

Budget Advisory Committee

Meeting #1 Recap

Tuesday, December 8, 2015

4-6 p.m.

**DRAFT for BAC
review**

12/14/2015

1900 SW 4th Ave, Second Floor
Conference Room 2500A

Introductions

BAC members present

- Susan Anderson – BPS, Director
- Lisa Bates – Portland State University
- Gary Oxman – Planning and Sustainability Commission
- Heather Hoell – Venture Portland
- Linda Nettekoven – Hosford-Abernethy Neighborhood District
- Uma Krishnan – BPS (non-represented staff)
- Debbie Bischoff – BPS (COPPEA staff)

BAC members not able to be present

- Catherine Ciarlo – CH2M-Hill
- David Heslam – Earth Advantage

Staff present

- Michael Armstrong – BPS, Policy, Research & Operations Manager
- Jackie Dingfelder – Mayor's Office
- Julie Ocken – BPS, Director's Executive Assistant
- Jessica Kinard – Budget Analyst, City Budget Office
- Joe Zehnder – BPS, Chief Planner

Welcome and Background

Susan welcomed the group.

Jackie thanked the group for serving on this year's BAC. This is going to be the last budget Mayor Hales works on since he's not running for re-election. The Mayor sends his thanks to the BAC members for volunteering their time. BPS in particular is in the midst of many major projects that are expected to move forward in the year ahead. The future of Portland is being worked on in the Comp Plan, Climate Action Plan and housing work, so guidance from the BAC is essential to the budget and planning process.

Overview of Budget and BAC Process

Michael shared expectations for the BAC process. BPS seeks guidance about what we need to deliver on from a workplan perspective as well as about cuts and priorities that all bureaus are required to provide in our budget submission package.

City Council has budget work sessions scheduled for March, and there is often an opportunity at those meetings for BAC members to share their thoughts with Council.

Michael talked through the [background presentation](#)

Addressing key trends in Portland that inform BPS' work, including:

- Growth
- Demography
- Educational attainment
- Transportation modes
- Housing mix
- Housing affordability
- Persistent income disparities by race
- Population gain and increasing diversity
- Smaller households, older population
- Employment opportunities for people without college degrees
- Climate change
- City budget, fund sources, individual bureaus' portion of the overall budget. BPS is about 1 percent of the total City budget in terms of General Fund. BPS gets about \$8M in General Fund but also gets funding from sources such as the Solid Waste Management Fund and various grants.

[Mayor's budget guidance memo](#)

- The City budget is stable, but the mounting urgency of housing affordability and homelessness require additional resources.
- Bureaus that receive General Fund support (except the Housing Bureau) are being asked to identify 5 percent cuts to General Fund.

BPS Revenue and Expenditure Structure; Financial Condition

Susan shared information about BPS' budget over the past few years.

[Funding document](#)

City revenues are at an all-time high, but the Mayor is looking to reallocate some of these funds to priority housing initiatives.

About half of BPS' funding comes from General Fund, nearly all of which goes to planning programs. One-third of bureau revenues are from Solid Waste Management Fund (SWMF), which can't pay for planning programs. Other funds are from grants, contracts, intergovernmental agreements, and one-time General Fund.

Over the years, BPS has had as much as 30 percent of its budget from grants, which helped pay for overhead and rent. Since 2008-09, BPS has experienced a major reduction of one-time funds from \$3.9M to \$0.5M through last year. In 2009, BPS laid off 35 people. The bureau has been nimble and lean since then and has eliminated some management and administrative positions. We are doing a better job at doing outreach using communication tools and making partnerships. And staff are working really, really hard.

Last year was the first stable year for BPS in recent memory. In prior years, each year 8 to 14 staff were potentially vulnerable, and even though funding often came through, the prolonged uncertainty was extremely hard on staff.

For BPS the 5 percent General Fund reduction amounts to about \$400,000. In addition the one-time General Funds from FY15-16 also are done at the end of the fiscal year. BPS does have some grants and other fund sources we anticipate that can help cover some of this gap. We will put a number together for the next BAC meeting based on what we know to share the closer-to-realistic expected cut.

For the current 2015-16 budget, the Mayor established priorities that included housing affordability and healthy connected neighborhoods, which resulted in the extra one-time funding to BPS for the specific projects. For this year, the BAC may want to highlight the BPS work that aligns with the Mayor's housing objectives.

BPS Strategic Plan

[BPS Strategic Plan 2014-16](#)

When we look at BPS' work, we have four categories:

- Create big picture plans.
- Code and policy.
- Educating and motivating through voluntary actions.
- Research, demonstration and analysis.

In the past 5 years, we've spent lots of our time in the first category. Now we're getting to focus more on the other areas of work.

The last two pages of the document list BPS' 3-year key initiatives. The last page shows the "why of what we do and highlights the long-term goals we're aiming to achieve.

Discussion of BPS Programs and Projects

Michael and Joe walked through the [3-year workplan <<link>>](#).

This is a 3-year rolling workplan. What's embedded in the upcoming fiscal year is "life after Comp Plan," which is a major pivot from what has dominated the BPS planning work program for the past number of years.

Dark grey shows intensive work where lots of FTE and public process will be needed; hashed-filled cells show a lesser degree of work for BPS staff or a ramp-up/ramp-down period.

Next Steps

At the next meeting:

- BPS staff will come back with an initial guess at the net impact of the cuts will be based on continuing grants, ending revenues, etc.
- The BAC will discuss thematic priorities to inform BPS workplans for specific programs.
- Another key piece of the budget submission is an equity assessment. Staff will share the tool and get feedback on our initial thinking of how BPS will use it this year.
- Staff will describe one new decision package request.
- Staff will also bring last year's BAC letter to Council to show how those can look; they can elevate certain priorities.

The next BAC meeting is next Tuesday, December 15 at 8:30 a.m. in room 7A on the 7th floor of 1900 SW 4th Ave.