

Analysis By: Christy Owen

PORTLAND BUREAU OF EMERGENCY MANAGEMENT

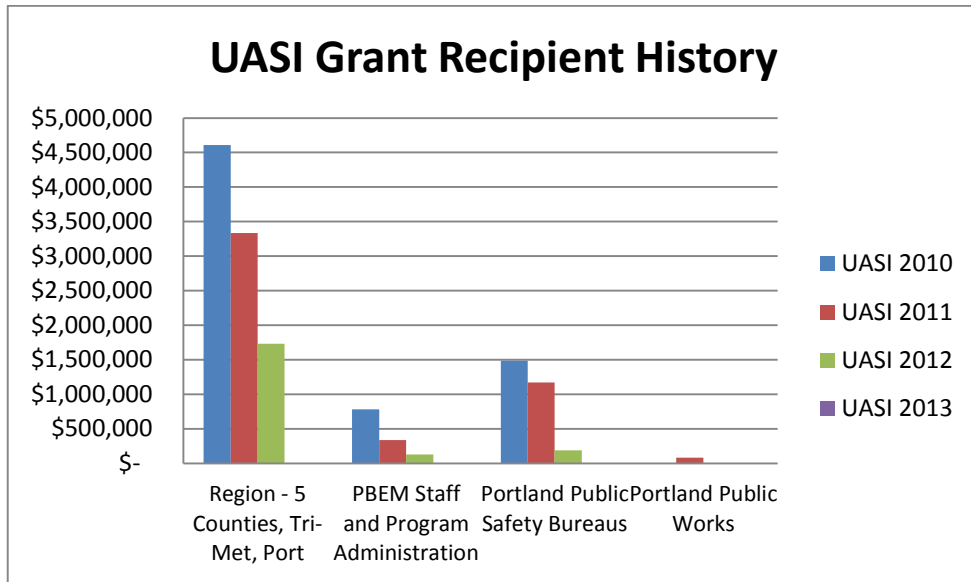
| All Funds Budget Summary | Adopted FY 2013-14 | Request Base FY 2014-15 | Decision Pkgs FY 2014-15 | Request Total FY 2014-15 | Percent Change |
|---------------------------------|-----------------------|----------------------------|-----------------------------|-----------------------------|-------------------|
| Resources | | | | | |
| Intergovernmental Revenues | \$5,084,195 | \$446,405 | (\$83,436) | \$362,969 | -92.9% |
| Interagency Revenue | 0 | 10,000 | 0 | 10,000 | N/A |
| General Fund Discretionary | 781,806 | 934,412 | 2,974,112 | 3,908,524 | 399.9% |
| General Fund Overhead | 1,216,836 | 1,089,439 | 60,548 | 1,149,987 | -5.5% |
| Total Resources | \$7,082,837 | \$2,480,256 | \$2,951,224 | \$5,431,480 | -23.3% |
| Expenditures | | | | | |
| Personnel Services | \$1,938,216 | \$1,530,483 | (\$32,776) | \$1,497,707 | -22.7% |
| External Materials and Services | 4,521,591 | 212,422 | 100,000 | 312,422 | -93.1% |
| Internal Materials and Services | 623,030 | 737,351 | 0 | 737,351 | 18.3% |
| Fund Transfers - Expense | 0 | 0 | 2,884,000 | 2,884,000 | N/A |
| Total Requirements | \$7,082,837 | \$2,480,256 | \$2,951,224 | \$5,431,480 | -23.3% |
| Total Bureau FTE | 18.00 | 14.00 | (1.00) | 13.00 | -27.8% |

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

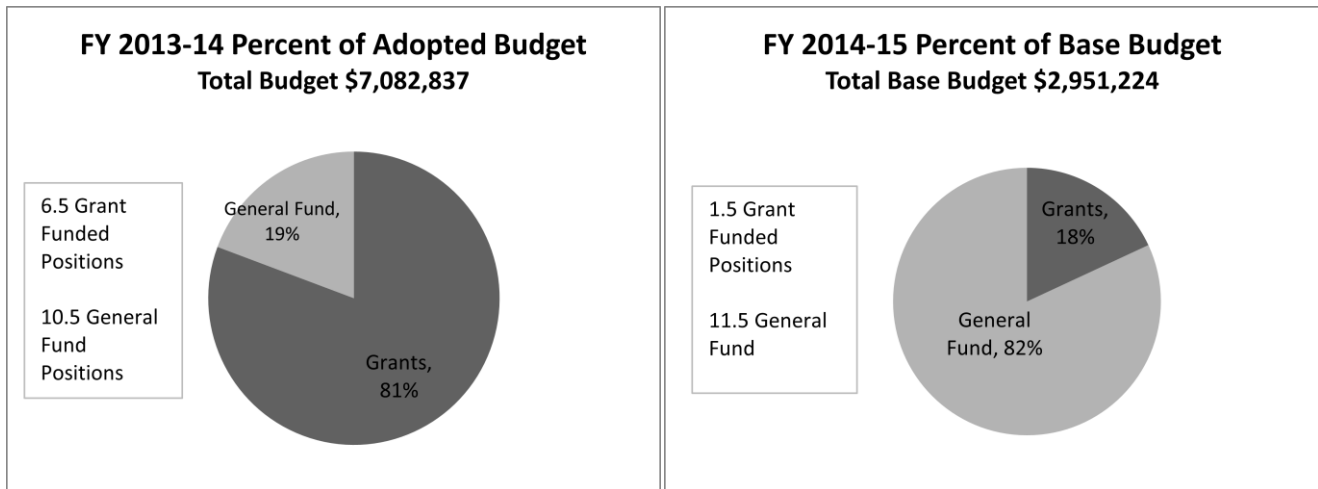
Key Issues

Loss of Grant Revenues

The Portland Bureau of Emergency Management (PBEM) is funded by two main sources: Federal Grants and the City of Portland General Fund. PBEM is the primary agency for the region to receive and administer regional emergency preparedness grants. The federal Urban Areas Security Initiative (UASI) grants historically have been the single largest grant revenue source, and the majority of the grant funding received by PBEM is passed through to other governments in the region. Over the past ten years, PBEM has administered \$65 million dollars of federal funds which have benefited the region. The Portland region was not selected as a top 25 urban area to continue to receive UASI funding and the Requested FY 2014-15 reflects lower grant funding. The following graph shows the organizations that have been impacted by the loss of funding to the region because the UASI 2013 grant was not awarded.



The FY 2014-15 Budget includes 5.00 fewer FTE as a result of the declining grant revenues and associated programmatic expenses. With the loss of the UASI funding, PBEM’s grant fund revenues will decline by 90% for FY 2014-15. Historically, grant revenues have paid for portions of the bureau’s operating expenses and for costs of administering the regional grant programs.



There are two decision packages requesting General Fund revenues to provide for services previously covered by grant revenues. The Community Emergency Notification System (CENS) is the bureau’s top priority. Currently, the CENS is funded by the State Homeland Security Program (SHSP) grant. In August 2014 the current contract with the vendor will expire. The SHSP grant will no longer pay for the CENS, and continuation of this service with a new contract will require general fund appropriation. The merits of the decision package will be discussed in the recommendation section.

The Emergency Management Performance Grant (EMPG) is considered stable grant revenue and it is the largest grant source in the FY 2014-15 Requested Budget. There is a 50% match requirement for EMPG. PBEM’s requested budget relies on 42% of the received grant revenues to cover operating expenses and

technology and facility expenses associated with the new Emergency Coordination Center (ECC). Regional trainings, including Neighborhood Emergency Team (NET) trainings and City of Portland emergency preparedness trainings will also occur at this facility. To the extent that this grant continues to provide funding, there is no concern. However, reliance on grant funds for ongoing operational costs of either the ECC or internal city programs is not a sustainable funding model. Financial Policies consider grant revenues to be a one-time resource that should be used for limited duration programs. Should grant revenues continue to decrease, PBEM will become more reliant on General Fund resources.

West Side Operations Center

The SFC Jerome F. Sears US Reserve Center (Sears Facility) was acquired by the City in FY 2012-13 through a public benefit conveyance where the property is transferred at no cost to the city so long as the facility is used primarily for emergency operations in perpetuity. PBEM began actively looking for property west of the Willamette River that could be used as a west side operations center for vehicles and equipment in FY 2008-09. At present, vehicles and equipment are largely stored at the Kerby Garage facility in multiple parking lots that are located under freeway overpasses near the Legacy Emanuel Hospital or at other bureau operational facilities (e.g. Water Bureau's Interstate Facility, Parks Bureau Mt. Tabor Yard, and the Police Precincts). The Sears Center represented a good opportunity for the City to gain a facility and land asset on the west side that would meet the needs for both an operations center and potentially an alternate Emergency Coordination Center (ECC).

The Office of Management and Finance (OMF) Facilities Division completed a site master plan in the Fall of 2013. The facility and property are in the process of being rezoned for general use and when this phase is complete, any occupancy or utilization of the facility and property can commence. The total cost estimate from the master plan would require \$11.3 million, details below:

1. Americans with Disabilities Act (ADA) upgrades to the facility are estimated at \$632,000
2. Construction of an in-ground fueling station and parking relocation estimated at \$2.52 million
3. PBOT de-icing relocating to the facility for \$747,000
4. Facility seismic upgrades estimated to be \$7.73 million

PBEM has requested \$2.9 million of General Fund one-time the first two phases at the Sears Facility for expanding emergency preparedness services to the west side of the Willamette River. PBEM did pursue one-time Emergency Operations Center grant opportunities for developing the site. The available grant funding is limited to \$1.0 million and the majority of other federal grants do not allow for construction projects. The projects requested and recommendations will be discussed further in the review of EM_02.

PBEM Strategic Plan 2014-16

PBEM is in the first year of a three-year strategic plan recently adopted by Council as a road map for the bureau that is built upon the previous strategic plan for 2011-13. Despite economic downturn during the past four years, PBEM achieved 85% of the objectives outlined in the 2011-13 plan with only 6% of the objectives being considered no longer applicable due to insufficient funding. Objectives that were

achieved were significant in size and scale, including completion of the construction of the ECC for continued operation in the event of a disaster, growing the number of active Neighborhood Emergency Team (NET) volunteers to 972, and acquiring the Sears Facility for emergency preparedness usage.

In the coming two years, the 2014-16 strategic plan outlines the steps to take that will position the bureau for achieving accreditation with the national Emergency Management Accreditation Program (EMAP). This level of emergency preparedness accreditation has 64 requirements and through the strategic plan PBEM has set target deadlines with each objective. The FY 2014-15 Requested Budget does not request funding specifically for these goals; however, the decision packages submitted by PBEM support programs or projects that contribute to the bureau's ability to achieve EMAP status. The CBO recommends that PBEM continue to provide periodic reporting to City Council on the status of implementing the FY 2014-16 strategic plan.

Decision Package Analysis & Recommendations

CENS, EM_01, \$100,000

This package requests General Fund ongoing resources to fund the Community Emergency Notification System (CENS). The current CENS system does not meet the bureaus needs, and the contract with the current vendor is set to expire in August 2014. The current CENS is used to notify the community in the event of an emergency via landline phone or registered mobile phone. The CENS also sends emails and messages in the event of an emergency to employees, as was experienced during the power outage in January 2014. This package meets the criteria for the Council emergency preparedness priority.

Historically, this expense was covered by State Homeland Security Program (SHSP) grant funding and PBEM was notified that this funding source would no longer be available for this service in FY 2014-15. With the grant funds supporting the CENS contract ending in early FY 2014-15, PBEM will require General Fund resources to meet this need. The impact of not approving the funding for this package will be that the city will no longer have a way to notify the community via phone (land or mobile). This will require a greater reliance on emergency notifications via broadcast news, the internet, and social media. City Code 3.124.050 (H) authorizes PBEM to send emergency messages to the public. As such, providing emergency notifications is a core service that PBEM provides. The CBO recommends funding this request in full with General Fund revenues and notes that there should be caution in using potentially one-time resources, such as grants, to fund an ongoing core service.

CBO Recommendation: \$100,000

Realignment, EM_03, \$0

This request will reclassify a Limited Term Program Specialist into a Sr. Community Outreach and Information Representative in the Public Information and Communication program. PBEM has identified

internal realignments with the Current Appropriation Level (CAL) to fund this request. CBO recommends the package for approval.

CBO Recommendation: \$0.00

Reclassify Accountant II, EM_04, \$12,480 .11 FTE

PBEM requests to reduce a vacant Assistant Financial Analyst (AFA) position that is funded 39% by the General Fund and 61% by UASI grants to an Accountant II funded 100% in the General Fund. Currently there is an Accountant II that is funded by the Grant Fund (50%) and the General Fund (50%). After reducing the AFA, PBEM will need an additional FTE authorization of .11 FTE and \$12,480 of General Fund resources to fund this position.

With the loss of grant revenues and the loss of positions associated with the grants, PBEM no longer requires the AFA. The primary workload for the Accountant II will be working with the financial support team of 3.0 FTE (Sr. Management Analyst, OSS II and the requested Accountant II) responsible for financial reporting for grant compliance and financial work in SAP. This work group has been reduced by 2.0 FTE as a result of the loss in grant funded positions. Financial work in SAP and good financial practice requires separation of duties among financial staff. PBEM has realigned staffing by eliminating the AFA and requesting the operational staff needed to perform essential functions. Due to the scarcity of ongoing General Fund resources, the CBO recommends the bureau realign existing appropriation for this request.

CBO Recommendation: \$0, 0 FTE

Regional Disaster Preparedness Cost Share, EM_05, \$38,180

The Regional Disaster Preparedness Organization (RDPO) began two years ago as a collaborative task force consisting of public, private and non-profits in the Portland Metropolitan region that provides all-hazard preparedness. The following are some of the process or programs that the RDPO provides input and preparedness planning: interoperable communications systems, public information and warning systems, operational coordination for medical multi-agency coordination, mass care services such as mobile shelter and pet shelter supplies, and mass search and rescue planning.

Funding for PBEM to administer the RDPO is currently provided by the UASI grant, but this will no longer be a resource in FY 2014-15 and \$38,180 in General Fund ongoing resources are requested to continue this program. This package assumes a local cost sharing match from the regional partners to continue, and the requested funds represent PBEM's portion of the cost share.

Without the federal funds or a commitment from local jurisdictions, the work that the RDPO has completed in the past two years will be transferred to the individual jurisdictions that will assume responsibility for managing all-hazards disaster preparedness planning. The RDPO is a relatively new program and the City has recently invested in a new ECC to benefit both the city and the region in the event of an emergency. CBO realizes the General Fund portion supporting the bureau's EM&S is primarily dedicated to outreach efforts, contracts for services and any matching grant requirement, but CBO

recommends that the bureau examine whether it can realign existing EM&S to support this program. Due to the scarcity of ongoing General Fund Resources, the CBO does not recommend new funding at this time.

CBO Recommendation: \$0

West Side Operations Center, EM_02, \$2,884,000

This request is for \$2,884,000 of General Fund one-time resources to develop the first two major projects in the master plan. PBEM has requested General Fund one-time funding totaling \$2.884 million dollars for the first two phases at the Sears Facility for expanding emergency preparedness services to the Westside of the Willamette River. The facility is currently not ADA accessible and PBEM is requesting \$632,000 as the first phase of the project. The second project would be for relocating a parking lot and installing an in-ground fuel tank system to provide city-owned fuel for general operations and to augment the fueling inventory for the west side of the Willamette River costing \$2.252 million. The projects could occur concurrently and are estimated to take one year to complete. Approval of this package would transfer General Fund one-time resources to OMF Facilities and OMF CityFleet for construction and project management of the first two phases of the Master Plan.

The Sears Facility has great potential for both emergency preparedness and bureau operations given its location on the west side, the size of the lot and the condition of the existing structures. While the City does own the facilities and land at the Sears site it is still early in the planning phases to dedicate General Fund resources for both projects to move forward. PBEM and OMF-Facilities have recently begun the formal planning process since acquiring this property, with the initial costs to develop being provided by an outside architectural consultant and the estimates as currently submitted have a low confidence level. Without additional outside resources, there would only be General Fund discretionary available for both construction and ongoing O&M. The CBO is encouraged that PBEM is working with bureaus to identify emergency and operational needs on the west side of Portland and the CBO recommends the momentum built during the current planning phases continues.

Fuel Tank Project Review

The current emergency fuel plan assumes emergency vehicles would receive fuel from any of the City's owned sites in the event of an emergency. With the exception of an internal fuel station at the First and Jefferson Garage in downtown Portland, all other fuel sites are located east of the Willamette River, as is the majority of the large equipment storage. In the event that the bridges across the Willamette are inaccessible to emergency crews, the city would have minimal emergency response capabilities on the west side of the river. OMF is working with PBEM to have an updated Continuity of Operations Plan (COOP) for essential city services, and the fueling infrastructure on both sides of the river would fit into that plan. Currently, the City's fueling stations are estimated to have enough fuel on-hand for eleven to seventeen days assuming the tanks are at average capacity at the time of an emergency event. The City owns two mobile fueling trucks to deliver fuel; however in the event that all of the bridges are inaccessible in an emergency, the City would not have access to city-owned fuel to provide services.

While there is a known need for fueling infrastructure on the west side and the Sears facility provides an opportune location, the City owns five in-ground fuel stations that are at the end of useful life. The useful life for an in-ground fuel stations is 30 years and five of the City-owned tanks were installed more than 30 years ago. This has been an identified significant issue for OMF CityFleet Division for the past six years and a part of the OMF Five-Year Financial Plan. Losing these fuel stations, to either DEQ shut-down or tank systems failing would significantly hamper the current COOP for fuel operations in the event of an emergency as the City would have much less fuel on-hand regardless of the tank location. The City's financial policies FIN 2.02 and 2.03 prioritize funding existing assets over the acquisition of new assets. The project budget as outlined in the Master Plan was provided by outside consultants and OMF- Facilities assigns this budget a low confidence level.

The CBO recognizes that the development of the fueling infrastructure for emergency preparedness is part of emergency planning; however, given the low confidence in the project budget and more emergent needs to the City's current fueling infrastructure, funds for this portion of EM_02 are not recommended in FY 2014-15.

ADA Facility Upgrades Portion

In order for the Sears Facility to be occupied, there are required ADA projects that would have to commence prior to bureau operations using the location. This would be the first phase for the Sears Facility to be operational; however the seismic upgrades (Phase 4) would be required before the buildings full potential as a back-up ECC would be realized. Building occupancy estimates when fully functional provide for 65% of the space to be used for daily operations and 35% would be held ready for emergency response. Approval of this project will dedicate future discretionary dollars to pay for ongoing O&M and major maintenance once the project is completed. O&M for the facility currently costs the General Fund \$104,744 and the facility is unoccupied. The estimate from OMF- Facilities for the annual costs of O&M and the major maintenance contribution would be \$767,840 and this would be paid by the tenants of the facility (who are not known at this time). The project estimate of \$632,000 is also based upon generic tenant improvements and for this reason the project also has a low confidence level from OMF- Facilities. Similar to the fuel station project, funding enhancements to this asset would put discretionary revenues into a newly acquired facility when there are existing facility structures with greater project needs as identified in the OMF- Facilities Five-Year Plan. The CBO does not recommend funding this project in FY 2014-15.

The CBO recommends PBEM continue the work with the OMF-Facilities Division and City Council to further develop an overall facility plan that would include 1) plans for occupancy, 2) programming space, 3) specific capital projects required, 4) timelines, and 5) more refined cost estimates to boost the confidence level in the total plan. Upon receipt of this information, the project would be able to be better ranked against citywide facility needs over the next five years as a part of the Capital Improvement Plan (CIP).

Due to scarcity of General Fund resources and low project cost confidence level, the CBO does not recommend project funding at this time. Should one-time capital funds be available to further the overall facility plan, the CBO may recommend additional planning dollars for the next phases of the project.

OMF- Facilities has identified the next steps in the pre-development planning for this project would be to conduct additional architectural and engineering analysis and cost estimates through the Schematic Design or the Design Development phase. Advancing a project through Schematic Design is helpful and informative for all further steps, but the Design Development phase is normally accepted as the point at which construction cost figures can be developed to a point where a credible project budget can be established. OMF- Facilities has estimated a range for completing these next two phases of \$400,000 (Schematic Design phase) to \$800,000 (Schematic Design phase and Design Development phase).

CBO Recommendation: \$0

City of Portland

Decision Package Recommendations (Includes Contingency and Ending Balance)

| | Bureau Priority | Bureau Requested | | | | | CBO Analyst Recommendations | | | | |
|--|-----------------|------------------|------------------|------------------|-----------------|------------------|-----------------------------|------------------|-----------------|----------------|----------------|
| | | FTE | Gen Fund Ongoing | Gen Fund 1-Time | Other Revenues | Total Expenses | FTE | Gen Fund Ongoing | Gen Fund 1-Time | Other Revenues | Total Expenses |
| Portland Bureau of Emergency Management | | | | | | | | | | | |
| <i><u>Key Priorities</u></i> | | | | | | | | | | | |
| EM_01 - Community Emergency Notification System | 01 | 0.00 | 46,170 | 0 | 53,830 | 100,000 | 0.00 | 46,170 | 0 | 53,830 | 100,000 |
| EM_02 - Sears Facility | 02 | 0.00 | 0 | 2,884,000 | 0 | 2,884,000 | 0.00 | 0 | 0 | 0 | 0 |
| <i>Total Key Priorities</i> | | <i>0.00</i> | <i>46,170</i> | <i>2,884,000</i> | <i>53,830</i> | <i>2,984,000</i> | <i>0.00</i> | <i>46,170</i> | <i>0</i> | <i>53,830</i> | <i>100,000</i> |
| <i><u>Critical Needs</u></i> | | | | | | | | | | | |
| EM_04 - Accountant II | 01 | (1.00) | 5,762 | 0 | (76,718) | (70,956) | 0.00 | 0 | 0 | 0 | 0 |
| EM_05 - Regional Disaster Preparedness Cost Share | 02 | 0.00 | 38,180 | 0 | 0 | 38,180 | 0.00 | 0 | 0 | 0 | 0 |
| <i>Total Critical Needs</i> | | <i>(1.00)</i> | <i>43,942</i> | <i>0</i> | <i>(76,718)</i> | <i>(32,776)</i> | <i>0.00</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| <i><u>Realignments</u></i> | | | | | | | | | | | |
| EM_03 - Sr. Community Outreach & Information Rep. | 01 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| <i>Total Realignments</i> | | <i>0.00</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0.00</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| Total Portland Bureau of Emergency Management | | (1.00) | 90,112 | 2,884,000 | (22,888) | 2,951,224 | 0.00 | 46,170 | 0 | 53,830 | 100,000 |