

# **Budget Manual**

## **City of Portland, Oregon**

### **Fiscal Year 2013-14**

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# User's Guide

The Budget Manual is a general guide to budget development in the City of Portland. Although the guidelines and directions included in this manual are meant to be comprehensive, requests for new information, changes in direction, and adjustments in deadlines should be expected. In order to keep bureaus informed of any changes, the City Budget Office (CBO) uses weekly communications, its [web site](#), and direct person-to-person communication.

The weekly communications and other correspondence are distributed using the City Budget Managers and Contacts distribution list in Outlook. This list is maintained primarily for use by the Budget Office, but is available for use by any City user. If you find errors or outdated information in this distribution list, please contact Jeramy Patton at 823-6961.

If you have any questions regarding this manual, please contact your assigned CBO analyst. The most current list of [City Budget Office staff and assignments](#) can be viewed on the CBO web site.

The Budget Office also assigns coordination roles for the major components of the City's budget development and monitoring processes. The current assignments are shown below:

**Annual budget process:** Jeramy Patton

**Budget monitoring process:** Claudio Campuzano

## What's in the Manual?

This Budget Manual, along with the BRASS Training Manual, is written for City of Portland staff involved in budget development: both the City administrators and managers who have financial and budgetary oversight responsibilities, and the bureau staff responsible for the technical preparation and development of budget documents.

- **Section 1 - New Information:** provides direction on budget guidance, changes from the previous year's process, inflation assumptions, and the budget process calendar.
- **Section 2 - Budget Development Process:** is an overview of the City's budget process, including bureau and CBO responsibilities during each phase of the budget.
- **Section 3 - Technical Instructions:** provides step-by-step instructions regarding the entries in BRASS, required narratives in PatternStream, and other required submittal documents. The section also includes a style guide for narrative documents, a glossary of terms, and technical checklists for BRASS and PatternStream entry.

**Section 1**

**New Information**

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**Budget Manual - FY 2013-14**

**City of Portland, Oregon**

# Changes for FY 2013-14

## Budget Guidance

### Modified Zero-Based Budgeting

A modified zero-based budget approach assumes that the bulk of government services provided by bureaus are appropriate. Bureaus build their budgets from a lower base (e.g., 10% or 20% below current service level) and justify each incremental program. The goal is to identify those programs and services that are the lowest priority, either because they are not part of the bureau's core mission or because they have not delivered the intended results.

Given the size of the potential projected shortfall in FY 2013-14 and beyond, Council is asking General Fund bureaus to develop their budgets using a modified zero-based approach. Each General Fund bureau will receive a discretionary allocation that will be 90% of its Current Appropriation Level (CAL) target. Bureaus will be allowed to request the additional 10% of CAL through add packages.

It is expected that the 10% add-back packages will include programs and services that have the least impact on each bureau's overall core mission compared to activities and programs in the 90% base. Programs that generate General Fund discretionary dollars should be included in the 90% base wherever possible.

- **Bureaus receiving General Fund support** (discretionary resources or cash transfer): The base discretionary budget will be 90% of the current appropriation level target. The remaining 10% of resources to reach CAL can be requested through add packages.
- **OMF Internal Service Funds** (BTS, CityFleet, P&D, Facilities, Workers' Compensation, Risk Management, EBS Services): Internal Service Funds should submit requested budgets at 90% of the FY 2013-14 base budget. The remaining 10% of resources to reach the FY 2013-14 base budget can be requested through add packages.
- **Rate-supported utility bureaus** (Water, BES): The Requested Budget should be submitted at 90% of the current appropriation level for the operating budget. Current appropriation level shall be comparable to the FY 2012-13 operating budgets plus allowable inflation factors, per the City Economist. The remaining 10% of resources to reach the FY 2013-14 base operating budget can be requested through add packages. The bureaus will also prepare a presentation for Council that summarizes their Capital Improvement Plans, explaining each plan's development process and the risk analysis for the projects and programs that are included in the plan.
- **All other bureaus and non-General Fund supported programs:** 0% reductions to non-General Fund discretionary supported programs and services.

### Add Packages

Bureaus will not be allowed to submit General Fund discretionary add packages outside of the packages noted above, with the exception of add packages that continue services funded with one-time resources in the FY 2012-13 Adopted Budget. Add packages that

increase bureau specific revenues will be allowed as long as the package does not require additional General Fund resources.

### **Realignment Packages**

Bureaus are encouraged to submit realignment packages, so long as they create efficiencies and are cost neutral.

### **Eliminated Programs Not Restored in Add Packages**

If an existing ongoing program is not included in the 90% base or the 10% add packages, then the effects of eliminating that program should be noted in the Strategic Direction section of the bureau narrative.

## **Changes to Requested Budget Submittal Requirements**

- Capital Improvement Plans are no longer required to be submitted as stand-alone documents. Please submit the required capital narrative documents as part of the bureau narrative in the Requested Budget.
- Fee studies are required from bureaus at least every two years. If your bureau has not submitted a fee study within the last two years, please complete one as part of the FY 2013-14 Requested Budget submittal.
- Bureaus are now required to submit a summary report that outlines the recommendations of their Budget Advisory Committee (BAC).
- The Summary of Budget Decisions section of the PatternStream narratives will not be required for the Requested Budget submittal. The BRASS decision package report will be sufficient for this requirement. The Summary of Budget Decisions will, however, be required in the Proposed and Adopted Budget narratives.
- The Service Improvement Plan section under the Strategic Direction micro-document is no longer required for the FY 2013-14 Requested Budget submittal.
- The Baseline and Program Summary templates are still required, but they will not be due with the Requested Budget submittal on February 4<sup>th</sup>. Instead, both templates will be due to the City Budget Office by 3:00 pm two working days before the bureau's first scheduled budget work session. It is expected that the first budget work sessions will be scheduled on February 12<sup>th</sup>, therefore those bureaus scheduled on that day will need to submit 20 three-hole punched copies and an electronic PDF copy of both templates by Friday, February 8<sup>th</sup> at 3:00 pm. The Budget Office will deliver the templates to all elected officials before 5:00 pm the same day.
- The program rankings on the Program Summary template need to be updated to reflect the bureau rankings and the BAC rankings. Please see the template instructions under the Other Budget Requirements section in this manual for more information.

## **Portland Plan Integration with Budget Process**

FY 2013-14 Requested Budget requests will be evaluated for connection to Portland Plan goals and/or objectives. Bureaus will need to succinctly state in their decision package narrative the specific Portland Plan goals and/or objectives that the request(s) will address.

Requests that do not tie directly to the Portland Plan goals will not be penalized; however, Council may prioritize requests that address Portland Plan goals and carry out the City's strategic plan more highly than other requests.

### **Requests for Budget Notes**

Although it is not common practice, bureaus may request budget notes as part of their Requested Budget. The most common reason for a bureau to request a budget note is to get approval to add a program to the overhead model. The Mayor and other commissioners have the authority to add a budget note during the Proposed, Approved, or Adopted budgets, and the Budget Office adds these notes when directed to do so by an elected official. Council votes to approve the budget notes during the Approved and Adopted phases of the budget.

### **Adjustments to Decision Packages after Requested Budget Submission**

Bureaus will be allowed access to decision package forms during the Proposed, Approved, and Adopted Budget for technical adjustments and/or reallocation of expenses and revenues to other cost elements. All changes to decision packages must be approved by your CBO analyst prior to the changes being made.

# FY 2013-14 Requested Budget Submittal

Requested Budgets are due to the Budget Office February 4, 2013. Any submittals received after the due date will be reported to the Mayor and the Commissioner-in-Charge. Timely delivery is necessary to ensure that the Budget Office has sufficient time to perform the internal tasks necessary to meet deadlines in support of the Council decision-making process.

## Components of the Requested Budget submittal

The following documents are required in the Requested Budget submittal. Please submit the documents in the order in which they appear in the list.

1. Cover page
2. Cover letter signed by the Commissioner in Charge
3. Budget Advisory Committee Report (a minority report may also be included)
4. Patternstream documents, including:
  - a. Organization chart
  - b. Narratives (see the [Writers Guide to the Micro-Documents](#) below for additional details), including performance measure data and graphs
  - c. Fund summaries
  - d. Capital project details
5. Decision package summaries (BRASS Report D2)
6. Five-year financial plan (if applicable)
7. Fee Study – if not included in financial plan (if applicable)
8. Customer Service Improvement Status report
9. Percent for Art Eligibility Forms (submit only to CBO if applicable)

CBO analysts will review the submission for completeness upon receipt. Bureaus will be required to provide any missing documents immediately after an incomplete submittal is identified. Please note the separate submittal requirements for the Baseline and Program Summary templates outlined in the Changes for FY 2013-14 section above.

## Distributing the Requested Budget

Bureaus are responsible for distributing ten paper copies and one electronic PDF copy as follows:

- 3 paper copies to the Mayor's Office
- 1 paper copy to each of the Commissioner's Offices (4 total)
- 1 paper copy to the Auditor
- 1 paper copy to the Audit Services Division of the Auditor's Office
- 1 paper copy and 1 electronic copy (a combined PDF of the entire request except for the Customer Service Improvement Status report and Percent for Art eligibility forms) of all submittal documents to your CBO analyst

# Budget Process Calendar

|          |         |  |
|----------|---------|--|
| December | 5       | General Fund financial forecast presentation   |
|          | 6       | Budget kickoff   |
|          | 7       | General Fund overhead payments and Current Appropriation Levels distributed                  |
|          | 17      | Publishing system is open  |
|          | 18      | Deadline for master data (personnel action) adjustments to HR Operations                     |
| January  | 3       | Final upload of position data from SAP to BRASS (based on December 19 <sup>th</sup> payroll) |
|          | 25      | All Requested Budget interagency agreements completed and balanced (including OMF IAs)       |
| February | 4       | Bureaus and PDC submit CIP, Five-year Plan, and Requested Budget to CBO                      |
|          | 4       | Special Appropriation requests for General Fund support due                                  |
|          | 11-22   | Council work sessions on Bureau Requested Budgets (bureau presentations)                     |
|          | TBD     | Public Forums on Requested Budget  |
| March    | 11      | CBO analysis on Requested Budgets due to Council   |
|          | 18-22   | Council work sessions on Bureau Requested Budgets (CBO presentations)                        |
| April    | 1-5     | Council work sessions on Bureau Requested Budgets (CBO presentations)                        |
|          | 29      | Mayor's Proposed Budget decisions released   |
| May      | 14      | Proposed Budget document released  |
|          | 15      | Mayor convenes Budget Committee and delivers Mayor's Message (Proposed Budget)               |
|          | 15 & 22 | Utility Rate Review - first and second reading   |
|          | 15      | Mayor convenes PDC Budget Committee to receive PDC Proposed Budget                           |
|          | 16      | Approved Budget Public Hearing (includes PDC)  |
|          | 29      | Budget Committee (Council) vote on the Approved Budget and PDC budget                        |
|          | 30      | Approved Budget submitted to Tax Supervising & Conservation Commission                       |
| June     | 19      | Tax Supervising & Conservation Commission hearing on Approved Budget                         |
|          | 20      | Council vote on the Adopted Budget   |

## Budget Assumptions

The table below summarizes many of the key financial assumptions City bureaus should use in developing their budget calculations. Five-year estimates are also distributed by the Budget Office to bureaus developing Five-Year Financial Plans.

| Data  | FY 2013-14 |
|---|------------|
| Expected CPI-W for COLA (wage and salary)   | 2.70%      |
| Health and dental increase (AON)*           | 12.00%     |
| Labor drift increase                        | 0.50%      |
| External materials and services increase    | 3.52%      |
| Internal materials and services increase    | 2.98%      |
|   |            |
| PERS - Tiers 1 & 2**                        | 19.74%     |
| OPSRP - General Service payroll**           | 17.92%     |
| OPSRP - Police & Fire sworn payroll**       | 23.65%     |
| Social Security - up to estimated \$110,100 | 6.20%      |
| Medicare                                    | 1.45%      |
| TriMet                                      | 0.7168%    |

\* For the General Fund, the FY 2013-14 increase will be budgeted in the General Fund Compensation Set-Aside. Non-General Fund bureaus should budget FY 2013-14 health and dental increases in their fund's compensation set-aside contingency.

\*\* PERS and OPSRP rates for FY 2013-15.

### Interest Rate Assumptions

The Treasury Division distributes quarterly interest rate forecasts. Contact Treasury for this information.

## **Section 2**

# **The Budget Development Process**

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**Budget Manual - FY 2013-14**

**City of Portland, Oregon**

# Budgeting in Portland

## Budgeting and Financial Forecasting

The City budgets on an annual basis, but conducts financial planning over a five-year timeframe. This is done to ensure that decisions are made within a larger financial perspective. Annual budget decisions, particularly in the General Fund, are made such that resources and requirements balance over the five-year financial plan.

## Local Budget Law

Most local governments in Oregon, from the smallest special district to the largest city, must prepare and adopt an annual or biennial budget. Schools, counties, cities, ports, rural fire protection districts, water districts, and special districts are all subject to the same budget provisions under Oregon Revised Statutes chapter 294.

Oregon law does two important things:

- It establishes standard procedures for preparing, presenting, and administering a budget.
- It requires community involvement in the preparation of a budget and public disclosure before a budget's formal adoption.

## Budget Officer and Budget Committee

To give the public ample opportunity to participate in the budgeting process, Local Budget Law requires that a budget officer be appointed and a budget committee be formed. Under the direction of the Mayor, the budget officer draws together necessary information and prepares the first draft of the budget. The budget committee then reviews and revises the proposed budget before it is formally adopted. For the City of Portland, the director of the City Budget Office acts as the Budget Officer, and the Budget Committee consists of the members of the City Council.

Notices are published, budgets are made available for public review, and opportunities for public comment are provided during at least two points in the process. These requirements encourage public participation in the budget decision-making process and give public exposure to budgeted programs and fiscal policies prior to adoption.

## Overview of Budget Format

An annual budget is a financial plan containing estimates of expenditures and revenues for a single fiscal year. For Portland, this is July 1 through June 30. In addition to outlining programs for the coming year, the budget controls the local government's spending authority. Since the budgeting process encourages community input, the budget is also a vehicle for eliciting public opinion about proposed programs and fiscal policies.

All budgets must meet certain minimum requirements. Under Local Budget Law,

expenditures should be broken down by fund, organizational unit or program, and object classification.

Under Local Budget Law, resources and requirements must show in parallel columns for:

- Actual expenditures and revenues for two years preceding the current year
- Budgeted expenditures and revenues for the current year
- Estimated expenditures and revenues for the coming fiscal year in three columns: Proposed, Approved (fund level only), and Adopted

The City of Portland publishes its Adopted Budget in two volumes, which are discussed below. The City also publishes a Budget-in-Brief, a summary budget document intended for the general public. All versions of the City's budget organize the information by the following service areas: Public Safety; Parks, Recreation, & Culture; Public Utilities; Community Development; Transportation & Parking; Elected Officials; and City Support Services.

- **Volume One - Citywide Summaries and Bureau Budgets:** This volume contains the total City budget by bureau. It provides the most comprehensive coverage of the City's budget as a policy, operating, financial, and communication document. Volume One contains the Mayor's Message, a User's Guide, the City Overview, Budget Overview, Financial Overview, and detailed Citywide financial tables. Each bureau budget section includes an organization chart, summary financial and staffing information, program and performance information, and capital program summaries.
- **Volume Two - City Funds and Capital Improvement Plan:** This volume provides reporting by fund and by capital project.

## **Budget Monitoring and Amendment**

Changes after budget adoption are completed through the budget monitoring process (BMP) and the over-expenditure ordinance. These processes usually provide Council the opportunity to change the budget three to four times per year. The procedures for determining which of these processes is appropriate for particular budget adjustments or increases is included in the [BMP Manual](#).

## **City of Portland Policies and Planning Documents**

The City has many policies that interact with and provide direction in making budgetary decisions. For instance, the [Comprehensive Financial Management Policies](#) represent the continued efforts of the City Council to establish guidelines and systems directed at sustaining the City's financial health while providing quality services. The policies also demonstrate the Council's efforts to exercise more control over the City's budget and financial conditions. All City bureaus should be familiar with and adhere to the Citywide financial and planning policies, the [Portland Plan](#), and the bureau's strategic plans, when producing the Requested Budget. Many of these policies can be found on the [Portland Policy Documents](#) website.

# Budget Development Process

## Requested Budget

Each bureau is responsible for development of its budget. Bureaus may use different processes and tools during the internal development phase of their budgets prior to preparing the submittals that are required by the Budget Office. As in prior years, bureaus are directed to include a Budget Advisory Committee (BAC) in their budget development process.

The bureaus, in concert with the Budget Office, are responsible for producing a technically balanced budget and the documents that present the budget. This effort involves significant data input into BRASS and PatternStream (publishing system).

Bureaus perform the following tasks for any budget version:

- Ensure that budget requests properly address the Budget Office's guidance, the bureau's position, and Council priorities and direction
- Using position management data in SBFS, ensure that bureau position information is consistent with Citywide position management data maintained by the Bureau of Human Resources
- Ensure the interagency agreements and cash transfers are balanced
- Enter the budget figures and performance measures in BRASS
- Ensure that resources and requirements in BRASS are balanced
- Ensure that certain accounting maintenance is performed as necessary
- Enter the appropriate budget narrative in PatternStream

Please refer to the detailed technical checklists for BRASS and PatternStream entries located at the end of this manual.

## City Budget Office Review of Requested Budgets

Upon receipt of a bureau's Requested Budget, the Budget Office staff confirms that submitted materials are complete, accurate, and comply with budget guidance. If there are oversights, the CBO analyst contacts the bureau for the missing information. When all materials have been provided by the bureau, CBO staff analyze the Requested Budget by considering:

- Financial performance and trends
- Program performance data
- Changes to Council-authorized positions
- Changes in resources and expenditures
- Council priorities and direction
- Compliance with Comprehensive Financial Management Policies

Based on the analysis of bureaus' Requested Budgets, the Budget Office prepares budget analysis reports for the Mayor and Commissioners. These reports summarize the Requested Budgets of the bureaus, and highlight issues that may be of particular concern to Council, the bureau, or the Budget Office. The reports serve as a basis for discussion of the bureaus' budgets during budget work sessions. Budget analyses typically include the following:

- A financial summary of the bureau's resources and requirements for the previous year, current year, and the budget year under development
- Summary discussion of major issues, status of budget notes and previous add package results, and performance trends
- Other budget issues, such as information on how the budget responds to Council priorities and strategic issues
- Analysis and recommendations on any bureau decision packages
- Analysis of the bureaus Capital Improvement and Financial Plans

## **Mayor's Proposed Budget**

Acting as the Chair of the Budget Committee, the Mayor is responsible for overseeing the preparation of the Proposed Budget for presentation to the City Council sitting as the Budget Committee. The Proposed Budget is the culmination of an extensive process of budget development, analysis, and revision. The end product is a published budget document that reflects the Mayor's priorities for all City bureaus.

### **Bureaus' tasks for the Proposed Budget**

- Bureaus will need to edit their documents in the publishing system for two reasons (see list of documents in the Document Publishing section). One is that the text must reflect that it is now the Mayor's Proposed Budget and not a bureau's Requested Budget. Careful attention to the use of language and tense is important in this editing process. The second reason is to incorporate the financial and programmatic impacts of the decisions in the Mayor's Proposed Budget. Bureaus are asked to limit their narrative sections to the recommended length or discuss exceptions with their CBO analyst. For the Proposed Budget, bureaus need to review the narrative and delete any references to "we" or "our" as the Proposed Budget is a citywide document
- Bureau staff may need to edit their performance measures in BRASS to align with the decisions in the Mayor's Proposed Budget. Bureaus should also balance all interagencies and cash transfers, and may make technical adjustments in decision package forms with prior approval from their CBO analyst.
- Fleet Service Request: Bureaus are required to submit a [Fleet Service Request \(FSR\) form](#) for any decision package involving a new vehicle included in the Proposed Budget.

### **The Budget Office's tasks for the Proposed Budget**

During the Proposed Budget process, the Budget Office assists the Mayor in information gathering, analysis, and General Fund balancing. Once the Mayor's decisions for the Proposed Budget are made, the Budget Office conveys these decisions to the bureaus. The

bureaus use this information to finalize their Proposed Budget narrative. CBO reviews the budget materials to ensure that the financial and narrative sections incorporate the Mayor's decisions and adhere as much as possible to recommended narrative lengths. It is at this time that the Budget Office produces the Proposed Budget document.

## **Approved Budget**

In accordance with Local Budget Law, the City Council is convened as the Budget Committee during the Approved Budget process. The Budget Committee meets to accomplish four actions:

- Receive the budget message and budget document
- Hear and consider public testimony
- Review and approve a balanced budget
- Approve the rate for property taxes

The Budget Officer may provide a copy of the Proposed Budget to each member of the Budget Committee at any time prior to the first Budget Committee meeting as advertised in the notice. The budget is a public record at this point.

At the first Budget Committee meeting, the Mayor delivers the budget message. This message explains the Proposed Budget and significant changes in the City's financial position. At this first meeting, the Budget Committee may provide members of the public the opportunity to ask questions about or comment on the budget. If public comment is not scheduled at this meeting, the Budget Committee must provide the public with the opportunity at one or more subsequent meetings. Announcements advertising the Notice of Budget Committee Meeting are printed in local newspapers prior to the meeting. The timing and frequency of the public notices are governed by Local Budget Law.

After the initial meeting, the Budget Committee may meet as many times as needed to revise and complete the budget. If two or more meetings are held to take comment from the public, the first meeting to do so must meet Local Budget Law publication requirements. Notice of other meetings of the Budget Committee must be provided as required by Oregon public meeting law. All meetings are open to the public.

### **Bureaus' tasks for the Approved Budget**

Bureaus may make balanced technical adjustments in BRASS during the Approved Budget process. A description and dollar amount of each adjustment must be submitted to the Budget Office for inclusion in the documents that are submitted to the Budget Committee.

### **The Budget Office's tasks for the Approved Budget**

The Budget Office prepares a memo with attachments (aka change memo) for the Budget Committee that identifies all changes from the Mayor's Proposed Budget to the Approved Budget. The City Council, sitting as the Budget Committee, reviews the changes and votes on the Approved Budget. Once the change memo is approved by the Budget Committee, the Budget Office submits the change memo to the Tax Supervising and Conservation Commission (TSCC).

## **Tax Supervising and Conservation Commission Hearing**

As required by Local Budget Law, TSCC works with the Budget Office and City Council to schedule and hold a public hearing to review the City's Approved Budget. The TSCC is an advisory commission whose members are appointed by the Governor. TSCC is responsible for reviewing, holding hearings, and producing a report on the budgets for every legal jurisdiction in Multnomah County. The outcome of this hearing is a letter certifying that the budget is in compliance with Local Budget Law. The letter may contain recommendations and/or objections. The City, through the Budget Office, is responsible for addressing any objections or recommendations prior to final adoption of the budget by City Council in late June.

## **Adopted Budget**

Local Budget Law requires that Council adopt a budget (appropriate funds) and approve the tax levies no later than June 30. Local Budget Law also prohibits changes between the Approved and Adopted Budgets that would result in a fund's expenditures growing by more than 10%. Changes normally include technical adjustments and carryover amendments.

Council adopts the budget at a regular Council session. The Budget Office prepares a set of resolutions and ordinances to formally adopt the budget, make appropriations, levy and categorize property taxes, and elect to accept state revenue sharing funds. After considering relevant testimony, the City Council may modify the budget and then adopt the budget.

The final step in the budget cycle is to file the budget and certify any necessary property tax levy to the county assessors. Since the City of Portland is physically located in Multnomah, Clackamas, and Washington counties, the budget is filed with the assessor of each county.

### **Bureaus' tasks for the Adopted Budget**

- Bureaus need to revise their budget narrative to align with the decisions and financial data that make up the City's Adopted Budget. Bureaus are again asked to limit their narrative sections to the recommended length or discuss exceptions with their CBO analyst. Please remember that the program summary narratives will not have been updated since the Requested Budget. The 'Changes to Services and Activities' section of the program summaries should reflect decisions made in the Adopted Budget.
- Bureaus may make balanced technical adjustments in BRASS. A description and dollar amount of each adjustment must be submitted to the Budget Office for inclusion in the change memo. Bureau staff may also need to adjust their performance measures in BRASS to align with decision package changes approved in the Adopted Budget.

### **The Budget Office's tasks for the Adopted Budget**

- The Budget Office prepares for City Council the budget adoption ordinances and a cover memo with attachments that identify all changes to the Approved Budget as proposed by the Mayor.
- Reviews changes to narrative in PatternStream.
- Upon adoption, provides Adopted Budget to Accounting to be uploaded to SAP for the

new fiscal year.

- Produces the Adopted Budget document.

## Public Involvement in the Budget Process

The City of Portland engages in a proactive community outreach effort as part of the budget process. Each year, bureaus are required to include a public involvement component in developing their Requested Budgets. In addition, a panel of community budget advisors is appointed to work with Council on reviewing Requested Budgets, public budget forums are held around the city, and budget hearings are held as prescribed by Local Budget Law before budget approval and adoption.

The City maintains a [community budget web site](#) where the public can learn about opportunities to be involved in the budget process.

### Public hearings

The City hosts a budget hearing for the community each year. The hearing takes place in the evening or on the weekend, and provides an opportunity for community members to testify formally on the Proposed Budget, prior to the Budget Committee's vote on the Approved Budget. A legally required hearing is also held by the Tax Supervising and Conservation Commission prior to the Council vote on the Adopted Budget. Council adopts the budget at a regular Council meeting where public testimony is also accepted.

### Community budget forums

Budget forums provide an opportunity for members of the community to discuss services and priorities with the elected officials. This information provides Council with additional context as they move through the decision making process. These forums may be scheduled prior to presentation of the Mayor's Proposed Budget but are always scheduled prior to Budget Committee approval of a budget. The forums are held in the community, in the evenings, or on weekends to increase attendance. Locations for the community budget forums are rotated around the city to ensure that neighborhoods in all geographic areas in Portland are visited.

### Bureau Budget Advisory Committees

Each bureau is also required to have a budget advisory committee consisting of bureau staff, labor representation, and community members. In September, 2012, the City's Public Involvement Advisory Council (PIAC) developed guidelines for Budget Advisory Committees (BACs) which were approved by Council as binding City policy. Short descriptions of the guidelines are included below. The full report is included on the [Office of Neighborhood Involvement's](#) website.

- 1. Community and labor representation:** Bureaus must establish a minimum of 50% community representation (non-City employees) on BACs. A minimum of two BAC members shall be City employees (one labor represented and one non-represented, non-management). Bureaus have until October, 2016 to comply with this guideline.
- 2. Creation of bureau BAC budget process websites:** Every bureau must maintain a website that includes pertinent BAC information such as meeting locations and dates,

opportunities for participation, and significant budget documents. For a complete list of the requirements, please visit the [Office of Neighborhood Involvement's](#) website.

- 3. Maintenance of contact information lists:** Bureaus need to maintain a contact list where community members may sign up to receive budget related information such as meeting notices, handouts, and updates.
- 4. ADA and Limited English Proficiency accessibility:** Bureaus are required to provide notices of availability of free language assistance and auxiliary aids/services in their outreach materials.
- 5. Handouts and presentation materials available to public:** All handouts and presentation materials made available to BAC members shall be made available to any member of the public.
- 6. Public comment allowed at all meetings:** All BAC meetings will have established times for public comment. Written comments will be allowed and reflected in summary notes.
- 7. Minority budget reports:** Two or more BAC members have the opportunity to jointly write a minority report that will be included with the bureau's Requested Budget submission.

**Section 3**

**Technical Instructions**

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**Budget Manual - FY 2013-14**

**City of Portland, Oregon**

# Building Your Budget in BRASS

This manual provides a general overview of how to budget in BRASS. More specific instructions are available in the [BRASS Training Manual](#) posted on the CBO web site. BRASS reports are explained in the Report Glossary, also on the CBO web site.

Technical assistance and training for BRASS is also available by contacting CBO staff.

## Data Uploaded from SAP

BRASS receives regular downloads from SAP of master data information, position information, and monthly budget and actuals files.

- BRASS downloads changes to fund centers, funds, functional areas, funded programs, grants, and commitment items on a daily basis. All master data adjustments need to originate in SAP and then be downloaded to BRASS.
- BRASS receives the Revised Budget, last-closed-month actuals, and year-to-date actuals on a monthly basis. Please be aware that the financial information in BRASS is not updated in real time, so please use SAP as the system of record for all budget to actual reporting.
- BRASS receives updated position information at the end of every payroll. If there are errors in the position information, it is the bureau's responsibility to notify HR of the adjustments needed. The adjustments will then be reflected after the next SBFS download. SBFS will be updated with the newest payroll information through the end of December, at which point we will cease updates through the end of the budget process.

## Starting Point (Base) Budget

BRASS is populated with personnel services data derived from the City HR system (SAP), OMF IAs, General Fund discretionary and overhead targets, and upon request, external materials and services amounts from the last Adopted Budget.

**Personnel services:** Costs for budgeted positions (full-time, part-time, and limited term) and benefits are estimated by BRASS's SBFS module. This information is based on data from the SAP Human Capital Management module, and will be updated regularly through the first pay period in January. The SBFS data will include information about positions, current employees, and vacant positions.

SBFS estimates the costs for the bureau's current workforce as of July 1 of the next fiscal year. It assumes a normal progression of step increases for represented positions (where applicable) and a 4.1% increase for nonrepresented positions that are not at the top of their respective pay grades. No step increases are assumed for vacant positions, which cost out at step 1 of the range. Expected cost of living adjustments and health benefit increases are not included in SBFS costs.

**OMF internal materials and services:** Initial cost estimates for interagency service agreements for services provided by OMF internal service providers will be loaded from files

provided by OMF. This information is based on current inventory or service levels, and rates for the new fiscal year. Data for the following OMF internal service providers will be preloaded into bureaus' starting point budgets:

- Bureau of Technology Services
- CityFleet
- Debt Management
- EBS Support (operations and debt service costs)
- Facilities
- Printing and Distribution
- Risk Management (Workers' Compensation / Insurance & Claims)

**General Fund discretionary and overhead revenues:** The Budget Office will preload all General Fund discretionary and overhead revenues into a single fund center in each bureau. Bureaus are responsible for reallocating these revenues (if they wish) to various fund centers, functional areas, projects, etc. Please remember to reduce revenues in the preloaded fund center if you reallocate the discretionary and overhead amounts.

**External materials and services:** Upon request from the bureau, the Budget Office will preload all external materials and services expenses based on the allocation of those commitment items in the current year Adopted Budget. The load excludes external materials and services assigned to capital projects.

## **Making Changes from the Base Budget**

Once a bureau's starting point budget has been created, there are a limited number of ways a bureau can enter data to create its Requested Budget:

- Changes to personnel services are made primarily through SBFS adjustments but may also be made as technical adjustments.
- Changes to revenue and other expenses, including OMF interagency agreements, are made as technical adjustments in the technical adjustment or infrastructure budget forms.
- Budget changes that are programmatically significant, significantly affect revenue or expense commitment items for the fund or business area, request additional General Fund resources, or affect Council-authorized positions, are submitted as decision packages.

The sum of a bureau's starting point budget, SBFS adjustments, technical adjustments, and decision packages becomes a bureau's Requested Budget. A useful BRASS tool that reflects a summary level of each of these changes is the Budget Tracking spreadsheet view.

## **How to Budget Staff**

SBFS contains position data from the SAP Human Capital Management module. Prior to budget development, bureaus should confirm that the data in the SAP Human Capital Management module is correct. If data is not correct, bureaus must work with the Bureau

of Human Resources (BHR) to correct the data. Refer to Important Events and Dates for the deadline to submit maintenance to BHR for inclusion in SBFS. All data from SAP is loaded into SBFS, and then a Citywide snapshot is run to “freeze” and calculate all positions and position costs at that point in time. This becomes the base personnel services budget.

### **Adjusting SBFS costing after the “freeze” date**

Bureaus can adjust SBFS costing by altering the allocation of expenses across any of the chart of account elements, and by projecting certain types of changes that will happen to a position in the next fiscal year. The sum of the changes that a bureau makes to its initial SBFS data are shown in the column V52\_SBFSCHE of the Budget Tracking spreadsheet view in BRASS. SBFS changes are updated nightly during the budget season. Bureaus can view the results of their changes by using SBFS reports the next day.

**Allocating positions:** SBFS will hold the “home fund center” for all positions as well as any 1018 allocations that are set up in SAP. The practice of uploading 1018 allocations from SAP started in the FY 2010-11 budget process. If your bureau has utilized this SAP feature, SBFS will calculate the total budgeted costs of the position and allocate those costs to the same chart of account elements that are assigned in the 1018 distributions in SAP. Bureaus may also change the allocation of appropriation for a position’s costs across additional fund centers, funds, functional areas (programs), funded programs (projects), or grants through the Allocation tab in SBFS. Please note that SBFS allocations cannot be entered until after the final 1018 allocation upload from SAP (if entered before they will be overwritten during the next upload from SAP). See the Important Dates and Events section of this manual for the deadline to upload 1018 allocations.

**Position allocations using interagency funded programs:** Bureaus need to delete any 1018 allocations uploaded from SAP that include interagency funded programs. In some instances, a position in SAP is assigned to an interagency internal order on a 1018. These allocations are uploaded to SBFS, resulting in an interagency funded program on the allocation tab. For budgeting purposes, funded programs should only be used with the interagency commitment items (65XXXX and 64XXXX). If left on the allocation tab, personnel services commitment items will be tagged with an interagency funded program. Please run the SBFS report *A6a. Pos Alloc (Interagency)* for your bureau, with the Fnd Prgm field selection set as *Operating*, and snapshot V52\_TOTAL. If positions show up on the report (positions assigned to Housing operating projects are okay), open the position record in SBFS (position search and edit), click on the allocation tab, and set the Fnd Prgm field to '0' where an interagency funded program is used. Please note that SBFS cannot be updated to fix these allocations until after the final 1018 allocation upload from SAP (if entered before they will be overwritten during the next upload from SAP). See the Important Dates and Events section of this manual for the deadline to upload 1018 allocations.

**Future changes:** Bureaus can change their initial SBFS data to reflect changes they expect to make during the next fiscal year, including promotions, demotions, retirements, limited term extensions or deletions, adjustments of part-time position FTE, and/or reclassifications. SBFS will calculate the financial impact (costs or savings) of such changes, but it is still the responsibility of the bureau to request the changes in the City’s system of

record (SAP). If changes require additional funding (e.g. General Fund discretionary), then they must be requested via a decision package.

**Budgeting double-filled positions:** SBFS will hold the position information for the original position, but not the double-fill. If a bureau requires additional funding for the double-fill that requires Council approval (such as General Fund discretionary or a fee increase), the appropriation for the position must be requested via a decision package. The decision package should not create an additional position on the Position tab, but rather increase personnel services expenses on the General tab. This is because a double-fill does not create a new position; it simply reflects the cost of a second person in the position. If no additional resources are required to cover the costs of a double-fill, bureaus should use the technical adjustment form to increase personnel services expenses.

**Budgeting under- and over-filled positions:** SBFS will calculate the costs of the position based on the employee's salary that is filling the position, which may be higher or lower than the salary range of the budgeted position. If bureaus are anticipating under- or over-filling positions, and those employees are not currently filling the position, an adjustment can be made in a technical adjustment form to account for the increased or reduced personnel services expenses.

**Creating or deleting positions:** Bureaus request changes (creating or deleting) to Council-authorized positions by using the Position tab in the decision package budget form in BRASS. For FY 2013-14, bureaus are able to future changes positions to zero in order to comply with the 90% base requirement (see below for mor details).

**Zeroing out positions to reach 90% base:** In some cases, bureaus will be required to zero out position records (eliminating the FTE and related expenses) in SBFS in order to reach their 90% base target. To properly zero out a position, please enter a future change on the position record that sets the FTE, Salary %, and Benefit % to '0'. The other components of the future change line (e.g. salary table, class, and grade) should mirror what is included on the position record.

**Limited Term positions:** Bureaus also use the Position tab to add new limited term positions. This is necessary for the information to be exported to PatternStream to be included in the published budget document. Adjustments can be made to existing limited term positions via the future changes tab in SBFS. Since limited term positions do not need to be approved by Council, bureaus may choose to just add additional personnel services appropriation in a technical adjustment form for the positions. Please note that if you choose to add appropriation via a technical adjustment form, you will not see any changes to position counts in the budget document.

### **Cost of living adjustments (COLA)**

COLA refers to both a percentage increase in salary level and a projected increase in health benefit costs. General Fund and non-General Fund bureaus estimate and budget for COLA differently.

**General Fund bureaus:** The Budget Office calculates and budgets COLA for General Fund

discretionary backed personnel services expenses and appropriates the aggregate amount into the Compensation Set-Aside Special Appropriation. General Fund bureaus that have personnel services expenses backed by other revenue sources should estimate and budget for those COLA costs separately (see Non-General Fund bureaus section below). Non-discretionary COLA should be budgeted in a personnel services commitment item.

COLA appropriation and determination:

- The Compensation Set-Aside amount is based on approximately 97.5% (average percent spent) of total personnel services from the last Adopted Budget within the General Fund (the budget year set-aside is based off of personnel services budgets from the current year Adopted Budget) plus an inflation factor. The total set-aside is then divided among the bureaus by the percent of their personnel services budget of the total fund level personnel services (once again based off of current year Adopted Budget). The pro-rata share of the comp set-aside for each bureau is then multiplied by the percent discretionary within that bureau (total ongoing discretionary divided by total revenues from current year Adopted Budget). The result is what is included for the bureaus comp set-aside amount for the budget year.
- As part of the spring BMP process each year, the Budget Office determines what additional appropriation, if any, is needed by General Fund bureaus, to adjust for COLA. As needed, the Budget Office transfers appropriation to the bureaus from the Compensation Set-Aside. Until that transfer is made, General Fund bureaus' projected spending may exceed their personnel services budget by a small percentage.
- The target model, which is used by the Budget Office to determine bureau target budgets, allows an average percentage increase in the personnel services budgets to deal with step increases and COLA compounding. This increase is called a drift factor. The drift factor accounts for the impact of step increases as well as the savings from labor turnover; new employees are usually paid at a lower rate than departing employees.
- The historical average drift has been about 0.5% per year. There are two limitations on that average figure.
  - It applies most accurately to bureaus with large numbers of employees.
  - For any given small bureau or work group, there may be a disproportionate percentage of employees receiving step increases, and the actual drift may be higher than 0.5%.

**Non-General Fund bureaus:** Non-General Fund bureaus and General Fund bureaus that have non-discretionary funded personnel services costs, should enter estimates for COLA in the technical adjustments form. Use the Expected CPI-W for COLA (wage and salary) and the Health & Dental Increases (AON) rates in the Budget Assumptions section to estimate COLA costs. COLA should be budgeted in commitment item 571110 - salary adjustment contingency. Bureau's may also use the Full COLA snapshot in SBFS to assist in its projections for these costs (take the difference in the totals from the Full COLA snapshot and the V52\_NO\_DP snapshot).

## How to Budget Revenues and Expenses

With the exception of creating decision packages that are discussed in the next section, bureaus should make all other changes to revenue and expense commitment items using the technical adjustment or infrastructure budget forms. These entries include:

- Personnel services expenses not calculated by SBFS (overtime and some premium pay)
- External materials and services
- Bureau-to-Bureau interagencies and cash transfers
- Capital outlay
- Fund-level activities
- Revenues

### Technical Adjustment and Infrastructure forms

Technical Adjustment and Infrastructure forms contain display columns as well as data entry columns. The display columns are meant to show the user what has already been entered into BRASS via uploads and other adjustment forms. The display columns are provided as a tool, but they should not be used as your sole source of information when loading the budget. The data in these columns can be misleading for various reasons, so it is always a good idea to check your entries using a report or spreadsheet view.

The data entry columns capture the budget adjustments that are made in each phase of the process. Entries in these columns should include just the adjustment amount, not what you want the total to be. For example, if you had \$1,000 in professional services in the Requested Budget, and you want to increase it to \$1,500 in the Proposed Budget, you would make an entry for \$500 in the adjustment column during the Proposed Budget phase.

Please note that these forms work differently than the decision package forms. In a decision package form, you change the number in the form to what you want the total to be, not for the adjustment amount.

### Additional columns in Infrastructure forms

In addition to the budget year column, Infrastructure forms also contain data entry columns for the prior year and four out-years. These columns are required in order to produce a five-year capital improvement plan. The prior year column is rolled over in BRASS from year to year, so bureaus are only required to enter in actual expenses from the last fiscal year. BRASS will combine the entries made in the prior year column with the entries that were rolled over to get a total for all prior year expenses by project.

The revised budget column shown in the publishing system for capital projects reflects the Revised Budget from SAP. Bureaus no longer have to manually enter revised budget numbers in BRASS for capital projects.

## How to Budget Interagency Agreements

**Service provider:** The service provider is the agency that receives payment in exchange for

services and/or goods provided.

**Service receiver:** The service receiver is the agency that buys a service and/or goods from another agency.

### **Commitment Items and Funded Programs**

Each interagency type has a specific set of commitment items and a specific funded program structure. The providers and receivers use the same funded program for both the expense and revenue side of the transaction (except for Internal Service interagencies assigned to projects as explained below). The funded program can either be an interagency funded program or a capital project. For interagency funded programs (those starting with a 1, 3, or 7), please only assign the funded program to the commitment item lines related to the interagency (commitment items starting with a 6).

- **Bureau-to-Bureau interagencies:** use funded programs that begin with the number 7, followed by the two-digit provider code, the number 2, the two-digit receiver code, and ending with '0001' (e.g. 7WA2ES0001). Bureau-to-Bureau interagencies use commitment items starting with '652' on the receiver side and '642' on the provider side.

Please note: If either side of the interagency agreement is assigned to a capital project, both the receiver and provider have to balance the interagency using the capital project funded program.

- **Internal Service interagencies:** use funded programs that begin with the number 3, followed by the four-digit provider code, the number 2, the two-digit receiver code, and ending with '01' (e.g. 3MFTS2WA01). Internal Service interagencies use commitment items starting with '651' on the receiver side and '641' on the provider side. The first four digits of an internal service commitment item also identifies the provider:
  - 6511 – CityFleet Services
  - 6512 – Printing and Distribution Services
  - 6513 – Facilities Services
  - 6514 – EBS Services
  - 6515 – Technology Services
  - 6516 – Risk Management Services (Workers' Comp / Insurance & Claims)

Please note: The Internal Service interagency balancing reports in BRASS derive the funded program from the expense commitment item on the receiver side. This allows a receiver to move the interagency expenses onto a project without the provider balancing the revenue side at the project level. If the receiver uses the wrong commitment item, an incorrect funded program will be derived, causing the interagency to be out of balance.

- **Cash Transfers:** use funded programs that begin with the number 1, followed by the four-digit alpha code for the fund transferring the cash, the number 2, and ending with the four-digit alpha code for the fund receiving the cash (e.g. 1GENF2TRAN). Cash transfers use commitment items 650010 and 640010 for General Fund Overhead transfers, and 650020 and 640020 for all other cash transfers. The '65' commitment

items are used by the fund transferring the cash and the '64' commitment items are used by the fund receiving the cash. Capital project funded programs cannot be used to balance cash transfers.

Before budgeting or expensing cash transfers to or from a bureau residing in the General Fund, please contact your CBO analyst. Cash transfers are treated differently depending on whether they transfer General Fund discretionary resources or not. Transfers out of the General Fund, if backed by discretionary, will be sent from MFFM000004 and the discretionary resources in the bureau will be reduced by an equivalent amount. If the transfer is backed by external bureau revenues, then it can be transferred directly from the bureau's fund center. Similarly, any cash transfer into the General Fund needs to be identified in advance to determine the source of the funds. Depending on the source, the cash transfer may be sent to MFFM000002 (with an equivalent increase in contingency or the bureau's discretionary resources) or it may be sent directly to the bureaus fund center.

Regardless of the source of funds, cash transfers cannot be used as a means to carry over General Fund resources (discretionary or not) outside of the normal General Fund carryover process. In addition, cash transfers cannot be used to pre-fund projects outside of the General Fund. Bureaus should set up interagencies with the bureau providing the services and transfer funds on a reimbursement basis. If the project crosses fiscal years, any remaining funds at the end of the year will fall to General Fund balance, or can be requested as General Fund carryover in the Spring BMP.

### **Changing interagency agreements in BRASS**

Internal Service and Bureau-to-Bureau interagencies can be adjusted via budget forms in BRASS. Communication between the service providers and receivers concerning the funded programs and commitment items used, and the amount of the interagency, is essential. Both service receivers and providers should monitor changes to interagencies using BRASS reports.

### **Balancing interagency agreements**

All base budget interagencies and cash transfers should be balanced by the deadlines stated in the Important Events and Dates section above. If the partner and receiver bureaus are unable to come to agreement on the amount of the interagency or transfer, CBO will remove both sides of the transaction from BRASS. To check your base budget interagencies, run the BRASS interagency reports using column V52\_NO\_DP. In some cases, decision packages will increase or decrease interagency amounts on the provider or receiver side. These adjustments are not required to be in balance until the Proposed Budget. To see your decision package adjusted interagencies, run the BRASS interagency reports using column V52\_TOTAL. In some cases, interagencies may not balance in the base budget due to the receiver requesting the change in a decision package and the provider reflecting the change in its base budget. In these limited cases, please contact your CBO analyst to receive approval to submit an unbalanced base budget interagency in the Requested Budget.

## How to Budget Capital Projects

The City of Portland's five-year Capital Improvement Plan (CIP) budget implements the City's policy of preserving its current physical assets and planning for future capital investments. The CIP budget provides details on City projects which support and enhance the delivery of basic services and infrastructure improvements. These projects reflect the bureaus' prioritization of capital replacement and enhancement projects, estimates of project costs, and identification of funding sources.

The CIP is designed to recognize the balance between the City's capital requirements and its ability to fund such requirements. It includes both short-term capital financial planning for the upcoming budget cycle and long-term capital financial planning encompassing a five-year horizon. The capital budget addresses:

- Expansion of economic activity and development
- Maintenance of existing infrastructure
- Response to community needs for capital services

### Definition of Capital

A capital asset is a tangible or intangible asset having significant value that is used in operations and has an initial useful life that benefits more than a single CAFR reporting period. Capital assets include land, land improvements, buildings, infrastructure, leasehold improvements, equipment, and construction in progress. Definitions for these categories are included in the glossary at the end of this manual. Asset capitalization thresholds have been established as follows:

- Land – none
- Buildings – none
- Improvements – \$10,000
- Infrastructure – \$10,000
- Leasehold Improvements – \$10,000
- Equipment – \$5,000

### City Assets

The CIP will reflect the projects involving either existing City assets or which will become City assets. Projects that are located in the City but are not either an existing or future City asset should not be included. If there is any question as to whether a project should be included in the CIP, please contact your CBO analyst.

### BRASS Entry

Bureaus are responsible for entering in expense data (revenues are not required by project, but can prove useful for analysis), project narrative, and project attributes in BRASS and SAP for upload to the publishing system. For more detailed information about what is required for BRASS and SAP entry, please see the [BRASS Training Manual](#).

In addition BRASS entries, bureaus need to maintain accurate and timely capital project data within [www.Portlandmaps.com](http://www.Portlandmaps.com). Project updates should be completed on at least a quarterly basis. Special attention should be given to the project status and estimated completion date.

### Info Edit

- **Name:** Populated by SAP via interface. The field is open so that users can copy and paste the name into the **Pub Name** field as a starting point (see pub name below). This name will be overwritten with data from SAP at every upload.
- **Description (text 2):** Populated by user in BRASS. Includes the narrative used to describe the project for reporting and budget document publishing. Narrative for existing projects (used in the budget last year) should already be populated and edited for content and grammatical errors. If the project is new, the text 2 field needs to be populated with a description of the project. All capital projects are required to identify the revenue source(s) in the last line of the project description.
- **Pub Name:** Populated by user in BRASS and is the name used in the budget document. Please enter a readable name that you wish to be displayed in the budget documents. This field will not be overwritten with SAP data.
- **Type:** Populated by SAP via interface. Identifies whether the funded program is a project, IA, cash transfer, etc.
- **SAP Objective:** Populated by SAP via interface. Identifies the objective of the project as identified in SAP. This is the objective that is displayed in the budget document.
- **Publish:** Identifies whether or not the project should be published in the budget document. All projects that have budget amounts in any year of the five-year plan should be set as “Yes”.
- **Geo Code:** Populated by SAP via interface. Identifies the geographic area of the city where the project takes place (printed in budget document).
- **New Project?:** All new projects in the CIP need to be flagged as ‘New’. The definition of a ‘New’ project is one which was not published in the previous year’s Adopted Budget CIP.
- **Confidence:** All projects with total costs of \$500,000 or more that have expenditures in the budget year are required to submit a confidence level pertaining to the budget amount of the project. See the confidence level table below for definitions of the levels.
- **CIP Program:** Populated by SAP via interface. Identifies the capital program in which the project resides (printed in budget document).
- **Project Total:** Populated by user in BRASS. Identifies the full cost of the project, including expenses expected beyond the five years captured in BRASS (printed as Total Project Cost in budget document). Unlike the original project cost field, this field can and should be continually updated throughout the life of the project.
- **\$ for Art:** Populated by user in BRASS. Identifies the dollar amount that is going to art.
- **Net O+M Y1-Y5:** Populated by user in BRASS. Identifies the assumed operation and maintenance costs of the project (printed in budget document).
- **Original Cost:** Includes the amount entered in the total project cost field in the first year

the project was appropriated. This amount will be frozen in the system until the project is no longer included in the CIP. The amount can only be changed by CBO.

- **\$ for Green:** Populated by user in BRASS. Identifies the dollar amount that is going towards green streets.

**Project Threshold**

All capital projects that have a total project cost of \$500,000 or greater are required to be budgeted individually in BRASS (must have a distinct capital project funded program). The intent of the threshold is to break up project ‘roll-ups’ that currently group projects into single large expenditures that are not easily understood by the public. Significant individual projects need to have distinct descriptions and budgets to allow for a more informative budget document. Bureaus that already budget at a lower threshold should maintain their current level of budgeting. An exemption is given to “ongoing” or “programmatic” projects as defined by the bureaus and approved by CBO.

**Revenue Sources**

All capital projects are required to identify the revenue source(s) in the last line of the project description. The general public does not have an understanding of the mix of resources that bureaus use to fund projects. Some infrastructure bureaus have significant external revenues sources that drive what is included in the CIP. Identifying the revenue source(s) will help citizens understand why specific projects are included in the CIP and others are excluded.

**Confidence Level Reporting**

Beginning in FY 2013-14, bureaus will no longer be required to submit a separate confidence level report for capital projects. The confidence levels will be captured in BRASS Info Edit (see above) and displayed in the capital project detail pages of the Requested and Adopted Budget documents. Confidence levels are defined as follows:

| <u>Confidence Level</u> | <u>Definition</u>   |
|-------------------------|---|
| Complete                | <ul style="list-style-type: none"> <li>- Final payment made</li> <li>- Post project assessment completed</li> <li>- Total project costs reported</li> </ul>   |
| Optimal                 | <ul style="list-style-type: none"> <li>- Project scope clearly understood &amp; well defined</li> <li>- Clear understanding of materials, size &amp; quantities needed for job</li> <li>- Schedule &amp; site conditions understood</li> <li>- Project estimate unlikely to change (generally at 90% design)</li> <li>- Total project contingencies range between 10% to 15%</li> </ul> |
| High                    | <ul style="list-style-type: none"> <li>- Project scope nearly complete but still subject</li> </ul>   |

|          |   |
|----------|---|
|          | <ul style="list-style-type: none"> <li>- to change (70% to 90% design)</li> <li>- Materials, size &amp; quantities defined but subject to minor changes</li> <li>- Schedule understood</li> <li>- Total project contingencies may range between 20% to 30%</li> </ul>   |
| Moderate | <ul style="list-style-type: none"> <li>- Project scope defined but lacks details</li> <li>- Project specifications incomplete (60% to 70% design)</li> <li>- Total project contingencies may range between 30% to 40%</li> </ul>  |
| Low      | <ul style="list-style-type: none"> <li>- Project scope is a conceptual “vision” with limited detail</li> <li>- Project cost is an educated estimate - limited technical information available</li> <li>- Specifications still in infancy stage (less than 50% design)</li> <li>- Total project contingencies may range up to or exceed 50%</li> </ul> |

**Percent for Art Eligibility Form**

[Percent for Art eligibility forms](#) for each capital project will be submitted with a bureau’s Requested Budget submission. The forms are available on the CBO website and will be reviewed by CBO for accuracy and then forwarded to the Regional Arts and Culture Council (RACC).

**How to Allocate Internal Bureau Overhead**

With the implementation of SAP, multiple cost allocation commitment items were created to allow bureaus to move overhead costs around within their bureau at a more generic level. For example, a bureau may want to allocate expenses related to the Director’s Office across all programs. Allocation commitment items allow the bureau to capture the total costs (personnel services, materials & services, etc) of the Director’s Office in one fund center, but also allocate the costs using debit and credit entries in an allocation commitment item. Bureaus are free to allocate costs using any of the commitment items below:

- o 601XXX – Overhead Allocations
- o 610XXX and 619XXX – Labor Allocations
- o 620XXX – Equipment Allocations
- o 629XXX – Bureau Services Allocations

The 601XXX, 620XXX, and 629XXX commitment items roll up to the internal materials and services major object category. Bureaus should note that when you are allocating costs

within the bureau across funds, fund centers, or programs, there are situations when the total for internal materials and services will show negative for that cost object (happens when a bureau allocates more in these accounts than what has been budgeted or expensed in internal materials and services).

## How to Budget Grants

The Grants Fund serves as the central fund for all federal, state, and private financial assistance received by the City, including grants, contracts, and cooperative agreements. The City also receives funds from two federal entitlement programs, HOME and the Community Development Block Grant (CDBG), which are budgeted in separate funds. All grant revenues and expenses are tracked in the Grants Fund. Grant match is budgeted in the bureau's operating fund, not in the Grants Fund.

According to Local Budget Law, a grant should be budgeted if the award can be reasonably estimated prior to approval of the budget. City practice requires receipt of a letter indicating the grant will be awarded, or actual grant award and acceptance by Council, prior to inclusion in the bureau's budget.

Typical grants are awarded to the City in the middle of the fiscal year. When the City receives a grant award mid-year, the bureau will complete an ordinance to accept the grant and amend the current year budget. There is a directive in the ordinance that breaks down the cost objects for budgeting. After the ordinance is passed by Council, the Grant Office will input the budget in SAP. If a grant crosses multiple fiscal years, the Grant Office will work with the bureau to decide on the amount of funding to be budgeted in the current fiscal year.

All grants that cross fiscal years should be budgeted. Contact the Grant Office for grant balances and budget the amount you anticipate carrying forward. Please review the current sponsored program(s), and budget only to fund centers, functional areas, and funded programs associated with existing sponsored programs. The sponsored program(s) should be entered in the justify field for every grant related entry in BRASS.

### Grant Definitions

**Intergovernmental grant:** Generic term that means financial assistance received from either state or federal sources. The definition of "Federal Financial Assistance" taken from the federal audit law (OMB Circular A-133) is as follows:

"Federal Financial Assistance" means assistance provided by a federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriation, but does not include direct federal cash assistance to individuals. It includes awards received directly from federal agencies, or indirectly through other units of state and local government.

**Grant Award:** The amount of financial assistance received from outside sources. Some grants require that grant funds be matched proportionately by non-grant funds or that the grantee participate in the cost of the project. For example, a bureau enters into a grant

agreement to refurbish a community park and will receive a \$100,000 federal grant to do so, but it must provide a 1:1 or 50% match. Therefore, the bureau would need to spend a total of \$200,000 to receive reimbursement from the grantor agency of \$100,000.

- **Cash match:** The term “cash match” is used to denote any match requirement that involves cash outlay, e.g., the City pays the program manager’s salary and benefits, and any materials and services required to accomplish the project. In this case, money is changing hands in that the City is paying for these expenditures.
- **In-kind:** The term “in-kind” is used for third-party non-cash contributions, e.g., donated telephones, office space, volunteer time that is not reimbursed or any situation where no money changes hands. As a rule of thumb, if an actual cash outlay is required (e.g., the City pays salary and materials and services) the match is not considered in-kind.

**Direct reimbursement:** The amount of financial assistance that the City expects to receive to cover direct project costs.

**Federal indirect reimbursement:** The amount of financial assistance that the City expects to receive to cover non-program related centralized services. The Grants Office develops a Federal Indirect Cost Allocation Plan each year that determines the percentage rate each bureau may charge for indirect on federally assisted grants, contracts, or other agreements.

## Decision Packages

Decision packages are required for budget adjustments that include:

- Additional General Fund discretionary revenues
- A new source of revenue or increases in fees
- Adds or cuts to permanent full-time or permanent part-time positions
- Adds of limited term positions (for visibility in budget document)
- Reclassification of a position that requires additional revenues to fund
- Realignment of resources among programs with significant impact on how or what services are delivered

### Decision package info edit

The first step in creating a decision package in BRASS is to enter the descriptive information in info edit. The package name, description, expected results, budget program, priority number, and type are all assigned in info edit.

- **Name:** The name given to a decision package will be used in all reports submitted to Council. Names should be clear and concise, identifying what the package includes.
- **Description:** Bureaus enter explanatory narrative for the decision package in the text 1 field. This narrative is published in the Decision Package Summary report, which is part of the bureau’s Requested Budget submission.
- **Expected Results:** Bureaus enter the expected results of the package in the text 2 field. The expected results section should include any changes to performance or output measures affected by the package. This narrative is published in the Decision Package Summary report, which is part of the bureau’s Requested Budget submission.

- **Budget Program:** Bureaus need to identify the budget program affected by the decision package in the 'Budget Prog' field. Please use the name of the program used on your Program Summary templates submitted with your Requested Budget. If the package involves multiple programs, please choose the program that is the most affected.
- **Priority Number:** Bureaus need to identify the priority of the decision package, with #1 being the highest priority. A #1 priority reduction should be the reduction the bureau is most willing to take, and a #1 priority add is the add the bureau needs the most. Bureaus should rank the packages from highest to lowest priority within each of the decision package types. In other words, each bureau can have a #1 priority reduction, #1 add, and #1 realignment. Bureaus cannot equally rank packages within a decision package type (no multiple add packages with a #1 priority ranking).
- **Type:** Bureaus need to flag each decision package as a Reduction, Unfunded Ongoing, Realignment, or Bureau Add.
  - **Reduction:** are decision packages that are required via Council direction in order to balance the budget to available resources or packages necessary to balance expenses with revenue projections in non-General Fund bureaus. Cut targets for bureaus that receive General Fund revenues are distributed once a decision has been made on the level of cuts required. Non-General Fund bureaus should work with their CBO analyst to agree on the base operational budget from which their cut targets will be taken from. Some bureaus may need to take larger cuts if their projections of external revenues show a sharp decline in the budget year. In general, non-General Fund bureaus may exclude direct debt service payments and capital projects from their base operational budget. For FY 2013-14, General Fund bureaus and OMF internal service funds will be building their budgets from a modified zero base (90% of CAL) and will be focusing on add packages rather than reduction packages.
  - **Unfunded Ongoing:** are decision packages that are backed with General Fund discretionary dollars, and continue existing one-time funded programs or services that were approved in the previous year's budget. Requests for new or expanded programs or services that require General Fund discretionary support will not be considered.
  - **Realignment:** are decision packages that reorganize a bureau program or division. Realignment packages must always net to zero. An example of a realignment package may be to reduce professional services contracts to hire more in-house staff. The total budget does not change, but the program is significantly changing the way it provides a set of services.
  - **Bureau Add:** are decision packages that increase appropriation using bureau generated revenues or General Fund discretionary. For FY 2013-14, General Fund bureaus and OMF internal service funds will be building their budgets from a modified zero base (90% of CAL). Bureau add packages will be allowed to buy back the remaining 10% of CAL. Requests for new or expanded programs that exceed the 10% allowed add back and are not included in the unfunded ongoing packages will not be considered.
- **Report Flag:** Defaults to 'INCLUDE'. If this is set to 'EXCLUDE', the decision package will not show up in various decision package reports. Decision packages should only be set

to 'EXCLUDE' if there is no budget assigned to it.

### **Decision package budget forms**

Bureaus enter financial and position data in BRASS decision package budget forms. The form includes columns for the budget year (one-time and ongoing) and years 2-5 for capital projects. Only decision packages involving capital projects are required to enter financial data in the out-year columns. As in prior years, the position tab calculates only the cost of a position in the budget year.

BRASS also includes a decision package form for limited term positions (form #2). The only difference between this form and the basic decision package form is that the position tab posts personnel services dollars and FTE amounts in the one-time column instead of the ongoing column.

Please Note: It is critical for each position record on the position tab to have a valid category assignment. Dollar amounts from the position tab will be posted on the General Tab in separate commitment items for limited term, part-time, and full-time positions depending on the category used in the position tab. The position summary table in the publishing system will also pull the type of position from the category assignment. Categories are based off of bargaining units, with separate categories for limited term, part-time, and full-time requests.

### **Decision packages involving vehicles**

A decision package involving a new vehicle or equipment requires a [Fleet Service Request \(FSR\) form](#). The FSR provides the project description, anticipated capital expense, and operating costs for fuel, repairs, and replacement. Adding vehicles will have IA impacts for ongoing operating expenses, notably in the fuel and vehicle replacement contribution accounts.

Cost estimates for fuel, repairs, and replacement can be obtained by contacting CityFleet or OMF-Business Operations. Bureaus are required to submit the FSR form as part of the Proposed Budget; adjustments will be reflected in the Adopted Budget.

### **Decision Package Summary report (D2)**

The Decision Package Summary report is a requirement in the bureau's Requested Budget submission. Before submission, please check that all decision package summaries include a name, priority, type, program, description, and expected results. Please also make sure that the columns displayed in the report are the following:

- V52\_DP\_1T
- V52\_DP\_OG
- V52\_DP\_REQ
- YR2\_TOTAL
- YR3\_TOTAL
- YR4\_TOTAL

- YR5\_TOTAL

### Stages of a decision package

Bureaus enter their Requested Budget decision packages in stage A. Any packages they decide not to submit must be zeroed out. Bureaus will be locked out of decision package budget forms after the Requested Budget has been submitted; the Budget Office will advance the forms through the Proposed, Approved, and Adopted stages.

## Performance Measures

Use BRASS to enter performance measure values for:

- **PY1\_ACTUAL:** Prior year actuals (if updates are required from Fall BMP)
- **CY\_REVBUD:** Current year-end estimates
- **PM\_BASE:** Base budget targets – should reflect what the bureau expects to accomplish without factoring in the effects (negative or positive) of decision packages. The values should not reflect an established goal that the bureau can expect to better or that it cannot expect to reach with the budgeted resources.
- **PM\_GOAL:** Requested Budget targets – should reflect the estimated impact of any decision packages on a performance measure. These effects may be positive or negative, and should include the impact from all decision packages combined. For example, if you submit a cut package and a corresponding add package to restore the services, there would be no effect on the performance measure. Performance measure targets will need to be updated to reflect decisions made in each stage of the budget process (Proposed, Approved, and Adopted).

To create a new performance measure, or archive an obsolete measure, please contact your CBO analyst. To move a performance measure to a different budget program, go to BRASS>>>Info Edit>>>Functional Area and select the performance measure code. The budget program is an editable field in the info edit screen.

### Performance Measure Characteristics (Info Edit)

- **Name:** If you wish to change the name of a performance measure, contact your CBO analyst.
- **Graph Title:** For measures to be graphed in the budget document, include a brief title.
- **Unit of Meas:** For measures to be graphed, enter a unit of measurement to be displayed on the Y-axis of the graph.
- **Publish?:** Use the dropdown menu to select 'YES' to publish or 'NO' to not publish the measure in the budget document.
- **Datatype:** Select a code from the dropdown menu to indicate how data values should be formatted.
- **Graph?:** Use the dropdown menu to select 'YES' to graph or 'NO' to not graph the measure in the budget document.
- **Program:** Identifies the program that the performance measure will be reported under in the published budget documents.

- **Text 1:** Enter an optional description of the measure, or any other details that may be helpful to CBO when analyzing the measure. This field is not printed in the budget documents or any BRASS reports.
- **Text 2:** For measures to be graphed, include a brief explanation of what the graph depicts (used in budget documents).

# Document Publishing System

## Budget Document

The Budget Office oversees the extraction of BRASS and SBFS data, narrative micro-documents, and other related information to produce the finished publications, the City of Portland's Proposed and Adopted Budgets.

### The budget document as a communication tool

The intent of these instructions is to help bureaus produce clear, concise text that succinctly describes their organizations, programs, budget decisions, and financial and performance information. Collectively, the City's Adopted Budget is an enormous publication. Given that context, staff preparing budget narrative should write succinctly and keep to the micro-document lengths. Adhering to the style guide aids the reader by providing a common presentation from bureau to bureau.

One tactic for good budget writing is to reduce the repetition of text within a bureau's narrative by keeping in mind their entire budget narrative while they are writing the individual micro-documents. Consider the following when writing:

- Stay focused on the purpose of each text section
- Use clear language and short, focused sentences
- Avoid the temptation to start with last year's text and add to it

## Writer's Guide to the Micro-documents

Micro-documents are updated throughout the budget process. Depending on the stage in the process, some documents require updating and some do not. The micro-documents related to capital are only required for those bureaus that have at least one budgeted capital project. The table below identifies the micro-documents that are required to be updated in each of the budget phases, the format for the different sections, and the recommended page lengths. The formats are identified using the PatternStream header types listed below.

- **H3 Subject:** Used for headers on program and division pages (program names and division names)
- **H4 Microdoc:** Used for section titles such as bureau mission and bureau overview
- **H5 Topic:** Typically referred to as sideheads
- **H6 Subtopic:** Typically referred to as in-column headings

|  | Requested | Proposed | Adopted | Format | Page Length    |
|--|-----------|----------|---------|--------|----------------|
| <b>Bureau Mission</b>                      | X         | X        | X       | H4     | ¼ page         |
| <b>Bureau Overview</b>                     | X         | X        | X       | H4     | ½-1 page       |
| <b>Strategic Direction</b>                 | X         | X        | X       | H4     | ½-1 page       |
| <b>Summary of Budget Decisions</b>         |           | X        | X       | H4     | No limit       |
| <b>Capital Summary</b>                     | X         | X        | X       | H4     |                |
| CIP Highlights                             | X         | X        | X       | H5     | ½-1 page       |
| Major Issues                               | X         | X        | X       | H5     | ½-1 page       |
| Changes from Prior Year                    | X         | X        | X       | H5     | ½-1 page       |
| Council Goals and Priorities               | X         | X        | X       | H5     | ½-1 page       |
| Criteria                                   | X         | X        | X       | H5     | ½ page         |
| <b>Capital Planning &amp; Budgeting</b>    | X         | X        | X       | H4     |                |
| Capital Planning Process                   | X         | X        | X       | H5     | ½-1 page       |
| City Comprehensive Plan                    | X         | X        | X       | H5     | ½ page         |
| Financial Forecast Overview                | X         | X        | X       | H5     | ½-1 page       |
| Asset Management and Replacement Plans     | X         | X        | X       | H5     | ½-1 page       |
| Public Facilities Plan Overview (optional) | X         | X        | X       | H5     | ½-1 page       |
| Growth Management Issues (optional)        | X         | X        | X       | H5     | ½-1 page       |
| <b>Capital Programs and Projects</b>       | X         | X        | X       | H4     |                |
| Capital Program Description                | X         | X        | X       | H5     | ½-1 page       |
| Funding Sources                            | X         | X        | X       | H5     | ½-1 page       |
| Major Projects                             | X         | X        | X       | H5     | ½-1 page       |
| Net Operating and Maintenance Costs        | X         | X        | X       | H5     | ½-1 page       |
| <b>Budget Notes</b>                        |           | X        | X       | H4     | No limit       |
| <b>Division Narrative (OMF only)</b>       | X         | X        | X       | H3     | ½-1 page       |
| <b>Programs</b>                            | X         |          | X       | H3     | ½ page for all |
| Description                                | X         |          | X       | H5     | see above      |
| Goals                                      | X         |          | X       | H5     | see above      |
| Performance                                | X         |          | X       | H5     | see above      |
| Changes to Services and Activities         | X         |          | X       | H5     | see above      |
| <b>Funds</b>                               | X         | X        | X       | NA     |                |
| Fund Overview                              | X         | X        | X       | H5     | ½-1 page       |
| Changes from Prior Year                    | X         | X        | X       | H5     | ½ page         |
| <b>Project Detail Descriptions</b>         | X         |          | X       | NA     | No limit       |

To maintain a common style throughout the budget document, bureaus are asked to conform with the section titles, page lengths, and the style guide. The style guide is located at the end of the manual before the Glossary of Terms.

### **Bureau Mission**

This should be the verbatim text of your bureau's adopted bureau mission statement. Brief introductory remarks are optional. Length ¼ page.

## **Bureau Overview**

The overview describes the purpose of the bureau and the services it provides. Length ½-1 page.

## **Strategic Direction**

This section includes narrative on specific issues facing the bureau, and goals and objectives set by bureau management. The section should also note the effects of eliminating any ongoing programs (e.g. the program currently has ongoing funding but is not included in the 90% base or the 10% add packages). Please use a sidehead (H5 Topic) to identify each issue, goal, or objective. If you are eliminating a program, please include a sidehead labeled “Eliminated Programs” with the appropriate narrative. Length ½-1 page.

## **Summary of Budget Decisions (Proposed and Adopted Budget documents only)**

Summarize funding and service decisions that have shaped your bureau's budget. Packages should be grouped by type (Reductions, Adds, etc.) or some other logical grouping using a sidehead. Individual packages should be identified with in-column headings (decision package title only). The narrative for each package should include a short description, \$ amount, and FTE.

In cases where a bureau has a significant number of packages (over 20 or so), the in-column headings can further group like packages within a sidehead group. Each in-column heading should have a lead-in paragraph that provides an overview of the packages, followed by bullet points for each individual package. Each bullet point should include the title, \$ amount, and FTE. Negative amounts for \$ and FTE should be identified using parenthesis.

There is no set length for this section due to variations in the number of decision packages by bureau.

## **Capital Summary**

- **CIP Highlights:** This section provides an overview by program of the bureau’s most significant projects, including a description and the total cost. It should also highlight the projects that have received prior commitment. This section should be concise because there will be opportunity to provide more information on the projects in other sections. Length ½-1 page.
- **Major Issues:** This section provides an overview of the major capital issues facing the bureau during the five-year CIP timeframe. Major issues addressed here may include budgetary, legislative, service delivery, environmental, or economic. Length ½-1 page.
- **Changes from Prior Year:** This section provides an overview of the major changes in programs and projects between the current CIP and the one for the upcoming budget. This information should include changes in total program and project costs as well as any major scheduling changes. Length ½-1 page.
- **Council Goals and Priorities:** This section describes how the bureau’s CIP addresses the Citywide and the Council-directed initiatives, goals, and objectives. Length ½-1 page.

- **Criteria:** This section provides an explanation of the methodology and criteria used by the bureau in selecting and ranking capital projects for inclusion in the CIP. In addition, the section describes the way in which established service standards have been used in developing the CIP and if the service standards have been adopted by Council. Length ½ page.

### Capital Planning & Budgeting

- **Capital Planning Process:** Briefly state the bureau’s internal process to prepare the CIP. Describe who is involved in constructing the CIP (engineers, financial staff, citizens, committees), coordination with other bureaus, and conjunction with citywide or other master plans. Length ½-1 page.
- **City Comprehensive Plan:** This section provides a description of how the capital programs and projects address the City’s Comprehensive Plan, including Community Plans, Neighborhood Plans, and the Public Facilities Plan. Length ½ page.
- **Financial Forecast Overview:** This section provides an overview of the financial plan and the analysis used in identifying and selecting projects. Please explain the methodology used to determine the net financial impact of projects included in this submission on overall City operations. For larger programs or projects with several service delivery options, bureaus should discuss the selected program or project option using benefit/cost or other types of financial or economic analysis techniques. Length ½-1 page.
- **Asset Management and Replacement Plans:** For capital projects in this submittal, estimate the annual funding needed for a sustainable level of maintenance, and what funding sources will be available for this purpose. Describe any asset management and replacement plans the bureau has developed of these projects. If the bureau does not have such plans, provide a statement concerning what is being done to develop schedules and estimate when they will be available. Length ½-1 page.
- **Public Facilities Plan Overview:** This section is optional. Only bureaus with Public Facilities Plans need to complete this section. This section shows the relationship between the recommended CIP and Public Facilities Plans (“PFPs”) adopted for the major capital systems. Issues which should be addressed are: How does this CIP implement the next five years of the PFPs? Have there been any system-wide changes to the manner in which the bureau addresses projects in the PFPs? Length ½-1 page.
- **Growth Management Issues:** This section is optional, and it highlights projects that meet needs generated by annexations or implementation of the 2040 Design Type Areas (centers, main streets, station communities, industrial areas). Length ½-1 page.

### Capital Programs and Projects

- **Capital Program Descriptions:** This section describes the capital programs used by the bureau. Information should be provided concerning the goals and objectives of the program, changes in program direction, notable opportunities or challenges, and programmatic costs. Length ½-1 page.
- **Funding Sources:** This section describes the funding sources for the capital projects included in the CIP. Discussion of a bureau’s ongoing and one-time resources, and any

notable changes in resources, should be included here. Please state any relevant assumptions. Length ½-1 page.

- **Major Projects:** This section describes the major projects found in the CIP. Information should be given on both the status of current year projects and projects within the five-year CIP window. Length ½-2 page.
- **Net Operating and Maintenance Costs:** This section explains the methodology used to determine additional O&M costs and/or savings generated by projects included in the CIP submission. Highlight the major projects for which there are significant net O&M costs or savings. In addition, estimate future impacts on revenue sources in both operating and capital programs, with specific regard to designated income streams for supporting capital and operating costs. Length ½-1 page.

### **Budget Notes (as appropriate)**

The City Budget Office writes budget notes for bureaus, as directed by City Council. Budget notes are recorded exactly as approved by Council and may not be edited by bureau staff.

### **Divisions (OMF Only)**

The Office of Management and Finance has micro-documents for each division section. The narrative should describe the purpose of the division and the services it provides. Length ½-1 page.

### **Programs**

Bureaus have a micro-document for each budgeted program. For consistency throughout the City's budget document, all programs should have sidehead labels for:

- Description – what service(s) the program provides
- Goals – what Citywide and bureau goals the program supports, including discussion about what the program is doing to achieve those goals
- Performance – what has been accomplished and/or is expected to be accomplished in the budget year: focus discussion on key performance measure results or targets, but other accomplishments may be discussed briefly; do not merely refer readers to the performance measures in the table.
- Changes to Services and Activities – discuss major changes to the program caused by decision packages, new direction from the Commissioner, significant changes in dollar amounts for subprograms within the program, etc.

Length ½ page. The program's FTEs, financials, and performance measures follow the narrative and will be automatically populated by PatternStream when the document is generated.

### **Fund Overview (volume 2)**

Describes the fund's purpose, including discussion of major revenue sources and expenses, and identifies the managing bureau. Because this information should not change from year to year, bureaus rarely need to edit this section. Length ½-1 page

**Changes from Prior Year (volume 2)**

Discuss significant financial changes such as increases or declines in revenue, adjustments to reserves, changes in fund size, etc. Length ½ page.

# Other Budget Requirements

## Five-Year Financial Plan and Fee Study

The City prepares Five-Year Financial Plans to guide City Council in adopting the City budget and to assist Council in ensuring the delivery of needed services through all types of economic cycles. A [list of the funds](#) required to submit a financial plan is located in the Comprehensive Financial Management Policies. Bureaus required to submit a Five-Year Financial Plan will submit a plan for FY 2014-18.

The financial plans will be based on the following principles:

- Financial plans are based on current service levels and funding sources, as well as anticipated changes to service levels and funding.
- If appropriate, the plans will identify additional resources needed to continue current service levels or identified service adjustments.
- Bureaus should use the same basic economic assumptions as the General Fund forecasts which will be distributed by the Budget Office.
- The plan should identify other assumptions used in the forecast and the associated risks. Examples of risks can include rates, legislation and legal rulings that affect City liability, pension systems or health benefit plans, as well as regional economic trends that affect City revenues.
- Revenue estimates will be prepared on a conservative basis to minimize the possibility that economic fluctuations could jeopardize ongoing service delivery during the year.
- Expenditure estimates will anticipate needs that are reasonable predictable.
- Enterprise and special revenue fund forecasts will identify any impact on rates.
- The forecasts will discuss how standards for debt service coverage and operating reserves are established and maintained.
- Fiduciary fund forecasts will identify the impact on tax rates.

## Fee Study

Comprehensive Financial Management Policy 2.06 states that all bureaus charging fees are required to complete fee studies base on cost-of-service principles every two years. The studies should identify:

- Where appropriate, whether the existing fee structure provides full cost recovery.
- The degree to which a service provides a general benefit in addition to the private benefit provided to a specific business, property or individual.
- The economic impact of new or expanded fees, especially in comparison with other governments within the metropolitan area.
- The true or comprehensive cost of providing a service, including the cost of fee collection and administration.
- The impact of imposing or increasing fees on economically at-risk populations and on businesses.

- The overall achievement of City goals.

According to the policy, charges for services that benefit specific users should recover full costs. To ensure that each service is achieving full cost recovery, the fee studies need to break down resources and requirements for each individual service.

For bureaus that are required to submit Five-Year Financial Plans, the fee study can be a component of that plan. A bureau that is not required to submit a financial plan should include the fee study as a separate document within the Requested Budget submittal.

## Organization Chart

The organization chart depicts the bureau's management and program structure. Bureau organization charts will be included in the published budget document. The charts should be produced in Visio.

For a consistent appearance of City bureau org charts in the published budget documents, each chart submittal shall contain the following as of the date of submission:

- Bureau name
- Bureau director name and title
- Division or major programs names, with subordinate program or subprogram names

The organization chart should be formatted as follows:

- Bureau name as the org chart title
- Director name and title enclosed in a box with shading
  - Divisions or major programs enclosed in a box with shading
    - Division programs or major subprograms without boxes

## Program Summary Template

### Completing the Template

The program summary template is required of all bureaus. The [template and detailed instructions](#) can be found on the CBO web site. Detailed instructions for completing the template are included as a separate tab within the template worksheet.

### Bureau Program Definition

Bureaus should continue to use the same set of programs that were identified in the prior year's budget process. There may be minor changes in the program structure, but the bulk of the programs should not change. Please keep in mind the following characteristics when identifying programs for the template:

- Programs are a set of activities and projects that seek to accomplish a common objective and can be tied to specific outputs/outcomes.
- Programs are something that bureaus will track over time (i.e., not a one-time expenditure).

- Programs should correspond with the bureau's SAP budget structure.
- Programs should be of manageable size and budget. Bureaus should evaluate whether large programs would be more useful for Council consideration if they were broken into smaller pieces.

### **Program Ranking Process**

As part of the program summary template, bureaus will be required to rank all of their programs and services on two scales, bureau priority and Budget Advisory Committee priority.

**Bureau Priority:** The first scale ranks each program and service against the bureau's priorities. This ranking is intended to provide Council with information as to which services and programs are central to the bureau's mission, and which might be considered peripheral or less important in completing the central mission of the bureau. Bureaus should take into account their bureau mission, goals, and values when completing this ranking. In addition, bureaus should consider City Charter as well as state and federal mandates. Bureaus should not consider a program or service's funding source when completing the bureau priority rankings. All services should be ranked on the same criteria whether they are General Fund supported, one-time funded, paid for through rates, or completely self-funded.

**BAC Priority:** The second scale ranks programs and services using feedback from the Budget Advisory Committee to reflect the priorities of the community. It is expected that the programs and services will be ranked in terms of overall utilization/popularity of the community. To assist the BAC in the ranking process, bureaus should use the information that they currently have available such as participation rates, customer feedback surveys, previous public surveys, and the Portland Plan.

### **Output and Efficiency Measures**

Output and/or efficiency measures are required for all programs listed on the program summary template. Output measures are distinct from performance measures in that they track the number of widgets produced (500 miles of road paved per year). Efficiency measures track the time or cost factors for each output (e.g. \$1 million per mile of road paved). Please contact your CBO analyst if you are having difficulties identifying output or efficiency measures for your programs.

### **Bureau Baseline Template**

The bureau baseline template is required of all bureaus. The [template and instructions](#) can be found on the CBO web site. Please note that the instructions for the template are contained in a separate document in the forms library. Most of the baseline template is self-explanatory, but please work with your CBO analyst if you have any specific questions on the requested information.

### **Budget Advisory Committee Report**

Every bureau is now required to submit a budget advisory committee report with its Requested Budget submittal. The report should include a summary of the recommendations of the committee and a committee roster that includes names and community affiliation (affiliations are needed only if the committee has reserved spots for specific community groups). Although not required, two or more BAC members also have the opportunity to jointly write a minority report. If completed, the report should be included with the Requested Budget submittal along with the majority report.

## **Customer Service Improvement Status Form**

In 2005, Bureau Innovation Project (BIP) #7 was charged with developing recommendations for improving customer service policies and procedures across all City bureaus. In adopting the BIP #7 recommendations, City Council endorsed an ongoing process of customer service improvement, beginning with clearly defining a culture of customer service, then ensuring employees have the tools to meet those expectations, then surveying customers to assess the effectiveness of improvement efforts.

The Customer Service Advisory Committee (CSAC) has prepared guidance and collected examples in the three priority areas of defining the culture of customer service, workforce development, and customer service surveying. That information can be found in the Customer Service Toolkit page of the [CSAC webpage](#).

During the FY 2007-08 budget process, the Mayor asked all bureaus to report on implementation of the BIP #7 recommendations. Each year going forward, the CSAC is requesting a status report on customer service efforts in the three priority areas. The intent is to gather information from bureaus on their activities during the current program year for an annual report to Council.

# Style Guide

The Budget Office adheres to the standards of *The Chicago Manual of Style*.

## Abbreviations

The general rule bureaus should follow when shortening terms to abbreviations and acronyms is to first consider the targeted reader of the information. If the reader is the public, bureaus should rely less upon abbreviations and acronyms. If the audience is internal to the City, more frequent use of abbreviations and acronyms would be appropriate. Regardless of the audience, the first instance of an abbreviation and acronym is preceded by the term spelled out, immediately followed by the acronym or abbreviation in parentheses.

Following is a list of the appropriate shortened titles to use in the budget document narrative, as well as other documents intended for the public:

| <b>Full Title</b>                       | <b>Shortened Title</b>      |
|---|-----------------------------|
| Bureau of Emergency Communications      | Emergency Communications    |
| Bureau of Environmental Services        | Environmental Services      |
| Bureau of Human Resources               | Human Resources             |
| Bureau of Development Services          | Development Services        |
| Bureau of Planning & Sustainability     | Planning and Sustainability |
| Fire & Police Disability & Retirement   | FPDR                        |
| Office for Community Technology         | Community Technology        |
| Office of Equity & Human Rights         | Equity & Human Rights       |
| Office of Government Relations          | Government Relations        |
| Office of Healthy Working Rivers        | Healthy Working Rivers      |
| Office of Management & Finance          | Management and Finance      |
| Office of Neighborhood Involvement      | Neighborhood Involvement    |
| Office of the City Attorney             | City Attorney               |
| Office of the City Auditor              | Auditor's Office            |
| Office of the Mayor                     | Mayor's Office              |
| Portland Development Commission         | PDC                         |
| Portland Bureau of Transportation       | Bureau of Transportation    |
| Portland Fire & Rescue                  | Fire Bureau                 |
| Portland Bureau of Emergency Management | Emergency Management        |
| Portland Housing Bureau                 | Housing Bureau              |
| Portland Parks and Recreation           | Parks Bureau                |
| Portland Police Bureau                  | Police Bureau               |

**Capitalization**

|                                     |  |
|-------------------------------------|--|
| sideheads and in-columns headings   | Initial caps for the first word and all significant subsequent words   |
| major object categories             | Do not capitalize major object categories (e.g. personnel services, materials and services, capital outlay, etc.).   |
| commitment items                    | Do not capitalize commitment items (e.g. beginning fund balance, out-of-town travel, overtime, etc.).  |
| Bureau v. bureau                    | Capitalize when in the name of a bureau (Bureau of Transportation). Do not capitalize when the word is used by itself.   |
| Central City v. central city        | Capitalize when it is referring to the specific geographic entity and when used as a title (e.g. Funding for capital projects was greater per capita in Central City). |
| City v. city                        | Capitalize when meaning the City of Portland government. Do not capitalize when meaning the Portland geographic area.  |
| Citywide v. citywide                | Capitalize when meaning throughout City government but do not capitalize when meaning throughout the Portland geographic area.   |
| Division v. division                | Capitalize when part of a title (Hydroelectric Division) but do not capitalize when the word is used by itself.  |
| email                               | not capitalized  |
| federal                             | not capitalized  |
| Fund v. fund                        | Capitalize when part of an official name (i.e. the Water Operating Fund) but do not capitalize by itself.  |
| General Fund                        | both words are capitalized   |
| General Fund Capital Set-Aside      | all words are capitalized  |
| General Fund Compensation Set-Aside | all words are capitalized  |
| General Fund discretionary          | discretionary is lowercase   |

|                       |  |
|-----------------------|--|
| General Fund overhead | overhead is lowercase  |
| Internet              | capitalized  |
| Office v. office      | Only capitalize when it is part of a formal title (e.g. Office of Healthy Working Rivers).     |
| Program v. program    | Capitalize when part of a formal title (e.g. Parks Teen Program). Do not capitalize otherwise. |
| seasons of the year   | Capitalize only when it is part of formal title (ie Fall BMP)                                  |
| State v. state        | same as City v. city   |

## Hyphenation

The general rule for hyphenation of terms is to use sparingly and only if doing so will aid readability. Use in cases when compound modifiers (adjectives) precede a noun and the hyphen will lend clarity (e.g. full-length, mass-produced). Refer to the dictionary for guidance about specific, commonly used hyphenated phrases.

|                        |   |
|------------------------|---|
| interagency            | not inter-agency  |
| interfund              | not inter-fund  |
| intrafund              | not intra-fund  |
| nonprofit, nonresident | not non-profit, non-resident  |
| online                 | not on-line   |
| website                | not web-site  |
| hyphenated adjectives  | Hyphenate adjectives only if both jointly modify a noun: long-term implications, for example. |

## Numbers

|                      |   |
|----------------------|---|
| 9-1-1, 4-1-1, 3-1-1  | These specific phone numbers are expressed with dashes between the numbers.   |
| expressing numbers   | Spell out one to ten, use digits for 11 and above.  |
| expressing thousands | When rounding dollar amounts between \$1,000 and \$1 million, they should be stated in increments of a million (e.g. \$0.1 million and not \$100,000). Do not round dollar amounts in decision package narrative. |

|                     |   |
|---------------------|---|
| expressing millions | Do not abbreviate million in narrative. \$1.2 million is correct, \$1.2m is not.                            |
| fractions           | Spell out fractions in narrative with a hyphen separating the two numerical elements (e.g. three-quarters). |
| rankings in a list  | Within a narrative, spell out it out (number one of twenty). In titles, use #1, #2, #3.                     |

## Other

|                   |  |
|-------------------|--|
| gender neutrality | chairperson not chairman or chairwoman (same applies for spokesperson) |
|-------------------|--|

## Punctuation

|                                    |  |
|------------------------------------|--|
| ampersands - &                     | Do not use in place of 'and' in narrative except when referring to a bureau title  |
| bulleted lists without punctuation | No punctuation is needed within lists that are a simple list of items.   |
| bulleted lists with periods        | Use a period at the end of list of items that are complete sentences. A vertical list is best introduced by a complete grammatical sentence, followed by a colon.  |
| bulleted lists with semicolons     | "In a vertical list that completes a sentence begun in an introductory element and that consists of phrases or sentences with internal punctuation, semicolons may be used between the items, and a period should follow the final item. Each item begins with a lowercase letter. |
| commas in a series                 | use a comma before "and"   |
| fiscal years                       | FY 2011-12 is correct. FY2011-12, FY 11-12, and FY 2011/12 are not correct.  |
| percentages in text                | Use the % sign in narrative, such as "bureaus were directed to make 4% reductions to their budgets." When stating numbers in percentages, they are expressed numerically.  |

slashes

Do not use slashes when “or” or “and” can otherwise be used (e.g. walking and biking paths should be used instead of walking/biking paths).

## Positions

FTE

examples of formatting are 2.0 FTE, 0.75 FTE, and 0.6 FTE

limited term position

not limited-term position

ongoing

not on-going

one-time

not one time or onetime or 1-time

part-time and full-time

hyphens are used

position titles

Capitalize actual position titles (Senior Financial Analyst is correct; senior financial analyst is not).

# Glossary of Terms

**Appropriation:** The legal authority to spend funds designated for a specific purpose. Appropriations are made at the intersection of business area (bureau) and fund.

**Beginning Balance:** Computed for each fund, this represents the net of actual resources less actual requirements in the previous fiscal year.

**Budget:** The financial, operating, and management plan for the City that establishes annual appropriations in accordance with State of Oregon Local Budget Law to fund the delivery of services.

**Budget Calendar:** The schedule of major events in the budget process.

**Budget Committee:** The City Council, sitting as a special committee under Local Budget Law to review and possibly modify the Mayor's Proposed Budget. The Budget Committee votes to approve a budget.

**Budget Message:** A written explanation of the budget and the City's financial plan and priorities presented to the Budget Committee (City Council) by the Mayor, a requirement of Local Budget Law.

**Budget Monitoring Process (BMP):** A report submitted by bureaus to the Budget Office three to four times each year. It is the primary means through which the Council is informed of the status of the budget and upon which determination is made on the appropriateness of budget adjustments.

**Budget Notes:** A listing of policy or programmatic issues that the Council has determined require further study, analyses, action, or other directive.

**Budget Phase:** A period of time during which a particular part of the budget is prepared. The following are the major phases of the City's budget process:

**Requested:** The requested appropriation of a bureau as submitted to the City Budget Office and the City Council.

**Mayor's Proposed:** The Mayor's recommended budget as presented to the Budget Committee.

**Approved:** The budget as approved by the Budget Committee and subsequently reviewed and certified by the Multnomah County Tax Supervising and Conservation Commission.

**Adopted:** The budget as passed by ordinance by City Council after certification by the Multnomah County Tax Supervising and Conservation Commission. It is the Adopted Budget from which the City begins operations in the new fiscal year.

**Revised:** The budget as amended by ordinances adopted by Council throughout the fiscal year.

**Budget Reporting and Analysis Support System (BRASS):** BRASS is the City's budget software.

**Budget Year:** A fiscal year that has not started yet and for which a budget is being prepared.

**Budget Advisory Committee (BAC):** A committee, specific to a particular bureau, consisting of citizens appointed by the Commissioner-in-Charge to advise the bureau on its budget requests and to make recommendations to Council.

**Bureau Expense:** A requirement of the programs or services provided by a bureau. Bureau expenses consist of personnel services, internal and external materials and services, and capital outlay.

**Bureau Goal:** A statement of purpose or policy for a bureau that describes the services provided to meet an identified community need.

**Business Area:** An organizational unit (typically a bureau or office) of financial accounting that represents a separate area of operations or responsibilities within an organization and to which value changes recorded in Financial Accounting can be allocated.

**Capital Asset:** A capital asset is a tangible or intangible asset having significant value that is used in operations and has an initial useful life that benefits more than a single CAFR reporting period. Capital assets include land, land improvements, buildings, infrastructure, leasehold improvements, equipment, and construction in progress. Asset capitalization thresholds have been established as follows:

- Land - none
- Buildings - none
- Improvements - \$10,000
- Infrastructure - \$10,000
- Leasehold Improvements - \$10,000
- Equipment - \$5,000

Definitions for each of these categories are:

- "Land" means real estate held for productive use. The cost of land shall include any ancillary charges necessary to ready the land for its intended use such as draining, filling, and grading. Land is not depreciated.
- "Buildings" mean relatively permanent structures used to house persons or property. Buildings may be purchased or constructed by the City. Major components may be capitalized separately. Also classified as buildings are fixtures that are permanently attached to and made part of buildings in such a manner that removal is not possible without damage to the building.
- "Improvements" mean an addition or change to a capital asset, other than maintenance and repairs, which extends its useful life and/or improves its efficiency, capacity, or usability. Improvements to land such as retaining walls, swimming pools, or picnic facilities that have identifiable useful lives shall be capitalized as improvements. Improvements to buildings shall be capitalized as buildings and improvements to equipment as equipment. Leasehold improvements are classified separately.

- "Infrastructure" means long-lived capital assets that are normally stationary and can be preserved for a significantly greater number of years than most capital assets. Examples are bridges, roads, street lighting, water mains, and sewer systems. Land associated with infrastructure should be reported as land rather than infrastructure. Buildings may be classified as infrastructure if they represent components of an infrastructure subsystem or network.
- "Leasehold Improvement" pertains to leased property for which ownership does not transfer to the lessee at the end of the lease and includes additions or changes to prepare leased assets for initial or continued use. Ownership of such improvements reverts to the lessor upon expiration of the lease.
- "Equipment" means property with a useful life greater than one year that does not lose its identity when removed from its location and is not changed materially or expended in use. Equipment does not include the cost of internally developed software. Also, "minor equipment" means tools and equipment with a unit cost of less than \$5,000. Minor equipment is expensed at acquisition and is not capitalized.

**Capital Budget:** The expenditures scheduled for the first year of the five-year capital improvement plan and included in the budget.

**Capital Equipment:** Machinery, vehicles, furniture, etc. with a unit cost of \$5,000 or more and an expected life of one year or more.

**Capital Improvement Plan (CIP):** A multi-year plan listing capital improvement projects, costs, and schedules for completion.

**Capital Outlay:** A major expenditure category that includes land, buildings, improvements, leasehold improvements, infrastructure, and capital equipment. See Capital Asset.

**City Budget Office (CBO):** The office responsible for developing and managing the City's budget process according to state Local Budget Law, nationally recommended practices, and City policy.

**City CPI Inflation:** A standard set of inflation percentages distributed by the Budget Office during the budget process. The percentages will be based upon the Portland-Salem Consumer Price Index (CPI) for urban wage earners and clerical workers and other standard measures of inflation and are to be used by all City agencies.

**Commitment Item:** The general classification of appropriation by type of requirement or resource.

**Contingency:** A commitment item established for the purpose of meeting unanticipated requirements within a fund. Formal Council action is required for transfers from contingency to other commitment items.

**Contract:** An agreement whereby the City and an individual, legal, or political entity, agree to do certain things. If the City is to provide service(s) for reimbursement, the bureau to provide the service(s) must indicate the appropriation necessary and identify the source and amount of funds to be received in its budget request. If the City is agreeing to purchase services or a capital asset, the

bureau requesting the purchase must have appropriation for the contract and identify the source of funds.

**Current Appropriation Level (CAL):** This is the extrapolation of a bureau's current budget to the budget year. The CAL is determined by taking a bureau's current revised budget, subtracting out one-time expenses, and applying City CPI inflation factors.

**Current Revised Budget:** A bureau's level of appropriation in the current year. The current revised budget is used as the starting point to begin calculation of a bureau's CAL.

**Decision Package:** A proposed change of discrete levels of service or funding. A decision package can propose new services, reduce current services, or adjust the way services or programs are funded. A decision package is required for each change from a bureau's CAL to its Requested Budget.

**Discretionary/Non-Discretionary Resources:** Discretionary resources (such as property tax revenues) may be allocated to various City services at the discretion of Council, as opposed to non-discretionary resources which, by policy or statute, support one service or activity (such as a grant, user fee, or other bureau specific revenue).

**Federal Financial Assistance:** Assistance provided by a federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriation to individuals. It includes awards received directly from federal agencies, or indirectly through other units of state and local governments.

**Financial Forecast (Plan):** A forecast of resources and requirements for a specific fund over a specific period of time. Generally, five-year forecasts are made for each of the City's major operating funds and are submitted to the Budget Office and to City Council. When approved, a fund's financial forecast becomes its financial plan and includes assumptions, risks, and discussion of variables that could affect future resources and requirements.

**Fiscal Year (FY):** The twelve-month period beginning July 1 and ending June 30 for which the annual budget of the City is proposed, approved, and adopted.

**FTE:** Full-time equivalent; the equivalent of one full-time position, including positions shared by multiple employees.

**Functional Area:** SAP term for budget program. The functional area provides information on the overall purposes or objectives for each transaction. Similar activities are grouped by functional area, based upon high-level objectives for providing major services or accomplishing regulatory responsibilities. Organizations may establish functional areas that are at a lower level than those reported in the budget document.

**Fund:** A fund is a separate and distinct fiscal/accounting object containing a complete self-balancing set of accounts used to monitor the use of the financial resources/cash of an organization, together with associated liabilities, residual equities, and related changes.

**Funded Program:** Funded programs can vary from simple activities to complex projects, and can cross fiscal years, funding sources, and organizational units. Funded programs enable you to record

budget, control postings, and monitor the performance of internal projects. Funded programs provide budget visibility for capital projects, interagency billings, and cash transfers.

**Fund Expense:** Fund expenses consist of contingency, debt retirement, interfund transfers, and unappropriated ending fund balance.

**Funds Center:** A clearly defined area of responsibility in Funds Management. The Funds Center is an organizational unit within a Financial Management area to which budget can be assigned.

**Grants:** A generic term that means financial assistance received from either state, federal, or foundation sources.

**Interagency Agreement (IA):** An agreement for provision and receipt of services between City bureaus. The IA establishes a mutually agreed upon budget amount for anticipated services to be provided and received. Interagency agreements are balanced using funded programs.

**Internal Services:** OMF divisions and bureaus which exist to provide services to other City bureaus. These services include: CityFleet, Printing & Distribution, Facilities Management, Risk Management (insurance and workers compensation), EBS Services, and Technology Services.

**Local Budget Law:** Oregon Revised Statutes, Chapter 294, which prescribes budgeting practices for municipalities within Oregon.

**Major Object Code:** A broad category of expenditures such as personnel services, external materials and services, internal materials and services, capital outlay, contingency, etc.

**Mission:** A statement of an organization's overall purpose.

**Objective:** A desired result of a group of related activities performed by a bureau in which the achievement satisfies part or all of a bureau goal.

**Office of Management and Finance (OMF):** The organizational unit that includes most of the City's central administrative functions. These include Business Operations, CityFleet, Facilities Services, Financial Services, Human Resources, Purchases, Revenue Bureau, Risk Management, and Technology Services.

**One-Time Appropriation:** Expenditures budgeted to support projects or services that will end during the time period encompassed by the current financial plan for a bureau's operating fund. After the project or service is completed, appropriation is removed and not considered part of normal operating or capital costs.

**One-Time Resources:** Resources budgeted from a funding source that will end during the time period encompassed by the current financial plan for a bureau's operating fund. One-time resources are used to support one-time appropriations.

**Ongoing Appropriation:** Expenditures budgeted to support projects or services that will continue beyond the time period encompassed by the current financial plan for a bureau's operating fund. Ongoing appropriations are supported by ongoing resources.

**Ongoing Resources:** Resources budgeted from a funding source that will continue beyond the time period encompassed by the current financial plan for a bureau's operating fund. Ongoing resources are used to support ongoing appropriations. Uncommitted ongoing resources may be used to support one-time appropriations.

**Oregon Revised Statutes (ORS):** The laws of the State of Oregon.

**Overhead:** An amount assessed, usually at the fund level, to support central administrative and other services.

**Performance Measure:** An indicator that measures the degree of accomplishment of an objective. The major types are as follows:

**Effectiveness Measure:** A qualitative and/or quantitative extent to which the performance of a series of related tasks achieve a desired result or outcome: the ratio of actual to planned accomplishment of a specific objective.

**Efficiency Measure:** The extent to which the process utilized by an organization to produce goods and/or services minimizes the use of resources. The ratio of a unit of goods and/or services produced to the amount of resources required to produce it.

**Workload Measure:** A quantity of work performed or demand for service.

**Program:** A set of related activities and services that is designed to achieve bureau-level goals and objectives and has a clear link to the City mission and one or more City goals. A program will generally have a set of performance measures uniquely associated with it that demonstrates progress toward goals. The budget for a program is displayed in the City's budget document and is the functional unit about which City Council makes financial decisions during the budget process. A bureau's total budget is divided across one or more program budgets.

**Project:** An activity or group of activities with discrete beginning and ending dates and specific accomplishments or end products. It may be operating or capital.

**Requirements:** The sum of all appropriated and unappropriated commitments in a fund. Total requirements must always equal total resources in a fund. Requirements include bureau expenses, contingencies, interfund cash transfers, debt retirement, and unappropriated ending fund balance.

**Reserves:** Resources set aside for unanticipated, emergency expenses, and downturns in the economy.

**Resources:** The sum of all anticipated receipts for a fund plus beginning balance. Total resources must always equal total requirements in a fund.

**Revenue:** Money received into a fund from outside the fund which, together with beginning fund balances, forms the fund resources for a given fiscal year.

**SAP:** The City's financial and human resource software system.

**Special Appropriation:** Funds appropriated and used for special projects, programs, fees, etc. that provide Citywide benefit and are not specific to any particular bureau's operating budget.

**Target:** Target represents a specific level of ongoing funding or appropriation allocated to a bureau based upon the revenue forecast for the fund that supports the bureau. In particular, General Fund bureaus are each given a target allocation for the budget year. The target could be equal to or less than a bureau's CAL. To get from its CAL to its target budget, a bureau must submit decision packages. Target also refers to a performance measure value for the budget year. In this usage, it represents the level of performance the bureau expects to achieve with available resources.

**Tax Supervising & Conservation Commission (TSCC):** The state-authorized body that reviews the budgets of all government entities within Multnomah County prior to adoption by their elected officials. TSCC certifies that the budget is in compliance with Local Budget Law.

# BRASS Technical Checklist

|  |
|--|
| <b>Use of General Fund Discretionary and Overhead</b>  |
| General Fund discretionary requests should use 487120 for one-time and 487110 for ongoing  |
| Do not use commitment items 487100 or 487200   |
| No requests for General Fund Overhead 487210   |
| Net Increases/Decreases to discretionary resources (487110 & 487120) can only be done in decision packages   |
| <b>Budgeting Resources and Requirements</b>  |
| Resources and requirements balance by fund, business area, and grant code  |
| Contingency should not be budgeted in debt redemption funds  |
| Make sure all entries - resources and requirements - do not have cents.  |
| Interagencies - all entries have a funded program starting with a '3','7', or capital project  |
| Interagencies - entries with a funded program starting with a '3' are in commitment items 651XXX or 641XXX   |
| Interagencies - please use the correct OMF internal service commitment items (smart coded by internal service fund)  |
| No commitment items outside of 65 or 64 series used with interagency or cash transfer funded programs  |
| No interagencies between the same business area and fund (OMF GF to OMF GF for example)  |
| Cash transfer - all entries have a funded program starting with a '1'  |
| Cash transfer - CIP funded programs are not allowed for cash transfers   |
| All interagencies and cash transfers balance at the funded program and commitment item level   |
| All entries in funds 217, 218, and 219 have grant codes associated with them   |
| All entries in funds 217, 218, and 219 have sponsored program information in the 'justify' column  |
| DP position tab - is the FTE represented as a %, no negative salaries, FTE and count negative for cuts, does the category code match the position designation (FT, LT, PT) |
| <b>Entering Data in Info Edit</b>  |
| CIP Funded Program Info Edit - name, type, geo code, and cip program are populated from SAP  |
| CIP Funded Program Info Edit - pub name, SAP objective, confidence level, project total, original cost, \$ for art, \$ for green, net O&M, and text 2 are populated        |
| CIP Funded Program Info Edit - Publish? flag set to 'Yes' if the project has budget in the budget year or out years  |
| CIP Funded Program Info Edit - New Project? Flag set to 'Yes' if the project was not published in the prior year's CIP   |
| Dec Package Info Edit - every record has a name, budget prog, priority, type, text 1 (desc), and text 2 (results)  |
| Dec Package Info Edit - priorities are distinct by type of package (can't have two #1 priority add packages)   |
| Dec Package Info Edit - report field set to 'Include' if package has dollars amounts loaded to it  |
| Performance Measures - contact your CBO analyst for changes to measure titles and types  |
| Performance Measures - every record has a datatype and program assigned if set to publish  |
| Performance Measures - graph title, unit of meas, and text 2 included if set to graph  |

# PatternStream Technical Checklist

|  |
|--|
| <b>Org Chart</b>   |
| Updated chart loaded to PatternStream  |
| Chart is accurate and fits on one page   |
| Chart follows format outlined in Other Budget Requirements section of manual                                     |
| <b>Narrative Review</b>  |
| Completed sections for Mission, Overview, Strategic Direction  |
| Budget Decisions section is formatted per the budget manual (section not required for Requested Budget)          |
| Capital bureaus have sections for Capital Summary, Capital Planning & Budgeting, and Capital Programs & Projects |
| Program sections have sideheads for Description, Goals, Performance, and Changes to Services and Activities      |
| Program name for narrative section matches program name from BRASS (included in Bureau Budget Summary page)      |
| A program section exists for every program that has appropriation in the budget                                  |
| <b>Program Section FTE, Financials, and Performance Measures</b>   |
| No negative amounts in subprogram detail for budget year (may have some in actuals)                              |
| Total expenditures for program = program expenses on Summary of Bureau Budget table                              |
| Performance measures have data in at least one column and are accurate for all years                             |
| Each performance measure is located beneath a performance measure type (workload, effective, etc.)               |
| Performance measure data type is correct (e.g. percent measure shows as 92% not .92)                             |
| <b>Performance Measure Graphs</b>  |
| Graphs have titles and explanatory narrative   |
| The Y-axis is labeled and the number range makes sense   |
| No missing data points   |
| <b>Summary of Bureau Budget Table</b>  |
| Total Requirements = Total Resources and matches BRASS   |
| Total Programs = Total Bureau Expenditures   |
| Lines with all zeros are suppressed  |
| Ending balance of prior year 2 = beginning balance of prior year 1   |
| <b>CIP Summary (if applicable)</b>   |
| Project amounts match BRASS (check to BRASS report C2. Projects by CIP Program)                                  |
| No negative amounts for an individual project  |
| <b>FTE Summary</b>   |
| All classes have a salary range  |
| No negative FTE or \$ amounts for a class  |
| No 0.00 FTE with \$ amounts  |
| Lines with all zeros for FTE and amounts should be suppressed  |
| Total FTE (FT, PT, and LT) = Total FTE in BRASS (check using SBFS report C3)                                     |

| <b>Fund Summary</b>  |
|--|
| Total Requirements = Total Resources and matches BRASS   |
| Ending balance of prior year 2 = beginning balance of prior year 1   |
| Every fund has an Overview section and Managing Agency identified  |
| Significant changes section should exist if there are significant changes to explain, if not, delete section and title |
| <b>Capital Project Detail</b>  |
| Project amounts match BRASS (check to BRASS report C2. Projects by CIP Program)  |
| No negative amounts for an individual project  |
| Every project has a Total Project Cost, Original Project Cost, Geographic Area, Confidence Level, and Objective        |
| New projects have been properly flagged as 'NEW'   |
| Net Operating and Maintenance Costs have been populated where applicable ('0' if nothing)                              |
| Prior and Revised budget columns are populated (except for new projects)   |
| The 5-year project total plus the Prior Years column should not exceed the total project cost field                    |
| Total project costs seem accurate given what is shown in prior years, revised budget, and 5-year plan                  |
| Every project has a project description  |
| Every project identifies the revenue source in the last line of the project description                                |
| Every project is listed under a capital program  |
| Projects titles are Proper Case (not all capitals)   |