
registration**



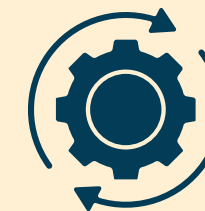
Permits fees



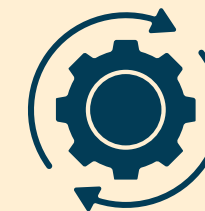
EXPENSES (Services)



Water & Sewer



Transportation



**Building inspections,
permitting**

*CAN ONLY BE
USED FOR
INTENDED
PURPOSES*

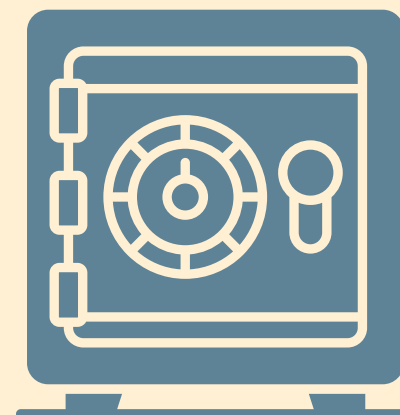
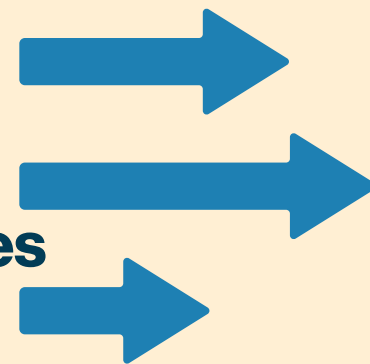




GENERAL FUND

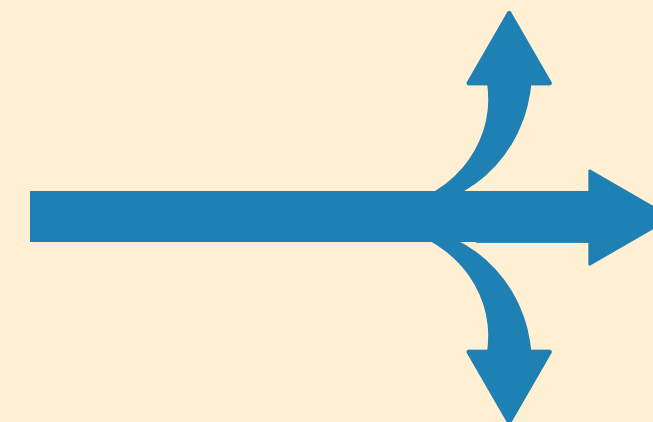
General Fund revenue examples

-  Property Taxes
-  Business Taxes
-  Utility & Lodging Taxes
-  State & Federal Revenue



GENERAL FUND

*UNRESTRICTED
≠ AVAILABLE*



EXPENSES (Services)

-  **Public Safety (Fire, Police, 911)**
-  **Parks**
-  **Central City services**
-  **Housing**
-  **Other...**



NEW BUDGET DEVELOPMENT TIMELINE

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March–April: Community
engagement on *Draft
Budget Recommendations*

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COMMUNITY ADVISORS RECOMMENDATIONS

Government Transition Advisory Committee (GTAC) made recommendations to the budget engagement process in 2024:

Recommendations	Status	Notes
Start engagement earlier and offer multiple avenues for input	Implementing	<ul style="list-style-type: none">• Introduction to Budget at community events• Draft Budget engagement in March/April• Budget Comment Form
Provide budget education to ensure meaningful engagement	Implementing	<ul style="list-style-type: none">• Introduction to Budget presentations• website, summary reports, other education materials
Have an executive-level office oversee budget engagement	Planning	<ul style="list-style-type: none">• Coordination between Budget office, Engagement Officer, Communications Officer
Host in-district engagement events	Implementing	<ul style="list-style-type: none">• Partner with District Coalition Offices and Council offices
Rethink Budget Advisory Committees (BACs)	Planning	<ul style="list-style-type: none">• Transition from bureau-specific BACs to service area and city-wide models
Partner with community-based organizations (CBOs)	Implementing	<ul style="list-style-type: none">• Partner with CBOs for Insights Survey and future engagement events



COMMUNITY ENGAGEMENT OPPORTUNITIES

Intro to Budget January 2025

- Financial context and budget education
- In-person, virtual & video

Draft Budget Recommendations Engagement March-April 2025

- Gather feedback to help inform Proposed Budget
- In-person & virtual

Budget Comment Form

- Written comments online
- Year-round

Public Testimony

- During City Council hearings in May and June

Insights Survey & Focus Groups Biennial

- 2024 survey results - available spring 2025
- 2025 focus group discussions - dates to be determined

Budget Advisory Committees

- Process being reevaluated
- Potentially service area-based and/or Citywide





THANK YOU!

Visit the City Budget Office main webpage:
www.portland.gov/budget

View budget books, dashboards, and more by fiscal year:
www.portland.gov/budget/projects

Join FY 25-26 engagement opportunities, provide written comments, and view documents:
www.portland.gov/budget/join

