



DATE: June 7, 2022
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 22-20
Adopting the Annual Budget of Prosper Portland for the Fiscal Year Beginning July 1, 2022, and Ending June 30, 2023; and Making Appropriations

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7453

This action by the Prosper Portland Board of Commissioners (Board) will formally adopt Prosper Portland's fiscal year (FY) 2022-23 Recommended Budget, effective July 1, 2022. The Prosper Portland Board's adoption of the FY 2022-23 Recommended Budget represents the final phase of the FY 2022-23 budget process, which began in November 2021.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

Upon adoption, the FY 2022-23 Recommended Budget will become Prosper Portland's FY 2022-23 Adopted Budget and allow staff to implement key programs, projects, and initiatives that deliver on the agency's Strategic Plan goal 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 annual budget process for Prosper Portland began in November 2021. After multiple public hearings and input from stakeholders including the Prosper Portland Community Budget Committee (CBC), the Portland City Council, acting as Prosper Portland's Budget Committee, approved a budget on May 18, 2022, referred to as the FY 2022-23 Approved Budget. After City Council approves the Approved Budget, the Prosper Portland Executive Director submits a Recommended Budget to the Prosper Portland Board, which includes minor recommended changes to the City Council Approved Budget.

With this action, the Executive Director is proposing a total Recommended Budget of \$415,587,633, which is an increase from the Approved Budget of \$414,637,633. The Recommended Budgeted increases budget expenditures from \$204,217,635 in the Approved Budget to \$205,173,835.

EQUITY IMPACT

The action to adopt the FY 2022-23 Recommended Budget will allow Prosper Portland to invest critical resources in objectives that deliver on the Strategic Plan through the lens of the Equity Policy.

COMMUNITY PARTICIPATION AND FEEDBACK

The FY 2022-23 budget process included public participation through the approximately 18-member CBC, which met five times during the drafting of the FY 2022-23 Requested Budget and submitted a letter of recommendation. Staff continued to update the CBC through May as budget and financial implications related to the COVID-19 crisis began to impact both the City of Portland and Prosper Portland's financial outlook and budget decisions. City Council held a public hearing on May 12, 2022, during its public hearing on the Proposed Budget. The public will have a final opportunity to testify on Prosper Portland's budget during the June 7, 2022, Prosper Portland Board meeting.

BUDGET AND FINANCIAL INFORMATION

The FY 2022-23 recommended budget for adoption incorporates financial decisions that include a total recommended budget of \$415,587,633 in program and project expenditures, including ending fund balance and contingency. Excluding contingency and cash transfers, total project and program expenditures equal \$205,173,835.

The recommended budget for adoption includes changes incorporated in the Proposed Budget based on the Mayor's Proposed Budget, and Approved Budget based on final changes made by City Council. In total, City General Fund, American Rescue Plan, and Cannabis Funds budgeted from the City of Portland equal \$33,795,158. A portion of the funds include carryover of Round 1 in economic recovery programming from the American Rescue Plan as well as General Fund carryover from the current fiscal year such as East Portland Equitable Development. However, most of the funding is new, one-time American Rescue Plan and General Fund resources that implement the new Office of Events and Film, Small Business Stabilization Grants, and Commercial Activations and Re-tenanting programming. The recommended budget for adoption includes an increase to the General Fund based for several items that were not previously included in Prosper Portland's Budget. The items now being included include \$250,000 for the My People's Market Site Study and \$700,000 for the Cultural Chambers of Commerce that will be granted and disbursed by Prosper Portland. Staff is also recommending a change to Administration appropriations of \$6,200 to perform an insurance appraisal for Prosper Portland properties. Per Oregon Revised Statutes Chapter 294 (Local Budget Law), the Governing Body (Prosper Portland Board) may make changes to expenditures if they do not exceed ten percent of the expenditures approved by the Budget Committee (City Council) in any one fund.

RISK ASSESSMENT

The Prosper Portland Board could adopt the FY 2022-23 Recommended Budget with additional changes up to the ten percent allowable increase in expenditures for each fund. Any changes to the FY 2022-23 Recommended Budget directed by the Prosper Portland Board must be identified during adoption of the budget to include specific funding sources and appropriation categories. If the Prosper Portland Board does not adopt a budget in accordance with local budget law on or before June 30, 2022, Prosper Portland will have no authority to incur expenses after that date.

ATTACHMENTS

None.