

Analysis By: Yung Ouyang

OFFICE OF NEIGHBORHOOD INVOLVEMENT

All Funds Budget Summary	Adopted FY 2013-14	Request Base FY 2014-15	Decision Pkgs FY 2014-15	Request Total FY 2014-15	Percent Change
Resources					
Charges for Services	\$308,101	\$295,620	\$0	\$295,620	-4.1%
Intergovernmental Revenues	278,005	272,072	0	272,072	-2.1%
Interagency Revenue	17,346	17,861	0	17,861	3.0%
Miscellaneous Sources	597	0	0	0	-100.0%
General Fund Discretionary	6,503,435	6,149,647	2,377,876	8,527,523	31.1%
General Fund Overhead	220,631	361,398	0	361,398	63.8%
Total Resources	\$7,328,115	\$7,096,598	\$2,377,876	\$9,474,474	29.3%
Expenditures					
Personnel Services	\$3,536,177	\$3,592,048	\$413,724	\$4,005,772	13.3%
External Materials and Services	3,240,348	2,930,863	1,964,152	4,895,015	51.1%
Internal Materials and Services	551,590	573,687	0	573,687	4.0%
Total Requirements	\$7,328,115	\$7,096,598	\$2,377,876	\$9,474,474	29.3%
Total Bureau FTE	37.25	38.15	4.50	42.65	14.5%

Percent Change is the change from FY 2013-14 Adopted Budget to FY 2014-15 Total Requested Budget.

Key Issues

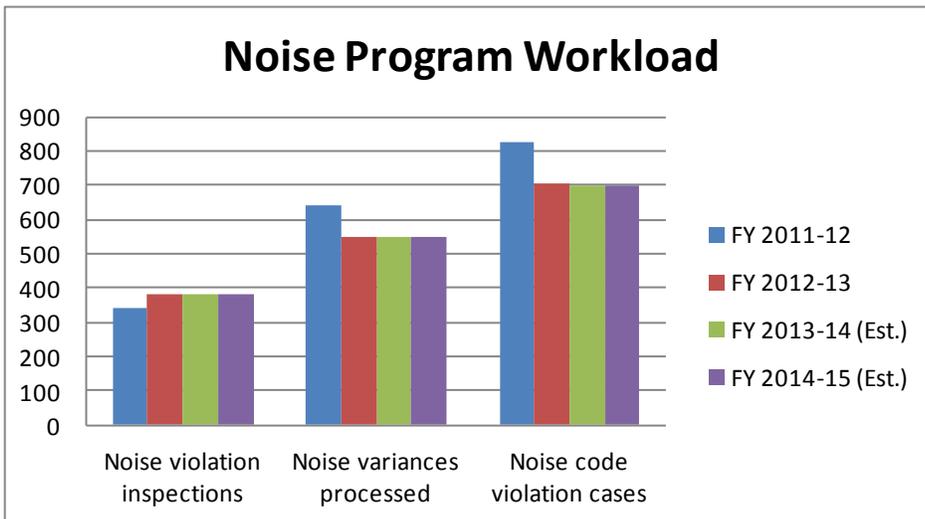
Noise Program

The transfer of the Noise program from the Bureau of Development Services (BDS) did not logistically occur until September. The Office of Neighborhood Involvement (ONI) experienced delays in getting the program fully staffed due to being required to use an outdated list to attempt to fill the Code Specialist II position. ONI plans to complete interviews and make an appointment in March, and it will then be at full capacity in time for the busier warm season. To determine the ongoing program needs and evaluate its plan for managing the workload, the bureau will need to work through at least one full busy season. Overall, CBO believes that ONI has been innovative and effective in its adoption of the program and recommends that the bureau report its evaluation to its Commission-in-Charge after one full year of operations.

The bureau made several significant changes that have greatly improved the program. One immediate change was a shift from a complex automated voicemail system to live answering of the complaint line a majority of the time. The new system allows callers the opportunity to more quickly get the information they need and for staff to triage questions and identify cases that need to be opened without requiring follow-up calls. The bureau has received positive feedback from the community on this improvement to customer service. ONI has increased the enforcement activity on cases, escalating to citations cases where there is lack of compliance from initial warnings and informal problem solving. This allows the bureau to

be more responsive to the complaints from the public and hopefully motivate more prompt resolution of noise issues. Within the first three months of the transfer, ONI issued 24 citations on violation cases, which is almost three times the number issued by BDS in all of FY 2012-13. The connection between the Liquor and Noise programs also allows ONI to prioritize enforcement on problem locations to coincide with and maximize other problem solving efforts.

The bureau has also made efforts to improve the timeliness of response to public inquiries and complaints. It managed to catch up on a backlog of approximately 300 online noise complaints carried over from BDS. Since the backlog has been addressed, the program can respond to questions and complaints as received, though the bureau suspects backlog cases may resurface during the busy season. Another primary change that the bureau anticipates will have a great impact is the dedicated inspection staff. Since BDS shared inspectors among all of their compliance programs, noise was not necessarily the area of expertise or interest of inspectors. The Noise Control Officer believes that having the dedicated inspection staff that is hired specifically for noise inspections will improve the quality and impact of inspections in the future.



Program administered by BDS in FY 2011-12 and FY 2012-13.

The overall workload is comparable to prior years with approximately 384 violation cases in the first half of the year (comparable to 345 during the same time period last year) and 240 noise variances processed (compared to 295 during the same time period last year). ONI has continued to borrow a small portion of BDS inspections staff time to perform noise inspections during the recruitment process, but it is eager to fill the position and improve its inspections capacity. The administrative processing has been significant and without other support staff to share the burden, there is concern about workload during the warmer months, particularly since liquor licensing workload also increases during that same timeframe. Similarly, as enforcement increases, so does the burden for oversight and conducting administrative reviews by management. Since the program was added to the already full workload of existing management, this poses another challenge.

Revenue collections are slightly lower than in previous years. The last two years of revenues showed about \$61,000 collected in the first half of the year, and ONI's actuals through AP 6 are about \$57,000. The bureau believes that BDS had over-projected the revenues in the FY 2013-14 budget and probably in prior years as well. In ONI's FY 2014-15 Requested budget, it reduced the revenue projection by approximately \$25,000 to more accurately reflect prior years' actual revenues. This impacts the bureau's ability to adequately staff administrative support as originally planned based on the FY 2013-14 Adopted Budget. Originally, ONI had planned to evaluate after a full season to determine whether the best use of funds would be to increase ongoing administrative support or to hire seasonal staff to manage the substantial increase in workload during the busier months. The reduction in budget will impact both potential options.

Liquor License Program Revenue Adequacy

Liquor licensing fees currently fund the positions working in the program, but in future years the program may require General Fund support. For some years, liquor revenues have been able to cover the direct costs of the program, as well as fund some administrative oversight. Revenues in the past four years have stabilized and are increasing by 2-3% annually. However, the costs of the program are likely to increase at a greater rate than that, and ONI does not have the authority to increase the fees that are set by Oregon state law. The fee levels for new liquor licenses, renewals, changes of ownership, and temporary sales have not increased in the last 14 years. With the annual increases to personnel costs likely outpacing the growth in liquor revenues, it is likely that the program will require more General Fund support in the future to maintain existing service levels.

Moreover, these revenues periodically face possible reductions due to administrative and legislative efforts by the liquor industry to change the license renewal schedule from annual to biennial renewals. If the cycle is extended to two years without a corresponding doubling of local renewal fees, which is not currently allowed by state law, ONI could face a significant reduction in revenues for the program. City lobbyists are aware of these issues and continue to work to ensure that this revenue stream is not significantly reduced.

East Portland Action Plan (EPAP) Budget Note

During the budget development process last year, a budget note was crafted directing ONI to work with EPAP staff to develop a plan to complete work associated with the plan and wrap-up uncompleted tasks. However, no time frame was provided in the budget note as to when the directive should be completed. It is not clear if any progress has been made on the budget note; when asked to report on progress, EPAP staff indicated that its intention is to continue with its charge. Council needs to decide whether funding for EPAP will continue into the future, in which case the program should be made ongoing, or phased out, in which case Council should set a firm timeline. There may be an opportunity for community members active with the plan to realign their involvement through other opportunities in East Portland. For example, the East Portland Neighborhood Office, a neighborhood coalition office that is ONI funded, is in the process of exploring a broadening of its key advisory committee, and EPAP members will be made aware of this opportunity for involvement if it occurs.

Decision Package Analysis & Recommendations

Civic Engagement Expansion, NI_01, \$365,000

This request, ranked the highest out of all of ONI's requests for additional ongoing General Fund resources, has three components:

- 1) \$175,000 to increase the capacity of the five Diversity and Civic Leadership (DCL) program partners,
- 2) \$175,000 to restore the Community Building Grants program to provide grants to neighborhood and community-based organizations, and
- 3) \$15,000 for materials and services support to the Multnomah Youth Commission.

DCL – Two of ONI's other requests pertain to this program: NI_03 contains a request for \$75,000 ongoing for similar purposes, while NI_07 is a one-time request for \$40,000 to evaluate the program and facilitate a dialogue with the community on the future direction of the program. CBO does not recommend any of the requests to expand the program because the City's general budgetary goal for FY 2014-15 is to stabilize what is already being funded and not to expand existing programs. However, CBO notes that the objectives of the DCL program do align with the City's efforts to achieve equity for under-represented populations. CBO recommends that ONI request the additional funding in future years when the City has funding for expansion purposes.

Community Building Grants – Prior to FY 2011-12, the program had been funded ongoing at more than \$200,000 each year, but in FY 2011-12, the program was made partially one-time although it was still funded at a level similar to prior years. In FY 2012-13, the ongoing component was eliminated, but the program did receive one-time funds of about \$94,000. Council ultimately eliminated all funding for the program in FY 2013-14. Similar to above, CBO does not recommend the reinstatement of the program in FY 2014-15 because the City is seeking to stabilize funding for existing programs.

Multnomah Youth Commission – As noted by the bureau, this program was transferred from the Mayor's Office, but ONI was only provided with one-time resources for materials and services and had to reallocate personnel to the program in FY 2013-14. As the City has deemed the program a priority for ONI to operate, the bureau should be provided with ongoing resources to continue to pay for the retreat, meeting, and other program expenses. The request is consistent with the Mayor's goal for a stabilization budget for FY 2014-15. However, CBO does not recommend the provision of \$15,000 ongoing for materials and services in FY 2014-15 due to the scarcity of discretionary resources. CBO recommends that the bureau reprioritize spending with existing resources if it believes those expenses to be essential.

CBO Recommendation: \$0

ONI Priority Restorations/Expansions, NI_02, \$200,000, 0.50 FTE

This second-highest ranked request for ongoing General Fund resources has eight parts, and CBO does not recommend the funding of any of them in FY 2014-15 because they involve either an expansion of an existing program or a restoration of previously eliminated funding. Notable issues are discussed below.

Emergency Preparedness – The development and provision of self-preparedness training to expand the Additional Needs Registry to include people with Limited English Proficiency (LEP) and non-English speakers are consistent with the Mayor’s FY 2014-15 budget priority to enable Portland residents to be better prepared for emergencies. The Additional Needs Registry is a voluntary program for those persons in Portland and Multnomah County who may need specific disability-related assistance and/or accommodations in the event of a major disaster. The provision of such services to disabled residents who are LEP or do not speak English at all is also consistent with the City’s equity goals. However, CBO does not recommend this expansion since the FY 2014-15 budget seeks to maintain current program levels.

Crime Prevention Overtime - The Crime Prevention program used to have a flex agreement with DCTU that allowed staff to adjust their schedules based on the workload needs, but the agreement was rescinded in 2007. ONI has managed the overtime (OT) budget in part by allowing comp time accrual for the demands of the overtime work. This results in a substantial amount of comp accrual which poses a liability for the bureau for potential unfunded cash payouts and also a substantial amount of accrued time off. The bureau is limited to a couple of solutions due to the schedule requirements in the current contract. Those in consideration include funding OT within the existing budget or changing to afternoon shift schedules, and the bureau believes that either option would require the laying off of 1.0 FTE in order to fund the overtime and/or shift differential and could also result in loss of staff due to the impact of a shift schedule change for staff that were hired into day shift jobs. ONI has advocated for an option that would reintroduce the option for flexing, combined with some changes to how staff schedules are managed. These options have all been under consideration as part of the current bargaining efforts. The option for flexing was included as a Letter of Agreement in the City’s final offer in DCTU negotiations. If adopted, it provides affected staff persons with the option for flexing throughout the work week but does not require it, and ONI would then manage the issue with scheduling. DCTU recently failed to ratify the contract, and the City is currently determining its next steps. CBO recommends waiting until there is a resolution to the bargaining before deciding whether to provide the \$25,000 to ONI for overtime.

Operations/Administration and Livability Programs (Liquor) – Two components of the request involve the Liquor Licensing program: \$45,000 to fund 0.5 FTE to provide administrative support for bureau-wide oversight as well as oversight for the Livability Division, and \$10,000 for limited seasonal staff to manage the processing of annual renewals for liquor licenses. Although CBO does not recommend funding for either of these in FY 2014-15 because there are no funds for expansion in a year of stabilization, it does note the following points. First, without the additional 0.5 FTE, the bureau has only three administrative positions, so that administration staff as a percentage of total bureau staff is 7.9% while administration budget as a percentage of total bureau budget is only 6.4%. Secondly, as the bureau has detailed in its Five Year Financial Plan and mentioned in the Key Issues section above, the costs of the liquor licensing program are likely to increase at a higher rate than the 2-3% annual increases in revenues, and ONI does not have the authority to increase the fees that are set by state law which have not increased in the last 14 years. With the annual increases to personnel costs likely to outpace the growth in revenues, the bureau believes that the program will require more General Fund support in the future.

CBO Recommendation: \$0

Restoration/Expansion of Other Critical Programs, NI_03, \$1,335,876, 3.00 FTE

CBO does not recommend funding in FY 2014-15 for any of the components of this package ranked third out of ONI's requests for additional ongoing General Fund resources because the components either involve an expansion of an existing program or a restoration of previously eliminated funding. Notable issues are discussed below.

Neighborhood District Coalitions - One of the components is a request for \$245,000 to increase staffing in the seven neighborhood coalitions (\$35,000 each) to convene the public on priority issues such as homelessness and disaster preparedness. Although the bureau has considered the Mayor's FY 2014-15 budget priorities in crafting this request, CBO nevertheless recommends against it because it is a significant expansion in a year that is primarily a stabilization year.

Crime Prevention – Although CBO has advocated that City Council pursue, with the appropriate authorities, the possibility of Crime Prevention staff obtaining the permission to access crime-related databases, it does not recommend the funding (\$100,000) of a Crime Analyst position next year because the additional position is an expansion, in a stabilization year, that does not support any of the Mayor's three budgetary priorities for FY 2014-15. As it has advocated in the past, CBO again recommends that the City evaluate the effectiveness of the Crime Prevention program, because effective crime prevention programs should be protected and strengthened and ideally would obviate the need to spend funds on more expensive enforcement programs and activities. CBO has advocated that the City pursue the possibility of existing Crime Prevention staff being granted permission to access the databases, but the bureau has noted the conflict between the requirement for background checks with union rules affecting most program staff. There may also be staff capacity questions as well, with the work burden of existing staff already high and staff persons therefore unable to do the analyses even if they are granted permission to access the databases.

In the write-up for NI_01 and NI_02 above, CBO has already discussed the issues pertaining to several of the other components in this request, including those pertaining to DCL, Operations/Administration, and the Livability sections. As mentioned in the write-up on NI_01, request NI_03 contains a request for an additional \$75,000 to increase the capacity of DCL partners. NI_03 also requests \$70,000 to staff an additional FTE in the Liquor Licensing program to support increased problem solving and an additional \$45,000 to bring the Operations/Administration request for a 0.5 FTE administrative position in NI_02 to a full FTE. Please consult the bureau's budget submission for a description of the other components of the request that are not mentioned here.

CBO Recommendation: \$0

East Portland Action Plan, NI_04, \$300,000, 1.00 FTE

The request to fund the East Portland Action Plan (EPAP) is ONI's highest priority request for one-time General Fund resources. Assuming the EPAP Committee allocates funding similar to prior years, the

\$300,000 request can be broadly broken down as follows: \$118,000 for salary and benefits for an advocate position, \$156,000 for community grants and municipal partnership projects, and \$26,000 for meeting and interpretation expenses. The EPAP has been funded one-time by the City since FY 2009-10, so FY 2014-15 would be the sixth year if Council decides to fund it again. As noted in the Key Issues section above, during the budget development process last year, a budget note was crafted directing ONI to work with EPAP staff to develop a plan to complete work associated with the plan and wrap-up uncompleted tasks, but no timeframe was provided as to when the directive should be completed.

Large disparities between East Portland and the rest of the city persist, and improvement of conditions in that part of the city will lessen the inequities and further the City's equity goals. Since EPAP's charge is "To provide leadership and guidance to public agencies and other entities on how to strategically address community-identified issues and allocate resources to improve livability in East Portland," it points to how it has worked with City, Multnomah County, Metro, and State government agencies' staff to track and facilitate progress on the specific action items of the plan. Those involved in EPAP have formed at least 15 committees, subcommittees, and other smaller bodies to work on issues pertaining to inequities in East Portland as compared to other parts of the city, from parks and open space issues to transportation. One success that EPAP advocates have pointed to is the role it played in the City's adoption of the East Portland In Motion strategy. CBO also notes that the aims of the plan align with the Mayor's FY 2014-15 budget priority pertaining to Complete Neighborhoods, as EPAP seeks to address the problem of a large percentage of East Portland residents unable to walk to a park or other amenity within 20 minutes, a percentage that is higher than in other parts of the city.

However, in light of the budget note and due to the scarcity of discretionary resources, CBO does not recommend that EPAP be funded one-time once again.

CBO Recommendation: \$0

ADA Transition Plan – Historic Kenton Firehouse, NI_05, \$100,000

ONI requests \$100,000 one-time for capital improvements to make the Kenton Firehouse ADA accessible and thereby comply with federal regulations. The figure is a rough estimate based on informal conversations the bureau had with architects, OMF-Facilities, and OMF's contractor that worked on the ADA Transition Plan. All involved have stated that ONI needs to hire an architect to determine the extent of construction required and the estimated costs. ONI notes that initial conversations have indicated that the highest priority work should be able to be completed for under \$100,000, and that is the source of the figure for the request. It is not clear how the historic nature of the property will impact the costs to complete the highest priority work – the main entryway to the property and the remodel of the kitchen to provide an accessible restroom. ONI has prioritized this project and will dedicate \$15,000 this year to hire an architect. The bureau hopes to have a better estimate of the cost and determine whether any of the work could be absorbed with current year funds to reduce the request.

The City has hundreds of properties that need capital improvements to make them ADA-compliant, and these have been prioritized into three tiers. While the Kenton Firehouse does belong to the tier of highest

priority (Tier 1), there are almost one hundred properties in this tier. And although OMF-Facilities plans to have its ADA Transition Plan fully completed by November 2014, there is no plan to further prioritize which City properties within each tier should receive General Fund resources to make them ADA-compliant before others do. Portland Fire & Rescue is another bureau that is requesting General Fund resources during the FY 2014-15 budget development process to make some of its properties fully ADA-accessible. CBO recommends that Council consider how to further prioritize which properties should receive General Fund for this purpose instead of granting resources based on which bureau asks first. During this budget development process, OMF-Facilities is requesting funding for a position that would facilitate this. Furthermore, CBO recommends that Council also clarify prioritization on spending scarce General Fund resources on capital improvements in the City's facilities in general. For example, should making buildings ADA-compliant be a higher priority than making them seismically safe?

CBO Recommendation: \$0

Noise Meter and Mapping Equipment, NI_06, \$37,000

As noted in the Key Issues section above, FY 2013-14 is the first year that ONI has taken over the Noise program, and this request is for one-time General Fund resources to purchase equipment that the bureau believes would enable it to double the capture of noise violations which it and the Police Bureau are currently unable to capture. CBO does not recommend the funding of the equipment because the request does not support any of the Mayor's three budgetary priorities for FY 2014-15, nor does it meet a critical need in a stabilization year for budgets.

CBO Recommendation: \$0

Review of Diversity and Civic Leadership (DCL) Program, NI_07, \$40,000

This request is for one-time resources to evaluate the DCL program's first seven years and develop a strategy for institutionalizing and expanding the program in the future. ONI has had contact from many community organizations serving historically under-engaged communities that have demonstrated interest in engaging with the program, but there is no current process identified or funding available. CBO has observed this first-hand during the bureau's Budget Advisory Committee meetings and notes that the objectives of the DCL program do align with the City's efforts to achieve equity for under-represented populations. However, as noted above, CBO does not recommend any of the requests to expand the program because the City's general budgetary goal for FY 2014-15 is to stabilize what is already being funded and not to expand any existing program. If it is ONI's priority to evaluate the program in FY 2014-15 and it needs financial resources to do so, CBO recommends that the bureau reallocate resources from other lower-priority programs to fund the evaluation and strategy development.

CBO Recommendation: \$0

City of Portland
 Decision Package Recommendations
 (Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
Office of Neighborhood Involvement											
<i>Key Priorities</i>											
NI_01 - Priority #1 - Civic Engagement Expansion	01	0.00	365,000	0	0	365,000	0.00	0	0	0	0
NI_04 - East Portland Action Plan Implementation	01	1.00	0	300,000	0	300,000	0.00	0	0	0	0
NI_02 - Priority #2-ONI Priority Restorations/Expansior	02	0.50	200,000	0	0	200,000	0.00	0	0	0	0
NI_03 - Restoration/Expansion of other critical program	03	3.00	1,335,876	0	0	1,335,876	0.00	0	0	0	0
NI_06 - Noise Meter and Mapping Equipment	03	0.00	0	37,000	0	37,000	0.00	0	0	0	0
NI_07 - Review of Diversity and Civic Leadership Prog	04	0.00	0	40,000	0	40,000	0.00	0	0	0	0
<i>Total Key Priorities</i>		<i>4.50</i>	<i>1,900,876</i>	<i>377,000</i>	<i>0</i>	<i>2,277,876</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Critical Needs</i>											
NI_05 - ADA Transition Plan - Historic Kenton Firehous	02	0.00	0	100,000	0	100,000	0.00	0	0	0	0
<i>Total Critical Needs</i>		<i>0.00</i>	<i>0</i>	<i>100,000</i>	<i>0</i>	<i>100,000</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Office of Neighborhood Involvement		4.50	1,900,876	477,000	0	2,377,876	0.00	0	0	0	0

