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OFFICE OF MANAGEMENT AND FINANCE

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					
Beginning Fund Balance	$150,942,504	$138,253,033	$0	$138,253,033	-8.4%
Taxes	22,052,566	22,059,000	0	22,059,000	0.0%
Licenses & Permits	6,625,407	6,609,424	0	6,609,424	-0.2%
Charges for Services	62,968,754	66,601,791	0	66,601,791	5.8%
Intergovernmental Revenues	10,803,139	10,313,355	806,268	11,119,623	2.9%
Interagency Revenue	130,346,048	134,000,087	542,868	134,542,955	3.2%
Fund Transfers - Revenue	11,443,120	7,808,272	558,435	8,366,707	-26.9%
Bond and Note Proceeds	33,699,704	174,135	0	174,135	-99.5%
Miscellaneous Sources	8,030,678	4,040,871	0	4,040,871	-49.7%
General Fund Discretionary	13,357,214	15,105,076	14,719	15,119,795	13.2%
General Fund Overhead	11,315,727	10,065,328	161,490	10,226,818	-9.6%
Total Resources	**$461,584,861**	**$415,030,372**	**$2,083,780**	**$417,114,152**	**-9.6%**
Expenditures					
Personnel Services	$72,053,062	$71,586,319	$1,575,173	$73,161,492	1.5%
External Materials and Services	153,336,722	165,373,778	454,395	165,828,173	8.1%
Internal Materials and Services	24,238,622	23,327,426	58,662	23,386,088	-3.5%
Capital Outlay	29,399,412	15,873,739	0	15,873,739	-46.0%
Debt Service	20,564,850	19,736,411	0	19,736,411	-4.0%
Fund Transfers - Expense	15,614,937	8,320,580	25,000	8,345,580	-46.6%
Contingency	146,377,256	110,812,119	(29,450)	110,782,669	-24.3%
Total Requirements	**$461,584,861**	**$415,030,372**	**$2,083,780**	**$417,114,152**	**-9.6%**
Total Bureau FTE	630.13	627.63	17.50	645.13	**2.4%**

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

Key Issues

This budget review offers analysis on the Office of Management and Finance (OMF) FY 2014-15 Requested Budget and highlights several issues that could impact OMF's ability to support the operational needs of other City bureaus. Topics examined in the Key Issues section of this review include:

- Revenue Bureau General Fund subsidization
- Citywide strategic direction for central services
- Citywide technology assessment
- Veterans Memorial Coliseum update
- Portland Building options
- Status on the Public Safety Systems Revitalization Projects
- The Affordable Care Act and impacts on City health insurance
- Law-enforcement liability insurance changes
- Printing & Distribution changes
- Administrative Process Review & other FY 2013-14 Adopted Budget requirements
- Internal Service Fund reserves and COLA impacts

Additionally, OMF submitted a total of nineteen decision packages, including eight realignments. Two Key Priority packages and nine Critical Need packages were also submitted. CBO recommends funding five of the eight realignment packages and the two critical needs packages funded by external revenues. Furthermore, CBO recommends the request for increased janitorial services ongoing and two requests on a one-time basis: Americans with Disabilities Act Transition Plan Project Manager and a Disaster Planning Analyst in the Bureau of Technology Services. With regards to these three packages, CBO recommends that OMF be allowed to increase interagency agreements to cover the costs for these services, but no new General Fund be appropriated to offset the increased costs to bureaus.

A discussion of all the requests can be found below in the Decision Package section of this review.

Revenue Bureau General Fund Subsidization

The Office of Management and Finance-Revenue Bureau collects business license and transient lodging taxes on behalf of Multnomah County. The bureau also administers several regulatory programs and collects pass-through revenues for other non-City organizations. A contribution from the respective revenue sources is necessary to cover Revenue Bureau program administration costs. However, reimbursements currently received do not cover the bureau's full cost to operate these programs. According to City Financial Management Policy (CFMP) 2.06, charges for services that benefit specific users should recover full costs. The City subsidy to administer these programs in FY 2014-15 totals approximately $948,501. The table below details the amount of subsidy by program.

Revenue Bureau Program	FY 2014-15 Estimated General Fund Subsidy
County Tax Collection	$637,559
Regulatory	$285,942
Fund Administration	$25,000
Total	$948,501

Each of the three programs has a unique cost recovery method and is governed by a different set of requirements. Details by program as are as follows:

Multnomah County Tax Collection

Multnomah County reimburses the City for tax collection services through an intergovernmental agreement (IGA). In FY 2013-14, the County agreed to a one-year increase of $200,000 to its annual payment, for a new total of $1.127 million. The City recently completed negotiations for a new five-year IGA with the County that retains the $200,000 increase and the escalation factor of 2.5% or CPI, whichever is greater. However, the tentative new agreement does not provide for incremental increases to eliminate the subsidy, which is currently projected at $637,559 in FY 2014-15. That subsidy is based on the following calculation:

Total FY 2013-14 Revenue Bureau Business License Tax Collection Budget % of Budget Attributable to the County*	4,413,430 40%
County Share to Recover Full Costs	1,765,372
Less IGA payment from the County	1,127,813
Total Subsidy	$637,559

*Based on the total % of taxes collected on behalf to the County

Additionally, the City has agreed to fund additional tax collection support costs through the newly created Innovation Fund. The Revenue Bureau is expected to receive $295,000 in one-time General Fund discretionary and 1.0 FTE in the FY 2013-14 Spring BMP. These resources can be carried over into FY 2014-15 if necessary. This new program will allow for the direct exchange of bureau taxpayer information with the U.S. Internal Revenue Service. Once implemented this program is likely to lead to a significant increase in compliance with all local taxes administered by the Revenue Bureau, including those collected on behalf of Multnomah County. An increase in compliance rates translates into increased revenues for both the City and the County. Despite being a potential beneficiary of increased tax revenues, the County declined to contribute funding to this effort. Multnomah County's refusal to participate in funding this program will only add to the level of City subsidy.

Lastly, it should be noted that the County toured the tax collections operations at the Revenue Bureau and acknowledged they would be unable to develop and administer a tax collection program for less than they currently pay the Revenue Bureau.

Regulatory Program

The Revenue Bureau regulates and enforces violations in a number of different regulatory program areas, with each retaining its own fine and fee structure. The table below details projected FY 2014-15 revenues and expenditures for each regulatory program area. Although the bureau has reported the program revenue information in past fee studies, this is the first time the bureau has provided the expenditure information by program area.

Program	FY 2014-15 Direct Program Expenditure Projections	FY 2014-15 Indirect Program Expenditure Projections	Total FY 2014-15 Projected Expenditures	Total FY 2014-15 Projected Revenues	FY 2014-15 Projected Program Deficit
Amusement Devices	28,952	3,611	32,563	40,275	7,712
Payday Lender	1,384	173	1,557	22,500	20,943
Pay & Park	72,387	9,028	81,415	33,000	(48,415)
Secondhand Dealers	39,331	4,767	44,098	45,100	1,002
Special Events	148,279	18,216	166,495	115,059	(51,436)
Social Games	43,528	4,736	48,264	11,500	(36,764)
Towing/PPI	247,606	27,416	275,022	303,662	28,640
Private for Hire	891,770	89,407	981,177	773,554	(207,623)
Total	**$ 1,473,237**	**$ 157,354**	**$ 1,630,591**	**$ 1,344,650**	**$ (285,941)**

*Figures as reported in OMF's FY 2014-15 Requested Budget - Fee Study.

Performance measures included in the OMF Requested Budget cite 100% cost recovery as a goal of the Regulatory Program. Although OMF intends to update this metric in the FY 2014-15 Mayor's Proposed Budget, based on these figures, it is projected that 18% of expenditures in the Regulatory Program will be subsidized by the General Fund in FY 2014-15. Over the course of the last several years, the bureau has made progress towards increasing the level of administrative cost recovery. Specifically, the bureau implemented revised administrative rules in the Special Events program area in an effort to achieve a greater level of cost recovery. Moreover, the bureau has moved forward with fee and penalty changes in the Private for Hire Transportation, Contract Towing, Private Property Impound Towing, and Second Hand Dealers programs. In the near future the bureau intends on making changes to the Pay and Park and Social Games programs. Changes in these programs are likely to assist with recovering a greater percentage of bureau administrative costs.

Despite having a goal of 100% cost recovery, the bureau contends that these programs provide a public benefit and should be afforded some level of subsidization under financial policy 2.06. Although financial policy provides some latitude on this matter, CFMP 2.06 goes on to state "All such services will be presumed to be 100 percent cost reimbursable unless the Chief Administrative Officer makes an exception."

Lastly, it appears in the table above that there may be cross-subsidization occurring, with some programs recovering too much and others, like the Private for Hire Program, recovering too little. The bureau contends this is not the case and that the Regulatory Program should be viewed as a single program, without distinction for the specific areas. They further note that it would be, "operationally impractical to track incremental staff time spent in each one of the regulated businesses separately, and it would provide no additional benefit to the City." Although tracking staff time may provide no additional benefit to the City, it may be necessary to ensure that one program's fees are not set at a higher level than necessary, in order to provide a level of transparency to impacted constituencies. CBO acknowledges that the bureau needs to retain some level of flexibility to address year-over-year fluctuations in workload and attempting exact cost recovery by business area would difficult. However, financial policy is clear that fee revenues should be spent on the benefiting program.

Fund Administration

The Revenue Bureau manages revenue collections and disbursements for three funds including the Convention and Tourism Fund, the Arts Education and Access Fund, and the Property Management License Fund. Administrative expenses are capped for both the Arts Education and Access Fund and the Property Management License Fund. At present, the amount of subsidy provided by the bureau to administer these funds is not clear. The bureau is working to develop these estimates and will provide this information in the coming weeks. At minimum, the subsidy to the Property Management License fund totals $25,000, which is necessary to cover General Fund Overhead costs. Moreover, the bureau stated "The current contracts with both entities state that not all the Bureau's costs for program administration are recovered." Contracts with Downtown Clean and Safe and the Lloyd Business Improvement District cap administrative expenses on this fund at 1.25% of billings. These contracts do not expire until FY 2016-

17. Unless the existing contracts are amended, this fund will continue to rely on General Fund resources for support.

Recommendations
CBO recommends the Revenue Bureau continue to seek full cost recovery in the highlighted program areas, or move forward with seeking formal exemptions. CBO acknowledges that the highlighted programs provide benefit to the public and the bureau should work closely with its stakeholders when making changes. CBO recommends that over the course of the next two years, the Revenue Bureau rework contracts, IGA's, and fee structures necessary to fully eliminate the General Fund subsidy currently provided by the City. The Revenue Bureau should also take steps to minimize cross subsidization in the Regulatory Program. The bureau should continue reporting this information in the fee study in order to track its progress.

Establish Citywide Strategic Direction for Central Services
The Office of Management and Finance is responsible for delivering a broad array of critical internal City services. Many of these services are considered administrative in nature including finance and accounting, human resources, facilities management, procurement, fleet management, and technology services. The centralized model for administrative service delivery was formalized in 2000 after an extensive administrative review process. This process ultimately led to the creation of the Office of Management and Finance, in its current form, and the position of Chief Administrative Officer. An organizational review is currently underway that seeks to evaluate this construct and develop restructuring recommendations that seek to improve service delivery, generate efficiencies, and maximize City resources.

Although it is appropriate to evaluate the current structure, the consolidation of City services has proved effective in certain areas, including standardization of service delivery and the streamlining of business processes. Other possible benefits of retaining this type of structure include the ability to provide a Citywide perspective on issues impacting multiple bureaus. This includes establishing priorities where competing interests exsist, especially in the form of investments in technology and facilities. CBO contends that this benefit has yet to be fully realized. OMF has long viewed customer service as its top priority, as is evidenced by its recently approved five year strategic plan, thus making priority setting difficult.

The recently completed Citywide Technology Assessment and the 2013 Citywide Assets Report both identify deficiencies in the area of Citywide planning and strategic direction setting. For example, the City currently has several high priority infrastructure projects that will need addressing in the near future including renovating the Portland Building, replacing end-of-life fuel stations, replacing the roof on City Hall, renovating Union Station, removing ADA identified barriers, and constructing a modern CityFleet Municipal Service Center. Moreover, in the current year, Council is considering retrofitting the Jerome Sears Building and adding a new fuel station in an effort to create a Westside Emergency Operations Center. All of these projects align with the Mayor's emergency preparedness priority, would draw on Facilities Services Division staff resources and, because of the cost, would likely require additional financing aside from any General Fund support the projects might receive. However, there is no current priority attached to these projects, making them all appear of equal value. Because OMF is the central body for managing Civic assets (including technology), they are the likely party to take lead on prioritizing these costly City projects and provide advice to Council.

Likewise, the City currently operates and maintains duplicate technology applications, with new technologies regularly being considered by City bureaus. Bureaus that have access to dedicated resources are able to more easily move forward with these projects, as opposed to General Fund bureaus that must compete for new funding regardless of the business case provided. Prioritizing technology projects will continue to gain importance as the City looks to technological solutions that will increase efficiencies and enhance service to the City's customers. Developing and instituting an enterprise-wide technology plan or project prioritization process would help the City achieve economies of scale in this area and allow BTS to better maximize the use of its own resources.

It should be noted that OMF is currently taking some steps to address this issue. The Bureau of Technology Services is responding to recommendations in the technology assessment by developing Communities of Interest (COI). BTS believes the COI's can help shape a citywide technology strategic vision, enable additional consolidation and collaboration among bureaus, ensure transparency, and prioritize technology projects with the greatest return on investment (ROI). The proposed COI's are in the areas of Public Safety, Legislative & Administrative, Community Development, Utilities, and Transportation & Parks. Other OMF efforts underway include the Bureau of Internal Business Services leading a multi-bureau effort to build an inventory of citywide properties and the Enterprise Business Solutions Unit developing a technology roadmap for the City's SAP system.

Recommendation

Regardless of the outcome of the organizational assessment, CBO recommends OMF work to strengthen its role in setting strategic direction for the City in its areas of expertise. This includes leading a process to prioritize facilities and technology investments Citywide and the development of both a facilities and technology master plans. Factors for determining priority should include risk, business case, urgency of need, and cost. These plans should align with OMF's recently approved five-year strategic plan and integrate input received from City bureaus.

EBS Funding Model

The Enterprise Business Solutions (EBS) Fund was established in FY2009-10 after the implementation of the SAP system. The EBS Fund is classified as an internal service fund, with service reimbursements from City bureaus its primary source of revenue. These reimbursements are based on an allocation model that uses an assortment of weighted metrics including number of FTE (25%), budget (50%), and number of SAP cost objects (including cost centers-10%, internal orders-10%, and Work Breakdown Structure elements-5%). The original metrics have been frozen using FY 2008-09 data sets; thus current year EBS interagency charges to bureaus area based on outdated information. Because of the year-to-year changes that occur during the budget process, using five-year old data to allocate costs is not a recommended practice. Comprehensive Financial Management Procedure 2.08.04 -Interagency Agreements states:

“Regardless of the particular methodology chosen, the objective of the rate setting process is a fair allocation of the provider’s direct and applicable indirect costs among all receivers of a service.”

OMF indicated in its FY 2014-15 Requested Budget submission that it plans to update the funding model and metrics in the coming year and use the new metrics to allocate costs to bureaus in FY 2015-16. It is likely that any revisions to the model will impact the allocations to bureaus and their respective funds. Even updating the existing metrics with current year data will likely change the funding split.

Recommendations

CBO recommends that OMF move forward with updating the model and metric data and follow the section of financial policy that relates to notifying rate payers of major changes in the rate setting methodology.

Veterans Memorial Coliseum Update

The Veteran’s Memorial Coliseum (VMC) is a rapidly aging facility that has suffered from a lack of investment in repairs and capital improvements. Negotiations between the City and several partners to complete a large scale renovation of the facility were completed in 2012, but never finalized, leaving the future of the VMC uncertain. In order to continue use of the facility, the City entered into an amended operating agreement with Portland Arena Management (PAM) in May 2013. This agreement increases the City’s annual financial obligation to $500,000 for repairs and capital improvements and mandates the City share VMC net operating losses (50/50) with PAM for up to $250,000 per year. This agreement has an initial two year term and includes extension options for up to 10 years. Increased Spectator Facilities Fund revenues will support the expanded financial commitment, including additional resources received from the Visitor Facility Intergovernmental Agreement (VFIGA) with Multnomah County and Metro. The VFIGA is expected to bring in an additional $500,000 (escalated by CPI) annually over the course of the next five years. Additionally, other facilities managed by the fund continue to secure new franchises which will further increase revenues.

Issues surrounding the facility will persist until decisions are made about the long term future of the VMC. Over the course of the prior five years, annual VMC repair costs have averaged approximately $525,000 not including large capital improvement projects. Although some large capital projects have been completed ($2.8 million in the last two years), many upgrades are needed in order to improve the condition of the facility above its current “poor” rating and extend its useful life. At this time, the only capital improvement project planned for the facility is replacement of the roof which is expected to occur in FY 2016-17 at a projected cost of $1.8 million. This is included in the Spectator Facilities Fund five-year forecast. The City continues to work with its partners – the Portland Development Commission, Portland Winterhawks, and Portland Arena Management – to determine the best course of action for the VMC. This includes evaluating a number of alternatives, including a “do-nothing” option. The City is also exploring a range of different financing options including the use of urban renewal resources, private partner contributions, and assuming new debt in the Spectator Facilities Fund. Although the fund was facing the potential of debt capacity issues in the prior year, as noted above, new sustainable revenue sources have been secured. Additional resources will be freed up in FY 2016-17 after a portion of the funds' current debt is paid off. A report to Council, detailing the options, is expected before the end of 2014.

Update on Administrative Process Review Budget Note and other FY 2013-14 Adopted Budget Requirements

The FY 2013-14 Adopted Budget included a budget note requesting OMF lead an Administrative Process Review project and identify General Fund ongoing savings totaling $400,000. Originally, these savings were to be reported to the City Budget Office in the FY 2013-14 Fall BMP monitoring process so the savings could be integrated into City bureau's Current Appropriation Level (CAL) targets. Due to the level of analysis required, OMF requested an extension on this project to the FY 2013-14 Spring BMP. OMF recently acknowledged the savings target included in the budget note is not attainable, and has briefed the Mayor and some Council offices. However, the bureau continues to work to find opportunities for efficiencies. If any ongoing General Fund savings are identified as a result of this effort, they will likely be captured by bureaus through decision packages identified at a later stage in the FY 2014-15 budget process. CBO notes that if OMF were to identify savings through this effort it would provide additional General Fund resources for Council allocation in future years.

Additionally, the FY 2013-14 Adopted Budget included one-time funding reductions for IRNE major maintenance ($332,078), Production Systems major maintenance ($112,295), and 800 MHz major maintenance (482,084). It also approved one-time funding to support the continuation of 24x7 Emergency Support ($287,193). It was anticipated that ongoing funding would be restored to these items and alternative cuts would be imposed in FY 2014-15. By consolidating sixteen separate systems into three systems, OMF was able to achieve significant savings. The newly generated savings in Corporate Software Support infrastructure allowed OMF to realign its resources and fully restore 24x7 support to emergency systems and partially restore major maintenance funding ($240,500). Because OMF was not able to identify any immediately actionable savings through the technology assessment and has plans to realize additional savings through various other efforts being undertaken by the bureau in the next 18-24 months, the bureau has decided to defer full restoration of major maintenance.

Recommendations

CBO recommends the bureau continue to explore other options to fully restore the remaining major maintenance reduction of $685,927. Based on recommendations detailed below in the Decision Package section of this review, the bureau should not count on savings generated from the mainframe to close this funding gap.

Internal Service Fund Reserves Underfunding of Technology Replacement

Internal service fund reserves have multiple components, including but not limited to: operating, replacement, and rate stabilization reserves. Although all funds have operating reserves, the classification of reserve types varies by fund. In terms of operating reserves, OMF sets its target at 5-10% of the funds' fixed cost operating budget. After several years of reductions, many internal service fund operating reserves are at the low end of the recommended range.

Fund	Actual Reserves June 30, 2011	Actual Reserves June 30, 2012	Actual Reserves June 30, 2013	June 2013 - Operating Reserve Target (10%)	Current Operating Reserves %
Technology Services Fund	4,610,157	2,321,262	2,395,268	4,480,965	5.3%
Printing and Distribution Fund	320,000	309,356	148,874	297,748	5.0%
CityFleet Fund	650,350	545,315	579,603	1,159,207	5.0%
EBS Fund	1,252,316	1,252,316	880,237	1,224,347	7.2%
Facilities Services Fund	1,516,194	1,391,780	1,396,509	2,200,000	6.3%
Insurance and Claims Fund	215,600	204,194	201,684	201,684	10.0%
Workers' Comp Fund	168,000	164,667	168,772	168,772	10.0%

As detailed in the table above, the Technology Services, Printing and Distribution, and CityFleet Funds currently maintain the minimum reserve level of 5%, while the EBS and Facilities Services Fund reserves are only slightly higher. This leaves these funds with very little flexibility to handle unanticipated expenses.

Likewise, many other reserves types have either been eliminated, as in the case of certain technology asset replacement funding, or reduced substantially over the last several years. Specifically, the Technology Services Fund no longer collects for the replacement of many public safety assets, including radio and other end user equipment. These contributions, which total over $1.1 million, were eliminated over the last two budget cycles. Best practice includes setting aside funding over the life of the asset to allow for timely replacement.

Additionally, the Facilities Services Fund only collects 1.2% of the replacement value to fund asset major maintenance; best practice recommends a 3% collection. A lack of funding in this area jeopardizes the bureaus ability to complete the projects necessary to properly maintain assets over their useful life. Worth noting is that even if collections for *major maintenance* were increased, no actual *replacement* funding is being set aside, leaving replacement projects to rely on debt financing or other dedicated funding sources. Similarly, CityFleet Fund does not collect for the future replacement of fuel tanks, of which five of the nine are currently past their useful life. All of these items represent financial risk to the City. Collections insufficient to cover major maintenance and asset replacement often lead to costly emergency replacements that require either large one-time payments from bureaus or an ongoing reliance on debt financing with debt service repayment funded out of bureau budgets.

Recommendations

In an effort to mitigate risk, CBO recommends OMF continue to work with its customers to restore major maintenance and technology asset replacement funding to the appropriate levels. This requires bureau decision packages in future year budget submissions funded by new resources, efficiencies, or internal realignments.

Citywide Technology Assessment Status Update

The Bureau of Technology Services (BTS) hired Sierra Systems in August 2013 to evaluate all bureau technologies - systems, architectures, hardware, software, and staffing, to improve operating efficiency and lower cost. This assessment included a Citywide evaluation of the IT governance structure, IT staff skills and proficiencies, and the state of the City's technology. Within BTS, Sierra Systems evaluated the bureau's state of technology, organizational structure, service delivery, business processes, budget and financial practices, and a baseline Capability Maturity Model Integration (CMMI). Sierra Systems proposed 60 recommendations, which BTS is currently grouping in to ten initiatives, and identifying potential costs, savings, and feasibility. Key recommendations include:

Citywide Technology Governance/ Citywide IT Investment & Spending
Sierra Systems found that while BTS plays a strong central authority on technology issues, bureaus with robust, internally generated resources can drive 'bureau-specific' solutions, as opposed to shared enterprise solutions. Bureaus want BTS to be proactive regarding technology infrastructure, by identifying leading-edge IT applications that could serve current or potential needs. In response BTS is proposing to create Communities of Interest in the area of Public Safety, Legislative & Administrative, Community Development, Utilities, and Transportation & Parks. BTS believes technology Communities of Interest can help shape a Citywide technology strategic vision, enable additional consolidation and collaboration among bureaus, ensure transparency, and prioritize technology projects with the greatest return on investment. It will be the COIs responsibility to prioritize major and Citywide expenditures, establish performance measurement metrics and goals, and ensure major technology expenditures are tied to business outcomes. COIs will allow the City to understand technology spending in a Citywide context, which CBO supports.

Data Center Hosting (Disaster Recovery/BTS Business Continuity)
The City's ability to recover data and continue technology operations in the aftermath of a natural or human made disaster is crucial. Currently, the necessary redundancies are not built into the network and data center infrastructure. Recommendations from Sierra Systems include switching to an external "hot-site" hosting option, applying a "tax" against project budgets to support Citywide disaster recovery, and adding a Technology Disaster Planning Analyst (Decision Package MF_03) to design, implement, and test an updated business continuity plan.

In 2008, Ciber, a business continuity consultancy, estimated having an adequate technology backup system would require one-time costs of $500,000, and on-going of $1.8 million. While BTS believes ongoing costs could be lower, additional investigation needs to be done to determine an estimate with higher confidence. It may be possible to reconfigure operations in a way to add disaster recovery capacity without significantly increasing cost.

Major Systems Consolidation
BTS and Sierra Systems believe there is a possibility of major savings from creating a citywide application consolidation plan to assess duplication and consolidate for efficiency. (Recently, BTS found savings through consolidation of the Corporate Software Support Infrastructure). Going forward, the COIs will work to promote common services, technologies, applications, and data to prevent unnecessary redundancy.

As BTS continues to refine and implement the innovations, actionable recommendations should be included in the next IT strategic plan. CBO supports prioritizing recommendations with on-going cost savings (or avoidance) with a high degree of feasibility.

Sierra Systems did not identify any actionable saving ideas for FY 2014-15, but BTS believes that several of the identified cost saving ideas will be implemented within the next 18-24 months. CBO supports using identified savings to address major maintenance projects that have been deferred. It is important for BTS to maintain and protect the City's technology infrastructure.

Sierra Systems identified three functional categories where the City is spending substantially less when compared to leading practices: 1.Business Continuity (disaster recovery) 2. Security, 3. Research and Development. According to Sierra Systems, the City's cumulative spending shortfall in these three functional categories is more than double the citywide total technology spending shortfall (as identified by industry leading practice). Recognizing that each municipality will have unique challenges that will influence its technology solutions, using industry standards as evaluation benchmarks is a common practice. The table below details spending shortfalls in these categories, as identified by Sierra Systems.

Major Leading Practice Shortfall by Function Category		
Functional Category	Recommended % of Tech Spending	Actual % of Tech Spending
Business Continuity	7.00%	0.02%
Security	8.00%	1.10%
Research and Development	6.00%	0.40%
Subtotal	21.00%	1.52%

Recommendations

CBO supports the creation of a consolidated view, reporting process, and dashboard of technology spending, which will allow the City to determine the total cost of technology as a benchmark, and allow more thorough analysis of spending by functionality Citywide. CBO supports the implementation of a Communities of Interest model that will foster considerations of the City's technology challenges and solutions at the enterprise level. BTS should prioritize implementing recommendations that will secure the City's technology systems, prepare the City to continue operations under challenging circumstances, and anticipate and integrate future technologies into City operations.

Portland Building Options Update

The Portland Building currently provides office space for 1,300 City employees, and is listed on the National Register of Historic Places as an early icon of postmodern architecture. Unfortunately the building's envelope developed numerous and chronic water infiltration problems almost immediately upon construction. The first study to examine the exterior envelope began only six years after building completion, and there have been at least nine major maintenance projects to address water infiltration. These attempts to fix the building's problems with relatively small projects have not succeeded. In March 2013, the City received its first comprehensive assessment of the building's existing envelope and general structural condition. This assessment was accompanied by repair and upgrade recommendations (see table below) and construction budget estimates.

Option 1: Retain and Renovate the Portland Building	
Benefits	• Major City asset preserved • Architecturally important building avoids demolition • Structural renovations to improve building's capacity to withstand and recover from a seismic event could be done concurrently • Improved workplace conditions for City employees • Integrating the City Office Space Plan into the renovation will produce savings by allowing tenant built-out on unoccupied floors
Downsides	• $95 million cost (annual debt service of approximately $8.05 million for 20 years) • Tenants would be moved to temporary facility
Option 2: Vacate Portland Building and Find/Build New Structure	
Benefits	• New building would be built-to-suit, including desired green technology and up to date seismic standards • Improved workplace conditions for City employees • Minimal maintenance costs for first 10-15 years • Would eliminate need to lease office space in non-City owned buildings
Downside	• Likelihood there is no market demand for Portland Building in current condition • Demolition of Portland Building would be subject to design review due to National Register status • $110-400 Million cost, dependent on location of building, new building specifications

The practice of attempting to "patch" the building's exterior does not provide a long term solution, as continued water infiltration gradually degrades the underlying structure of the building. The City must decide between performing major renovations or vacating the building and find alternative office space.

Facilities is currently evaluating options and will return with refined cost estimates. Until a decision is made, the City's Space Plan as it pertains to the Portland Building will be put on hold to minimize repetitive staff moves. For FY 2014-15 and 2015-16, Facilities is prioritizing fire, safety, health and environmental projects above other routine maintenance projects until a long-term solution is reached. Other planned projects that may warrant a delay include:

Projects	FY 2014-15 Requested Budget	Facilities Priorities
Carpet replacement for seven floors	$234,148	Low
Paint for seven floors	$78,049	Low
Wall protection for recycling bins in trash rooms	$97,562	Low
Lighting retrofit - LED option	$1,816,599	Medium
Total	$2,226,358	

If left unaddressed, continued water infiltration damage may at some point require environmental remediation efforts to protect the health and safety of employees.

Recommendations

The CBO recognizes the criticality of this issue and the need to find a solution in the near future. It is likely that the chosen solution will have long-lasting impacts, as this is essentially a 30-year decision. All options on the table should go through a rigorous vetting process to ensure the best possible outcome for the City over the long term. CBO recommends further investigation and development of several options for Council consideration. Each option should include an evaluation of risks, timeline to implement, potential roadblocks, the disruption to staff and City services, and anticipate future City facilities requirements. Additionally, Facilities should review the feasibility of sharing space with regional municipal governments, specifically Multnomah County.

Regardless of the chosen solution, any investment of City resources related to the Portland Building will need to be prioritized alongside other requests for funding including ADA barrier removal. Council will need to clarify its position as to whether making buildings ADA-compliant is a higher priority than making them seismically safe.

Public Safety Systems Revitalization Projects Status Update

Starting in FY 2014-15, Public Safety Revitalization Program (PSSRP) will manage the two remaining projects in its portfolio: Regional Justice Information Network (RegJIN) and the Public Safety Emergency Radio System Replacement Project (Radio). The third project, Fire Information Systems (FIS), is scheduled to transfer five completed modules to Portland Fire and Rescue (PF&R) towards the end of the current fiscal year (June 2014). The bureau will assume responsibility of the new application and the costs of any additional enhancements-including development of the remaining sixth module (Fires2000). This module was not able to be completed within existing PSSRP resources. At present, there is no projected cost increase to maintain the FIS application in its new environment. It will continue to be supported by three Bureau of Technology Services FTEs who are funded by an interagency agreement with PF&R. The January 2014 Quality Assurance (QA) Report rated the project as stable in the areas of schedule, scope, and budget.

Status on the two remaining projects and the project office are as follows:

Project	Implementation Date as Reported in FY 2012-13	Implementation Date as Reported in FY 2014-15	Projected Total Project Cost as Reported in FY 2013-14	Projected Total Project Cost as Reported in FY 2014-15	Year-Over-Year Cost Increases	Quality Assurance Rating
RegJIN	FY 2014-15	Either December 2014 or April 2015	$12,637,097 (high confidence)	$13,239,207 (optimal)	$602,110 (UASI Grant)	Stable
Radio	FY 2014-15	FY 2015-16	$45,269,510 (low confidence)	$45,490,510 (optimal)	$221,000	Stable

RegJIN

This project includes the replacement of the existing Portland Police Data System, a mainframe application. Negotiations with the selected application vendor were finalized and approved by Council in June 2013 with the vendor beginning work shortly thereafter. The bureau has made significant progress on several fronts, including finalization of language for the master intergovernmental agreement (IGA) between the City of Portland and its regional partners (system users). As of February, sixteen of the 40 IGA's had been formally executed. The remaining 24 IGA's are expected to be signed-off no later than June 2014. The project's implementation date has remained consistent after being moved from FY 2013-14 to sometime in FY 2014-15. The delays were driven by a Commissioner's request to revise and rerelease the Request for Proposal (RFP) to select the system vendor. There are two implementation dates, the first is December of 2014 and the second is in the spring of 2015 (April). The actual date will be determined by a go-no-go decision point that is expected to occur during the summer of 2014. The January 2014 Quality Assurance (QA) Report rated the project as stable in the areas of schedule, scope, and budget.

Estimated FY 2013-14 project-to-date actuals total $9.2 million, or 69% of the project's $13.2 million budget (high confidence estimate). It should be noted that the budget increased $602,110 from the prior year's Capital Improvement Plan summary. This increase results from the project receiving Urban Areas Security Initiative (UASI) grant funding to support the development of the Enterprise Services Bus and related interfaces. This funding must be fully expended by March 2014. This project is primarily supported by the General Fund. Any savings that remains in contingency after the program is completed should fall to balance in the General Fund or be approved by Council for use on other public safety projects.

At this time, sustainment plans are still being refined. Development of these plans was directed by an FY 2011-12 budget note. OMF has committed to providing post-implementation system maintenance estimates by March 2014. Once received, CBO will analyze the information and make recommendations if necessary.

Radio

This project includes the implementation of a digital public safety voice radio system. Negotiations with the project's primary vendor, Motorola, were finalized and approved by Council in October 2013. The vendor began work shortly thereafter in November of 2013. However, drafting the RFP took longer than projected and the project is slightly behind schedule. A final schedule will be available upon completion of the Detailed Design Review (DDR) deliverable which is expected in April 2014. The project team continues to deal with issues surrounding the placement of a critical communications tower, currently designed to reside on Walter's Hill in the City of Gresham. The project team is working with leadership at the City of Portland and the City of Gresham to resolve this issue. The projected implementation date has been moved from FY 2014-15 to sometime in FY 2015-16. The FY 2014-15 CIP does not detail a material increase in cost as a result of this delay. Current risks to the project include:

- delays in procuring subscriber units;

- resolution on the Walter's Hill site or comparable alternative site, which if not resolved in a timely manner could lead to project delays and jeopardize system design and functionality for all East County users.

Through FY 2013-14, project-to-date actuals are estimated at $22.8 million, or 50% of the project's $45.5 million budget (high confidence estimate). This project is primarily funded by General Obligation Bonds. The January 2014 Quality Assurance (QA) Report rated the project as stable in the areas of schedule, scope, and budget.

At this time, sustainment plans are still being refined. Development of these plans was directed by an FY 2011-12 budget note. OMF has committed to providing post-implementation system maintenance estimates after completion of the Detailed Design Review deliverable is complete in April 2014. Once received, CBO will analyze the information and make recommendations if necessary.

PSSRP-Project Office

As the PSSRP projects wind down, first with the implementation of RegJIN in FY 2014-15 and then altogether with the completion of Radio in FY 2015-16, Council will be faced with deciding what should come of the PSSRP Project Office and its $1.2 million ongoing General Fund discretionary appropriation.

In terms of project office financing, OMF's current five-year General Fund forecast details reductions to FY 2015-16 project office funding, with no appropriation provided to PSSRP in the remaining three years of the forecast. However, the City's official General Fund forecast has not accounted for a decline in PSSRP project office funding, and conversely provides for inflationary increases to the FY 2014-15 current appropriation level target of $1.2 million over the remaining four years of the forecast. Eliminating funding for this office once the projects are fully implemented, would "free-up" additional ongoing General Fund discretionary for the City to redistribute to other priority efforts.

However, there are additional considerations outside of the increased availability of General Fund discretionary that should be given to other potential uses of the highly experienced PSSRP project office. For example, technology needs are constantly changing for the City's public safety bureaus, and highly skilled project management staff, like those currently housed in the PSSRP project office, are a necessary component for successful implementations. There is also potential for PSSRP to coordinate with the Bureau of Technology Services' newly established Community of Interest on public safety. PSSRP staff could assist with long term information technology strategic planning efforts. Additionally, OMF cites other potential projects such as FirstNet Broadband, Next Generation 911, and a 311 call center as potential projects that would benefit from the public safety expertise of PSSRP.

Recommendations

In keeping with guidance from a FY 2011-12 budget note, CBO recommends that OMF immediately provide sustainment plans and maintenance estimates for the RegJIN and Radio projects to CBO, the impacted bureaus, and system users so they can begin planning for possible cost increases. Moreover, the CBO recommends that OMF begin working on options for retaining the expertise of staff in the PSSRP project office and report back in the 2015 Spring BMP, this may include integrating them into the BTS structure. In preparation for FY 2016-17 budget development, Council will need to consider the best use of project office funding over the course of the next year.

Affordable Care Act Impacts on City Core Health Insurance

The Affordable Care Act was signed in to law in March 2010, with the intention of expanding health insurance coverage and slowing healthcare inflation. While some provisions of the law were implemented immediately or within a few months of the law's enactment (e.g. extending dependent eligibility to the dependent's 26th birthday and prohibiting lifetime dollar limits on essential benefits) the law will not be fully implemented until January 1st, 2020, with major provisions affecting the City scheduled for 2014 and 2018.

Many of the changes required by the law will have little or no cost impacts on the City's self-insurance plan, CityCore, because many of the preventive services and other benefits now required were already in place. However, there are several provisions that require plan design changes, and potentially increase the cost of providing health insurance to City's employees and their families.

Beginning on July 1, 2014, the City's health plans are mandated to have out-of-pocket maximums that incorporate copayments, co-insurance, and deductibles. Starting on July 1, 2015, all pharmaceutical cost-sharing expenses will also be applied to the out-of-pocket maximum calculation. In order to meet these requirements, the Labor Management Benefits Committee (LMBC) is considering a range of options to bring the City's CityCore plan into compliance for FY 2014-15 without requiring additional plan redesigns in FY 2015-16. Incorporating these mandatory provisions would increase current CityCore rates by 3.8%. Increased costs can be mitigated through plan design changes, some of which are currently being considered by the LBMC. Other FY 2014-15 projected costs associated with the ACA include an estimated $540,403 in federal fees and $349,046 for the Oregon Reinsurance Assessment (formally the Oregon Medical Insurance Pool -OMIP). The Oregon Reinsurance Assessment Fee was scheduled to be eliminated in FY 2014-15 and replaced by the federal fee; however, the Oregon Legislature is currently considering legislation to extend this fee for another three years. If this is not approved, it will be removed from future rates.

In 2018, a 40% excise tax will be applied for healthcare premiums in excess of $10,200/$27,500 (single/families). At this time it has not been determined whether dental or vision coverage will be included in this limit. A decision will need to be made regarding how these benefits are elected (bundled vs. unbundled). The $10,200/$27,500 (single/families) covers all pre-tax health benefits including employee contributions to Federal Health Savings Accounts, and the employees share of the cost of the premium. As of 2014, the City's annual premiums for CityCore coverage total $7,200 for individuals, and $19,680 for families (not including Flexible Savings Accounts).

The City may be allowed to utilize a higher set of thresholds because of the high number of high risk (public safety and utility employees) and retirees on the City's plans, but the relevant rules will not be finalized for several years. The threshold points for the tax will increase annually (by the increase in the Consumer Price Index +1% in 2018 & 2019, and CPI thereafter), but as medical inflation has traditionally outpaced increases in the CPI, the City faces the possibility of finding an ever growing share of premiums eligible for the excise tax without additional plan changes.

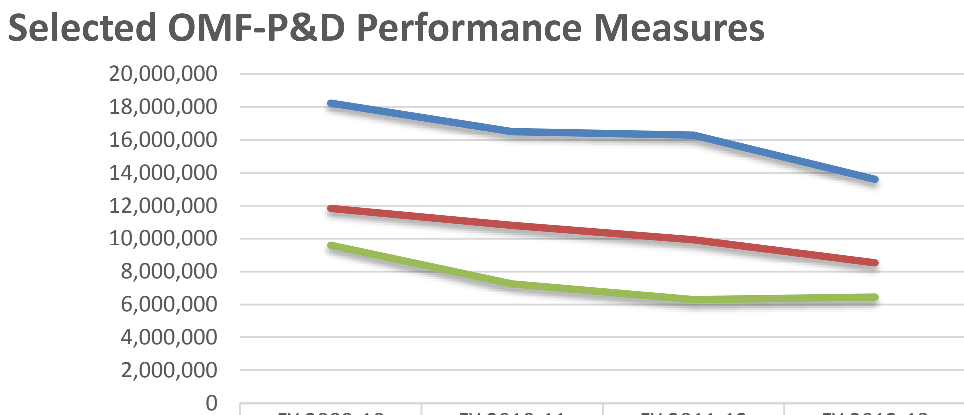
Risk - Law Enforcement Liability

Driven by the propensity of law enforcement liability claims to be among the more expensive that municipalities face, insurance companies are now rolling back the level of coverage provided. Beginning in November 2013, the City's self-insured retention for law enforcement liability increased to $2.5 million from $1.0 million, which remains the threshold for other City bureau claims. While this prevented a spike in the cost of premiums, it significantly increased the potential ceiling cost for future liabilities. Historically when large claims are settled, the Insurance & Claims Fund paid the first $1.0 million, and the City's excess carrier would pay the remainder. Going forward, the Insurance & Claims Fund will be responsible for the first $2.5 million of all settlements and judgments generated from law enforcement "wrongful acts". Recently the City settled two cases for incidents occurring before the effective date of the new cap involving the Portland Police Bureau for amounts greater than $1.0 million (one of which was greater than $2.5 million). Future large settlements could draw down on reserves.

Should settlements against the City for over $1.0 million increase in frequency, the City may be required by the market to purchase separate, additional, law enforcement liability insurance. Associated costs would likely be passed along to the Portland Police Bureau, increasing General Fund expenditures or requiring program cuts. Alternatively, the City could accept a higher self-insured retention threshold when the City's current policy expires in November. The City's actuarial consultants will integrate the new liability limits and actual claims payments into its analysis to develop revised reserve targets and claims estimates that may result in rate changes.

Printing and Distribution

As part of the Bureau of Internal Business Services, (BIBS), Printing & Distribution's (P&D) workload is determined by the willingness of City bureaus, as well as other external customers, to pay for reproduction and mailing services. As detailed in the table below, customer demand has decreased for certain services, thus requiring P&D to adjust its operational spending downward.



	FY 2009-10 Year-end Acutals	FY 2010-11 Year-end Actuals	FY 2011-12 Year-End Actuals	FY 2012-13 Year-End Actuals
MF_1001 - Total Number of in-bureau copies	18,230,000	16,500,000	16,300,000	13,600,000
MF_1003 - Total number of copy center sheets	11,840,000	10,800,000	9,940,000	8,540,000
MF_1004 -Total number of press impressions	9,600,000	7,250,000	6,300,000	6,440,000

In FY 2014-15, P&D will continue the transition to digital services as the needs of customer bureaus evolve. P&D plans to decrease floor space at its 1st and Jefferson facility by approximately 2,000 square feet no later than June 30, 2014. Traditional microfilm services will no longer be offered in-house, and there will be a reduction of 1.5 FTE in FY 2014-2015 to mitigate the continuing reduction of demand for services. Additionally, P&D is offering new services including archival, large format, and fiche digital scanning and reproduction. Increasing the number of regional municipalities and associated non-profits that contract with the City for printing services would also provide more revenue, as would printing utility bills at P&D. This would allow the City to harness additional economies of scale by lowering utility bill printing costs and increase P&D' s revenues.

CBO supports P&D's efforts to reduce the costs and find additional revenue sources and customers.

Internal Service Fund Rate Increase – COLA

The City of Portland recently received updated cost of living (COLA) information from the Bureau of Labor Statistics. The newly published COLA rate of 2.7% is higher than the 1.8% used to develop OMF internal service fund rates for FY 2014-15. Since the City's labor contracts use the CPI-W to determine cost-of-living increases, salaries for the vast majority of City employees, including employees funded by internal service funds, will increase automatically by 2.7% in FY 2014-15.

Options for dealing with this issue include: 1.) increase internal services fund rates for all bureau in the Mayors' Proposed Budget, or 2.) absorb OMF internal service fund rate increases within the FY 2014-15 requested rate budget. Option 1 would require City bureaus to absorb the interagency cost increases, which would likely have been built into the rates from the beginning if this inflationary factor had been know at the time. The table below details the impacts of the increased interagency agreements by fund. These increases would need to be allocated and absorbed by City bureaus under this option. Option 2 would require the internal services funds to absorb the costs increases by drawing on contingency or reducing expenses in other areas.

Fund	Impacts of Increased Interagency Agreement Costs - Absorbed by Receiving Bureaus Under Option 1*
General Fund	$142,529
Transportation Operating Fund	$56,130
Assessment Collection Fund	$2
Emergency Communication Fund	$16,002
Development Services Fund	$13,315
Convention and Tourism Fund	$14
Parks Local Option Levy Fund	$12
Children's Investment Fund	$120
BFRES Facilities GO Bond Construction Fund	$22
Local Improvement District Construction Fund	$426
Parks Capital Construction & Maintenance Fund	$170
Public Safety GO Bond	$36
Sewer System Operating Fund	$27,974
Hydroelectric Power Operating Fund	$141
Water Fund	$39,790
Golf Fund	$653
Portland International Raceway Fund	$268
Parking Facilities Fund	$1,089
Spectator Facilities Operating Fund	$399
Health Insurance Operating Fund	$686
Facilities Services Operating Fund	$4,496
CityFleet Operating Fund	$1,854
Printing & Distribution Services Operating Fund	$919
Insurance and Claims Operating Fund	$424
Workers Comp Self Insurance Operating Fund	$1,194
Technology Services Fund	$2,806
EBS Services Fund	$21,412
Fire & Police Disability & Retirement Fund	$840
OMF-Other	$448
Total	$334,171

*As reported by OMF

Recommendation

CBO does not recommend moving forward with Option 2, since many internal service fund operating reserves remain at low levels after years of reductions. Moreover, in prior years, the City has captured savings generated from lower than projected retirement (PERS) and salary (COLA) costs, thus lessening the ability for the funds to absorb this type of increase. Not allowing for a rate increase would compound the problem and lead to even higher rates in FY 2015-16.

Decision Package Analysis & Recommendations

Consolidated Multnomah County Fleet Services, MF_01, $756,268, 7.00 FTE
Bureau of Internal Business Services requests to recognize $756,268 in new intergovernmental revenues to support the transfer of 7.0 FTE necessary to assume the ongoing responsibility of Multnomah County's fleet operations. In November 2012, City Council authorized a pilot program for the maintenance and repair of a portion of Multnomah County's fleet. The County has now requested the City service the entirety of its fleet, including providing services to an extra 750 vehicles and pieces of equipment. This is a significant increase to the number of units currently being serviced by CityFleet.

In recent years, CityFleet has successfully implemented several IGA's, thereby allowing the bureau to spread the fixed cost of operations over a wider base, as well as negotiate less expensive parts and fuel agreements. Successfully implemented, this IGA would help keep CityFleet rates down. It would also increase flexibility and improve the ability of Multnomah County to efficiently deliver services. The implementation of this effort would reduce the CityFleet hourly billing rate approximately $1.50, from the current FY 2014-15 rate of $97.93. The City will also rent the County's John B. Yeon Facility at 1620 SE 190th Avenue at an estimated cost of $225,000. This will be covered by a projected increase in the total number of billable hours, which is accounted for in the revised rate of $96.43. This will allow vehicles and equipment to be serviced on the East Side without having to travel to CityFleet's current garage. Some City bureaus have expressed concern that their vehicles will be forced to travel across town to the Yeon Facility to be served.

Establishing a long-term operating agreement with the County would trigger Oregon Revised Statute section VII.F., The Transfer Statue. This statues requires the City to assume responsibility for seven staff currently supporting Multnomah County's fleet operations (four Vehicle and Equipment Mechanics, one Auto Body Restorer, and two Parts Acquisition Specialists). These FTEs will be entirely supported by the new revenues and, as noted above, will not increase charges to other City bureaus. It is important that the agreement between the City and County include a viable termination clause in case the City needs to withdraw.

CBO recommends this package and CityFleet negotiating an IGA that allows for more efficient expanded operations. Any agreement should seek to minimize long-term risks to the City. CBO further recommends City Fleet report back in FY 2014-15 Spring BMP on actual billable hours charged to Multnomah County compared to the forecast.

CBO Recommendation: $756,268, 7.00 FTE

Facilities Services – Project Manager, MF_05, $0, 1.00 FTE
OMF requests to convert a limited-term Facilities Project Manager to a permanent position in order to address growing backlog of facilities projects. This position will be funded from resources set aside by City bureaus and Facilities for project work. There are no impacts to rates charged to City bureaus as a result of adding this position.

Currently, the bureau has over 20 projects that are at various stages of development, with projects scheduled out through 2017. This decision package would maintain the current staffing structure of four project managers and one supervisor. If this position is not funded, projects will continue to experience delays.

CBO recommends funding this position since there is no impact on internal service fund rates charged to City bureaus.

CBO Recommendation: $0, 1.00 FTE

Janitorial Services, MF_07, $200,000
Facilities requests to partially restore janitorial services cut in prior budget cycles. This request was petitioned by several bureaus including the Bureau of Emergency Communications, Bureau of Development Services, and the Bureau of Environmental Services. Improving janitorial services would make City facilities more welcoming to the public and employees, as well as reducing the likelihood of bureaus seeking outside janitorial contract services, which limit the City's ability to leverage economies of scale to minimize cost.

CBO recognizes the disadvantages of reduced floor care, dusting, restroom maintenance and other janitorial services, and therefore recommends this package assuming there's support from the receiving bureaus. CBO recommends that OMF be allowed to increase interagency agreements to cover the costs for these services, but no new General Fund be appropriated to offset the increased costs to bureaus. CBO recommends that OMF distribute the monetary and service level impacts of this add package to bureaus projected to receive the service so those bureaus can advocate for or against these adjustments in the budget process.

CBO Recommendation: $200,000

BTS-Mitigate Impact of Enterprise Server Charges, MF_09, $533,435, 0 FTE, BHR-Senior Human Resources Analyst, MF_11, $0, 1.0 FTE, Revenue-Utility Franchise/License Fee Audit, MF_13, $0, .5 FTE, BHR-Workforce Development, MF-02, $0, 1.0 FTE, Enterprise Server Saving, MF_21, ($423,921), 0 FTE
Enterprise Server (mainframe) costs total $1.1 million in FY 2014-15, of which $830,000 are direct costs and $314,000 are attributable to indirect expenses. The direct costs include $443,000 for licensing, $307,000 for staff support, $70,000 for the storage area network (SAN), and $10,000 in miscellaneous expenses. BTS revised its FY 2014-15 metrics for allocating these interagency costs to more appropriately reflect the users of its mainframe services. The allocation update removes previous users of the IBIS and Water Billing System application (both applications are set to be removed from the mainframe by June 30,

2014) and transfers costs to the remaining two mainframe production systems –Portland Police Data System (PPDS) and the Lien Accounting System. The impacts of reallocating these costs are as follows:

Bureau	System	Removed From Allocation Model	FY 2014-15 Rate - Original Metrics	FY 2014-15 Rate - Revised Metrics	Net Change
Portland Water Bureau	Water Billing System	Yes	$77,595	$0	($77,595)
City Auditor's Office	Lien Accounting System	No	$22,203	$75,763	$53,560
Office of Management and Finance	IBIS	Yes	$423,931	$0	($423,931)
City Budget Office	IBIS	Yes	$31,909	$0	($31,909)
Portland Police Bureau	Portland Police Data System	No	$588,824	$1,068,699	$479,875
Total			**$1,144,462**	**$1,144,462**	**$0**

As detailed in the table above, several bureaus including the City Budget Office, the Portland Water Bureau, and multiple divisions within the Office of Management and Finance realized savings, where as costs increased considerably for the Portland Police Bureau and the City Auditor's Office.

Requests

This collection of packages responds to the shifts in cost. OMF requests $533,435 of one-time General Fund discretionary on behalf of the Portland Police Bureau and City Auditor's Office to cover increased Enterprise Server interagency costs. In addition, OMF requested to realign a portion of its mainframe savings to fund two positions in the Bureau of Human Resources and one halftime auditor position in the Revenue Bureau. The final package, entered by the City Budget Office, removes the total amount of ongoing Enterprise Server savings realized by OMF for redirection to the Portland Police Bureau on a one-time basis. OMF savings total $423,931 of which $233,410 is General Fund discretionary and the remaining is General Fund Overhead. Only the General Fund discretionary savings can be transferred to the Portland Police Bureau. Below is a detailed discussion of these packages.

The Portland Police Bureau has entered a package to cover total increases in cost related to this service.

Request to Cover Increased Costs

Both the Portland Police Bureau and City Auditor balanced to the increased costs in their FY 2014-15 Requested Budgets; however, not without impact. Impacts in the Police Bureau include limited training opportunities beyond the most basic, little flexibility to fund equipment or technology replacements, and an inability to fund analytical assistance for the DOJ agreement. Likewise, the City Auditor's Office, which funds this charge using Local Improvement District Fund revenues, had to reduce contingency to cover for the increased expense. Using contingency to fund this expense is not ideal. In order to recoup the costs in a single year the Auditor's Office would need to increase its monthly billings to customers by approximately $1.51, a 50% increase since the average monthly bill is $3.00 per month. If the increase were to be spread over three years it would amount to an average $.50 increase per month.

As such, OMF requests $533,435 of one-time General Fund discretionary to cover increased interagency costs in the Portland Police Bureau and the Office of the City Auditor. The one-time nature of this request assumes the mainframe will be decommissioned at the end of FY 2014-15 and that both the Lien Accounting System and PPDS will be moved to other production platforms. Projects to complete these efforts are underway with the Auditor's Office currently in the process of procuring a new software solution and PPDS set to be replaced by RegJIN. If for whatever reason one of these systems was not able to move off the mainframe by the end of FY 2014-15, the total costs would be allocated solely to that bureau.

Moreover, decommissioning the mainframe will eliminate all direct operating costs, including staff support, with the exception of the $70,000 in storage expenses described above. However, it should be noted, $314,000 of indirect expenses along with the storage costs will be reallocated over future rates, with the increased cost passed on to the users of other services.

Saving Realignments

Following Mayoral budget guidance, OMF chose to realign a portion ($314,779) of its Enterprise Server savings, to fund the following items which are listed in priority order:

1. **Senior Human Resources Analyst (regular-term), $125,779** – The bureau requests to restore a position cut in the FY 2013-14 budget process. This position would again be dedicated to the Diversity, Outreach, and Employment Resources program and would focus on recruitment related activities, including implementation of the new Veterans Preference requirements. Initially, OMF thought the impacts of this reduction could be mitigated and that recruitment services could be preserved by reconfiguring the unit and shifting some of the responsibilities to an Office Support Specialist II position. In combination with the new Veterans Preference requirements, the overall number of recruitments has increased along with the time it takes to open the recruitment (increasing from two/three weeks to five/six weeks) and process/evaluate the applications (increasing from two days to two weeks). In a recent survey City bureaus identified the timeliness of recruitments as an issue that needs addressing, as did members of the OMF Budget Advisory Committee.
2. **Training and Development Analyst (limited-term), $119,000**– This position would focus on establishing a citywide on-boarding process for use by both new and current city employees.
3. **Half-time Utility Franchise Revenue Auditor (limited-term), $70,000** – Responsibilities of this position include auditing entities that hold utility franchise or license fee agreements with the City of Portland. These audits are a necessary tool for ensuring compliance with the payment terms outlined in the agreements. Since 2009, 27 audits have been completed, generating recoveries totaling $375,000, or an average of $14,000 per audit.

These packages represent the highest priority requests in the bureau and were ranked at the top of the list for all decision packages. Performance improvements expected from these packages include a standardized orientation process for both new and existing City employees, shorter timeframes for completing and processing bureau recruitments, and increased utility franchise audit recoveries.

Recommendation
CBO acknowledges the importance of the requested realignments and the projected increase to performance; however, due to the limited availability of General Fund discretionary, CBO does not recommended funding these packages with Enterprise Server savings. CBO considered these packages eligible for new funding and evaluated them within the framework of a stabilization budget and the priorities outlined by the Mayor. The bureau has the option to explore other realignment opportunities if desired.

Moreover, CBO does not recommend appropriating new one-time General Fund discretionary to cover costs in the Police Bureau and City Auditor's Office. Instead CBO recommends the General Fund discretionary savings generated from updating the cost allocation model be removed ongoing from OMF and the City Budget Office and redirected one-time to the Portland Police Bureau. It is likely that the Portland Police Bureau which had increased costs of $479,875 will still require an additional General Fund discretionary appropriation of approximately $248,142 since the savings collected in OMF and CBO is only partially comprised of General Fund discretionary resources ($233,410). The remaining savings was comprised of General Fund Overhead and cannot be transferred to the Police Bureau.

Due to the limited availability of General Fund discretionary, CBO recommends the City Auditor's Office cover the increased costs using Local Improvement District Funds despite projected impacts to that resource.

CBO Recommendation: ($423,921), 0 FTE

BTS-Technology Disaster Planning Analyst, MF_03, $136,801, 1.0 FTE
The Citywide Technology Assessment identified disaster planning as an area of sufficient under spending. This is emblematic of the fact that the City does not have a well formed business continuity plan that could be set in motion in the event of a catastrophe. Not having such a plan presents a major risk to the City. As such, the bureau requests $136,801 to support the hiring of one regular-term Principal Information Systems Analyst to assist with developing and maintaining a citywide information technology business continuity plan. This package aligns with the Mayor's Emergency Management and Preparedness Priority and is ranked first among similarly classified packages.

The City delivers a number of mission critical services, including public safety and finance, through the use of information technology applications. It is very likely the City would not be able operate these applications in the event of a disaster, since many of these systems have "limited to no ability to survive". This position will work with the appropriate stakeholders and system owners to develop and annually test a business continuity plan.

Additionally, they will likely participate in developing a Request for Proposal, seeking hosted data center services with built-in disaster recovery protections like a "hot site" location that could be activated in the event of an emergency. In observance of best practices, there is some level of redundancy built into the current system, with the main data center located on the third floor of the Portland Building and back-up sites in two locations across the City. However, having back-ups in such close proximately to one another is not ideal since a localized natural disaster would likely impact all three locations. This request does not include funding for technology back-up systems that would be available in the event of a disaster. It is worth noting that due to federal rules, the Police IT systems would not be eligible to move to a hosted data center. Any plan will need to address the public safety systems separately.

CBO recommends this package one-time and that OMF be allowed to increase interagency agreements for one-year to cover the costs of these services. However, CBO recommends that no new General Fund be appropriated to offset the increased costs to bureaus. It is vitally important that the City have a plan in place, detailing how the City will operate its information technology systems in the event of a disaster. CBO recognizes that developing and maintaining a disaster recovery plan may require ongoing resources and the bureau is advised to report back on its progress in the next budget cycle.

CBO Recommendation: $136,801, 1.0 FTE

BTS-Police IT Information Systems Supervisor, MF_04, $0, 0 FTE
The Bureau of Technology Services is requesting to realign one Information System Supervisor position from the BTS Project Management Office to the Police IT Division. Transferring this position to Police IT restores one of the two positions cut in this unit in the FY 2013-14 Adopted Budget, increasing staffing levels from 14 FTE to 15 FTE. This position will assist with the RegJIN implementation and focus on several other high priority public safety technology initiatives such as, Mobile Report Entry Project, patrol car video, and the Mobile Data Computer replacement project. It will also provide ongoing support to systems already in production.

There are impacts associated with reducing staffing in the PMO from 7 FTE down to 6 FTE. The services of the office remain in high demand and the bureau has many of its own critical technology projects underway. Skilled project managers are a critical component to the success of these large technology initiatives. Additionally, the group has undergone significant staffing changes in the last year and currently has three vacancies. It is likely that City bureaus who require the use of PMO resources will need to rely on contracted services, leading to a reduction in BTS billable hours.

The workload in Police IT continues to increase and this position will play a vital role in supporting the RegJIN project implementation. Moreover, the Portland Police Bureau supports the transfer of this position and has realigned its resources where possible to fund it. CBO recommends this realignment proceed as requested.

CBO Recommendation: $0, 0 FTE

BIBS—Facilities Services – Maintenance Technician, MF_06, $0, 1.0 FTE
Bureau of Internal Business Services is requesting to realign funding to support the addition of one Maintenance Technician position in Facilities Services. Facilities current service level rental rates include a larger square footage rental base due to several new facilities coming on-line (i.e. Police Training Center and Emergency Coordination Center), allowing for increased revenues. This position is funded by transferring these additional rental revenues from EM&S to personnel services to support the cost of the

new position. The request also includes a one-time contingency draw of $36,000 to support the purchase of a vehicle for use by the technician.

Adding this position will bring the number of Facilities Maintenance Technicians to 15 FTE, the first staffing increase in this classification since 1995 when there were far fewer facilities to manage. As such, it will decrease the number of square feet maintained by each FTE from 287,429 to 268,267, which is more in-line with the industry standard of 100,000 sq. ft. Response times are also expected to improve.

In keeping with budget guidance to realign resources wherever possible, CBO recommends this alignment move forward as requested.

CBO Recommendation: $0, 1.0 FTE

BTS-Network Security Analyst, MF_10, $116,381, 1.0 FTE

The Bureau of Technology Services requests $116,381 to fund one Information Systems Technical Analyst V to support network security operations. Due to a reorganization currently in progress, this position would be located in the Communications Network Team. It would be responsible for managing the City's Virtual Private Network, access and maintenance of Web Gateways, and Payment Card Industry Compliance (PCI) among other duties. The bureau ranked this package third out of nine critical needs packages.

BTS recently completed a Citywide Technology Assessment that specifically highlighted a deficiency in IT security spend. Although this request would not completely address this issue, it is a step in the right direction. Network security for organizations like the City of Portland is of critical importance. Recent examples of IT security breaches can be found in the news on a daily basis, impacting entities like Target. The City of Portland handles highly sensitive information and processes more than eight million transactions a year. Since the City is rated a Level 1 merchant, it could face fines ranging from $5,000-$100,000 per month if found to be out of compliance with the payment card industry standards. The City uses an outside vendor to assist with its compliance.

CBO acknowledges the importance of cyber security and the daily security risks associated with maintaining a large information technology operation like that at the City of Portland. However, being that this is a stabilization budget and there are limited resources available, CBO does not recommend new funding for this package. If this is a critical bureau need, BTS should look to internal realignments to support this position.

CBO Recommendation: $0, 0 FTE

BHR- Citywide Non-Rep Class/Compensation Study, MF_12, $300,000

The Bureau of Human Resources requests $300,000 of General Fund discretionary to support the acquisition of contracted professional services to assist with completing a citywide non-represented classification and compensation study. This effort is likely to take 18 to 24 months to complete and will be led by the City's Classification and Compensation Manager. OMF considers this to be a critical need and has ranked it second among like packages.

Best practice recommends conducting a classification and compensation study every two to three years; however, the City has not performed this type of review in over a decade. This has resulted in an out-of-date classification and compensation structure that does not properly describe or compensate for the work of non-represented employees. It has also created issues of pay equity, a difficulty in retaining certain classifications of highly skilled employees, and a lack of span of control guidelines for supervisory positions. A Council led budget subcommittee recently performed a preliminary citywide span of control assessment that identified the outdated classification and compensation structure as a primary reason for the low spans of control relationships that exist within City bureaus.

Implementing the findings for this type of study is likely to result in financial impacts, including the possibility of ongoing increases to employee salary costs. The study should yield organizational benefits over the long-term, including a significant reduction in the overall number of position classifications.

CBO acknowledges the importance of this type of effort and the negative impacts associated with continued delays. However, based on the limited availability of General Fund discretionary, CBO does not recommend funding this package. If Council were to support a carryover policy in FY 2014-15, CBO recommends OMF seek to fund this effort internally. If however, this solution is not pursued, CBO recognizes it will be difficult to fund the professional services support necessary to conduct this study in a timely fashion. Regardless, the Bureau of Human Resources should move forward with completing components of the study that can be performed using in-house staff and look for OMF-wide realignment opportunities to fund the necessary contractor support.

CBO Recommendation: $0

MHRC Special Appropriation, MF_14, ($288,791)

The Mt. Hood Cable Regulatory Commission (MHCRC) is a multi-jurisdictional cable regulatory commission governed by an intergovernmental agreement (IGA) to jointly regulate and administer franchise agreements within the boundaries of member municipalities. In order to increase transparency, the MHCRC has requested the City designate its annual General Fund discretionary contribution of $288,791 as a Special Appropriation. The City's contribution to the MHCRC currently resides in the Revenue Bureau. This request has net zero impact on the General Fund. The City Budget Office recommends implementing the realignment.

As a result of this change, all disbursements of funding and contract negotiations will be handled by the City Budget Office.

CBO Recommendation: ($288,791)

Tax Info Exchange, MF_ 15, $165,000 1.00 FTE

Revenue Bureau requests $165,000 of ongoing General Fund discretionary to support one Management Analyst Senior position and required material & services to implement and maintain a data exchange program with the Internal Revenue Service (IRS). The Revenue Bureau is highly confident that forming an information exchange agreement with the IRS will increase compliance by 1%-3%. Estimated ongoing tax collection increases include $780,000 - $2,300,000 for the City of Portland General Fund, $577,000 – $1,700,000 for Multnomah County, and $540,000 for the Arts Tax. One-time revenue may be generated as unfiled and incorrectly filed returns are identified. Additionally, implementing data exchange would allow the Revenue Bureau to work with tax preparation software companies to allow for the full-integration of e-filing of City tax forms, making the tax filing process easier for taxpayers, and reducing the bureau's administrative burden. Ongoing responsibilities for the position include serving as a liaison with the IRS, ensuring data security and proper-formatting, preparing for bi-annual IRS security reviews, and working with other partners including the Oregon Department of Revenue, Multnomah County, and tax software development companies to guarantee all information is properly and efficiently accepted for processing by the Revenue Bureau.

The Innovation Fund Task Force has recommended that the Revenue Bureau receive $295,000 in one-time funding and 1.0 FTE to implement the Tax Info Exchange. If approved by Council, funding would be appropriated in the FY 2013-14 Spring BMP and could be carried over into FY 2014-15. CBO believes this is sufficient funding to support the program through FY 2014-15. To cover the requested position in FY 2015-16 and beyond, CBO recommends the Revenue Bureau realign resources, or reduce the General Fund deficit in other program areas. The Revenue Bureau could also redirect resources currently dedicated to the administrative workload of processing paper returns and checks that will be reduced with the introduction of full e-filing. Considering the significant amount of revenue the County would likely collect with the implementation of a Tax Info Exchange, entering a proper cost-sharing agreement with the County could fund a significant portion of on-going expenses.

As such, CBO recommends that onetime cost be covered through the Innovation Fund appropriation, and on-going costs through bureau savings.

CBO Recommendation: $0, 0.00 FTE

BIBS-Risk Specialist, MF_16, $0, 1.0 FTE

The Bureau of Internal Business Services requests to realign resources from external materials and services to personnel, to fund a full-time Risk Specialist position. This position has been on board in the Risk Unit providing services in a temporary capacity since 2011, funded mostly by vacancy savings and under spending in other areas. Since FY 2011-12 this division has been reduced by 2 FTE, of which both positions provided administrative support to the unit.

Maintaining this position will allow for continued support for the Occupational Health Nurse and the Risk Manager. The position will also be responsible for utilizing the enhanced functionality of the newly implemented RISC system, including pulling reports and analyzing data in an effort to increase program performance.

In keeping with budget guidance to realign resources wherever possible, CBO recommends this alignment move forward as requested.

CBO Recommendation: $0, 1.0 FTE

Assistant Procurement Specialist, MF_18, $50,000, 1.00 FTE

Procurement requests to recognize $50,000 in new intergovernmental revenues to partially fund one Assistant Procurement Specialist with a projected total cost $64,152. This position will provide contract compliance services to Portland Public Schools (PPS) under the terms of an IGA yet to be negotiated. This position will focus on the Equity in Public Purchasing and Contracting Policy recently adopted by PPS which mirrors Portland's policy. Working with PPS to implement and ensure compliance will promote opportunities for minority and women owned businesses, and potentially increase the number of young women and minorities in the building trades.

Procurement estimates the position's remaining time will be dedicated to overflow work to City construction compliance activities. As such, the additional cost of the position will be offset by savings realized from a previous internal position reclassification (approximately $14,100). The current IGA between the City and PPS is a ten month agreement, with a value not to exceed $20,000. Current funding is less than half of what Procurement expects to negotiate with PPS. After discussions, Procurement is highly confident that PPS will agree to an increased IGA due to contract compliance requirements included in the recently passed PPS bond measure.

CBO recommends this package. In an effort to ensure fiscal sustainability for this position, CBO recommends Procurement negotiate an agreement that ensures the City is receiving full cost-recovery for services provided to PPS.

CBO Recommendation: $50,000, 1.00 FTE

Earthquake Insurance, MF_17, $500,000

Recent reconsiderations of the earthquake risks in the Pacific Northwest have led all major property insurers to limit their coverage or to leave the Western Oregon/Washington market entirely. The City's current property insurer will lower the $100 million claims cap on earthquake damage (of a total property claims cap of $500 million) to $25 million on July 1, 2014. This package would return the City's coverage back to $100 million at a cost of $500,000 in additional premiums, based on market availability. The increased costs would be included in rates charged to City bureaus. Risk is currently working with bureaus to determine which insured structures (including contents) are most critical to quickly replace in the event of an earthquake. A 2011 appraisal of the insured buildings and structures identified the City's total insured value at $1.7 billion. A 2010 study commissioned by Risk estimated the City would experience $163-188 million Probable Maximum Loss for total insurable assets in a 6.0 sized earthquake. This request aligns with the Mayor's priority to address emergency preparedness.

Bureaus pay Risk for property insurance based on the amount of property insured. The actual costs will be determined by which properties are insured after the re-evaluation process, as well as the terms of the negotiated policy. In the event of an earthquake, claims would be allocated based on the assessed value of insured buildings and structures. Based on current language, Portland General Electric (PGE) and Oregon Health & Science University (OHSU) may have a contractual claim on any insurance payment received by the City to cover damages to the Portland Hydroelectric Facility and the Aerial Tram respectively. The City Attorney's Office is continuing to analyze the City's contractual obligation to PGE and OHSU. The City may also be obliged to repair the Tram after an earthquake, which is unlikely to be a priority for the City in any scenario with extensive damage. The City is in the process of renegotiating the relevant contracts.

CBO recognizes $25 million will be an insufficient amount to quickly repair or replace structures necessary for the City to function after an earthquake. However, CBO does not recommend restoring earthquake coverage limits to the $100 million level. There is an unacceptably high probability that most, or all, of the extra claims payments received by the City would be spent on low priority projects due to contractual commitments. CBO recommends Risk work with the relevant City bureaus, PGE, and OHSU to reach a reasonable agreement that will allow the City to allocate all insurance payments to its highest priority projects in the event of an earthquake. Additionally, CBO recommends Risk consider risk-transferring tools other than insurance and study the possibility of collaborating with regional municipalities to combine policies. Council may also want to consider setting-aside additional resources to be used in the event of a disaster or develop a policy that would allow for emergency debt-financing (a repayment source would also need to be identified). Lastly, CBO supports Risk's efforts to narrow the scope and indentify economically critical assets that would require immediate repair in the event of a disaster.

CBO Recommendation: $0

ADA Transition Plan Project Coordinator, MF_19, $123,121, 1.00 FTE

Facilities requests one-time funding to increase internal service fund rates for two years to continue supporting a limited-term Program Coordinator position, currently funded with bureau savings. This position, which has been on board since February 2014, is responsible for completing the Americans with Disabilities Act (ADA) Title II Transition Plan. This plan is necessary to ensure compliance with federal regulations and mitigate litigation risks to the City. Failure to comply with federal requirements may result in loss of federal grant funding, as well as leaving the City vulnerable to possible litigation.

From 1993 through 1996 the City completed a series of citywide barrier assessments after the enactment of the Americans with Disabilities Act (1990). However, there was no centralized tracking mechanism to ensure compliance. By FY 2010 the City's original transition plan was no longer relevant, as was pointed out by members of the ADA community. In an effort to address this issue, Facilities received $373,096 in the FY 2011-12 budget and another $368,000 in FY 2012-13 to procure contractor resources necessary to identify accessibility barriers, solutions, costs, and implementation timeframes. The vendor completed the first tier of the facilities survey in FY 2012-13 and provided those finding to the City. Over 10,000 barriers were identified in Parks facilities alone. Information contained in the survey and assessment will serve as the foundation for the Transition Plan which is scheduled to be completed for the majority of City facilities in November 2014 and Parks facilities by summer 2015. The transition plan analyzes and prioritizes the fixes recommended by the contractor, adjusts cost estimates based on the chosen solution, and validates or recommends new barrier removal time frames. It should also be noted that there is a public involvement component that must be completed before the plan is finalized. Due to the number of barriers identified in Parks facilities, Portland Parks and Recreation (PP&R) also requested a coordinator position to assist in the development of its transition plan and future tracking responsibilities. Additionally, several City bureaus requested funding for barrier removal.

Given the limited of discretionary resources, CBO recommends this package for one year, at which point Facilities can report on the progress made. CBO recommends that OMF be allowed to increase interagency agreements to cover the costs for these services, but no new General Fund be appropriated to offset the increased costs to bureaus. Many of the structures identified in the assessment are not managed by OMF-Facilities; however, given the Citywide nature of the problem, CBO believes a Project Coordinator assigned to OMF is best positioned to ensure that future improvements be prioritized enterprise wide. Since CBO does not recommend funding the position requested by Portland Parks and Recreation, CBO recommends this position assist PP&R to complete the bureau specific transition plan. Once the work of the limited-term position is complete, Facilities will work with affected bureaus to determine the best path forward, possibly continuing the centralization of the role, or diffusing responsibility to the bureaus. This decision package does not include appropriations for actual facility improvements. Future bureau-specific requests for ADA barrier removal will need to be brought forward in future budget cycles and based on the priorities established in the transition plan.

CBO Recommendation: $123,121, 1.00 FTE

Revenue-Property Management Fund GFOH Exception, MF_20, $25,000

The Revenue Bureau requests General Fund discretionary resources of $25,000 to cover General Fund Overhead (GFOH) expenses allocated to the Property Management License Fund. Due to existing contracts which limit Property Management License Fund administrative expenses to 1.25% of billings, the fund is unable to accommodate this charge. FY 2014-15 Property Management License Fund administrative expenses are budgeted at $65,522, an amount the bureau acknowledges as insufficient to cover even the internal costs related to operating the fund. Because these contracts do not expire for two years it is likely the bureau will experience the same issue in FY 2015-16.

In years past, the fund was included in the GFOH model, but the General Fund covered expenses related to this charge. Council recently approved changes to the General Fund Overhead Model, to be effective in the FY 2014-15 budget year. The new model took into consideration the different fund types and sought to avoid disproportionally impacting pass-through funds, like the Property Management Fund, by instituting a standard $25,000 charge. However, the contractual cap on the funds' administrative expenses is too low for any additional charges, much less the standard General Fund Overhead charge.

Based on the limited availability of General Fund discretionary CBO does not recommend funding this request. Instead, CBO recommends the Revenue Bureau adjust internal bureau administrative expenses to accommodate the General Fund Overhead charge.

CBO Recommendation: $0

City of Portland

Decision Package Recommendations

(Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested: FTE	Bureau Requested: Gen Fund Ongoing	Bureau Requested: Gen Fund 1-Time	Bureau Requested: Other Revenues	Bureau Requested: Total Expenses	CBO Analyst Recommendations: FTE	CBO Analyst Recommendations: Gen Fund Ongoing	CBO Analyst Recommendations: Gen Fund 1-Time	CBO Analyst Recommendations: Other Revenues	CBO Analyst Recommendations: Total Expenses
Office of Management & Finance											
Key Priorities											
MF_03 - BTS-Technology Disaster Planning Analyst	01	1.00	0	0	136,801	136,801	1.00	0	0	136,801	136,801
MF_17 - BIBS - Risk - Earthquake Insurance	02	0.00	0	0	500,000	500,000	0.00	0	0	0	0
Total Key Priorities		*1.00*	*0*	*0*	*636,801*	*636,801*	*1.00*	*0*	*0*	*136,801*	*136,801*
Critical Needs											
MF_15 - Revenue - Tax Info Exchange-IRS and Portlai	01	1.00	165,000	0	0	165,000	0.00	0	0	0	0
MF_12 - BHR-City-Wide Non-Rep Class/Compensatio	02	0.00	0	138,510	161,490	300,000	0.00	0	0	0	0
MF_10 - BTS-Network Security Analyst	03	1.00	0	0	116,381	116,381	0.00	0	0	0	0
MF_19 - BIBS/Facilities Srvs - ADA Trans Plan Proj Mç	04	1.00	0	0	123,121	123,121	1.00	0	0	123,121	123,121
MF_01 - BIBS/CityFleet - Consolidate Mult Co Fleet Sı	05	7.00	0	0	756,268	756,268	7.00	0	0	756,268	756,268
MF_18 - BIBS - Procurement - Asst.Procurement Spec	06	1.00	0	0	50,000	50,000	1.00	0	0	50,000	50,000
MF_07 - BIBS/Facilities Srvs - Janitorial Services	07	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000
MF_09 - BTS-Mitigate impact of Enterprise Server Chа	08	0.00	0	533,435	(533,435)	0	0.00	0	0	0	0
MF_20 - Revenue- Property Management Fund GFOH	09	0.00	0	25,000	0	25,000	0.00	0	0	0	0
Total Critical Needs		*11.00*	*165,000*	*696,945*	*873,825*	*1,735,770*	*9.00*	*0*	*0*	*1,129,389*	*1,129,389*
Reductions											
MF_21 - Enterprise Server Savings	NA	0.00	0	0	0	0	0.00	(233,410)	0	(190,521)	(423,931)
Total Reductions		*0.00*	*0*	*0*	*0*	*0*	*0.00*	*(233,410)*	*0*	*(190,521)*	*(423,931)*
Realignments											
MF_11 - BHR-Senior Human Resources Analyst	01	1.00	0	0	0	0	0.00	0	0	0	0
MF_02 - BHR-Workforce Development	02	1.00	0	0	0	0	0.00	0	0	0	0
MF_13 - Revenue - Utility Franchise/License Fee Audit	03	0.50	0	0	0	0	0.00	0	0	0	0
MF_16 - BIBS - Risk - Risk Specialist	04	1.00	0	0	0	0	1.00	0	0	0	0
MF_04 - BTS-Police IT Information Systems Supervisc	05	0.00	0	0	0	0	0.00	0	0	0	0
MF_05 - BIBS/Facilities Srvs - Project Manager	06	1.00	0	0	0	0	1.00	0	0	0	0
MF_06 - BIBS/Facilities Srvs - Maintenance Techniciar	07	1.00	0	0	0	0	1.00	0	0	0	0
MF_14 - Revenue - MHCRC Special Appropriation	08	0.00	(288,791)	0	0	(288,791)	0.00	(288,791)	0	0	(288,791)
Total Realignments		*5.50*	*(288,791)*	*0*	*0*	*(288,791)*	*3.00*	*(288,791)*	*0*	*0*	*(288,791)*
Total Office of Management & Finance		**17.50**	**(123,791)**	**696,945**	**1,510,626**	**2,083,780**	**13.00**	**(522,201)**	**0**	**1,075,669**	**553,468**