

**City of Portland
Bureau of Emergency
Communications**



**2013-14
Spring BuMP Submission**

Due Date: March 31, 2014



CITY OF PORTLAND
BUREAU OF EMERGENCY COMMUNICATIONS

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Date: March 31, 2014
To: Ryan Kinsella, CBO
From: Gary Bevans
Subject: Spring 1314 BuMP Submission from BOEC

The BOEC Spring BuMP submission, due to the CBO March 31, 2014, is focused on a combination of technical adjustments and operating funding actions.

The technical adjustment requests adjust:

- the beginning fund balance to the Consolidated Annual Financial Report.
- the budget by allocating the compensation set-aside fund salary and benefits costs.

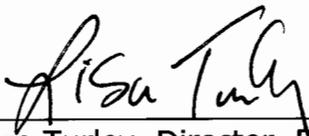
The operating funds actions:

- recognize that an operating surplus occurred for FY 1213 and this surplus is composed of a Portland share and a BOEC partner share.
- two requests pertain to Portland share; one returns the funding to the General Fund, one requests the funding be transferred back to BOEC.
- two requests pertain to the BOEC partner share; one adjusts the budget for refunds to the partners, one increases the revenue budget to BOEC by the same amount. The partners requested a refund of the surplus and to be invoiced for operating costs above the adopted budget level this year.

These requests for additional operating support are in response to discussions with BOEC and Commissioner Novick, regarding the continuation of overtime costs and recruitment/training costs, not funded in the adopted budget, but required to maintain BOEC performance levels.

Detail information about the specific budget amendment requests is available on the pages attached to this memo and in the Budget Amendment Request report in this submission package.

Approved, _____


Lisa Turley, Director, BOEC

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Attachment to FY 1314 Spring BMP cover memo, BOEC.

1- Appropriate funding to adjust the Beginning Fund Balance for FY 1314 to match the CAFR balance at June 30, 2013

This action adjusts the estimated beginning fund balance to match the CAFR reported balance at June 30, 2013. The adjustment is an increase of \$1,902 to the BOEC budget so that the total will match the CAFR (Consolidated Annual Financial Report) balance of \$2,482,969.

2- Appropriation of General Fund Compensation Set- Aside

In the FY 1314 budget, the General Fund portion of the cost related to increases in COLA or health benefits was not included in the BOEC budget but in a compensation set-aside account, which could be requested in the Spring BuMP. The BOEC partner share of these anticipated costs was included in the adopted budget, to ensure the partners were aware of the estimated total costs to them during the fiscal year.

The total cost was estimated at \$525,666; \$415,539 from the General Fund and \$110,127 from the BOEC partners during the budget process.

This action requests appropriation of the \$415,539 General Fund compensation set-aside account to the BOEC budget.

FY 1213 Portland Operating Surplus:

Each year BOEC reviews the actual operating revenues and actual operating expenses to identify any surplus to be refunded. This process occurs after the CAFR is finalized and published for the prior fiscal year.

For FY 1213, the total operating surplus was \$700,811. BOEC seeks approval to retain the Portland share (\$555,813) of the surplus. The funds will be used to cover increased overtime costs, the cost of operations trainees hired during the year and to provide needed fund balance for cash flow purposes.

Two separate steps are necessary to complete the action – (1) move the surplus to the General Fund and (2) reallocate the surplus back to BOEC. Council will need to approve both amendments for reallocation to BOEC. If Council decides to have the surplus returned to the General Fund without reallocation to BOEC, then only one of the requests needs approval by Council.

3- FY 1213 BOEC Operating Surplus to General Fund

Approval of this request moves the surplus to the general fund.

4- Retention of FY 1213 Portland Operating Surplus

Approval of this request allocates the surplus, from the general fund, back to the BOEC operating budget.

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FY 1213 Partner Operating Surplus:

There are two requests for this topic. Refund the Partner surplus share and to increase revenues in FY 1314 to equal the share amount. BOEC requests approval of both requests by Council.

5- Adjust User Partner Revenue to recognize FY 1213 amount to be Refunded to the BOEC Partners

The BOEC Partners requested that the refund amount for FY 1213 be refunded to them and any additional costs, above the adopted budget level, be invoiced to them during the fiscal year.

The total operating surplus of FY 1213 was \$700,811. The partner share of this refund amount is \$144,998.

This action adjusts the budget to reflect this refund from fund balance/contingency to the partner revenue line item to recognize the source for the refunds to the partners.

6- Increase Partner Revenue for Operating Expenses

This action recognizes the partner decision to be invoiced for increased operating costs this fiscal year, and increases the partner revenue line item.

The amount of the increase is equal to the refund amount of \$144,998.

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BUDGET AMENDMENT REQUEST

Bureau of Emergency Communications

PERIOD Spring BMP

FISCAL YEAR FY 2013-14

EC_006 - Adjust Beginning Fund Balance to CAFR

This request adjusts the beginning fund balance, estimated at the time of budget development, to the amount reported in the Comprehensive Annual Financial Report issued by the City Office of Management and Finance for the fiscal year ending June 30, 2013. The BOEC portion of the fund balance is \$2,482,969. This request adjusts the budget to this number. The CAFR is usually available in December and BOEC submits the adjustment in the next budget monitoring process.

Dollar Amount: \$1,902
Type: Technical Adjustment
Resources: Bureau Contingency

EC_007 - Request General Fund Compensation Set-Aside

This request asks for the General Fund Compensation Set-Aside funds be appropriated into the BOEC operating budget. The funds are needed for personnel costs identified during the budget process and expended during the year. In prior budget years the General Fund distribution to BOEC was included in the adopted budget General Fund support level to BOEC. For the FY 1314 budget, the CBO directed BOEC to remove the General Fund portion of these costs from the submitted budget as they were to be included as a compensation set-aside, which could be requested in the Spring Bump. FY 1314 is the first year that these funds were not included in the adopted budget, but set-aside. Portland pays about 80% of the BOEC operating costs, the regional partners pay about 20%. BOEC included the partner cost share amount related to the compensation set-aside costs, COLA and benefit increases, in the submitted/adopted budget.

Dollar Amount: \$415,539
Type: Compensation Set Aside Request
Resources: General Fund Discretionary

EC_008 - Retention of FY 1213 Portland Operating Surplus

Each year after the CAFR is available, BOEC reviews actual operating revenues and actual operating expenses for the prior year. At the request of the BOEC User Board, estimated year-end costs are invoiced on the high side to ensure that all costs are covered. This results in an operating surplus. This request is connected to request EC_010 and BOEC requests that Council approve BOEC to retain the FY 1213 Portland operating surplus to be used for FY 1314 expenditures above the adopted budget level and for contingency additions to support cash flow requirements. To approve the request Council needs to approve EC_011 as acceptance of the refund from BOEC fund balance/contingency to the General Fund; and approve this request EC_008 as a return of the funds from the General Fund to BOEC. Should the Council decide not to allow BOEC to retain these funds, approval of EC_011 would return the funds from BOEC to the General Fund, and non-approval of this request would not return the funds to BOEC. The BOEC partner portion of their refund amount is addressed in subsequent requests in this Spring Bump, the partners have requested a refund of the surplus and authorized BOEC to invoice up to the return amount for costs above the adopted budget in FY 1314. In FY 1213 total operating expenses were about 96.5% of operating revenues, the operating surplus was about 3.5%.

Dollar Amount: \$555,813
Type: New Request
Resources: General Fund Discretionary

BUDGET AMENDMENT REQUEST

Bureau of Emergency Communications

PERIOD Spring BMP

FISCAL YEAR FY 2013-14

EC_009 - BOEC Partner FY 1213 Operating Surplus Refund

In a recent User Board meeting, BOEC discussed the desire to retain the BOEC partner operating surplus for FY 1314 anticipated expenditures above the adopted budget level. The partners at the meeting requested that the operating surplus be refunded, and that any operating cost shares above the adopted budget level be invoiced to the partners during FY 1314. This request shifts the surplus from BOEC contingency to the partner revenue line item as a refund. This refund has been approved by the City Controller and the CAO, and has been processed by central accounting. This request adjusts the budget to reflect the refund.

Dollar Amount: (\$144,998)
Type: Technical Adjustment
Resources: Bureau Contingency

EC_010 - Increase Revenue from Partners

In connection to request EC_009, this request increases anticipated revenue from the partners equal to the refund amount. This action will increase the budgeted BOEC operating revenue by \$144,998 from the partner agencies for anticipated expenditures above the adopted budget level. This request plus request EC_008 (retention of Portland refund) combine to a percentage share of approximately 80/20 between Portland and our partners in accordance with the methodology for sharing operating costs.

Dollar Amount: \$144,998
Type: New Request
Resources: New Revenues

EC_011 - FY1213 BOEC Operating Surplus to General Fund

This description is similar and connected to EC_008. Each year after the CAFR is available, BOEC reviews actual operating revenues and actual operating expenses for the prior year. At the request of the BOEC User Board, estimated year-end costs are invoiced on the high side to ensure that all costs are covered. This results in an operating surplus. This request is connected to request EC_008 and BOEC which requests that Council approve BOEC to retain the FY 1213 Portland operating surplus to be used for FY 1314 expenditures above the adopted budget level and for contingency additions to support cash flow requirements. To approve the request Council needs to approve EC_011 as acceptance of the refund from BOEC fund balance/contingency to the General Fund; and approve EC_008 as a return of the funds from the General Fund to BOEC. Should the Council decide not to allow BOEC to retain these funds, approval of EC_011 would return the funds from BOEC to the General Fund, and non-approval of EC_008 would not return the funds to BOEC. The BOEC partner portion of their refund amount is addressed in subsequent requests in this Spring Bump, the partners have requested a refund of the surplus and authorized BOEC to invoice up to the return amount for costs above the adopted budget in FY 1314. In Fy 1213 total operating expenses were about 96.5% of operating revenues, the operating surplus was about 3.5%. This

Dollar Amount: \$0
Type: New Request
Resources: General Fund Discretionary

Fund Projection Report

	Spring BMP Revised Budget	FY 2013-14 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Emergency Communication Fund				
EXPENDITURES				
Personnel Services	\$14,830,269	\$9,144,146	\$14,330,845	97%
External Materials and Services	\$1,233,031	\$676,909	\$1,121,140	91%
Internal Materials and Services	\$3,751,313	\$2,406,774	\$3,730,377	99%
Bond Expenses	\$1,357,746	\$110,994	\$1,357,746	100%
Fund Transfers - Expense	\$1,512,484	\$598,663	\$1,512,484	100%
Contingency	\$1,591,615	\$0	\$0	0%
TOTAL EXPENDITURES	\$24,276,458	\$12,937,487	\$22,052,592	91%
REVENUES				
Budgeted Beginning Fund Balance	\$2,541,649	\$0	\$2,541,649	100%
Charges for Services	\$285,950	\$285,049	\$349,760	122%
Intergovernmental Revenues	\$7,098,830	\$3,818,950	\$7,098,830	100%
Fund Transfers - Revenue	\$14,300,029	\$8,883,851	\$14,300,029	100%
Miscellaneous	\$50,000	\$6,111	\$12,000	24%
TOTAL REVENUES	\$24,276,458	\$12,993,961	\$24,302,268	100%

Fund Projection Narrative

Fund 202 consists of fund balance, 9-1-1 operating budget, grant funded activity for BOEC, and some activity by the PSSRP to close out funds managed by them within the fund. BOEC expects operating costs to exceed the adopted budget funding level. Fund 202 year-end projections are based on the approval of funding requests within the submission. The FY 1314 Adopted Budget was approved at a level that provided insufficient funds to continue recruitment and training of new call taker/dispatcher employee trainees at the normal two academies per year process, hiring up to 20 trainees per year. The Adopted Budget also contained a funding level for operational overtime costs at a greatly reduced level in order to balance the budget. During the fiscal year, BOEC received support and direction from the Commissioner in Charge to continue operations at a level that continued the performance levels of recent years and increased costs above the Adopted Budget level, with the expectation that BOEC would request funding in the Spring Bump to bring the budget back into balance by the end of the fiscal year. Approval of the bump requests within this submission accomplishes that goal.

City of Portland
Bureau of Emergency Communications
Budget Monitoring Process
Spring 2013-14 BuMP

Current Year Budget Notes and Decision Package Update for FY 1314

Budget Notes

Rapid Response Vehicle Analysis and Use: Council directed Portland Fire and Rescue to work with Multnomah County Emergency Medical Services and the Bureau of Emergency Communications to develop additional or new triage protocols for medical incidents. In addition, the bureau (PFB) will regularly collect and analyze data on Rapid Response Vehicle usage, including what types of incidents are responded to and the savings achieved by responding with the units instead of engines or trucks. The bureau (PFB) will report back to Council by January 1, 2014.

In addition to developing new protocols so that Rapid Response Vehicle units can respond to a greater number of medical incidents, Council directs the Bureau of Emergency Communications and Portland Fire and Rescue to work with County partners to research additional or new dispatch protocols and reduce overall transport and emergency room costs, the City will then work with health providers and insurers to ensure that the City shares in those savings. Portland Fire and Rescue and the Bureau of Emergency Communications will work with the Commissioner(s)-in-Charge to identify an appropriate date to submit a written report to Council about this research.

BOEC update: The original RRV program implemented by PF&R was comprised of 2 units working dayshift hours and responding only to low priority call types. The program has now expanded to 4 units working 24/7 and 10 additional call types of higher priority. BOEC continues to support this program through both the CAD Coordinators Office and dispatch activities.

Decision Packages

Addition Packages:

The Adopted Budget for FY 2013-14 included operational add packages totaling \$1,273,865 for 18.0 FTEs.

Positions Restored:

- Dispatchers to run all four Police talkgroups 24/7, \$173,000, 4.0 FTEs
- Dispatchers to run both Fire talkgroups 24/7, \$104,000, 2.0 FTEs
- Call-takers, \$208,000, 4.0 FTEs
- Fire Tactical Resource Operators, \$116,000, 2.0 FTEs
- Dispatchers to run the Police Service Desk 24/7, \$297,000, 6.0 FTEs

BOEC update: The restored positions enabled BOEC to provide reliable service levels to the public and partner agencies. We continue to have fewer people in the training process than we like, but have not fallen further behind in our efforts to prepare for the retirement wave that we project will begin in 2017 or 2018.

Bridge Funding:

In addition, one-time bridge funding of \$109,490 was provided to avoid layoffs and allow for the positions to be removed through attrition as staff retire or terminate during the year.

BOEC update: The funding was crucial in allowing BOEC to ensure that newly hired staff maintained continuous employment and training in anticipation of normal attrition. Because the BOEC training process is as arduous, and predictable as it is, enough permanent positions did become vacant to seat these temporarily-funded positions.

Reduction Packages:

OMF Interagency Reductions: The Adopted Budget reflects a reduction of interagency costs of \$22,467 resulting from decision packages in the Office of Management and Finance. An adjustment to the bureau's ongoing General Fund discretionary target and partner revenues was made to balance to the decreased costs.

BOEC update: Most of the OMF Interagency Reductions were small enough and spread out enough to offer little impact to BOEC Operations. The exceptions to this were those reductions in heating and cooling to our facility and custodial support. Because of the design and construction at BOEC, office temperatures were at one point as low as 48 degrees (during the winter storm event). The need for full 7-day/week custodial support was quickly apparent and we are currently waiting for Procurement to complete the contract work authorizing our return to normal support.

PERS Savings: The Adopted Budget included a decrease of \$339,430 in PERS savings to reflect the expected reforms implemented by the State legislature.

BOEC update: OMF included the PERS projected savings in the Mayor's proposed budget and the adopted budget steps as reductions in the total funding requirements for the add packages and bridge funding. The initial budget adjustment was \$1,289,515 and was reduced by \$339,430 to \$950,085 which was included in the adopted budget. The total operating costs are shared between Portland and our partner agencies, about 80% Portland and 20% partners.

Impacts of Positions Not Restored: Four operations trainee positions were not restored for FY 2013-14. The loss reduces an operations floor staff that is already short.

Emergency Communications is adequately staff for 20 of the 84 two hour slots in each 24 hour day. The shortages are addressed by staffing with overtime. The FY 2013-14 Adopted Budget has minimal funds budgeted for overtime. Fewer positions and no provision for overtime will result in fewer call takers on duty and longer waiting times for 9-1-1 callers to connect with a 9-1-1 call taker.

The elimination of four positions from the Emergency Communications budget constrains the ability to recruit and train future 9-1-1 call takers and dispatchers. The bureau's goal has been to hire nine new trainees twice per year, each fall and spring, to begin a training process that may take 18 to 24 months to reach full certification as a dispatcher able to work independently on the operations floor. The goal has been to have new staff levels remain level. Historically, the bureau has averaged 12 vacancies each year and has used these vacant positions to hire trainees. The loss of four of these positions will result in only eight positions available for new hires for both academies. This will not provide enough trainees in the pipeline to cover normal attrition or the anticipated 25 vacancies due to retirements over the next five years.

BOEC update: Operating almost 20 positions below the staffing level recommended in a 2004 consultant's study, BOEC continues to provide reliable service to the public and responders. Being subject to additional staff cuts forces BOEC to rely more and more on the expenditure of overtime dollars to attain staffing levels for minimal service coverage. As we approach our retirement wave (3 or 4 years out) this problem will only be exacerbated. Since training requires up to 2 years for every successful candidate, only about half of our candidates are successful, the more we cut staffing levels, the further behind and more impactful the staffing crisis will be when it hits.