



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

DRAFT

Budget Advisory Committee

Meeting #1 Summary

Tuesday, December 10, 2012

4:00 - 6:00pm

BAC members present

Janis Adler
Susan Anderson
Lisa Bates
John Cole (for Roberta Jortner)
Erin Flynn
Ella Lewis

Lindsey Maser
Annette Mattson
Linda Nettekoven
David Posada
Irma Valdez

BAC members not able to attend

Roberta Jortner
Vince Sliwoski

Staff present

Michael Armstrong, BPS
Joe Zehnder, BPS
Ryan Kinsella, Office of Management & Finance

Introductions and Budget Outlook - Susan Anderson, BPS Director

Susan welcomed committee members and described the financial context for the City budget development process for FY 2013-14 (July 1, 2013 - June 30, 2014). Key points include:

- This will be a challenging budget year, and we value the perspective of and participation from the Budget Advisory Committee more than ever.
- BPS has experienced significant budget reductions over the last four fiscal years. Compared to FY 2009-10, in 12-13 BPS received approximately \$2.5 million less in General Fund support and has about 20 fewer staff.
- Planning programs have historically relied heavily on one-time funding from General Fund. Five years ago, the Bureau of Planning received about \$3 million in one-time General Fund support; as of 12-13, it is down to \$460,000.
- Meanwhile, BPS has been successful in receiving several large grants, which have helped cover internal overhead costs. Some additional smaller grants have helped pay



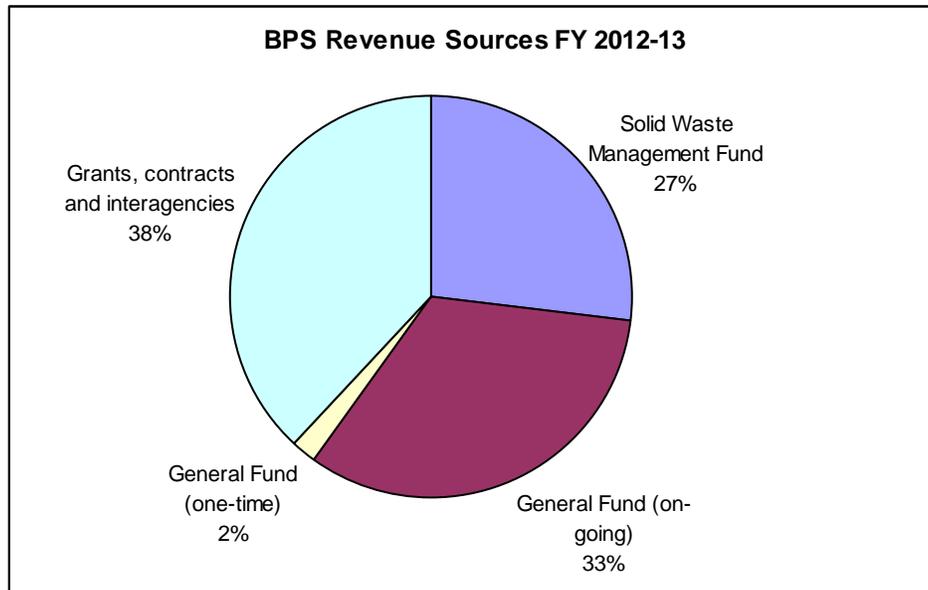
City of Portland, Oregon | Bureau of Planning and Sustainability | www.portlandonline.com/bps
1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

Printed on 100% post-consumer waste recycled paper.

for important projects. The biggest grants are now concluding, however, adding to the challenge of the 13-14 budget.

- To balance the City's overall General Fund, bureaus need to reduce General Fund expenditures by an average of 6.5% for 13-14. To provide City Council options for how to achieve this level of cuts, bureaus have been asked to develop budgets that reflect a 10% reduction in General Fund. For BPS, this reduction amounts to about \$750,000.

BPS' 12-13 revenue picture is shown in the pie chart below. This includes about \$6.5 million in federal grant funding for energy efficiency, which is the final year of a \$20 million, three-year grant for Clean Energy Works, our home energy-efficiency financing program.



Overview of Budget and BAC Process - Michael Armstrong

City Council Direction to Bureaus

For the 13-14 budget, the City is taking a modified zero-based budgeting approach. All City bureaus have been tasked with developing a budget based on 90% of their current on-going General Fund support. Bureaus may then request individual funding packages that amount to the remaining 10% of their previous General Fund allocation. The intent is to position bureaus to identify the value/benefit of funding a certain program or effort, rather than defending against cuts.

Bureaus that have received "serial one-time General Fund" support in recent years – for example, the \$460,000 that BPS received in one-time funding in 12-13 – may request the same level of funding in 13-14.

In addition to instructing bureaus to identify three levels of General Fund cut packages, City Council has directed bureaus to work with their BACs to complete two tasks:

1. Rank (prioritize) the bureau's programs by two criteria: core to the bureau's mission and community priority.

2. Review and provide feedback to the bureau on its proposed budget in terms of the required reductions and requests for additional funding.

BPS' BAC process

BPS will submit its requested budget on February 4, 2013. Between now and then, we will work with the BAC to carry out the two tasks above and propose using the BAC meetings as follows:

- This meeting is an introduction to the process and overview of BPS programs
- The second meeting will review specific program deliverables proposed for 13-14 and for each program detail the FTE, funds for non-personnel costs, funding source, and impacts of not carrying out the work. The meeting is also intended to begin the ranking process, identifying criteria and hearing BAC participants' observations about priorities for programs in general as well as informing the "90% budget" and prioritizing the requests for the remaining 10%.
- At the third meeting, BAC members will review the roll-up of their individual rankings and discuss any changes. The BAC may also identify other issues for BPS to consider or that the BAC may want to communicate to City Council.
- A fourth meeting will be held if necessary to complete the rankings, prioritization, and finalize a letter or other communication to City Council.

BPS Programs and Projects - Michael and Joe Zehnder

Much of the first meeting was spent orienting BAC members to BPS' programs and describing the bureau's major projects that continue into 13-14. A handout (attached) summarizes the major programs and projects.

BAC members offered comments, suggestions and questions, including:

- BPS' work intersects with that of other bureaus – for example, BPS' river planning work and the Office of Healthy Working Rivers, or BPS' equity work and the Office of Equity and Human Rights. It would be useful to see a summary of other bureaus' purview to understand opportunities for efficiencies and to minimize duplication.
- The FTE allocated to work on East Portland issues don't appear to match the need and stated commitment. How much information do we have on expected growth in different areas of the city?
- What are the geographic areas served by District Liaisons? (See map on following page.)
- How does BPS intend to analyze its budget from an equity perspective? (Susan proposed that a follow-up meeting be scheduled with Lisa Bates to explore how to accomplish this.)

Attachments

BPS Programs Summary

District Liaison Territories

