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Director of Public Works

26 Mar 18

TO: JON JENNINGS, City Manager, City of Portland
FROM: BILL PATNAUDE, Special Projects Manager, Dept of Public Works
SUBJECT: PORTLAND DOWNTOWN DISTRICT (PDD) COSTS

- On 9 March 18, employees of the City of Portland met with the Portland Downtown non-profit organization to discuss possible expansion of the PDD boundaries
- Discussion topics included: increased property values, a new mil rate, expansion of the physical boundaries, possibly increasing the PDD work force by 1 or 2 employees
- The City Manager was concerned about increasing services without proper compensation to the City; he indicated the current mil rate did not cover the actual costs of PDD because benefits, equipment, maintenance and fuel costs were not included
- The City has not included capital plan renewal costs in the analysis below
- The Director of Public Works directed this analysis to capture all of the costs associated with PDD currently and if an expansion takes place
- FY 19 PDD Budget: **\$363,628**
- FY 19 PDD Budget with 32.21% benefits added: **\$438,821**
- PDD Missed Costs: **\$14,502**
 - These are costs that aren't included in the budget but should be; they include shipping, actual cost for tools, color toner, Christmas light overtime, etc
- PDD Salt: **\$29,850**
- Vehicle Maintenance: **\$31,201**
- Fuel: **\$5,776**

The sum of the of the bolded costs above equals: **\$520,150**

This number represents the actual cost to operate PDD today without expansion or without additional workers. Since the City of Portland will receive only \$363,628 from the assessment, the City deficit is \$156,522 (only 69% of City's costs are paid for)

- Portland Downtown expressed interest in adding 1 or 2 new workers to the PDD crew. This comes at a cost of \$62,775/person (include benefits & gear)
- If the PDD boundaries are expanded and similar services are expected, an additional \$7,065 will be required to fund the Bobcats and crews to remove the sidewalk snow in the expanded area as well as an additional 50 tons of salt
- A proposed expansion with full services and 1 additional worker will cost \$589,990. With two workers, the cost is \$596,267.