



DATE: June 25, 2014
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 14-29
Adopting Budget Amendment No. 3 for the Fiscal Year Beginning July 1, 2013, and Ending June 30, 2014; and Making Appropriations

BOARD ACTION REQUESTED

Adopt Resolution No. 7062

ACTION DESCRIPTION

This action will amend the fiscal year (FY) 2013-14 Portland Development Commission (PDC) Revised Budget to provide final adjustments in certain cases for project and program estimates that were not known or have changed since drafting Budget Amendment No. 2 which was adopted by the PDC Board of Commissioners (Board) on April 16, 2014.

The proposed FY 2013-14 Budget Amendment No. 3 will decrease the total PDC budget from \$277,530,549 in the FY 2013-14 Revised 2 Budget to \$277,328,769 including Transfers, Contingency, and Reserves. Excluding Transfers and Contingency total budgeted expenditures decrease from \$125,393,831 to \$120,905,648.

BACKGROUND AND CONTEXT

The PDC Board adopted the original FY 2013-14 Budget on June 26, 2013, by Resolution No. 7010, and authorized the amendment of the budget on November 13, 2013, by Resolution No. 7049 and on April 16, 2014, by Resolution No. 7049 (the FY 2013-14 Revised Budget). The changes identified are technical in nature and do not authorize any additional planned expenditures, but rather categorize planned expenditures appropriately in the budget or move from FY 2014-15 planned expenditures to prevent year-end over-expenditures.

COMMUNITY AND PUBLIC BENEFIT

The FY 2013-14 Budget Amendment No. 3 serves the public interest to the degree that it ensures that the PDC Board has appropriated adequate public funds to be lawfully expended by PDC as necessary to implement projects and programs which are planned for the current fiscal year.

PUBLIC PARTICIPATION AND FEEDBACK

No specific outreach has been performed regarding this action. However, the changes included in the FY 2013-14 Budget Amendment No. 3 are technical in nature and remain consistent with funding priorities established in the FY 2013-14 Adopted Budget and four-year forecast.

BUDGET AND FINANCIAL INFORMATION

The recommended amendments to the FY 2013-14 Revised Budget reflect the financial implications of business decisions which amount to approximately \$120,905,648 in program and project expenditures and contingency. In summary, key changes to projects and programs are:

- Administration: Increases \$357,000 for initial costs related to implementation of the Enterprise Resource Planning System.
- Housing: Decreases \$5,291,845 based on final Portland Housing Bureau estimates of carryover from FY 2013-14 to FY 2014-15. Changes to FY 2014-15 are already included in the FY 2014-15 Approved Budget.
- Infrastructure: Increases \$700,000 to consolidate funding for Dawson Park in the current year based on timing of expenditures (project budget from FY 2012-13 and FY 2013-14 consolidated in the current fiscal year).
- Property Redevelopment: Decreases a net \$203,338 based on forecast expenditures for Nelson properties and other Interstate Corridor Urban Renewal Area (ICURA) redevelopment activities. Current year decreases help offset increases in ICURA Infrastructure project estimates for the current year.

RISK ASSESSMENT

Should the PDC Board decide not to approve FY 2013-14 Budget Amendment No. 3, there will be inadequate appropriations in PDC's General Fund. An over-expenditure of an appropriation within a fund is a violation of local budget law (Oregon Revised Statutes (ORS) 294); therefore, the budget is being adjusted to make sure all expenditures are properly appropriated.

ALTERNATIVE ACTIONS

The PDC Board could choose not to approve FY 2013-14 Budget Amendment No. 3. Some business line expenditures may have insufficient appropriation at year-end which will trigger a violation of local budget law (ORS 294).

ATTACHMENTS

None.