



DATE: July 13, 2026

TO: Board of Commissioners

FROM: Cornell Wesley, Executive Director

SUBJECT: Report Number 26-24

Authorizing Payment of Fiscal Year 2025-26 City of Portland General Fund Overhead of \$726,176

Board action requested and brief description

Adopt Resolution No. 7655

This action by the Prosper Portland Board of Commissioners (Board) will authorize payment for Prosper Portland's fiscal year (FY) 2025-26 City of Portland General Fund overhead in the amount of \$726,176 and ratify and approve FY 2024-25 General Fund overhead payments in the amount of \$525,000.

Strategic alignment and outcomes

Annual City of Portland (City) General Fund overhead allocations support Prosper Portland programming that delivers on the agency's goals to build an equitable economy by growing quality jobs, advancing opportunities for prosperity, creating vibrant neighborhoods and communities, and collaborating with partners to create an equitable city.

Background and context

The City updates and allocates City General Fund overhead annually in accordance with City financial policies to pay for City functions that are centrally provided and are not feasible to be funded by other revenues such as for fee-for-service charges. Such services include Mayor and City Council offices, emergency management, as well as a portion of City human resources, business operations and City Budget Office functions. The General Fund overhead allocation paid by Prosper Portland is used by the City to cover the costs it incurs in performing governance functions for Prosper Portland, namely, appointing and confirming Board members and serving as Prosper Portland's budget committee. Allocations to Prosper Portland and City Bureaus are formula-driven by a lagged, three-year historical allocation of General Fund resources and number of Full-Time Employees (FTE), as well as the overall cost of certain, centralized City functions. Unlike Bureaus of the City of Portland that also pay this allocation, Prosper Portland does not receive any additional City services in exchange, such as contracting, human resources, or city attorney services, so the portion of the overhead allocation exceeding the cost of the governance functions effectively reduces City General Fund support for Prosper Portland's economic development activities.

Historically, Prosper Portland has paid General Fund allocations like City Bureaus, except that the formula excludes Prosper Portland's FTE from the calculation because Prosper Portland's staff are not City employees and therefore certain City functions would not apply. However, the allocation to Prosper Portland has more than doubled since FY 2023-24 due to increases to Prosper Portland's annual General Fund and overall structural changes in how the City's elected offices and other centralized services are funded.

The estimated amount of General Fund overhead is included annually in the Proposed, Approved, and Adopted Budgets and is incorporated in Prosper Portland's overall overhead model that is funded across Prosper Portland funds along with other administrative activities. Prosper Portland staff regularly true-up the amount based on the final City overhead model during a budget revision. While the amount for FY 2025-26 was updated in the Prosper Portland FY 2025-26 Revised 1 Budget, approved in December 2025, the City's June 2026 invoice reflects a higher-than-budgeted cost. Staff have identified one-time cost savings in Prosper Portland's General Fund (indirect sub-fund) that can absorb the difference.

Attachments A illustrates total General Fund resources and requirements, and Attachment B illustrates General Fund requirements by account detail. The account for General Fund overhead as illustrated in Attachment B rolls up to the overall appropriations for Administration included in Attachment A. The City's General Fund model for FY 2026-27 shows an allocation of more than \$900,000 planned for FY 2026-27 due to ongoing shifts in the City's centralized funding requirements and the funding levels for Prosper Portland. Given the significant increase in this planned allocation, staff will further review this approach and rationale with City staff to determine how to incorporate this figure into the annual budget process with City Council and annual intergovernmental agreement.

Equity impact

The General Fund overhead is a component of the annual adopted budget that incorporates projects and programs and related administrative costs necessary to Advance Portland and Prosper Portland's equity goals.

Community Participation and Feedback

The General Fund overhead is included in the Revised FY 2025-26 Budget that was reviewed by the Community Budget Committee, approved by City Council, and adopted by the Board in 2025.

Budget and Financial Information

The amount of the payment is substantially budgeted in the FY 2025-26 Budget. The difference between the final invoice and amount included in the budget will be absorbed by one-time cost savings in other administrative categories for FY 2025-26.

Risk Assessment

If the full amount of the payment is not approved, the Executive Director may pay an amount up to the amount included in the FY 2025-26 Budget. Not paying the full FY 2025-26 invoice will likely result in the City Budget Office recommending to City Council to recoup the difference out of the FY 2026-27 General Fund allocation to Prosper Portland.

Attachments

- A. General Fund Total Resources and Requirements
- B. General Fund Requirements by Account

Financial Summary

Total Resources and Requirements

General Fund	Actuals FY 2023-24	Actuals FY 2024-25	Revised FY 2025-26	Proposed FY 2026-27	Approved FY 2026-27	Adopted FY 2026-27
Resources						
Beginning Fund Balance	2,014,870	5,204,306	6,257,208	6,920,898	6,920,898	5,759,271
Revenue						
City General Fund & Cannabis Fund	18,505,836	24,486,220	16,086,054	15,721,705	16,201,965	16,210,965
Fees and Charges	1,088,843	2,109,947	869,993	500,000	500,000	500,000
Grants - Federal except HCD	0	0	249,915	194,188	194,188	194,188
Grants - State & Local	121,243	358,285	721,819	0	0	0
Interest on Investments	23,621	25,603	48,117	3,541	3,541	3,541
Miscellaneous	500,958	627,829	45,500	0	0	5,500
Reimbursements	10,000	0	71,855	0	0	0
Service Reimbursements	17,467,564	11,054,522	12,866,260	12,361,227	12,361,227	12,543,387
Transfers In	4,100,000	4,726,067	13,827,048	0	0	200,000
Total Revenue	41,818,065	43,388,473	44,786,561	28,780,661	29,260,921	29,657,581
Total Resources	43,832,935	48,592,779	51,043,769	35,701,559	36,181,819	35,416,852
Requirements						
Expenditures						
Administration	16,755,607	12,479,609	13,928,346	12,353,727	12,353,727	12,541,387
Economic Development	18,933,306	16,835,271	14,372,747	10,450,453	10,930,713	11,046,591
Property Redevelopment	1,770,015	7,116,032	7,511,631	2,634,066	2,634,066	2,727,188
Total Expenditures	37,458,928	36,430,912	35,812,724	25,438,246	25,918,506	26,315,166
Transfers	1,167,598	5,904,660	9,471,774	4,385,743	4,385,743	4,385,743
Contingency	0	0	5,759,271	5,877,570	5,877,570	4,676,836
Reserved For Future Expenditures	0	0	0	0	0	39,107
Ending Balance	5,206,409	6,257,207	0	0	0	0
Total Requirements	43,832,935	48,592,779	51,043,769	35,701,559	36,181,819	35,416,852

Financial Summary
Total Requirements by Account

General Fund	Actuals FY 2023-24	Actuals FY 2024-25	Revised FY 2025-26	Proposed FY 2026-27	Approved FY 2026-27	Adopted FY 2026-27
Personnel Services						
Salaries & Wages	10,415,344	9,860,566	8,405,875	7,694,579	7,694,579	7,729,689
Benefits & Taxes	5,824,749	5,721,495	5,800,420	5,367,286	5,367,286	5,386,932
Personnel Services Total	16,240,093	15,582,060	14,206,295	13,061,865	13,061,865	13,116,621
Materials and Services						
Service Contracts						
Prof Services Contracts	2,800,025	3,731,628	3,098,923	1,438,709	1,438,709	1,631,692
Language Services	28,833	17,254	6,215	4,215	4,215	3,000
IGA Prof Services Contracts	291,751	195,743	222,875	222,875	222,875	204,754
Temporary Services	23,537	180	0	0	0	0
Legal Expenses	11,578	20,007	124,315	82,315	82,315	82,315
Recruitment Services	54,055	131,230	21,000	65,000	65,000	21,000
Office Expense						
Printing & Graphics	13,507	55,862	21,868	22,368	22,368	22,368
General Office Expense	7,049	8,849	13,490	13,440	13,440	13,540
Memberships, Dues, & Certificat	10,600	30,691	17,915	18,315	18,315	13,315
Publications & Resource Mat'ls	31,878	23,670	16,934	2,900	2,900	4,900
Postage & Delivery	7,009	126,273	10,275	10,275	10,275	10,275
Organizational Memberships	12,694	23,043	21,472	19,740	19,740	19,740
Public Communications/Marketing						
Advertising & Publ Notices	116,371	112,331	83,750	83,750	83,750	83,650
Marketing - Resources Dev	3,130	26,226	7,794	17,794	17,794	17,794
Public Meeting Expenses	32,991	28,484	25,500	31,000	31,000	31,000
Public Meeting Food Expense	4,671	1,022	1,000	1,000	1,000	500
Special Events Expenses	127,240	86,868	101,986	11,386	11,386	11,536
Event Sponsorship	316,618	351,085	323,625	223,625	223,625	223,625
Special Event Food Expense	27,873	25,444	10,200	10,350	10,350	10,200
Event Expense	0	440	0	0	0	0
Utilities						
Communication Services	31,418	21,472	18,120	22,370	22,370	22,370
Insurance						
Insurance	387,434	296,671	240,000	300,000	300,000	290,000
Miscellaneous						
Affinity Group Support	3,051	3,427	10,000	10,000	10,000	10,000
Local Travel	2,771	5,620	4,050	3,867	3,867	3,867
Parking	19,581	37,231	34,920	32,430	32,430	47,430
Miscellaneous	11,374	165,527	12,550	12,550	12,550	22,050
Loan Processing						
Loan Documents	1,078	535	1,000	1,000	1,000	1,000
Bank Fees and Charges						
DMC Admin Services	24,141	3,253	5,000	5,000	5,000	5,000
Bank Fees	155	37,893	20,000	35,000	35,000	35,000
Prosper Portland Mgd Prop Exp						
Rents/Leases - Fac	1,092,828	803,239	975,413	927,571	927,571	927,571
Bldg Repairs & Maint - Prosper Portland	845	116	6,000	6,000	6,000	6,000
Equip Repairs & Maint - Prosper Portland	0	2,298	15,000	9,000	9,000	9,000
Coffee/Water	22,201	11,652	10,000	10,000	10,000	10,000
Plant Care	3,237	3,387	5,000	5,000	5,000	5,000
Real Property Mgt Exp						
Rents/Leases - RE	1	0	0	0	0	0
CAM Expense - RE	15,417	298,219	240,715	213,264	213,264	230,000
Ppty Insurance - RE	0	0	27,318	27,318	27,318	27,318
Administrative Expense - RE	0	132	0	0	0	0
Property Mgmt Advertising & Marketing	0	103	0	0	0	0
Non Capital Equipment						
Software Applications	202,246	253,704	243,300	190,300	190,300	190,400
Software Maintenance	81,555	151,805	176,424	163,500	163,500	152,000
Hosted Services Maintenance	141,005	98,040	100,950	129,050	129,050	83,050
Computer Hardware	35,081	113,194	160,000	110,000	110,000	30,000
Furniture/Equip <\$5k	20,023	34,595	7,672	7,672	7,672	5,672
Training, Travel & Meetings						
Training Expense	49,605	57,236	106,570	108,300	108,300	109,020
Organizational Training	102,955	107,401	154,000	108,000	108,000	108,000
Training Travel Expenses	14,336	29,034	8,750	4,450	4,450	3,950
Out of Town Travel	42,041	55,449	56,780	11,850	11,850	12,280
Business Meeting Expense	2,960	5,612	4,895	2,720	2,720	4,220
Business Meeting Food Expense	4,161	5,560	3,690	3,790	3,790	2,140
Stipends	13,403	17,700	4,500	4,500	4,500	4,500

Financial Summary
Total Requirements by Account

	Actuals FY 2023-24	Actuals FY 2024-25	Revised FY 2025-26	Proposed FY 2026-27	Approved FY 2026-27	Adopted FY 2026-27
General Fund						
City Charges						
City Overhead Charges	171,787	693,173	838,000	838,000	838,000	838,000
Materials and Services Total	6,418,099	8,309,606	7,619,754	5,581,559	5,581,559	5,600,042
Capital Outlay						
Fixed Assets						
Acquisition	0	1,899,938	0	0	0	0
Closing Costs	0	101	0	0	0	0
Prof & Tech Services	3,843	208	1,000	1,000	1,000	1,000
Permits, Review & Fees	18,156	23,618	0	0	0	0
Infrastructure						
Computer Equipment & Software						
Computer Equipment	160,666	0	0	0	0	30,000
Other Capital Equipment						
Furniture & Equipment	154	482	0	0	0	0
Capital Outlay Total	182,819	1,924,347	1,000	1,000	1,000	31,000
Financial Assistance						
Loans						
Loans To Borrowers	0	0	2,542,393	0	0	0
Grants						
Grants to Grantees	6,987,335	7,989,489	10,588,690	6,102,812	6,583,072	6,676,493
Technical Assistance Grants	7,630,605	2,625,410	854,592	691,010	691,010	891,010
Financial Assistance Total	14,617,940	10,614,899	13,985,675	6,793,822	7,274,082	7,567,503
Total Expenditures	37,458,952	36,430,912	35,812,724	25,438,246	25,918,506	26,315,166
Transfers						
Indirect Cost - Admin Allocat	428,949	3,804,660	4,952,364	4,385,743	4,385,743	4,385,743
Operating Transfers Out	738,649	2,100,000	4,519,410	0	0	0
Transfers Total	1,167,598	5,904,660	9,471,774	4,385,743	4,385,743	4,385,743
Contingency	0	0	5,759,271	5,877,570	5,877,570	4,676,836
Reserved For Future Expenditures	0	0	0	0	0	39,107
Unappropriated Ending Fund Balance	5,206,386	6,257,207	0	0	0	0
Total Requirements	43,832,935	48,592,779	51,043,769	35,701,559	36,181,819	35,416,852