

FY 2014-15

Fall Supplemental Budget

CITY BUDGET OFFICE ANALYSIS AND RECOMMENDATIONS
PREPARED: OCTOBER 2014

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Executive Summary

In the Fall Budget Monitoring Process (BMP) City bureaus request budget adjustments to the current fiscal year and report on financial and program performance for the prior fiscal year. This report summarizes the highlights of those budget requests and the recommendations of the City Budget Office (CBO). A separate report on prior year financial and program performance will be forthcoming in December.

With numbers from the prior fiscal year mostly complete, CBO estimates that there is \$10.1 million of “excess” beginning balance for the current fiscal year. City policy states that at least \$2.5 million of that balance should be dedicated to maintenance and replacement of existing assets, with the rest being used for urgent needs or set aside for the FY 2015-16 budget. The key questions for Council consideration in the Fall BMP:

- Should the City allocate additional resources beyond the \$2.5 million to maintenance of existing capital infrastructure?
- How much of the balance, if any, should be used to fund urgent needs?
- How much of the balance, if any, should be set aside for FY 2015-16?

Of the \$10.1 million, CBO recommends:

- \$5.8 million for maintenance of existing capital infrastructure
- \$1.2 million for early loan repayment
- \$351,152 for one-time requests for urgent priorities
- \$2.3 million carryover for project underspending
- \$478,544 to increase General Fund unrestricted contingency.

CBO is also recommending a Current Appropriation Level adjustment to General Fund bureaus in FY 2015-16 to offset a change in metrics for allocating Enterprise Business Solution internal service charges. More detail on this and other recommendations can be found below.

General Fund Summary

Budget Summary- General Fund	Adopted Budget	Current Revised Budget	Recommended Adjustments	Total Recommended Revised
Resources				
Budgeted Beginning Fund Balance	\$19,368,640	\$19,368,640	\$16,806,952	\$36,175,592
Taxes	227,903,445	227,903,445		227,903,445
Licenses & Permits	166,435,346	166,435,346	225,000	166,660,346
Charges for Services	20,467,625	20,467,625	16,857	20,484,482
Intergovernmental Revenues	26,981,682	26,981,682	513,990	27,495,672
Interagency Revenue	23,503,353	23,503,353	233,935	23,737,288
Fund Transfers - Revenue	26,471,334	26,471,334	369,147	26,840,481
Miscellaneous	3,988,354	3,988,354	14,000	4,002,354
Total Resources	\$515,119,779	\$515,119,779	\$18,179,881	\$533,299,660
Requirements				
Personnel Services	\$327,392,962	\$327,392,962	\$1,112,266	\$328,505,228
External Materials and Services	77,389,168	77,389,168	9,932,224	87,321,392
Internal Materials and Services	52,837,786	52,837,786	796,032	53,633,818
Capital Outlay	310,000	310,000	90,840	400,840
Bond Expenses	8,891,057	8,891,057	786,219	9,677,276
Fund Transfers - Expense	36,374,589	36,374,589	6,006,526	42,381,115
Contingency	11,924,217	11,924,217	(544,226)	11,379,991
Total Requirements	\$515,119,779	\$515,119,779	\$18,179,881	\$533,299,660

The Fall Supplemental Budget, as recommended, includes a total increase in FY 2014-15 expenses (including contingency) in the General Fund of \$18.2. These expenses are primarily funded with the \$10.1 million of excess beginning fund balance, \$6.3 million carryover of unspent contract encumbrances, and \$361,730 carryover of excess program revenues.

Additional Beginning Balance

What follows are details of the CBO recommendations noted above. The \$16.8 million in additional beginning balance is recommended to be allocated as follows:

- **Encumbrance Carryover:** CBO recommends encumbrance carryover of **\$6.3 million**. Encumbrances reflect commitments of prior year resources. To the degree that spending on those contracts did not occur, those funds are carried over into the current year. This category includes funding for advances that have been made where the good or service has not yet been delivered.
- **Revenue Carryover:** Per City Financial Policy (FIN 2.06), bureaus may retain all excess bureau-generated revenue. Bureaus requested \$390,730 under this policy. CBO recommends a total of **\$361,730** – all but \$29,000

requested by the Office of Neighborhood Involvement. This request is not recommended as the programs identified are not currently recovering all of their costs.

- **Excess Balance:** The remaining **\$10.1 million** of excess balance is recommended to be budgeted as follows:
 - **Capital Set-Aside:** CBO recommends **\$5.8 million** of bureau capital requests, exceeding the minimum requirement of the policy. See below for a further discussion of the ranking process.
 - **Program Carryover:** A total of **\$2.3 million** of projects that received one-time funding in FY 2013-14 or earlier but were neither spent nor encumbered in prior years are recommended for funding. These include the Public Safety System Revitalization Project (\$1.2 million), Home Start (\$0.8 million), Summer Works (\$195,000), and a Revenue Bureau Innovation Fund allocation (\$151,369).
 - **New Requests (including Debt Repayment Options):** Bureaus submitted over \$18 million in requests for new programming and projects. CBO has recommended **\$371,652** of the requests, focusing only on those requests that were urgent and unforeseen. In addition, CBO has recommended the use of **\$1.2 million** for debt repayment that will result in interest savings to the General Fund and will create roughly \$350,000 in ongoing resources to be allocated in the FY 2015-16 budget process. CBO has identified this as a possible financing source for upgrading the City's fuel station infrastructure
 - **Unrestricted Contingency:** CBO recommends that a portion of the excess balance - \$478,554 – remain unallocated in FY 2014-15 and be available in General Fund contingency for emergencies that may arise, or for carryover into FY 2015-16.

Contingency

Total General Fund contingency currently stands at \$11.9 million. This includes unrestricted contingency, compensation set-aside, and funding for items previously approved by Council. The above CBO recommendations would result in a net draw on contingency of \$0.5 million, leaving \$11.4 million. The changes include three items previously identified by City Council through ordinance (totaling \$203,600) and an amount set aside for on-body cameras in the Police Bureau (\$834,619), and the addition of \$478,554 as noted above.

The remaining contingency after recommended Fall BMP changes includes the following:

- \$2.6 million unrestricted contingency

- \$8.4 million compensation set-aside
- \$408,570 set aside to fund a true-up in the General Fund Overhead model during FY 2015-16 budget development

Capital Set-Aside

As noted above, CBO has recommended \$5.8 million per the capital set-aside policy. That policy states:

“At least 25 percent of General Fund discretionary revenue that exceeds budgeted beginning balance (adjusted) shall be allocated to infrastructure maintenance or replacement in the fall budget monitoring process. The percentage calculation shall be based on any discretionary funds in excess of the budgeted beginning balance, adjusted for the difference in encumbrances carried over from the prior year.”

Over the summer the City Budget Office convened a citywide workgroup to develop a process for ranking major maintenance and infrastructure replacement projects and to develop recommendations on funding options for the City’s deferred maintenance backlog. In total, 35 projects requesting \$45.3 million in General Fund resources were submitted by bureaus for consideration in the FY 2014-15 Fall Supplemental Budget. A complete list is available online at the CBO website.

The items recommended under the policy and based on the rankings include:

- \$2.8 million for signals, streetlights, bridges, and other structures in the Portland Bureau of Transportation
- \$2.5 million for roof replacement and other structural upgrades at the City’s emergency dispatch center.
- \$490,925 for central Heating Ventilation Air Conditioning controls and a number of Portland Parks & Recreation facilities to ensure continuity of operations for these high-use centers.

The total recommended by CBO exceeds the 25% policy minimum of \$2.5 million.

In addition to those items recommended under the policy for use of the capital set-aside, CBO has recommended that ongoing resources generated through a recommended debt repayment be used to upgrade the City’s fuel station infrastructure (see attached paper on fuel station replacement).

Surplus Revenue Carryover

As noted above, CBO has recommended \$361,730 per the surplus revenue carryover policy. That policy states:

“Bureaus shall retain all excess bureau-generated revenue. Revenues collected in excess of program expenditures shall be available to the bureau for appropriation through the budget monitoring process. Additional appropriations shall be used for activities that support the function or program generating the additional fees. Bureau-generated revenue shall be defined as licenses and permits, fines, fees, intergovernmental, and specific program revenues (miscellaneous sales). They shall exclude all interagency and General Fund discretionary or overhead resources.”

New Requests

Bureaus and City Council offices submitted over \$18 million in new requests. CBO has recommended only \$371,652 of this amount. CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are typically more appropriately requested as part of a comprehensive annual budget process.

Non-General Fund Changes

Below is a summary of significant changes in funds other than the General Fund. See the bureau sections for a more complete list of items and further discussion.

- **Bureau of Development Services:** Twenty-two new positions are added and seven limited term positions are converted to regular. These positions are funded by increased permit and fee revenues.
- **Portland Bureau of Transportation:** In addition to beginning balance adjustments, the bureau is appropriating \$550,000 from a set-aside to replace handheld equipment in the Parking Enforcement division.
- **Bureau of Environmental Services:** The bureau is budgeting \$3.3 million for debt service associated with the August bond issue. This debt service was anticipated but not budgeted as part of the Adopted Budget because the financing had not yet been sized at that time.

Current Appropriation Level (CAL) Changes

The Enterprise Business Solutions (EBS) Fund was established in FY 2009-10 after the implementation of the SAP system. Currently, the costs of EBS services are allocated through a model that uses an assortment of weighted metrics including number of FTE (25%), budget (50%), and number of SAP cost objects. The data used to supply these metrics has been frozen since FY 2008-09.

The Office of Management & Finance is requesting to change the EBS cost allocation model. The new methodology will utilize metrics from the General Fund Overhead

model, which include budget size and FTE, and will cap the amounts allocated to pass through funds. It is designed to be easily updated annually, stable, and promote the use of SAP citywide. The EBS Project Advisory Council supports the new metrics.

Moving to a new rate model will result in changes to the amounts paid by City bureaus for EBS services, including a shift to the General Fund of approximately \$1.15 million. Non-General Fund bureaus will generally experience decreases in EBS costs, including the Bureau of Environmental Services (\$578,000), the Portland Bureau of Transportation (\$286,000), the Portland Water Bureau (\$157,000), and the Bureau of Development Services (\$123,000). Additionally, several funds that were not charged under the outgoing model will receive EBS charges for the first time, most notably the Tax Increment Financing Reimbursement Fund (\$152,000). The table below, provided by OMF, details the impacts by fund by bureau.

In an effort to mitigate the impacts of this increase for General Fund bureaus, the Office of Management and Finance is requesting that Council adjust Current Appropriation Level (CAL) targets.

Due to the significance of the cost increases to General Fund bureaus, CBO recommends this request in order to prevent programmatic cuts as a result of the reallocation of EBS costs. CBO recommends the CAL targets be reassessed when EBS debt service payments are reduced in FY 2016-17 and complete in FY 2017-18. Increasing bureau CAL targets will reduce the amount available for allocation to other City priorities in the FY 2015-16 budget process.

EBS Cost Allocation Model

Bureau	Fund / Bureau (Capped rates in GFOH Model are Highlighted)	FY 2014-15 REQUEST (Current)	FY 2014-15 MODIFIED GFOH (Revised)	FY15 MODIFIED GFOH vs. FY 2014-15 REQUEST	% Change
	100 - General Fund	5,064,039	6,213,564	1,149,525	22.70%
AT	AT - Office of the City Attorney	73,033	106,428	33,395	45.73%
AU	AU - Office of the City Auditor	87,869	82,905	(4,964)	-5.65%
BO	BO - City Budget Office	28,148	8,199	(19,949)	-70.87%
EM	EM - Portland Bureau of Emergency Management	62,439	74,270	11,831	18.95%
FR	FR - Portland Fire & Rescue	947,278	1,175,487	228,209	24.09%
GR	GR - Office of Government Relations	11,505	13,898	2,393	20.80%
HC	HC - Portland Housing Bureau	151,817	312,231	160,414	105.66%
MF	MF - Office of Management and Finance	505,484	436,504	(68,980)	-13.65%
MY	MY - Office of the Mayor	29,221	40,983	11,762	40.25%
NI	NI - Office of Neighborhood Involvement	88,457	80,751	(7,706)	-8.71%
OE	OE - Office of Equity & Human Rights	5,028	11,730	6,702	133.29%
PA	PA - Commissioner of Public Affairs	16,823	20,662	3,839	22.82%
PK	PK - Portland Parks & Recreation	1,057,075	1,671,242	614,167	58.10%
PL	PL - Portland Police Bureau	1,733,050	1,848,624	115,574	6.67%
PN	PN - Bureau of Planning & Sustainability	240,158	198,636	(41,522)	-17.29%
PS	PS - Commissioner of Public Safety	8,236	8,416	180	2.19%
PU	PU - Commissioner of Public Utilities	9,314	10,434	1,120	12.02%
PW	PW - Commissioner of Public Works	9,104	11,095	1,991	21.87%
SA	SA - Special Appropriations	0	101,069	101,069	N/A
TR	200 - Transportation Operating Fund	1,747,298	1,531,798	(215,500)	-12.33%
AU	201 - Assessment Collection Fund	1,545	0	(1,545)	-100.00%
MF	202 - Emergency Communication Fund	171,944	192,516	20,572	11.96%
DS	203 - Development Services Fund	425,780	302,944	(122,836)	-28.85%
MF	204 - Property Management License Fund*	0	7,247	7,247	N/A
MF	206 - MHCRC Agency Fund*	0	7,247	7,247	N/A
MF	209 - Convention and Tourism Fund*	8,724	7,247	(1,477)	-16.93%
HC	213 - Housing Investment Fund	0	14,599	14,599	N/A
PK	215 - Parks Local Option Levy Fund	7,323	0	(7,323)	-100.00%
PA	216 - Children's Investment Fund*	0	7,247	7,247	N/A
HC	221 - Tax Increment Financing Reimbursement Fund*	0	152,438	152,438	N/A
PL	222 - Police Special Revenue Fund*	0	6,076	6,076	N/A
MF	223 - Arts Education & Access Fund*	0	7,247	7,247	N/A
MF	400 - BFRES Facilities GO Bond Construction Fund*	0	2,817	2,817	N/A
AU	401 - Local Improvement District Fund	25,361	0	(25,361)	-100.00%
PK	402 - Parks Capital Improvement Program Fund	106,111	70,480	(35,631)	-33.58%
FR	403 - Public Safety GO Bond Fund	13,829	55,341	41,512	300.18%
ES	600 - Sewer System Operating Fund	1,965,290	1,356,853	(608,437)	-30.96%
WA	601 - Hydroelectric Power Operating Fund	16,336	4,914	(11,422)	-69.92%
WA	602 - Water Fund	1,403,670	1,257,372	(146,298)	-10.42%
PK	603 - Golf Fund	65,323	82,222	16,899	25.87%
PK	604 - Portland International Raceway Fund	14,358	29,622	15,264	106.31%
PN	605 - Solid Waste Management Fund*	0	44,133	44,133	N/A
TR	606 - Parking Facilities Fund	107,904	37,222	(70,682)	-65.50%
MF	607 - Spectator Facilities Operating Fund	24,010	22,789	(1,221)	-5.09%
ES	608 - Environmental Remediation Fund*	0	30,881	30,881	N/A
MF	700 - Health Insurance Operating Fund	210,659	56,082	(154,577)	-73.38%
MF	701 - Facilities Services Operating Fund	273,247	223,212	(50,035)	-18.31%
MF	702 - CityFleet Operating Fund	185,899	239,992	54,093	29.10%
MF	703 - Printing & Distribution Services Operating Fund	83,228	60,301	(22,927)	-27.55%
MF	704 - Insurance and Claims Operating Fund	53,142	55,316	2,174	4.09%
MF	705 - Workers' Comp. Self Insurance Operating Fund	53,073	34,152	(18,921)	-35.65%
MF	706 - Technology Services Fund	558,165	468,047	(90,118)	-16.15%
MF	708 - EBS Services Fund	0	0	0	N/A
DR	800 - Fire & Police Disability & Retirement Fund	29,045	33,385	4,340	14.94%
	Grand Total	12,615,303	12,615,303	0	0.00%

Information provided by the Office of Management & Finance

*A fund that did not receive EBS charges under the current model, but will receive charges under the new model.

Position Changes

The following table summarizes recommended position changes in the supplemental budget:

Bureau	Regular	Limited Term	Part-Time	Grand Total
Attorney	1		-0.8	0.2
Commissioner of Public Safety	1			1
Development Services	29			29
Environmental Services	2		-0.5	1.5
Fire & Rescue	1		1	2
Management & Finance	6	0	-1	5
Neighborhood Involvement			0.7	0.7
Parks & Recreation	4.5	-1		3.5
Planning & Sustainability	0			0
Police		6		6
Transportation	3		-0.4	2.6
Grand Total	47.5	5	-1	51.5

General Fund Reconciliation

	<u>Bureau Request</u>	<u>CBO Recommended</u>
Capital Set-Aside Request		
Bureau of Emergency Communications - PCC Building - Major Maintenance Project (EC_	\$2,476,210	\$2,476,210
City Budget Office - Budget Software Replacement (BO_001)	\$1,000,000	\$0
Office of Management & Finance - Fac-Police Justice Ctr Domes. Water Pipe Replace (M	\$664,930	\$0
Office of Management & Finance - Fac - Police Justice Center Exterior Repair (MF_069)	\$213,728	\$0
Office of Management & Finance - CityFleet-Replace Columbia WW Fueling Station (MF_	\$2,132,904	\$0
Office of Management & Finance - CityFleet-Replace 1st Ave Garage Fueling Station (MI	\$2,204,963	\$0
Office of Management & Finance - CityFleet-Replace Interstate Fueling Station (MF_088	\$1,990,591	\$0
Office of Management & Finance - CityFleet-Replace Kelly Building Fueling Station (MF_	\$1,201,560	\$0
Office of Management & Finance - CityFleet-Replace Mt. Tabor Fueling Station (MF_090	\$2,147,316	\$0
Office of Management & Finance - Secure City's Web Gateway Technology Refresh (MF_	\$307,200	\$0
Office of Management & Finance - City Voice Technology Project (MF_100)	\$1,999,500	\$0
Portland Bureau of Transportation - General Fund Requests – Pavement Rehab Projects	\$10,230,000	\$0
Portland Bureau of Transportation - General Fund Requests – Bridges and Structures (TI	\$13,791,103	\$1,808,551
Portland Bureau of Transportation - General Fund Requests – Lead Cable Replacement	\$754,606	\$0
Portland Bureau of Transportation - General Fund Requests – Signals & Streetlight (TR_	\$1,550,000	\$1,000,000
Portland Bureau of Transportation - General Fund Requests – Structural Maintenance (T	\$422,000	\$0
Portland Fire & Rescue - Station 16 and 20 Roof Replacement (FR_005)	\$105,000	\$0
Portland Fire & Rescue - Community Room ADA Improvements (FR_007)	\$75,000	\$0
Portland Parks & Recreation - Major Maintenance - Walker Central Energy Contrl (PK_00	\$490,925	\$490,925
Portland Parks & Recreation - Major Maintenance - Charles Jordan CC Roof (PK_008)	\$702,800	\$0
Portland Parks & Recreation - Major Maintenance - Mt Scott CC HVAC System (PK_009)	\$818,250	\$0
Total Capital Set-Aside Request	\$45,278,586	\$5,775,686
Encumbrance Carryover Request		
Bureau of Planning & Sustainability - Encumbrance Carryover in General Fund (PN_002)	\$239,400	\$239,400
Commissioner of Public Affairs - CPA - Encumbrance Carryover Request (PA_001)	\$147,776	\$147,776
Commissioner of Public Affairs - CPA - Advance Carryover (PA_002)	\$55,025	\$55,025
Commissioner of Public Utilities - CPU - Encumbrance Carryover Request (PU_001)	\$14,146	\$14,146
Office of Equity & Human Rights - General Fund Encumbrance Carryover (OE_002)	\$650	\$650
Office of Government Relations - SPB carryover (GR_001)	\$16,500	\$16,500
Office of Management & Finance - OMF General Fund-Encumbrance Carryovers (MF_00	\$418,120	\$418,120
Office of Neighborhood Involvement - Advance Encumbrance Carryover (NI_001)	\$200,566	\$200,566
Office of Neighborhood Involvement - DPO encumbrance carryover (NI_002)	\$11,726	\$11,726
Office of the Mayor - Encumbrance Carryover Request (MY_003)	\$38,000	\$38,000
Office of the Mayor - Advance Carryover Request (MY_004)	\$1,800	\$1,800
Portland Fire & Rescue - Encumbrance Carryover Request (FR_014)	\$1,268,294	\$1,268,294
Portland Parks & Recreation - Encumbrance Carryover Request (PK_003)	\$888,384	\$871,803
Portland Police Bureau - EM&S Encumbrance Carryover from 13-14 (PL_001)	\$2,318,768	\$2,318,768
Special Appropriations - Advance Carryover (SA_003)	\$677,726	\$677,726
Special Appropriations - Encumbrance Carryover (SA_008)	\$36,341	\$36,341
Total Encumbrance Carryover Request	\$6,333,222	\$6,316,641
GF Revenue Carryover		

General Fund Reconciliation

	<u>Bureau Request</u>	<u>CBO Recommended</u>
GF Revenue Carryover		
Office of Neighborhood Involvement - Livability and CNIC - Revenue Carryforward (NI_0	\$25,000	\$0
Office of Neighborhood Involvement - Crime Prevention Revenue Carryover (NI_008)	\$4,000	\$0
Portland Fire & Rescue - Realize extra FY13-14 Plan Review/Permit revenue (FR_011)	\$161,730	\$161,730
Portland Police Bureau - Non-Discretionary Revenue Carryover from 13-14 (PL_002)	\$200,000	\$200,000
Total GF Revenue Carryover	\$390,730	\$361,730
New Request		
Bureau of Development Services - Expand the Extremely Distressed Properties Enfor (D	\$110,942	\$0
Bureau of Development Services - Improve & Restore the Nuisance Abatement Program	\$50,000	\$0
Bureau of Development Services - Expand the Enhanced Rental Inspection Program (DE	\$103,292	\$0
Bureau of Emergency Communications - Server Refresh/Replacement Project - VCAD S	\$1,637,035	\$0
Bureau of Emergency Communications - Aurora Enterprise Server Purchase (EC_003)	\$23,562	\$0
Bureau of Planning & Sustainability - Design Review Audit (PN_007)	\$118,500	\$0
Commissioner of Public Utilities - CPU - Sick Time Program (PU_002)	\$17,500	\$0
Commissioner of Public Works - CPW-CUB mailer costs (PW_001)	\$7,500	\$7,500
Fund & Debt Management - Debt Retirement - Housing Opportunity Bonds (FM_001)	\$6,070,000	\$0
Fund & Debt Management - Debt Retirement - Gov Bond Redemption set-aside (FM_002)	\$2,996,884	\$0
Fund & Debt Management - Debt Retirement - Internal Loan Repayment (FM_003)	\$1,186,219	\$1,186,219
Fund & Debt Management - Refund from BTS for ECC Bldg video system (FM_008)	(\$25,147)	(\$25,147)
Office of Equity & Human Rights - Create One-Time Translation/Interpretation Pool (OE_	\$50,000	\$0
Office of Management & Finance - Fac - Kelly Bldg Parking Lot Segment Aquisition (MF_	\$480,000	\$0
Office of Neighborhood Involvement - Gap funding for MYC external materials and servi	\$9,000	\$0
Office of Neighborhood Involvement - Gap funding for State Farm Youth Advisory Board	\$28,288	\$0
Office of Neighborhood Involvement - Vulnerable populations needs assessment (NI_005	\$10,000	\$0
Office of Neighborhood Involvement - Kenton Firehouse – Unplanned Const Requiremen	\$20,500	\$20,500
Office of the City Attorney - Legal Equity Project (AT_002)	\$40,000	\$0
Office of the Mayor - Last Thursday Funding (MY_002)	\$11,247	\$0
Portland Bureau of Emergency Management - Fueling Station at Jerome Sears Facility (E	\$1,940,525	\$0
Portland Bureau of Emergency Management - Accessibility Upgrades at Sears Facility (E	\$897,132	\$0
Portland Bureau of Emergency Management - Seismic Building Assessment (EM_006)	\$89,404	\$0
Portland Bureau of Emergency Management - Engineer Position for URM Database Upd	\$217,816	\$0
Portland Bureau of Transportation - General Fund Request –Back to Basics Maintenance	\$4,500,000	\$0
Portland Bureau of Transportation - Regulatory Program Facilities (TR_022)	\$120,000	\$0
Portland Fire & Rescue - Paramedic Training (FR_001)	\$250,000	\$0
Portland Fire & Rescue - Specialty Rescue Awareness Trng - Firefighters (FR_002)	\$374,491	\$0
Portland Fire & Rescue - Specialty Rescue Operations Trng-Truck Companies (FR_003)	\$344,303	\$0
Portland Fire & Rescue - Logistics and Prevention Relocation (FR_004)	\$1,000,000	\$0
Portland Fire & Rescue - Station 11 and 19 Dorm Additions (FR_006)	\$200,000	\$0
Portland Fire & Rescue - Emergency Generator Conversion (FR_008)	\$135,000	\$0
Portland Parks & Recreation - Security Infrastructure Investment (PK_010)	\$415,376	\$0
Portland Parks & Recreation - New Master Plans for East Portland (PK_011)	\$300,000	\$0
Portland Parks & Recreation - Renew Forest Park Seed Funding (PK_012)	\$500,000	\$0
Portland Parks & Recreation - ADA Transition Plan (PK_013)	\$650,000	\$0

General Fund Reconciliation

	<u>Bureau Request</u>	<u>CBO Recommended</u>
New Request		
Portland Police Bureau - Domestic Violence Restraining Order Team (PL_004)	\$223,890	\$0
Portland Police Bureau - Gang Enforcement Team (PL_005)	\$812,000	\$0
Portland Police Bureau - Boystrength Program (PL_006)	\$76,272	\$0
Portland Police Bureau - RegJIN Records sustainment team staffing (PL_009)	\$178,125	\$0
Portland Police Bureau - DOJ Agreement (PL_013)	\$463,064	\$351,152
Portland Police Bureau - RegJIN Sustainment Fiscal and Reporting (PL_015)	\$74,871	\$0
Special Appropriations - Friends of Zenger Farm (SA_004)	\$50,000	\$0
Special Appropriations - Age-Friendly Portland Initiative (SA_005)	\$50,000	\$0
Special Appropriations - Venture Portland (SA_006)	\$99,999	\$0
Special Appropriations - Trail Near Robert Gray (SA_009)	\$10,000	\$0
Special Appropriations - RACC Gap (SA_010)	\$600,000	\$0
Special Appropriations - Halperin Fountains (SA_011)	\$500,000	\$0
Special Appropriations - PPS/Concordia Early Childhood Learning Project (SA_012)	\$100,000	\$0
Total New Request	\$28,117,590	\$1,540,224
Program Carryover Request		
Office of Management & Finance - PSSRP - RegJIN & FIS Project Resource Carryover (\$1,183,967	\$1,183,967
Office of Management & Finance - Carryover Request of Unspent Innovation Funding (M	\$151,369	\$151,369
Office of the Mayor - Summer Works carryover request (MY_001)	\$195,000	\$195,000
Portland Housing Bureau - Carry Over General Fund for Home Start Program (HC_001)	\$786,134	\$786,134
Total Program Carryover Request	\$2,316,470	\$2,316,470
Technical Adjustment		
Fund & Debt Management - PDX Harbor Natural Resource Trustees Funding (FM_005)	(\$400,000)	(\$400,000)
Fund & Debt Management - Distribution of Pre-Allocated GF Contingency (FM_006)	(\$1,038,219)	(\$1,038,219)
Office of Management & Finance - Bus Ops-Innovation Program Management (MF_001)	\$125,000	\$125,000
Office of the City Attorney - PDX Harbor Natural Resource Trustees Funding (AT_003)	\$400,000	\$400,000
Portland Parks & Recreation - Gen Fund Contingency - Summer Lunch Program (PK_01	\$8,600	\$8,600
Portland Police Bureau - FY13-14 Carryover:On-body Cameras (PL_007)	\$834,619	\$834,619
Special Appropriations - New City Initiative (SA_001)	\$25,000	\$25,000
Special Appropriations - PBA Downtown Marketing Initiative (SA_002)	\$170,000	\$170,000
Special Appropriations - Innovation Fund Staff (SA_007)	(\$125,000)	(\$125,000)
Total Technical Adjustment	\$0	\$0
Grand Total	\$82,436,598	\$16,310,751

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PUBLIC SAFETY

Bureau of Emergency Communications

Analyst: Ryan Kinsella

Emergency Communications Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$1,715,000	\$0	\$0	\$1,715,000
Charges for Services	298,934	0	0	298,934
Intergovernmental Revenues	7,389,777	6,438	(6,438)	7,389,777
Fund Transfers - Revenue	13,460,788	4,136,807	(1,660,597)	15,936,998
Miscellaneous	15,000	0	0	15,000
Total Resources	\$22,879,499	\$4,143,245	(\$1,667,035)	\$25,355,709
Requirements				
Personnel Services	\$14,292,969	\$0	\$0	\$14,292,969
External Materials and Services	829,328	351,250	(200,000)	980,578
Internal Materials and Services	3,927,875	1,467,035	(1,467,035)	3,927,875
Capital Outlay	0	2,476,210	0	2,476,210
Bond Expenses	1,371,594	0	0	1,371,594
Fund Transfers - Expense	727,350	0	0	727,350
Contingency	1,730,383	(151,250)	0	1,579,133
Total Requirements	\$22,879,499	\$4,143,245	(\$1,667,035)	\$25,355,709

Key Decisions

- Appropriate \$2,476,210 of General Fund discretionary to replace the roof of the Portland Communications Center (PCC) as a part of the Capital Set-Aside process.
- Budget two other requests for additional General Fund discretionary for technology projects totaling \$1,667,035. (Not recommended.)

Discussion

Capital Set-Aside Request

OMF-Facilities estimates the total costs to replace the roof at the PCC to be \$3.0 million, a low confidence estimate. BOEC has not requested funding for this project in the past, but OMF-Facilities has considered using the bureau's major maintenance account to fund the roof replacement. Funding in this account has only been sufficient for minor, periodic repairs. Funding from partner jurisdictions is not available for major capital improvements because the City prefers to own the bureau's assets and thereby avoid having to deal with issues of division of such assets if a jurisdiction decides to leave. However, funding of \$500,000 is available in the bureau's maintenance account, which is partially supported by rent fees paid by partner jurisdictions. Based on the determination

made by the Capital Projects Ranking Committee, CBO recommends funding to repair this roof.

Server Refresh/Replacement Project

BOEC, in collaboration with the Bureau of Technology Services (BTS), has recently determined the need to replace the server and software for the bureau's computer-aided dispatch (CAD) system. Three different options have been considered; the bureau is requesting the more costly option that provides greater flexibility in terms of maintenance and improved recovery options. BTS recommended a different option because it uses existing systems and technologies, uses the vendor's preferred platform, and is less costly. In its current state, the bureau is able to use the system to effectively dispatch calls; however, the bureau estimates that the vendor will be able to support the current system "as is" for two years, after which, the system will need to be updated in order to avoid an adverse impact on dispatch. CBO supports BOEC's request for \$1.6 million; however, because the system is currently functional, CBO recommends that the project be resubmitted for consideration as part of the FY 2015-16 budget process. CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process.

Aurora Enterprise Server Purchase

Note: On October 17th, BOEC received news from the State of Oregon that the State will be funding this project, so the bureau is withdrawing the request for additional General Fund resources, and the following write-up is no longer relevant but presented for the record.

The current Aurora system is used to record data on all 9-1-1 calls, which the bureau uses to review prior calls and respond to information requests. The requested \$24,000 would fund a new server that would increase the functionality of the system and allow for special reports and data mining. In its current state, the bureau does not use the system reports to improve dispatch times. CBO supports the bureau's effort to provide bureau managers with information that enables them to most effectively allocate staff resources while also minimizing the time from call-taking to dispatch. However, due to the possibility of external resources (State 9-1-1 phone tax revenues) and the availability of contingency in the Emergency Communications Fund, CBO does not recommend this request. Rather, CBO recommends that the bureau fund this project by drawing on contingency or waiting until the State determines

whether or not to reimburse the upgrade. CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process.

Bureau of Fire & Police Disability & Retirement

Analyst: Christy Owen

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$14,413,467	\$0	\$0	\$14,413,467
Taxes	120,321,535	0	0	120,321,535
Interagency Revenue	657,200	0	0	657,200
Fund Transfers - Revenue	1,500,000	0	0	1,500,000
Bond and Note	31,258,000	0	0	31,258,000
Miscellaneous	306,500	0	0	306,500
Total Resources	\$168,456,702	\$0	\$0	\$168,456,702
Requirements				
Personnel Services	\$1,851,231	\$0	\$0	\$1,851,231
External Materials and Services	113,410,200	(1,536)	0	113,408,664
Internal Materials and Services	7,860,647	1,536	0	7,862,183
Capital Outlay	43,300	0	0	43,300
Bond Expenses	31,636,349	0	0	31,636,349
Fund Transfers - Expense	1,645,911	0	0	1,645,911
Contingency	12,009,064	0	0	12,009,064
Total Requirements	\$168,456,702	\$0	\$0	\$168,456,702

Key Decisions

- None

Discussion

The Bureau of Fire & Police Disability & Retirement is requesting a technical adjustment to balance an interagency agreement with the Office of Management & Finance. There are no other requests submitted in the FY 2014-15 Fall BMP.

Portland Police Bureau

Analyst: Christy Owen

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$1,775,781	(\$4,955)	\$0	\$1,770,826
Licenses & Permits	1,931,000	0	0	\$1,931,000
Charges for Services	882,002	0	0	\$882,002
Intergovernmental Revenues	8,169,704	558,846	0	\$8,728,550
Interagency Revenue	4,150,774	135,000	0	\$4,285,774
Fund Transfers - Revenue		200,000	0	\$200,000
Miscellaneous	1,711,750	0	0	\$1,711,750
General Fund Discretionary	159,427,788	4,981,609	(1,477,070)	\$162,932,327
Total Resources	\$178,048,799	\$5,870,500	(\$1,477,070)	\$182,442,229
Requirements				
Personnel Services	\$131,393,327	\$2,011,281	(\$1,251,072)	\$132,153,536
External Materials and Services	16,257,985	3,752,557	(225,998)	\$19,784,544
Internal Materials and Services	30,012,276	25,763	0	\$30,038,039
Capital Outlay	255,000	80,899	0	\$335,899
Fund Transfers - Expense	25,211	0	0	\$25,211
Contingency	105,000	0	0	\$105,000
Total Requirements	\$178,048,799	\$5,870,500	(\$1,477,070)	\$182,442,229

General Fund

	Revised Budget (A)	Request (B)	Recommended Adjustments(C)	Recommended Revised (A+B+C)
Resources				
Licenses & Permits	1,931,000	0	0	1,931,000
Charges for Services	882,002	0	0	882,002
Intergovernmental Revenues	6,543,500	152,043	0	6,695,543
Interagency Revenue	4,150,774	135,000	0	4,285,774
Fund Transfers - Revenue	0	200,000	(200,000)	0
Miscellaneous	1,663,150	0	0	1,663,150
General Fund Discretionary	159,427,788	4,981,609	(1,477,070)	162,932,327
Total Resources	\$174,598,214	\$5,468,652	(\$1,677,070)	\$178,389,796
Requirements				
Personnel Services	\$130,936,530	\$1,873,851	(\$1,251,072)	131,559,309
External Materials and Services	13,502,311	3,407,401	(225,998)	16,683,714
Internal Materials and Services	29,904,373	(12,600)	0	29,891,773
Capital Outlay	255,000	0	0	255,000
Total Requirements	\$174,598,214	\$5,268,652	(\$1,477,070)	\$178,389,796

Key Decisions

- Carry over funding from FY 2013-14 for the Mobile Audio Video (MAV) project to be redirected towards funding on-person cameras totaling \$834,619.
- Provide partial year funding for 6.0 FTE limited term non-sworn positions totaling \$351,000 for the analytical support required to be compliant with the recently signed US Department of Justice Settlement Agreement.
- Acknowledge the Portland Police Bureau's operational plan to double-fill 10.0 officer positions to ensure staffing levels are maintained given the length of time to hire and train new recruits.
- Carry over General Fund revenue of a \$200,000 donation from the Friends of the Mounted Patrol and transferred to the Police Special Revenue Fund
- Carry over \$2.3 million for purchases in progress at year-end but not complete until FY 2014-15.
- Requests General Fund discretionary resources for the following: 9.0 limited term positions in the Gang Enforcement Team, 3.0 limited term positions in the Domestic Violence Restraining Order team, .67 limited term position for Boystrength, and 4.0 limited term positions for RegJIN support positions. (Not recommended.)

Discussion

The Portland Police Bureau (PPB) requested \$5.4 million in General Fund one-time resources related to either prior year carryovers or to address programmatic needs in FY 2014-15. Technical adjustments and purchase order carryover requests are recommended as requested. There is a revenue carryover request to set aside the FY 2013-14 donation from the Friends of the Mounted Patrol.

There are 22.67 Limited Term Positions requested in this Fall BMP, and the bureau expects to request ongoing funding for these positions in the FY 2015-16 budget. With the exception of the 6.0 limited term positions supporting the analytical analysis of the United States Department of Justice Agreement, CBO does not recommend additional funding for the remaining part of the fiscal year. For detailed analysis of each request, please refer to the Detailed Requests and Recommendations report.

US Department of Justice Analytical Support

On August 29, 2014 the signed Settlement Agreement between the City and the United States Department of Justice (DOJ) legally went into effect. This starts the clock on an established series of deliverables the bureau must achieve in

order to be compliant with the terms. Many of the provisions in the Agreement are currently underway. In the past 18 months, the bureau has experienced areas where additional support will be required in order to comply- especially with the data analytics and reporting requirements, the auditing and reporting workload associated with the Force Inspector Position, and the need for compliance-specific reports from the new RegJIN records management system.

CBO recommends funding for the 6.0 limited term positions as the work to be performed by these positions constitute the reporting backbone as outlined in the recently signed Agreement. The recommendation would fund 3.0 Crime Analysts, 1.0 Data Analyst, 1.0 Management Auditor, and 1.0 Management Analyst. Funding these positions is anticipated to enable the bureau to comply with the analytical, reporting, and auditing requirements that are established in several Agreement items.

In the BMP request, the Police Bureau notes that these positions will be requested as ongoing FTE in the FY 2015-16 Budget. As one-time funds are recommended in the current fiscal year, CBO is recommending the bureau look to internal program realignments as the requirements to comply with the Agreement will be in place for at least five years. This is a required signed order, and the Council and community will need to be aware of the services or programs that will not be funded in the event new ongoing resources are not available.

Recommended Staffing requests

From the time an officer is hired, it takes approximately 18 months for the officer to be trained and complete through the probationary period before being ready for assignment in patrol. The request to double-fill 10 officer positions at PPB seeks to address the need for officer trainees to be lined up to fill vacancies as the vacancies occur throughout the year. Funding for the double-fills is anticipated to be covered with vacancy savings due to attrition.

The risk for any bureau utilizing double-filled positions to meet operating requirements is overspending the authorized budget. Police Fiscal Division provides monthly expenditure reports to CBO and the Mayor's Office and these reports should be updated to include cost analysis and status of the double-filled positions.

Carryover Requests

The BMP includes a \$200,000 revenue carryover from the General Fund to be transferred to the Police Special Revenue Fund, a result of last year's donation from the Friends of the Mounted Patrol. The Friends of the Mounted Patrol

agreed to fundraise and donate \$200,000 per year for two fiscal years to keep the MPU operational. During the development of the FY 2014-15 Budget, there was some discussion of potentially cutting the MPU, and the Friends of the Mounted Patrol held off on making the donation until the program received funding in the FY 2014-15 Budget in May 2014.

As the bureau was able to absorb one year of the operating costs of the MPU, the Friends of the Mounted Patrol has requested the donation go towards funding a new facility for the MPU and the bureau agreed. However, it is important to note that General Fund ending fund balance is \$200,000 lower than it would have been had the donation gone toward MPU operating costs in FY 2013-14. Since the City accepted the donation with that understanding, CBO is recommending the donation be received into the Police Special Revenue Fund. In addition, CBO notes the following for future budgetary analysis and discussion:

- In the FY 2014-15 Fall BMP response to the impact of the reduction of funding and positions in the MPU, the bureau states that the MPU has reduced capability to achieve the program's mission. At present staffing levels, the unit focuses more on chronic livability issues and nuisance street crimes in the Downtown Pedestrian Zone.
- The bureau has requested 22.67 limited-term positions, sworn and non-sworn, in support of the following: DOJ Agreement compliance; increased investigations support; and support for RegJIN. It may be difficult to recommend continued funding for a program that is no longer achieving the intended mission when mandated work is required to occur.
- The MPU will likely need additional one-time funds to construct a new facility to house the MPU operations, and resources outside of donations have not been identified.

Technology Requests and Recommendations

In the FY 2013-14 Spring BMP, CBO recommended the funds approved for the Mobile Audio Video (MAV) project be set-aside for a separate carryover request from the Police Bureau in the FY 2014-15 Fall BMP. Over the summer months, the bureau conducted pilot testing in the Traffic Division of different on-officer cameras to determine if an on-officer program would better suit the bureau's needs than the previously requested MAV's.

The bureau is going through the formal Request For Proposal (RFP) process to produce the following: complete project costs for the cameras and digital records support for 600+ officers to be outfitted; identify the level of ongoing

support that the bureau will require; and assist with determining the appropriate project timeline for implementation.

CBO recommends the bureau proceed with the project as outlined. Going through a complete RFP process will allow the bureau to identify accurate implementation and ongoing sustainment costs once the vendor is selected. This recommendation will delay the implementation of on-person cameras in the City of Portland, but given the magnitude of both policy implications and the potential for ongoing costs to be significant, it is in the best interest to take a cautious approach before undergoing a partial implementation only to determine the program is not fiscally sustainable or operationally manageable.

Requests Not Recommended

CBO does not recommend additional limited term positions in the Domestic Violence Reduction Unit, the Gang Enforcement Team, for RegJIN Sustainment nor the Boystrength program. Based on previous year spending patterns, CBO recommends the Boystrength program costs be absorbed through vacancy savings in personnel services. Positions in support of RegJIN may have other funding options available, and if the bureau is not able to identify outside resources, the bureau should request any funding shortfall in the Spring BMP.

New resources requested for limited term positions in support of the Domestic Violence Restraining Order (DVRO) team and the Gang Enforcement Team (GET) are not recommended. Investing resources in these programs would provide for more cases to be followed up (restraining order and gang cases) and for the city to implement the gun disposition program. CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process.

Portland Fire & Rescue

Analyst: Christy Owen

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$6,712,662	\$0	\$0	\$6,712,662
Licenses & Permits	1,900,000	225,000	0	2,125,000
Charges for Services	1,570,000	0	0	1,570,000
Intergovernmental Revenues	2,778,116	0	0	2,778,116
Interagency Revenue	3,601,446	35,000	0	3,636,446
Miscellaneous	120,000	0	0	120,000
General Fund Discretionary	91,961,067	3,913,818	(2,483,794)	93,391,091
General Fund Overhead	70,015	0	0	70,015
Total Resources	\$108,713,306	\$4,173,818	(\$2,483,794)	\$110,403,330
Requirements				
Personnel Services	\$89,521,980	\$838,094	(\$626,830)	\$89,733,244
External Materials and Services	6,721,944	1,778,994	(341,964)	8,158,974
Internal Materials and Services	5,701,720	41,730	0	5,743,450
Capital Outlay	4,995,000	1,515,000	(1,515,000)	4,995,000
Contingency	1,772,662	0	0	1,772,662
Total Requirements	\$108,713,306	\$4,173,818	(\$2,483,794)	\$110,403,330

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Licenses & Permits	\$1,900,000	\$225,000	\$0	\$2,125,000
Charges for Services	1,570,000	0	0	1,570,000
Intergovernmental Revenues	579,000	0	0	579,000
Interagency Revenue	3,601,446	35,000	0	3,636,446
Miscellaneous	120,000	0	0	120,000
General Fund Discretionary	91,961,067	3,913,818	(2,483,794)	93,391,091
General Fund Overhead	70,015	0	0	70,015
Total Resources	\$99,801,528	\$4,173,818	(\$2,483,794)	\$101,491,552
Requirements				
Personnel Services	\$87,322,864	\$838,094	(\$626,830)	\$87,534,128
External Materials and Services	6,721,944	1,778,994	(341,964)	8,158,974
Internal Materials and Services	5,701,720	41,730	0	5,743,450
Capital Outlay	55,000	1,515,000	(1,515,000)	55,000
Total Requirements	\$99,801,528	\$4,173,818	(\$2,483,794)	\$101,491,552

Key Decisions

- Encumbrance carryover of \$1.4 million for purchases in progress at year-end but not complete until FY 2014-15.
- General Fund programmatic revenue carryover of \$161,730 for the Plan Review/ Permit program.
- Recommends \$225,000 in new revenues associated with increased workload in the Permit and Plans Review program, authorizing 2.0 FTE that are 100% supported by the new program revenues.
- Requests for General Fund discretionary resources for the following: paramedic training, structural awareness training, station major maintenance projects, and to establish a \$1 million reserve account for potentially relocating the existing training and logistics facility (not recommended)

Discussion

The requests that are recommended by CBO in the Fall BMP are primarily programmatic carryover requests and the creation of 2.0 FTE supported by inspection fees. The carryover requests fall within the parameters of the City's financial policies, and the bureau will receive the goods and services identified in FY 2014-15. The positions requested are supported by the increased demand for services associated with the increase in the construction of multi-family housing.

Fire Fighter Training Requests

The bureau has requested \$968,794 in one-time General Fund resources to support three training requests for firefighters. The majority of the funds would be used to pay for shift back-fill when employees are attending the trainings. Of the total amount, \$250,000 is requested to contract out training to certify 10-15 firefighters as paramedics, an effort that would in time allow the bureau to staff every apparatus with a paramedic. Through attrition and internal promotions, the bureau has experienced a net loss of paramedics available for staffing daily shift operations. With more paramedics the bureau would be able to provide enhanced Advance Life Support to the community.

The second training request would support the bureau's ability to safely respond to a major specialty/ structure collapse incident. The first phase of this training aims to get all personnel 8.0 hours of awareness training. The second phase of this request would be an enhanced 42.0 hour training to bring the truck companies up to the desired knowledge base. The bureau would be able to complete the awareness training in the current year, and the operations level training would likely not start until FY 2015-16.

CBO does not recommend additional funding for these training requests, but would be supportive of the bureau using internal resources to begin these trainings in the current year. CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Last year the bureau underspent Personnel Services by 2% for approximately of \$1.24 million, the underspending is primarily a result of vacancy savings. Should the bureau require additional resources in the current year the bureau can request funds in the Spring BMP.

New Facility Reserve Request

The Logistics and Prevention staff operate out of the current facilities on SE Powell Boulevard and SE Gideon Street. Depending on site redevelopment plans, the bureau could be faced with relocating these operations and has requested \$1.0 million to be set aside in a reserve for future costs related to the redevelopment and relocation of these current operations.

At present, there is no clear plan, timeline, or overall budget for this project. Outside of either General Fund resources or a debt sale, the only identified resource is the value of the sale of the land where the current facilities are located. Depending on the appraised value, this could present a sizable resource for this project. CBO does not recommend funding for this project at this time as the bureau is still conducting a needs assessment and determining the final project scope, timeline, anticipated budget, and identifying potential resource options.

Major Maintenance Requests

The bureau has a prioritized list of major maintenance projects for the stations totaling \$989,540. The bureau has identified three projects that are not in the current year schedule, but have been identified as having immediate need. Overall, the bureau reports that the stations are in good condition, as a result of the 1998 GO Bond program, but not addressing ongoing maintenance and replacement issues in a timely manner can lead to more costly facility operating expenses. The bureau has historically realigned resources based on actual spending. The projects that were submitted for Capital Set-Aside did not rank high enough on a citywide basis to be recommended for funding in the Fall BMP. CBO recommends the bureau proceed with major maintenance projects that can be completed within the current year and within existing resources.

Portland Bureau of Emergency Management

Analyst: Christy Owen

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Intergovernmental Revenues	\$1,358,254	(\$396,353)	\$0	\$961,901
Interagency Revenue	10,000	0	0	10,000
General Fund Discretionary	2,217,084	3,144,877	(3,144,877)	2,217,084
General Fund Overhead	1,183,147	0	0	1,183,147
Total Resources	\$4,768,485	\$2,748,524	(\$3,144,877)	\$4,372,132
Requirements				
Personnel Services	\$1,514,234	\$217,816	(\$217,816)	\$1,514,234
External Materials and Services	1,313,029	(306,949)	(89,404)	916,676
Internal Materials and Services	738,925	0	0	738,925
Capital Outlay	0	2,837,657	(2,837,657)	0
Fund Transfer	1,202,297	0	0	1,202,297
Total Requirements	\$4,768,485	\$2,748,524	(\$3,144,877)	\$4,372,132

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Interagency Revenue	\$10,000	\$0	\$0	\$10,000
General Fund Discretionary	2,217,084	3,144,877	(3,144,877)	2,217,084
General Fund Overhead	1,183,147	0	0	1,183,147
Total Resources	\$3,410,231	\$3,144,877	(\$3,144,877)	\$3,410,231
Requirements				
Personnel Services	\$1,327,647	\$217,816	(\$217,816)	\$1,327,647
External Materials and Services	354,327	89,404	(89,404)	354,327
Internal Materials and Services	525,960	0	0	525,960
Fund Transfer	1,202,297	0	0	1,202,297
Capital Outlay	0	2,837,657	(2,837,657)	0
Total Requirements	\$3,410,231	\$3,144,877	(\$3,144,877)	\$3,410,231

Key Decisions

- Requests for General Fund one-time resources for the following items: additional funding for the fueling station at the Jerome F. Sears building, ADA upgrades at the Jerome F. Sears building, transfer to the Bureau of Development Services to refresh the Unreinforced Masonry (URM) database, additional funding to add seismic review to the OMF-Facilities building assessment project. (Not recommended)
- Technical adjustments to grants.

Discussion

PBEM requested \$3.1 million in General Fund one-time resources to address citywide emergency preparedness needs. The majority of the requested funds would be dedicated to bringing the Jerome F. Sears facility online. CBO does not recommend new revenues for the Sears facility project as it is not likely that the resources would be needed in the current fiscal year, the project budget is still of low confidence, and there are no additional tenancy plans in place. It is recommended the bureau look to the FY 2015-16 budget process for these requests. For detailed analysis of all requests please see the Detailed Requests and Recommendations report.

Sears Facility Infrastructure Projects

The FY 2014-15 Adopted Budget included \$1.2 million for the first phase development for a west side fuel station. PBEM has requested an additional \$1.9 million to complete the construction of the fuel station and the relocation of the parking lot. OMF-Facilities continues to work with construction and architectural consultants to provide a more accurate timeline and cost estimate. The current estimated project costs have increased \$900,000 as a result of a thorough analysis of the project by a consultant.

The FY 2014-15 Budget Review discussed the critical replacement need of the city's entire fueling infrastructure. Outside of cash financing major CIP projects as resources become available, another option is to plan for a debt sale to address the City's total fueling infrastructure needs. Debt financing could take care of all five fuel projects, while adding capacity to the west side and providing operating bureaus with a fixed payment schedule.

Sears Facility ADA Upgrade Project

PBEM has worked with OMF-Facilities to further refine the project scope and potential budget for completing ADA upgrades at the Sears Facility. The original estimate based on basic tenant improvement costs has been increased from \$632,000 to \$897,132, and would allow the facility to be used for more than storage. CBO does not recommend funding the ADA upgrades in the Fall BMP. City financial policies (FIN 2.02 and 2.03) place greater emphasis on maintaining existing assets and infrastructure before additional projects are funded. At present, there is no dedicated resource for the future costs of operating and maintaining the facility and there are no further occupancy plans solidified with other City Bureaus.

Unreinforced Masonry database updates

This request would transfer \$217,816 from the General Fund to the Bureau of Development Services Engineering Plan Review section. The resources would be used to fund 1.0 Limited Term Engineer to refresh the existing data set for Unreinforced Masonry (URM) structures within the city that pose a threat to the disaster recovery process in the event of either a natural or man-made disaster.

CBO does not recommend funding for this project to commence in FY 2014-15. The likelihood of recruiting and hiring the limited term position in the current fiscal year is low and this project is estimated to take up to 18 months to complete. CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process. It is recommended that this project be submitted with the bureau's FY 2015-16 Budget.

Increase Seismic Assessment Contract

Lastly, as part of the City's Continuity of Operations Plan (COOP), PBEM has identified the need to establish baseline seismic assessment data for existing City facilities. OMF Facilities is in the process of finalizing a contract for a Facilities Conditions Assessment. This request for \$89,404 will add additional structures identified by PBEM as essential facilities to receive seismic assessments. CBO recommends PBEM fund this internally or request funding in the FY 2015-16 Budget.

PARKS, RECREATION, AND CULTURE

Portland Parks and Recreation

Analyst: Claudio Campuzano

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$31,804,278	\$10,779,265	\$0	\$42,583,543
Taxes	1,446	0	0	1,446
Licenses & Permits	434,608	0	0	434,608
Charges for Services	39,172,560	408,790	0	39,581,350
Intergovernmental Revenues	3,945,771	659,554	0	4,605,325
Interagency Revenue	2,121,387	2,000	0	2,123,387
Fund Transfers - Revenue	2,319,710	3,064,483	(2,021,050)	3,363,143
Bond and Note	800,000	0	0	800,000
Miscellaneous	3,230,121	(93,944)	0	3,136,177
General Fund Discretionary	46,370,808	2,262,360	(1,381,957)	47,251,211
Total Resources	\$130,200,689	\$17,082,508	(\$3,403,007)	\$143,880,190
Requirements				
Personnel Services	\$52,679,306	\$788,449	(\$43,614)	\$53,424,141
External Materials and Services	23,567,473	5,553,146	(1,004,171)	28,116,448
Internal Materials and Services	9,547,001	948,493	(334,172)	10,161,322
Capital Outlay	28,491,074	9,696,147	(2,021,050)	36,166,171
Bond Expenses	1,371,179	0	0	1,371,179
Fund Transfers - Expense	1,501,732	552,508	0	2,054,240
Contingency	12,880,134	(456,235)	0	12,423,899
Unappropriated Fund Balance	162,790	0	0	162,790
Total Requirements	\$130,200,689	\$17,082,508	(\$3,403,007)	\$143,880,190

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Licenses & Permits	\$394,608	\$0	\$0	\$394,608
Charges for Services	17,107,175	16,857	0	17,124,032
Intergovernmental Revenues	198,811	(65,007)	0	133,804
Interagency Revenue	2,100,477	2,000	0	2,102,477
Miscellaneous	988,246	0	0	988,246
General Fund Discretionary	46,370,808	2,262,360	(1,381,957)	47,251,211
Total Resources	\$67,160,125	\$2,216,210	(\$1,381,957)	\$67,994,378
Requirements				
Personnel Services	\$45,300,269	\$10,237	(\$43,614)	\$45,266,892
External Materials and Services	14,798,713	1,299,259	(1,004,171)	15,093,801
Internal Materials and Services	7,061,143	815,874	(334,172)	7,542,845
Capital Outlay	0	90,840	0	90,840
Total Requirements	\$67,160,125	\$2,216,210	(\$1,381,957)	\$67,994,378

Key Decisions

- Budget new revenues totaling \$455,365 (exclusive of internal cash transfers).
- Allocate the annual major maintenance budget to specific projects
- Carry over \$871,803 of General Fund encumbrances. This is slightly lower than the request and reflects the full amount of the bureau's discretionary underspending in FY 2013-14.
- Convert a limited term position for Washington Park parking administration and create two new positions to provide maintenance at the newly acquired Colwood Golf Course.
- Allocate \$490,925 of General Fund discretionary excess balance to replace direct digital control (DDC) system for centralized control of the heating, ventilation, and air conditioning (HVAC) systems. This item was prioritized as part of a Citywide capital set-aside ranking process.
- Allocate an additional \$1.5 million for capital maintenance and replacement projects. (Not recommended.)
- Allocate \$1.9 million for various projects and programs including security cameras, master planning, improvements at Forest Park, and accessibility improvements. (Not recommended.)

Discussion

General Fund Capital and Other New Requests

Overall, Portland Parks and Recreation requested \$3.9 million in new General Fund discretionary resources, including \$2.0 million through the capital ranking process and \$1.9 million of other new requests. Of this, CBO has recommended only the highest ranked capital maintenance item: the replacement of the DDC system for centralized control of the HVAC systems. As a general matter, outside of recommending items funded by the capital set-aside, CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process. Items that have not been recommended include:

- Charles Jordan Community Center Roof Replacement: \$702,800
- Mt Scott Community Center HVAC System Replacement: \$818,250
- Security Infrastructure Investment: \$415,376
- New Master Plans for East Portland Parks: \$300,000
- 'Renew Forest Park' Seed Funding: \$500,000
- ADA Transition Plan: \$650,000

The first two items were submitted under the capital set-aside policy. Despite the fact that CBO has recommended more than the 25% minimum of excess balance to be allocated for major maintenance projects, more highly ranked projects have been recommended for funding ahead of these.

For the most part, the remaining items – the new requests – do not meet the urgency criteria. While potentially valuable programs, these items would best be prioritized within the context of the next full, Citywide budget process.

For a full discussion of all the requests, please see the CBO detailed request narrative, available online.

Other Changes

In addition to the new General Fund requests discussed above, the supplemental budget, as recommended includes a number of other changes.

Budgeted beginning balance is increased by \$10.8 million to reflect the FY 2012-13 year-end balances. System Development Charges make up the bulk of the additional balance (\$9.98 million); these resources are allocated to both identified and as-yet unidentified new parks development projects. The remainder of the balance adjustment is related to the Parks Memorial Fund (\$486,000), the Golf Fund (-\$494,000), and other capital funding (\$811,000).

The increase in the charges for services category is primarily in the SDC subfund to reflect increased projections.

A personnel services increase of \$745,000 is associated with capital projects carried over and newly identified, grant funded positions, and limited term conversions.

PUBLIC UTILITIES

Portland Water Bureau

Analyst: Ryan Kinsella

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$150,499,726	\$0	\$0	\$150,499,726
Charges for Services	147,335,324	0	0	147,335,324
Intergovernmental Revenues	526,000	0	0	526,000
Interagency Revenue	3,034,728	9,000	0	3,043,728
Fund Transfers - Revenue	192,774,398	150,000	0	192,924,398
Bond and Note	119,714,000	0	0	119,714,000
Miscellaneous	5,636,092	0	0	5,636,092
Total Resources	\$619,520,268	\$159,000	\$0	\$619,679,268
Requirements				
Personnel Services	\$61,437,456	\$0	\$0	\$61,437,456
External Materials and Services	24,233,930	200,059	0	\$24,433,989
Internal Materials and Services	19,217,492	27,141	0	\$19,244,633
Capital Outlay	72,669,385	(100)	0	\$72,669,285
Bond Expenses	57,015,823	0	0	\$57,015,823
Fund Transfers - Expense	198,331,621	94,686	0	\$198,426,307
Contingency	73,591,222	(162,786)	0	\$73,428,436
Unappropriated Fund Balance	113,023,339	0	0	113,023,339
Total Requirements	\$619,520,268	\$159,000	\$0	\$619,679,268

Key Decisions

- Add a second permanent Water Security Specialist to be stationed at Bull Run Watershed. This position will be funded by budget savings in FY 2014-15 and rates beginning in FY 2015-16.
- Budgetary shifts between capital programs and actual project budgets. These requests net to zero.
- One-time contingency draw of \$150,000 from the Hydroelectric Renewal Replacement Fund to reimburse Portland General Electric for repairs at the Portland Hydroelectric Project.

Discussion

The Portland Water Bureau submitted eight requests for budget adjustments in the FY 2014-15 BMP. Nearly all of the requests were technical adjustments, including true-ups to fund balances, updates to interagency agreements, and carryovers from funds that fell to balance.

As highlighted above, the bureau is also realigning resources to add a second permanent full-time Water Security position at the Bull Run Watershed. In the current year, the bureau will reduce the Protection and Conservation group

personnel services budget by \$33,000 to fund the costs of this position. The bureau also plans to eliminate two seasonal security workers in FY 2015-16, redirecting the savings to partially fund this position ongoing. The incremental ongoing costs of the position, \$54,000, will be included in the rates beginning in FY 2015-16.

Capital Adjustments

The bureau is requesting to shift budget from general capital programs to more specific capital projects.

In prior years, the bureau used the Fall BMP to reduce contingency to fund capital projects that were carried over from the prior fiscal year. In contrast, this year the bureau will reallocate funding between capital programs to specific projects or between projects in the Fall BMP. Shifting budget from capital program to specific projects increases transparency of actual spending, particularly for projects with expenditures beginning in FY 2014-15 that span multiple years.

The table below details the requested adjustments within capital programs. In summary, these adjustments include:

- Reallocation of \$1.4 million from the Distribution Mains capital program to eight specific projects, resulting in a net decrease of \$180,000 to the Distribution budget;
- Net increase of \$180,000 to the Supply program budget, resulting from updated, more costly bids for two road projects in the Bull Run Watershed; and,
- Net zero impacts within the Transmission program and Treatment program budgets, resulting from shifting budget to specific programs.

	Project	Change	Explanation of Adjustment	
Distribution	Distribution Main (Capital Program)	-1,374,019	Reallocating budget from the Distribution capital program to specific capital projects, as detailed below.	
	Bancroft-Terwilliger	102,000		
	Cornell Rd Services	119,000		
		Union Pacific Railroad East Portland Adjustment	823,000	
		Forest Park Reservoir	90,000	Final steps of Forest Park Reservoir project need to be complete, expected in FY 2013-14. Budget shifted from Pump Station Tanks roll up.
		Jantzen W of Pavilion	74,000	
		Overlook Sewer Rep.	-4,000	
		Pump Stations Tanks	-90,000	
		SE Flavel-Henderson	79,000	
	<i>Subtotal</i>	-181,019		
Supply	Road 10 MP 3.0 - 4.6	160,000	Construction bids were received after the adoption of the FY 2014-15 budget, and these adjustments more accurately reflect project costs.	
	Road 10 MP 4.6 - 6.2	45,000		
	Bull Run Watershed	-23,981		
		<i>Subtotal</i>	181,019	
Transmission	Conduits Transmission (Capital Program)	-268,000	Reducing the transmission capital program to the specific Sellwood projects. The Sellwood Bridge Betterment is in the beginning construction phase in FY 2014-15	
	Sellwood Bridge Betterment	268,000		
		<i>Subtotal</i>		0
Treatment	Water Program Treatment (Capital Program)	-55,000	As a result of delays in receipt of flow meter valves in FY 2013-14, additional budget is required to in FY 2014-15. Reallocating budget from the treatment capital program to the Headworks General Improvements budget.	
	Headworks General Improvements	55,000		
		<i>Subtotal</i>		0
Net Total Adjustments		\$0		

Bureau of Environmental Services

Analyst: Claudio Campuzano

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommend Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$143,567,000	\$65,000	\$0	\$143,632,000
Licenses & Permits	1,613,958	78,201	0	1,692,159
Charges for Services	308,094,800	(2,000)	0	308,092,800
Intergovernmental Revenues	967,878	390,038	0	1,357,916
Interagency Revenue	1,859,276	82,340	0	1,941,616
Fund Transfers - Revenue	313,993,038	3,268,824	0	317,261,862
Bond and Note	235,190,000	0	0	235,190,000
Miscellaneous	1,495,000	0	0	1,495,000
Total Resources	\$1,006,780,950	\$3,882,403	\$0	\$1,010,663,353
Requirements				
Personnel Services	\$59,492,757	\$196,233	\$0	\$59,688,990
External Materials and Services	52,121,869	1,218,811	0	53,340,680
Internal Materials and Services	41,441,707	275,109	0	41,716,816
Capital Outlay	83,359,561	(491,514)	0	82,868,047
Bond Expenses	164,047,027	3,321,315	0	167,368,342
Fund Transfers - Expense	316,312,657	3,321,315	0	319,633,972
Contingency	226,125,372	(3,958,866)	0	222,166,506
Unappropriated Fund Balance	63,880,000	0	0	63,880,000
Total Requirements	\$1,006,780,950	\$3,882,403	\$0	\$1,010,663,353

Sewer System Operating Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$61,500,000	\$65,000	\$0	\$61,565,000
Licenses & Permits	1,613,958	78,201	0	1,692,159
Charges for Services	305,077,800	(2,000)	0	305,075,800
Intergovernmental Revenues	227,200	0	0	227,200
Interagency Revenue	1,444,276	82,340	0	1,526,616
Fund Transfers - Revenue	124,679,388	(52,491)	0	124,626,897
Bond and Note	190,000	0	0	190,000
Miscellaneous	750,000	0	0	750,000
Total Resources	\$495,482,622	\$171,050	\$0	\$495,653,672
Requirements				
Personnel Services	\$59,113,253	\$196,199	\$0	\$59,309,452
External Materials and Services	48,584,260	963,845	0	49,548,105
Internal Materials and Services	40,470,983	150,071	0	40,621,054
Capital Outlay	83,101,561	(491,514)	0	82,610,047
Bond Expenses	2,757,169	0	0	2,757,169
Fund Transfers - Expense	192,660,911	3,321,315	0	195,982,226
Contingency	68,614,485	(3,968,866)	0	64,645,619
Unappropriated Fund Balance	180,000	0	0	180,000
Total Requirements	\$495,482,622	\$171,050	\$0	\$495,653,672

Key Decisions

- Increase bond expenses by \$3.3 million to fund debt service on the August bond sale. This was anticipated and is funded out of budgeted contingency.
- Convert two positions in the System Development program from Limited Term to Regular; one position is reduced and transferred to the Bureau of Technology Services (BTS); and one position in the Material Test Lab is increased from part-time to full-time.
- Budget grants totaling \$290,038, funding projects through the Innovative Wet Weather Grant.
- Budget a series of operating fund adjustments that reflect primarily carryover of prior year projects; these result in a draw on net contingency of \$415,610. Of this, \$274,100 funds previously budgeted capital equipment and vehicles.

Discussion

The net impact of all the decisions requested and recommended in the Fall Supplemental Budget is to reduce contingency by \$3.96 million. The largest component of this reduction is funding of debt service (\$3.3 million) on the August bond issue, as noted above. This brings budgeted contingency down to

\$64.6 million in the Sewer System Operating Fund. Based on current prior-year closing figures, beginning balance will be \$57.8, versus the budgeted \$61.5 million. This would further impact contingency, making the current estimate of contingency roughly \$61 million. While this is a large contingency – roughly a quarter of annual bureau expenses (exclusive of fund-level expenses) – the cash contingency is considerably less. The bulk of the current fund balance consists primarily of revenue receivables.

The two fund cash transfer line items in the All Funds table above reflect the net-zero internal transaction of moving funding for the debt service to the appropriate fund. (The slight difference is a true-up on the Adopted Budget placeholder for revenues from other bureaus for the Percent for Green program).

Personnel Services increase by \$196,233, of which \$131,499 is associated with the requested position actions and \$64,700 is associated with a series of small shifts to fund primarily peak seasonal staffing. The position changes are composed of increases of about \$240,000 and a decrease of \$109,668 to fund an interagency with BTS where a systems analyst position will now be funded (while still being co-located at BES).

The increase in staffing in the System Development program is driven by increased development activity citywide; the System Development program is experiencing increased workload in the public works permit review function.

The increases in external and internal materials and services (\$1.49 million total) are driven by grant-funded projects and other new revenues (~\$450,000), carryover from the prior year and other operating adjustments (~\$172,000), shifts from capital outlay to better reflect revegetation program spending (\$560,000), a shift from a cash transfer to materials and services to account for the appropriate accounting of SDC refunds (\$200,000), and the BTS interagency noted above (~\$110,000).

COMMUNITY DEVELOPMENT

Bureau of Development Services

Analyst: Doug Le

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$24,572,155	\$0	\$0	\$24,572,155
Licenses & Permits	26,830,114	0	0	26,830,114
Charges for Services	10,734,211	0	0	10,734,211
Interagency Revenue	919,353	74,578	0	993,931
Fund Transfers - Revenue	2,035,323	264,234	(264,234)	2,035,323
Bond and Note	25,000	0	0	25,000
Miscellaneous	1,842,518	0	0	1,842,518
Total Resources	\$66,958,674	\$338,812	(\$264,234)	\$67,033,252
Requirements				
Personnel Services	\$27,161,182	\$1,951,754	(\$164,234)	\$28,948,702
External Materials and Services	2,086,305	100,000	(100,000)	2,086,305
Internal Materials and Services	7,719,760	0	0	7,719,760
Capital Outlay	1,495,649	0	0	1,495,649
Bond Expenses	982,638	0	0	982,638
Fund Transfers - Expense	1,256,774	0	0	1,256,774
Contingency	12,256,366	(1,712,942)	0	10,543,424
Unappropriated Fund Balance	14,000,000	0	0	14,000,000
Total Requirements	\$66,958,674	\$338,812	(\$264,234)	\$67,033,252

Key Decisions

- Add 22 new positions funded by permit revenues and fees. (Recommended.)
- Convert seven limited term fee-based positions to permanent. (Recommended.)
- Appropriate \$264,234 in ongoing General Fund to expand the Extremely Distressed Properties Enforcement Program, Enhanced Rental Inspection Program, and Neighborhood Livability Program. (Not recommended.)

Discussion

BDS Additional Positions

In the Fall BMP, BDS requests 22 additional positions to address increasing workloads throughout the bureau due to the economic rebound locally and nationally. The bureau has added positions in FY 2011-12, FY 2012-13, and FY 2013-14 to address this economic trend. The additional positions will

be assigned throughout the bureau as follows: Administrative Services Division: 2 FTE; Inspections Services Division: 3 FTE; Plan Review and Permitting Services Division: 10 FTE; Land Use Services Division: 6 FTE; and Site Development Division: 1 FTE. These positions will be funded by permit revenues and fees. The current five-year financial plan shows sufficient resources to absorb the above additions and workload measures over the last three years support the need for more staff. Additionally, the bureau has adopted an internal policy to fill positions only when it is certain that there is revenue to fund them. CBO recommends the addition of these positions as requested.

Conversion of Limited Term Positions to Permanent

BDS requests to convert seven limited term positions to permanent: one Structural Engineer, one Accountant, one Business System Analyst, two City Planners Land Use, one Electrical Inspector, and one Building Inspector. These positions are funded by permit fees and revenues. This is necessary due to the continued growth in workload and revenues. The funding for these positions is included in the FY 2014-15 budget and five-year financial plan. CBO recommends this request.

BDS also requests additional ongoing General Fund resources to expand the Extremely Distressed Properties Enforcement Program, Enhanced Rental Inspection Program, and Neighborhood Livability Program. CBO does not recommend additional General Fund resources for these programs. CBO has only recommended new General Fund requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process.

Extremely Distressed Properties Enforcement Program

The program received one-time General Fund in the FY 2011-12 Fall BMP to fund one Senior Housing Inspector position to start the program. This program is developed to address properties with chronic nuisance and conditions that cause fire and health hazards to the public. The one-time General Fund support continued until FY 2013-14. In FY 2014-15, the program is funded by BDS one-time internal resources. Also in the FY 2014-15 Adopted Budget, Council directs CBO via a budget note to increase the BDS Current Appropriation Level target by \$286,048 starting in FY 2015-16 to support the Housing & Nuisance Inspection Services and the Extremely Distressed Property Enforcement Program.

As discussed above, the program has received continued funding since its inception in FY 2011-12, without interruption and ongoing General Fund support in the out years is set-aside as directed by Council. The program has been successful in reducing the number of properties with chronic nuisance in various neighborhoods. While this is an important program with increasing workloads over the years, CBO does not believe there is a critical need to expand the program at this time. CBO does not recommend this request.

Enhanced Rental Inspection Program

In the Fall BMP, BDS requests \$103,292 in ongoing General Fund resources to fund two new Housing Inspectors to expand this program to North and Northeast Portland. The program currently serves outer Southeast Portland and it has achieved significant improvements in the area over the years. In FY 2013-14, Council approved a conversion of \$262,116 from one-time to ongoing General Fund resources to fund three Housing Inspectors to continue the above program. While it makes sense to expand the program into North and Northeast Portland to serve more residents in these areas, this is a decision that Council should make in the larger budget context. CBO does not recommend this request, but urges the bureau to re-align its existing resources to expand this program and request additional resources in FY 2015-16 if needed.

Neighborhood Livability Program

BDS requests an additional \$50,000 in ongoing General Fund resources to fund an additional 32 nuisance abatements per year in this program. Specifically, the additional funding will be used to address complaints regarding tall grass and weeds on occupied properties. Due to the limited resources in the General Fund and other competing priorities in the City, CBO does not recommend funding for this request at this time.

Portland Housing Bureau

Analyst: James M. Carter

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$6,700,561	(\$6,247,881)	\$0	\$452,680
Charges for Services	463,000	43,500	0	\$506,500
Intergovernmental Revenues	70,941,059	(5,959,772)	0	\$64,981,287
Interagency Revenue	77,162	0	0	\$77,162
Fund Transfers - Revenue	1,000,000	0	0	\$1,000,000
Bond and Note	7,375,000	(3,310,000)	0	\$4,065,000
Miscellaneous	5,372,502	913,711	0	\$6,286,213
General Fund Discretionary	12,037,327	786,134	0	\$12,823,461
Total Resources	\$103,966,611	(\$13,774,308)	\$0	\$90,192,303
Requirements				
Personnel Services	\$6,089,110	\$145,038	\$0	\$6,234,148
External Materials and Services	93,881,366	(14,509,186)	0	\$79,372,180
Internal Materials and Services	1,084,014	7,226	0	\$1,091,240
Bond Expenses	1,444,861	67,844	0	\$1,512,705
Fund Transfers - Expense	624,487	0	0	\$624,487
Contingency	842,773	514,770	0	\$1,357,543
Total Requirements	\$103,966,611	(\$13,774,308)	\$0	\$90,192,303

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Intergovernmental Revenues	\$0	\$207,273	\$0	\$207,273
Interagency Revenue	77,162	0	0	77,162
General Fund Discretionary	12,037,327	786,134	0	12,823,461
Total Resources	\$12,114,489	\$993,407	\$0	\$13,107,896
Requirements				
Personnel Services	\$568,695	\$0	\$0	\$568,695
External Materials and Services	11,763,550	1,000,661	0	\$12,764,211
Internal Materials and Services	(217,756)	(7,254)	0	(\$225,010)
Total Requirements	\$12,114,489	\$993,407	\$0	\$13,107,896

Key Decisions

- Carry over \$786,134 of General Fund resources encumbered 12-month homeless services contracts initiated mid-year as part of the FY 2013-14 Fall BMP.
- Redirect \$250,000 General Fund resources scheduled for competitive bidding f to two service providers.

Discussion

All budget adjustments submitted by Housing are recommended as requested.

Carry Over General Fund for Home Start Program

Housing is requesting \$786,134 in carryover from the \$1.7 million one-time General Fund approved in the FY 2013-14 Fall BMP; there was no expectation that the entire allocation be spent down by fiscal year's end because these mid-year contracts are scheduled to end December 31, 2014. The resources support housing placement services for 325 households including 100 families. Of the \$1.7 million, \$700,000 was allocated to Multnomah County for services to families, and \$400,000* was approved in the Spring BMP as carryover (see table below). Combining this carryover with the \$786,134 totals \$1,186,135 unspent funding by fiscal year's end. This unspent amount is more than Housing anticipated in spite of the fact that contracts were awarded mid-year.

Table: Summary of FY 2013-14 Budget to Actuals

Service Provider	FY 13-14 Budget	Invoiced FY 2013-14	Remaining after 6/30/14	Fall BMP carry over
JOIN Collaborative	659,250	106,082	553,168	553,168
Northwest Pilot Project	100,000	54,932	45,068	45,068
Multnomah County	700,000	300,000	400,000*	0
Transition Projects	240,750	52,852	187,898	187,898
Total	\$1,700,000	513,866	1,186,134	\$786,134

Spending was slower than expected for a number of reasons. First, Housing did not foresee that the first invoice from the County would be received six months after the start of the contract. Additionally, Housing did not anticipate that the JOIN collaborative would seek to carryover 84% (or \$553,168) of budgeted resources. Housing reports the rate of spending is attributable, in part, to the longer than expected time to develop a process for service coordination between providers in the collaborative.

Reprogram FY 2014-15 Permanent Housing and Access

The Adopted Budget included \$500,000 in General Fund ongoing to provide 125 households with permanent housing, of which 70% are expected to retain housing 12 months after assistance ends. Through a request for proposals (RFP) process, half of the FY 2014-15 ongoing funding is bundled with FY 2015-16 ongoing funding to support service contracts starting as early as December 2014 (lasting 12 to 18 months). The bureau, nonetheless, expects the FY 2014-15 dollars (\$250,000) to be spent by fiscal year's end (i.e. within 6 months). For the

remaining \$250,000 allocation, Housing seeks to direct funding to two providers outside the RFP process. The bureau proposes to direct \$150K to Transitions Project (TP) and \$100,000 to Northwest Pilot Projects (NWPP). A total of \$238,000 will fund direct client assistance (e.g. short and long-term rent assistance) and the remaining \$12,000 will fund TP administrative costs. Combined, TP and NWPP are expected to provide housing placement for 63 individuals, including 13 referrals from public safety partners.

Other Issues

Other noteworthy budget adjustments include:

- Appropriate Grant, Tax Increment Financing, and other non-general fund resources for ongoing affordable housing development commitments as well as housing access, retention and ownership programs.
- Reduce appropriations of non-general fund resources to make resources available for FY 2015-16 awarded projects and prospective Notice of Funding Availability process.
- Appropriate new revenues tied to intergovernmental revenues from Multnomah County, charges for services from application fees, and fund balances from the Housing Investment Fund.

Bureau of Planning & Sustainability

Analyst: Daniel Trubman

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$2,272,450	\$98,362	\$0	\$2,370,812
Licenses & Permits	2,851,643	0	0	2,851,643
Charges for Services	2,223,486	0	0	2,223,486
Intergovernmental Revenues	1,698,880	266,371	0	1,965,251
Interagency Revenue	425,452	0	0	425,452
Miscellaneous	73,466	0	0	73,466
General Fund Discretionary	7,291,360	357,900	(118,500)	7,530,760
General Fund Overhead	587,547	0	0	587,547
Total Resources	\$17,424,284	\$722,633	(\$118,500)	\$18,028,417
Requirements				
Personnel Services	\$10,536,820	\$89,781	(\$21,000)	\$10,605,601
External Materials and Services	1,837,947	550,608	(97,500)	2,291,055
Internal Materials and Services	2,402,825	82,244	0	2,485,069
Bond Expenses	52,307	0	0	52,307
Fund Transfers - Expense	164,254	0	0	164,254
Unappropriated Fund Balance	2,430,131	0	0	2,430,131
Total Requirements	\$17,424,284	\$722,633	(\$118,500)	\$18,028,417

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Intergovernmental Revenues	\$186,648	\$0	\$0	\$186,648
Interagency Revenue	415,452	0	0	415,452
General Fund Discretionary	7,291,360	357,900	(118,500)	7,530,760
General Fund Overhead	587,547	0	0	587,547
Total Resources	\$8,481,007	\$357,900	(\$118,500)	\$8,720,407
Requirements				
Personnel Services	\$7,225,662	\$21,000	(\$21,000)	\$7,225,662
External Materials and Services	606,127	316,900	(97,500)	825,527
Internal Materials and Services	649,218	20,000	0	669,218
Total Requirements	\$8,481,007	\$357,900	(\$118,500)	\$8,720,407

Key Decisions

- Move a position from the Policy, Research and Innovation program to Planning and Urban Design program.
- Appropriate Requests \$239,400 in General Fund encumbrance carryover.
- Appropriate \$266,371 in grant carryover.

- Appropriate \$98,362 in additional beginning fund balance.
- Request \$118,500 of General Fund one-time resources for a consultant and staff support to conduct an audit of the City's design review process. (Not recommended).

Discussion

The bureau requested \$357,900 in total General Fund, of which \$239,400 is encumbrance carryover. The encumbrance carryover is recommended as requested. The second request \$118,500 is to fund 0.25 FTE and a consultant to audit and assess the City's design review process, evaluate the effectiveness of the process, and propose changes. CBO does not recommend this request. CBO has only recommended new requests in the Fall Supplemental Budget that are unforeseen and urgent. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process. The shortcomings of the design review process have not developed recently, and nothing has changed in the preceding months to require beginning this program before the end of the fiscal year. The bureau could also seek alternative revenue sources including the Innovation Fund, resources from the Bureau of Development Services, or internal realignments.

Other significant adjustments include:

- Truing up several grant balances to more accurately reflect the actual amount available to spend in FY 2014-15.
- Adjusting the beginning fund balance of the Solid Waste Management Fund upward.
- Increasing BPS's IA with BDS and Parks by \$4,000 and \$2,000 respectfully for additional Landlord Training and City Energy use report analysis.

Portland Development Commission (PDC)

Analyst: James M. Carter

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Intergovernmental Revenues	\$0	\$533,130	\$0	\$533,130
General Fund Discretionary	5,425,564	0	0	5,425,564
Total Resources	\$5,425,564	\$533,130	\$0	\$5,958,694
Requirements				
External Materials and Services	\$5,425,564	\$533,130	\$0	\$5,958,694
Total Requirements	\$5,425,564	\$533,130	\$0	\$5,958,694

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
General Fund Discretionary	\$5,425,564	\$0	\$0	\$5,425,564
Total Resources	\$5,425,564	\$0	\$0	\$5,425,564
Requirements				
External Materials and Services	\$5,425,564	\$0	\$0	\$5,425,564
Total Requirements	\$5,425,564	\$0	\$0	\$5,425,564

Key Decisions

- Appropriate \$533,130 in grant revenue for clean technology jobs.

Discussion

PDC is recognizing \$533,130 in grant revenue. This request budgets the remaining balance of federal funds from the \$1 million Jobs and Innovation Accelerator Challenge Grant (JIAC) awarded in 2011. PDC funds subrecipients who partner with small businesses on commercialization of new clean technologies, product diversification, process re-engineering, and supply chain development.

Office of Neighborhood Involvement

Analyst: Yung Ouyang

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Charges for Services	\$295,620	\$0	\$0	\$295,620
Intergovernmental Revenues	272,072	0	0	272,072
Interagency Revenue	17,861	0	0	17,861
Miscellaneous	0	14,000	0	14,000
General Fund Discretionary	6,872,377	309,080	(76,288)	7,105,169
General Fund Overhead	361,398	0	0	361,398
Total Resources	\$7,819,328	\$323,080	(\$76,288)	\$8,066,120
Requirements				
Personnel Services	\$3,735,080	\$86,904	(\$25,000)	\$3,796,984
External Materials and Services	3,507,583	234,176	(51,288)	3,690,471
Internal Materials and Services	576,665	2,000	0	578,665
Total Requirements	\$7,819,328	\$323,080	(\$76,288)	\$8,066,120

Key Decisions

- Appropriate additional General Fund one-time resources totaling \$47,288 for three requests: gap funding for Multnomah Youth Commission (MYC), gap funding for the State Farm Youth Advisory Board, and a vulnerable populations needs assessment. (Not recommended.)
- Budget \$20,500 of additional General Fund one-time resources for unplanned construction requirements at the Kenton Firehouse.
- Carry over excess revenue carryover totaling \$29,000. (Not recommended.)
- Budget encumbrance and advance carryovers totaling \$212,292.

Discussion

CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process.

Not Recommended Requests

- Gap Funding for Multnomah Youth Commission External Materials & Services - During the FY 2014-15 budget development process, ONI requested \$15,000 ongoing for materials & services for the MYC, but the

request was not granted by Council, directing the bureau to absorb the additional costs within its existing budget. The bureau also notes that if it does not receive the requested funding, the County may pick up the balance.

- Vulnerable Populations Needs Assessment – Because this is a new program or an expansion of an existing program, CBO recommends that ONI make the request again during the FY 2015-16 budget development process.
- Gap Funding for State Farm Youth Advisory Board - The need is unanticipated, as the Youth Advisory Board was hoping to receive grant funds from State Farm as it has over the last two years. However, CBO notes that ONI usually underspends its budget by significantly more than the amount requested. CBO recommends that ONI pay for its share of the program using existing resources while closely monitoring its spending during the year. If the bureau needs additional resources to pay for its share of the Youth Against Violence program, it can request additional funds from contingency during the Spring Supplemental Budget.

Kenton Firehouse – Unplanned Construction Requirements

CBO recommends this request for \$20,500 in General Fund one-time resources. Last year, Council approved ONI's carryover of \$90,000 of resources originally budgeted for another program so that ONI could implement the ADA improvements at the firehouse. ONI has advocated for an exemption with PBOT for the driveway requirements raised during the design review process but has not been successful. CBO recommends funding this request because the driveway requirements are an unforeseen need, and the project cannot move forward without additional funding.

Revenue Carryover

CBO does not recommend the two requests to carry forward \$29,000 of revenues from the prior year. The City's financial policies (FIN 2.06 Revenue) state that bureaus shall retain bureau-generated revenue in excess of total program expenditures. The Crime Prevention, Livability, and the CNIC programs are subsidized by the General Fund – that is, expenses exceed revenues. It is worth noting that ONI's Liquor Licensing program used to be self-supporting but has recently had to begin relying on the General Fund because ONI has no control over the amount of the fees charged. CBO recommends that in the future, ONI budgets its fee revenue more in line with historical actuals so that more General Fund discretionary resources are freed up to be budgeted in other programs.

Office of Equity and Human Rights

Analyst: Shannon Carney

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Fund Transfers - Revenue	\$22,740	\$0	\$0	\$22,740
General Fund Discretionary	1,020,633	50,650	(50,000)	1,021,283
General Fund Overhead	718,275	0	0	718,275
Total Resources	\$1,761,648	\$50,650	(\$50,000)	\$1,762,298
Requirements				
Personnel Services	\$1,313,797	(\$27,362)	\$0	\$1,286,435
External Materials and Services	288,118	78,012	(50,000)	316,130
Internal Materials and Services	159,733	0	0	159,733
Total Requirements	\$1,761,648	\$50,650	(\$50,000)	\$1,762,298

Key Recommendations

- Realign internal resources to establish a pool of funding, \$50,000, to support city bureau translation, interpretation, community outreach, and engagement services. In addition,
- Request of \$50,000 in one-time General Fund discretionary to provide a total of \$100,000 for these services. (Not recommended)
- Carryover \$650 of General Fund encumbrances.

Discussion

The Office of Equity and Human Rights (OEHR) requested \$50,650 in new General Fund one-time resources. Of this total \$650 is dedicated to encumbrance carryover and is recommended as requested. The remaining amount, \$50,000, was requested to be combined with \$50,000 of internal resources to establish a pool of funds for use by City bureaus. Bureaus could use these funds to access translation, interpretation, community outreach, and engagement services. Based on the limited availability of funding and the prioritization of unforeseen and urgent requests in the Fall BMP, CBO does not recommend funding this package.

However, CBO does recommend the bureau move forward with the internal resource realignment, creating an initial pool of funds for use by City bureaus. The bureau should also develop a proposal for Council to consider in FY 2015-16

to ensure that translation, interpretation, community outreach and engagement services are being provided consistently across bureaus.

OEHR also included several small technical adjustments that have net zero impact on the bureau's budget.

TRANSPORTATION AND PARKING

Portland Bureau of Transportation

Analyst: Yung Ouyang

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$59,333,142	\$11,079,405	\$0	\$70,412,547
Licenses & Permits	2,771,315	114,200	0	2,885,515
Charges for Services	61,033,560	2,000	0	61,035,560
Intergovernmental Revenues	90,610,537	2,738,265	0	93,348,802
Interagency Revenue	29,525,000	214,368	0	29,739,368
Fund Transfers - Revenue	17,618,148	31,367,709	(28,559,158)	20,426,699
Bond and Note	51,047,665	0	0	51,047,665
Miscellaneous	3,890,596	65,800	0	3,956,396
Total Resources	\$315,829,963	\$45,581,747	(\$28,559,158)	\$332,852,552
Requirements				
Personnel Services	\$74,603,298	\$4,930,320	(\$4,023,399)	\$75,510,219
External Materials and Services	78,530,381	17,361,857	(7,928,844)	87,963,394
Internal Materials and Services	28,532,164	319,914	(120,000)	28,732,078
Capital Outlay	35,329,972	22,981,914	(16,486,915)	41,824,971
Bond Expenses	19,036,470	70,000	0	19,106,470
Fund Transfers - Expense	13,474,919	2,823	0	13,477,742
Contingency	64,640,298	(85,081)	0	64,555,217
Unappropriated Fund Balance	1,682,461	0	0	1,682,461
Total Requirements	\$315,829,963	\$45,581,747	(\$28,559,158)	\$332,852,552

Transportation Operating Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$48,176,440	\$10,127,783	\$0	\$58,304,223
Licenses & Permits	2,771,315	114,200	0	2,885,515
Charges for Services	49,072,304	2,000	0	49,074,304
Intergovernmental Revenues	68,658,152	0	0	68,658,152
Interagency Revenue	28,706,199	214,368	0	28,920,567
Fund Transfers - Revenue	14,406,023	31,367,709	(28,559,158)	17,214,574
Bond and Note	51,047,665	0	0	51,047,665
Miscellaneous	3,833,289	65,800	0	3,899,089
Total Resources	\$266,671,387	\$41,891,860	(\$28,559,158)	\$280,004,089
Requirements				
Personnel Services	\$69,991,165	\$4,576,855	(\$4,023,399)	\$70,544,621
External Materials and Services	74,222,052	16,930,247	(7,928,844)	83,223,455
Internal Materials and Services	21,382,166	317,757	(120,000)	21,579,923
Capital Outlay	22,000,637	20,781,914	(16,486,915)	26,295,636
Bond Expenses	14,670,815	70,000	0	14,740,815
Fund Transfers - Expense	9,927,433	2,823	0	9,930,256
Contingency	54,477,119	(787,736)	0	53,689,383
Total Requirements	\$266,671,387	\$41,891,860	(\$28,559,158)	\$280,004,089

Key Decisions

- Major increases in total appropriation are accounted for by the following requests that are recommended by CBO:
 - Add \$2,808,551 in General Fund resources for maintenance projects as a part of the Capital Set-Aside process.
 - Carry over \$9,008,216, increasing the Transportation Operating Fund's balance to complete various General Transportation Revenue (GTR) projects.
 - Carry over \$1,297,813 from Portland Development Commission Tax Increment Financing resources and \$1,412,952 from the State of Oregon to complete design and construction work for the Streetcar Jasmine Block Track Relocate project.
 - Increase beginning balance in the Parking Facilities Fund by \$951,622 to true up to the actual amount, with 74% of the amount budgeted into contingency.
 - Appropriate \$550,000 from a set-aside in fund balance to replace Parking Enforcement handheld equipment, with \$70,675 of that placed in contingency.
 - Carry over \$455,667 in Business Energy Tax Credits for Active Transportation programs, all budgeted into contingency.

- Add \$4.5 million of additional General Fund for Back-to-Basics Maintenance and \$120,000 for facility set-up costs for the Regulatory Program. (Not recommended)
- Draws on contingency consisting of \$1.2 million from an earmarked account for prior year mall maintenance and security services and a total of \$74,461 from the amount intended for unbudgeted expenditures for two different purposes. See discussion for details.

Discussion

Capital Set-Aside Requests

As a part of the Capital Set-Aside process, PBOT submitted requests totaling \$26.7 million for 16 maintenance projects classified as Pavement Rehabilitation; Bridges and Structures; Lead Cable Replacement; Signals and Streetlights; and Structural Maintenance. Along with projects submitted by other bureaus, PBOT's projects were each provided a ranking based on overall risk to the City. In its recommendations for which should be funded, CBO selected those that ranked the highest, while also considering the limited amount of funds available during this Fall BMP. The recommended list contains four PBOT projects that ranked third, fifth, sixth, and seventh for overall risk, totaling \$2,808,551. The PBOT projects recommended to be funded consist of two bridge replacements, one retaining wall replacement, and traffic signal reconstructions.

Back-to-Basics Maintenance General Fund Request

CBO is recommending the allocation of \$2.8 million for PBOT capital projects (see above) but is not recommending the request for an additional \$4.5 million for "Back-to-Basics Maintenance." The need to address the bureau's maintenance backlog is real, and it is widely accepted that the bureau lacks sufficient resources to address the problem. However, given limited General Fund resources, CBO is not able to recommend funding for both the projects included in the Capital Set-Aside process and the Back-to-Basics Maintenance request. CBO believes that the lack of adequate General Fund and General Transportation Revenues to take care of PBOT's assets highlights the need for additional transportation revenue to address the decline in gas tax and other sources. If Council chooses to fund the request, CBO believes that the street preservation and safety work can be accomplished during the fiscal year given PBOT's record of good planning and management of its capital projects.

Regulatory Program Requests

Five requests involve the Regulatory Program that was transferred from the Revenue Bureau in the FY 2014-15 budget. Most notable is the request for \$120,000 of one-time General Fund discretionary resources for facility set-up costs. When the program was transferred, PBOT received \$45,000 in General Fund one-time resources for the physical move. However, at the time, the bureau did not realize the actual space needs of the program. The \$120,000 figure is in the middle of the range provided by OMF-Facilities for estimates for setting up in the Portland Building. CBO does not recommend funding this request with General Fund resources; the set-up costs can be paid for by revenues generated by the program, if not from the current year, then in future years.

When the program was in the Revenue Bureau, it required a subsidy from the General Fund, and the bureau had been increasing fees over the years to eventually achieve full cost recovery. PBOT has noted that at this point during this first year of operating the program, cost recovery of direct costs and bureau overhead should be achievable. If the program cannot generate enough revenue this year to pay for the set-up costs, and PBOT has to use its own discretionary resources to do so, the bureau can submit a request during the Spring Supplemental process or raise program fees.

The other four requests pertaining to the Regulatory program are as follows.

- PBOT is increasing its revenues by \$114,000 after the last fiscal year has ended and the full amount generated by the program is known. On the expense side, most of the funds are budgeted in personnel services, with the addition of 1.5 FTE to staff the reception area.
- The bureau is returning the Pay-N-Park component back to the Revenue Bureau. Although the revenues from the program (\$42,000) were transferred over to PBOT, the part of a position needed to run the program was not. The two bureaus have decided that it was best to transfer the responsibilities and associated revenues back to the Revenue Bureau.
- The program is realizing savings from the retirement of a staff person at the top of class and the subsequent reclassification of the position at mid-level. A majority of the savings (\$12,526) is being transferred to contingency.
- \$10,544 is being transferred from the budget for operating supplies to pay for an increased IA with the Auditor's Office for private-for-hire-transportation hearings services.

Draws on Contingency

Three requests involve draws on contingency. The largest is \$1.2 million to pay TriMet for prior year mall maintenance and security services. This draw is about 20% of the \$6.1 million earmarked in contingency, with the only other earmark being \$4.9 million for pay-station purchases for the new NW meter district. The other two requests are general draws on contingency, \$70,000 for financing for the City's obligation for Sellwood Bridge Improvements, and \$4,461 to pay OMF related to new debt management software costs. PBOT has set-aside \$750,000 of its contingency for unbudgeted expenditures, mainly used to cover items like weather-related events. Therefore, these two draws are about 9.9% of the original contingency for unbudgeted expenditures.

GTR Project Carryovers

The carryover of about \$9.0 million to complete design work and construction of GTR projects is the largest non-General Fund adjustment requested during this BMP. About 14% of the amount requested is for projects in the East Portland in Motion Plan, and 19% is for sidewalk safety projects. About 11% of the request is for projects related to the Streetcar system, including a vehicle purchase and relocation of tracks at the Jasmine Block. 17% is for paving preservation/testing and road rehabilitation. Note that the above categorization of projects is not mutually exclusive. Notable specific projects include: \$250,000 originally awarded by the Innovation Fund effort last year and \$25,505 for Bike Share.

ELECTED OFFICIALS

Office of the Mayor

Analyst: Doug Le

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
General Fund Discretionary	1,362,084	246,047	(11,247)	1,596,884
General Fund Overhead	1,145,021	0	0	1,145,021
Total Resources	\$2,507,105	\$246,047	(\$11,247)	\$2,741,905
Requirements				
Personnel Services	\$1,816,340	\$0	\$0	\$1,816,340
External Materials and Services	422,363	246,047	(11,247)	657,163
Internal Materials and Services	268,402	0	0	268,402
Total Requirements	\$2,507,105	\$246,047	(\$11,247)	\$2,741,905

Key Decisions

- Requests \$195,000 for Summer Works program carryover. (Recommended)
- Requests \$39,800 for Encumbrance carryover (Recommended)
- Requests \$11,247 for Last Thursday event (Not recommended)

Discussion

The Mayor's Office requests an increase in appropriation in the amount of \$246,047. Of this amount, \$195,000 is for the carryover for the Summer Works program. Funding for this program was included in the FY 2013-14 budget; however, due to year-end timing funds were not encumbered in time. Other carryover items include \$38,000 for outstanding purchase order encumbrances and \$1,800 for outstanding advances at year-end. The office ended last fiscal year with sufficient General Fund Discretionary ending balance to fund these carryovers. All are recommended as requested.

Additionally, the office requests one-time funding of \$11,247 for the Last Thursday events on Alberta street. These are City-wide expenses currently being paid out of the Mayor's Office's operating budget. These expenses include: \$6,610 for security, \$2,100 for recycling/waste management, and \$2,537 for the restrooms. CBO does not recommend funding this request at this time and instead recommends that the office absorb these expenses within the existing budget. CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. CBO will continue to monitor the

office's budget and will recommend amendments as necessary in the Spring BMP to prevent any over-expenditures at year-end.

Office of Commissioner of Public Affairs (Dan Saltzman)

Analyst: Doug Le

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$2,013,000	\$0	\$0	\$2,013,000
Taxes	10,514,535	0	0	10,514,535
General Fund Discretionary	1,041,330	202,801	0	1,244,131
General Fund Overhead	511,761	0	0	511,761
Total Resources	\$14,080,626	\$202,801	\$0	\$14,283,427
Requirements				
Personnel Services	\$1,583,817	\$0	\$0	\$1,583,817
External Materials and Services	11,836,325	202,801	0	12,039,126
Internal Materials and Services	172,734	0	0	172,734
Fund Transfers - Expense	25,000	0	0	25,000
Contingency	462,750	0	0	462,750
Total Requirements	\$14,080,626	\$202,801	\$0	\$14,283,427

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
General Fund Discretionary	1,041,330	202,801	0	1,244,131
General Fund Overhead	511,761	0	0	511,761
Total Resources	\$1,553,091	\$202,801	\$0	\$1,755,892
Requirements				
Personnel Services	\$1,092,317	\$0	\$0	\$1,092,317
External Materials and Services	321,996	202,801	0	524,797
Internal Materials and Services	138,778	0	0	138,778
Total Requirements	\$1,553,091	\$202,801	\$0	\$1,755,892

Key Decisions

- Requests \$202,801 for General Fund encumbrance carryover. (Recommended)

Discussion

In the Fall BMP, the office requests a total of \$202,801 in one-time General Fund resources for encumbrances (\$147,776) and advance carryovers (\$55,025) related to the Gateway Center for Domestic Violence Services. The office ended the fiscal year with sufficient General Fund Discretionary ending balance to fund these carryovers. CBO recommends the approval of all requests submitted in the Fall BMP.

Office of Commissioner of Public Safety (Steve Novick)

Analyst: Doug Le

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
General Fund Discretionary	439,140	0	0	439,140
General Fund Overhead	511,998	0	0	511,998
Total Resources	\$951,138	\$0	\$0	\$951,138
Requirements				
Personnel Services	\$756,030	\$50,000	\$0	\$806,030
External Materials and Services	87,113	(50,000)	0	37,113
Internal Materials and Services	107,995	0	0	107,995
Total Requirements	\$951,138	\$0	\$0	\$951,138

Key Decisions

- Requests to create one limited term Commissioner's Staff Representative position (Recommended)

Discussion

The office requests one limited term Commissioner's Staff Representative position in Fall BMP. This position will be funded by existing resources within the office. No new funding is requested in the Fall BMP. With this new addition, the office will have a total of eight FTEs. CBO recommends the approval of all requests submitted in the Fall BMP.

Office of Commissioner of Public Utilities (Amanda Fritz)

Analyst: Doug Le

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
General Fund Discretionary	466,609	31,646	(17,500)	480,755
General Fund Overhead	511,961	0	0	511,961
Total Resources	\$978,570	\$31,646	(\$17,500)	\$992,716
Requirements				
Personnel Services	\$791,155	\$0	\$0	\$791,155
External Materials and Services	78,687	31,646	(17,500)	92,833
Internal Materials and Services	108,728	0	0	108,728
Total Requirements	\$978,570	\$31,646	(\$17,500)	\$992,716

Key Decisions

- Requests \$14,146 for encumbrance carryover. (Recommended)
- Requests \$17,500 one-time General Fund resources to support the Sick Time program. (Not recommended)

Discussion

The encumbrance carryover is for a contract with the Bureau of Labor and Industries (BOLI) to monitor the Sick Leave policy for the period from January 2014 to December 2014. The office ended last fiscal year with sufficient General Fund Discretionary ending balance to fund this carryover. CBO recommends this carryover request.

The one-time General Fund request of \$17,500 is to fund activities related to the Sick Leave Program in this fiscal year. The cost of the BOLI contract is estimated at \$30,000 for the 2015 calendar year. The current budget includes an appropriation of \$27,500 for this program. Of this amount \$17,500 is for the first half (from January 2015 to June 2015) of the contract, and the remaining \$10,000 is for public outreach and other implementation needs for the Sick Leave Program. CBO believes that between the encumbrance carryover in the Fall BMP and the amount in the budget set-aside for this program, there are sufficient current-year resources to fund the BOLI contract and other related costs through 6/30/2015. Therefore, CBO does not recommend this request at this time. CBO has only recommended new requests in the Fall Supplemental

Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets.

CBO will continue to monitor the office's budget and will make recommendations to amend it as necessary in the Spring BMP to prevent any over-expenditures at year-end. The ongoing financial requirements for this program in the out years should be determined and requested as part of the FY 2015-16 budget process. All other items in the Fall BMP are recommended as requested.

Office of Commissioner of Public Works (Nick Fish)

Analyst: Doug Le

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
General Fund Discretionary	439,090	7,500	0	446,590
General Fund Overhead	511,940	0	0	511,940
Total Resources	\$951,030	\$7,500	\$0	\$958,530
Requirements				
Personnel Services	\$822,173	\$0	\$0	\$822,173
External Materials and Services	15,606	2,500	0	18,106
Internal Materials and Services	113,251	5,000	0	118,251
Total Requirements	\$951,030	\$7,500	\$0	\$958,530

Key Decisions

- Requests \$7,500 one-time General Fund resources to fund expenses related to the Citizen's Utility Board (CUB) mailers for FY 2014-15. (Recommended)

Discussion

In the Fall BMP, the office requests one-time funding for the printing and shipping costs for the CUB mailers. These mailers are part of the set up of the CUB to monitor the utility bureaus. CBO recommends this request.

In the FY 2013-14 Spring BMP, the office requested and received \$3,725 additional General Fund resources for these expenses. If these expenses continue to reside in the Commissioner's Office, the ongoing funding should be requested as part of the FY 2015-16 budget process.

Auditor's Office

Analyst: James M. Carter

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$18,847,254	\$0	\$0	\$18,847,254
Charges for Services	1,050,775	0	0	1,050,775
Interagency Revenue	115,750	15,816	0	131,566
Fund Transfers - Revenue	63,992	0	0	63,992
Bond and Note	4,377,260	0	0	4,377,260
Miscellaneous	7,313,966	0	0	7,313,966
General Fund Discretionary	3,991,747	0	0	3,991,747
General Fund Overhead	4,654,012	0	0	4,654,012
Total Resources	\$40,414,756	\$15,816	\$0	\$40,430,572

Requirements				
Personnel Services	\$5,499,279	\$0	\$0	\$5,499,279
External Materials and Services	1,739,808	15,816	0	1,755,624
Internal Materials and Services	3,061,226	155,633	0	3,216,859
Bond Expenses	9,433,487	0	0	9,433,487
Fund Transfers - Expense	1,916,594	0	0	1,916,594
Contingency	3,114,436	(155,633)	0	2,958,803
Unappropriated Fund Balance	15,649,926	0	0	15,649,926
Total Requirements	\$40,414,756	\$15,816	\$0	\$40,430,572

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Charges for Services	\$262,275	\$0	\$0	\$262,275
Interagency Revenue	115,750	15,816	0	131,566
Miscellaneous	5,500	0	0	5,500
General Fund Discretionary	3,991,747	0	0	3,991,747
General Fund Overhead	4,654,012	0	0	4,654,012
Total Resources	\$9,029,284	\$15,816	\$0	\$9,045,100

Requirements				
Personnel Services	\$5,499,279	\$0	\$0	\$5,499,279
External Materials and Services	1,734,808	15,816	0	1,750,624
Internal Materials and Services	1,695,841	0	0	1,695,841
Contingency	99,356	0	0	99,356
Total Requirements	\$9,029,284	\$15,816	\$0	\$9,045,100

Key Decisions

- Increase interagency agreements by \$15,816 with existing resources for additional Hearings Office cases.

- Transfer \$150,000 from LID Fund contingency to cover internal interagency with the Bureau of Technology Services for the Lien Accounting System replacement project.
- Increase interagency agreement by \$5,633 from the LID Fund for Debt Management Software.

Discussion

The Auditor's Office has not requested new General Fund Discretionary in the FY 2014-15 Fall Budget Supplemental. All budget adjustments submitted by the Auditor's Office are recommended as requested. Noteworthy adjustments include:

- Technical adjustments to interagency agreements for the Hearings Office.
- Internal transfer of funds to support Lien Accounting System project.
- Increase interagency agreement to cover share of cost for new debt management software.

CITY SUPPORT SERVICES

City Budget Office

Analyst: Jeramy Patton

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
General Fund Discretionary	\$907,836	\$1,000,000	(\$1,000,000)	\$907,836
General Fund Overhead	1,058,455	0	0	1,058,455
Total Resources	\$1,966,291	\$1,000,000	(\$1,000,000)	\$1,966,291
Requirements				
Personnel Services	\$1,583,099	\$0	\$0	\$1,583,099
External Materials and Services	186,317	1,000,000	(1,000,000)	186,317
Internal Materials and Services	196,875	0	0	196,875
Total Requirements	\$1,966,291	\$1,000,000	(\$1,000,000)	\$1,966,291

Key Decisions

- Request \$1,000,000 of General Fund discretionary resources to replace the City's budget preparation software. (Not recommended)

Discussion

The bureau requested \$1,000,000 of one-time funding to replace the City's budget preparation software. CBO does not recommend this request. CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process. Although the request is one-time, fully developed, and unlikely to be absorbed into a \$2 million operating budget, this request does not meet the criteria of being urgent. The software is currently unsupported, however, it has been operating without failure in the unsupported environment.

City Attorney's Office

Analyst: Daniel Trubman

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Charges for Services	\$6,000	\$0	\$0	\$6,000
Interagency Revenue	5,227,877	0	0	5,227,877
General Fund Discretionary	2,481,266	440,000	(40,000)	2,881,266
General Fund Overhead	2,892,929	0	0	2,892,929
Total Resources	\$10,608,072	\$440,000	(\$40,000)	\$11,008,072
Requirements				
Personnel Services	\$9,000,252	\$59,026	(40,000)	\$9,019,278
External Materials and Services	734,651	380,974	0	1,115,625
Internal Materials and Services	873,169	0	0	873,169
Total Requirements	\$10,608,072	\$440,000	(\$40,000)	\$11,008,072

Key Decisions

- Realign bureau resources to increase an existing paralegal position from 0.8 FTE to 1.0 FTE.
- Transfer \$400,000 from Fund and Debt Management to the Office of the City Attorney for expenses related to Portland Harbor Natural Resource Trustees Funding and Participation Agreement.
- Appropriate \$40,000 of General Fund resources to fund a limited-term attorney (Not recommended.)

Discussion

The bureau requested \$40,000 of one-time General Fund discretionary resources to hire an attorney on a temporary basis to perform legal work in support of a legislative project intended to further equity in employment. "Ban the Box" is a national movement to remove questions pertaining to past criminal convictions and warnings of potential criminal records checks from initial job application forms when feasible to mitigate barriers in employment policies. The City Budget Office does not recommend this request. CBO has only recommended new requests in the Fall Supplemental Budget that are urgent, unforeseen, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process. The CBO recommends the bureau work to absorb this cost, and seek funding again in the Spring BMP if the bureau is forecasted to have insufficient underspending in FY 2014-15.

Office of Government Relations

Analyst: Doug Le

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Intergovernmental Revenues	35,000	0	0	35,000
Interagency Revenue	137,833	0	0	137,833
General Fund Discretionary	593,909	16,500	0	610,409
General Fund Overhead	692,445	0	0	692,445
Total Resources	\$1,459,187	\$16,500	\$0	\$1,475,687
Requirements				
Personnel Services	\$972,740	\$0	\$0	\$972,740
External Materials and Services	322,733	16,500	0	339,233
Internal Materials and Services	163,714	0	0	163,714
Total Requirements	\$1,459,187	\$16,500	\$0	\$1,475,687

Key Decisions

- Encumbrance carryover of \$16,500.

Discussion

The encumbrance carryover of \$16,500 is for the federal lobby contract with Patton Boggs. The office ended last fiscal year with sufficient General Fund discretionary ending balance to fund this carryover. CBO recommends this request. There are no other major changes to discuss.

General Fund Special Appropriations

Analyst: Doug Le

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Intergovernmental Revenues	\$47,189	\$0	\$0	\$47,189
Interagency Revenue	131,067	0	0	131,067
General Fund Discretionary	8,221,743	2,194,066	(1,409,999)	9,005,810
General Fund Overhead	156,333	0	0	156,333
Total Resources	\$8,556,332	\$2,194,066	(\$1,409,999)	\$9,340,399
Requirements				
Personnel Services	\$219,366	\$0	\$0	\$219,366
External Materials and Services	8,334,731	2,194,066	(1,409,999)	9,118,798
Internal Materials and Services	2,235	0	0	2,235
Total Requirements	\$8,556,332	\$2,194,066	(\$1,409,999)	\$9,340,399

Key Decisions

- Appropriate \$25,000 for the New City Initiative. (Already approved by Council.)
- Appropriate \$170,000 for the Downtown Marketing Initiative. (Already approved by Council.)
- Appropriate \$714,067 for Encumbrance Carryover. (Recommended.)
- Transfer (\$125,000) to Office of Management & Finance for a staff person to support the Innovation Fund. (Recommended.)
- Appropriate \$50,000 for the Friends of Zenger Farm. (Not recommended.)
- Appropriate \$50,000 for the Age-Friendly Portland Initiative. (Not recommended.)
- Appropriate \$99,999 for Venture Portland. (Not recommended.)
- Appropriate \$10,000 for the Trail Near Robert Gray. (Not recommended.)
- Appropriate \$600,000 for the funding gap for Regional Arts & Culture & Council. (Not recommended.)
- Appropriate \$500,000 for the Halperin Fountains (Not Recommended.)
- Appropriate \$100,000 for early childhood learning sponsored by Portland Public Schools and Concordia University. (Not recommended.)

Discussion

The New City Initiative and Downtown Marketing Initiative have been approved by Council via ordinances #186732 and 186743 respectively. CBO recommends these two requests.

The encumbrance carryover is the total of outstanding advances made to grantees in prior years, but did not get recovered on time in FY 2013-14. These advances are projected to be recovered and therefore will become expenditures in this fiscal year. This carryover also includes an outstanding purchase order for the Innovation Fund. CBO recommends this request.

The Office of Management & Finance (OMF) requests one staff position to support the Innovation Project. This position will be funded by existing appropriation in the Innovation Project and funds will be transferred from Special Appropriations to OMF. There is no fiscal impact on the General Fund as a result of this transfer. CBO recommends this request.

In general, CBO has only recommended new requests in the Fall Supplemental Budget that are one-time, unforeseen, urgent, fully developed, and are unlikely to be absorbed in existing bureau budgets. Items that do not meet these criteria are more appropriately requested as part of a comprehensive annual budget process. CBO does not recommend funding for the following new Special Appropriation requests:

- The request of \$50,000 for Zenger Farm is to construct a green roof on the Urban Grange at the farm. The City purchased the farm in 1994 to preserve wetlands, open space, and provide opportunities to manage flooding and stormwater. The FY 2014-15 budget for the Bureau of Environmental Services (BES) includes \$50,000 in one-time General Fund resources to support the Zenger Farm. If approved, the funding will also be transferred to BES.
- The request of \$50,000 for the Age-Friendly Portland Initiative is to implement the Age-Friendly Portland Action Plan, passed by Council in October 2013, and to fund other activities related to population aging.
- The request of \$99,999 for Venture Portland is to support the Growing Business and Connecting Neighborhoods Initiative. This effort is a one-year start-up project designed to respond to the disparity among Portland's business associations.
- The request of \$600,000 represents 50% of the Regional Arts and Culture Council's (RACC) stated funding gap for grants. RACC's goal is to fund 5% of operating revenues for local arts organizations. The approximate

\$1.2 million shortfall is partially the result of lower than expected Arts Tax collections in FY 2014-15.

- The request of \$10,000 for the trail near the Robert Gray Middle School in South West Portland is for improvements to the trail. The costs for this project should be absorbed by the bureau doing the improvement works.
- The request of \$500,000 for the Halperin Fountains is for improvement projects for the fountains near the Keller Auditorium.
- The request of \$100,000 for Portland Public Schools and Concordia University will be used to provide financial support to the early childhood learning project.

Office of Management & Finance

Analyst: Sara Lowe and Daniel Trubman

All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$143,587,967	\$17,013,101	\$0	\$160,601,068
Taxes	22,059,000	0	0	\$22,059,000
Licenses & Permits	5,378,289	0	0	\$5,378,289
Charges for Services	66,592,791	0	0	\$66,592,791
Intergovernmental Revenues	10,368,091	244,681	0	\$10,612,772
Interagency Revenue	135,097,927	3,790,870	(1,921,207)	\$136,967,590
Fund Transfers - Revenue	8,937,144	13,717,532	(13,342,692)	\$9,311,984
Bond and Note	137,516	0	0	\$137,516
Miscellaneous	4,052,290	0	0	\$4,052,290
General Fund Discretionary	15,189,101	1,847,616	0	\$17,036,717
General Fund Overhead	10,289,892	0	0	10,289,892
Total Resources	\$421,690,008	\$36,613,800	(\$15,263,899)	\$443,039,909
Requirements				
Personnel Services	\$71,648,558	\$591,166	\$0	\$72,239,724
External Materials and Services	170,675,450	14,364,836	(4,597,965)	\$180,442,321
Internal Materials and Services	23,151,863	967,245	0	\$24,119,108
Capital Outlay	16,392,131	14,108,805	(9,677,334)	\$20,823,602
Bond Expenses	19,748,640	0	0	\$19,748,640
Fund Transfers - Expense	8,447,154	369,147	0	\$8,816,301
Contingency	111,626,212	6,212,601	(988,600)	\$116,850,213
Total Requirements	\$421,690,008	\$36,613,800	(\$15,263,899)	\$443,039,909

General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
Resources				
Budgeted Beginning Fund Balance	\$18,000	\$2,208	\$0	\$20,208
Licenses & Permits	136,500	0	0	136,500
Charges for Services	344,553	0	0	344,553
Intergovernmental Revenues	2,355,013	219,681	0	2,574,694
Interagency Revenue	7,517,654	46,119	0	7,563,773
Fund Transfers - Revenue	3,084,353	344,000	0	3,428,353
Miscellaneous	1,211,458	0	0	1,211,458
General Fund Discretionary	15,189,101	1,847,616	0	17,036,717
General Fund Overhead	10,289,892	0	0	10,289,892
Total Resources	\$40,146,524	\$2,459,624	\$0	\$42,606,148
Requirements				
Personnel Services	\$27,109,667	\$208,032	\$0	\$27,317,699
External Materials and Services	8,229,115	1,986,138	0	\$10,215,253
Internal Materials and Services	4,807,742	265,454	0	\$5,073,196
Total Requirements	\$40,146,524	\$2,459,624	\$0	\$42,606,148

Key Decisions

- A net appropriation increase of \$21.3 million and 5 FTEs, spread over several funds.
- General Fund discretionary increases totaling \$1.85 million. Of this increase \$418,000 is related to encumbrances with the remaining \$1.4 representing program carryover. OMF had sufficient underspending in the prior year to recommend the carryover requests.
- A net increase of \$17.0 million in beginning fund balance true-ups. Significant increases of \$8.1 million in the Technology Services Fund, \$8.6 million in the Public Safety GO bond, and \$4.1 million in the Health Fund offset by a \$5.0 million decrease to the Facilities Services Fund. There is no material impact to the fund as a result of this decrease.
- Increases of \$9.8 million in external materials and services (EM&S) primarily funded by General Fund carryover, contingency transfers, and increases in beginning fund balance. Of the total, \$4.7 million is attributable to the PSSRP Radio and RegJIN projects to support professional services contractor costs and the purchase of technology equipment. The remaining \$5.5 million includes \$3.2 million in OMF-Bureau of Technology Services for project funding, \$692,000 in Facilities project carryover, and multiple small adjustments in other funds.

- Increases of \$4.4 million in capital outlay, including the \$2.4 million purchase of replacement vehicles purchased in the prior year, but received in the current year.
- Various interagency adjustments with internal service fund programs, with the exception of three requests which were not recommended for funding, security cameras in Portland Parks and Recreation (\$334,000), a technology replacement project in the Bureau of Emergency Communications (\$1.5 million), and an increase in facilities services for the Portland Bureau of Transportation (\$120,000).
- An increase of \$219,000 in intergovernmental revenues to fund additional software licenses for the RegJIN project and increased personnel costs in the Office for Community Technology.
- CBO is not recommending to fund the \$9.6 million in requested fueling station replacement projects using solely General Fund discretionary resources. Instead, CBO recommends that in the FY 2015-16 budget process Council consider the use of debt financing to fund the replacements and allocate out the costs using the CityFleet interagency model. Council may also want to consider financing the addition of a new fueling station at the Sears Facility in an effort to increase the City's emergency preparedness. This would increase the costs by approximately \$1.9 million.
- CBO does not recommend funding the facilities and technology major maintenance and replacement requests, which total \$3.19 million.
- CBO did not recommend funding the purchase of land and building parcel, including parking spaces at the Kelly Building.

Discussion

In total, the Office of Management & Finance (OMF) requested 5.0 FTEs and \$15.2 million in new General Fund resources. The majority of the requests, \$12.9 million, were specific to major maintenance and asset replacement projects. CBO recommends a General Fund increase of \$1.8 million and all of the new FTE requests, funded largely by the realignment of internal resources. As stated above, increased resources will be dedicated to supporting encumbrance carryover, program carryover, and new Innovation Fund staffing. Details by bureau are below.

OMF-Office of the Chief Administrative Officer

Budget adjustments in the OMF-Office of the Chief Administrative Officer total \$934,542, and equate to an overall increase of 13.8%. General Fund discretionary increases total \$160,000. This increase includes \$35,000 of

encumbrance carryover to fund a fellowship and the Citywide realignment of \$125,000 of Innovation Fund resources to support a limited term Program Manager. There is no net impact to the City's General Fund from realigning Innovation Fund resources.

Other significant adjustments include a beginning fund balance increase of \$774,542 in the Spectator Facilities Fund to be held in contingency for future use. The program is also adding a permanent Senior Management Analyst funded by new ongoing revenues identified in the Spectator Facilities Fund in the prior year.

OMF- Bureau of Human Resources

The OMF-Bureau of Human Resources includes appropriation increases of \$4.1 million. This increase is entirely related to a beginning fund balance adjustment in the Health Fund which resulted from underspending in the prior year. Additionally, the bureau is converting a limited term Senior Financial Analyst position to permanent. This position will be funded by the City's Health Fund.

OMF-Citywide Projects (PSSRP)

PSSRP budget adjustments total \$11.8 million, equating to a net increase of 84.4%. The increase is mostly due to beginning fund balance adjustments of \$8.6 million in the Public Safety GO Bond and \$1.5 million in the Technology Services Fund, which is where PSSRP appropriates project reserves. The project is also receiving \$1.2 million in General Fund program carryover. These appropriation increases represent unused project resources in the prior year.

Other adjustments include the recognition of \$181,000 in intergovernmental revenues including \$156,000 from Clackamas County to support the purchase of additional software licenses on the RegJIN project, and \$25,000 in UASI grant revenues. Furthermore, there is a \$344,000 draw down on RegJIN project contingency to purchase additional licenses, and various other adjustments to align the project budgets with projected spending.

OMF – Bureau of Revenue and Financial Services

OMF-Revenue Bureau's General Fund discretionary budget is increased \$190,991 to fund \$32,500 in encumbrance carryover for two contracts and \$151,369 in program carryover for an Innovation Fund project approved in FY 2013-14. Other significant adjustments include increasing Debt and Treasury interagency collections from customers to fund the purchase of new debt management software (\$69,800) and recognizing additional ongoing revenues from the Mount Hood Cable Regulatory Commission to fund a staffing increase

(.5 FTE) in the Office for Community Technology. Additionally, the Grants Unit is realigning resources internally to convert a half-time position to full-time.

OMF -Bureau of Internal Business Services

In total the OMF- Bureau of Internal Business Services appropriation decreased by \$3.7 million or 1.99%. This decrease is largely attributable to a \$5.0 million adjustment to the Facilities Services Operating Fund beginning fund balance. Expenses related to the Police Training Facility occurred earlier than projected and were not accounted for in the beginning fund balance projection. This adjustment has no material impact on the overall fund balance.

Other significant adjustments include:

- \$343,489 in General Fund encumbrance carryover to support expenses related to an ongoing technology project in Procurement Services.
- Contingency draws in the Worker's Compensation Fund, Insurance and Claims Fund, and Facilities Service Operating Fund to support several projects, both new and existing.
- Reappropriating \$858,000 in funds received by the City to find an alternative solution for Right2Dream2.
- CityFleet Operating Fund carryover to support the \$2.4 million purchase of vehicles ordered in the prior year, but received in the current year.
- Combining \$157,500 of proceeds received from the sale of property in CityFleet with funds contributed by the Portland Bureau of Transportation to fund the development of a Municipal Services Center Master Plan.

Additionally, CityFleet requested \$9.6 million to replace fueling station infrastructure at five locations. These projects were also submitted for consideration in the Citywide project ranking process. This process was developed to evaluate currently unfunded major maintenance and asset replacement projects, by assessing both the risks of asset failure (consequence score) and the benefits of completing the project. Of the 35 projects submitted, the replacement of the Columbia Waste Water Treatment Plant fueling station ranked 1st on the list, with the other four projects tied for 14th. CBO agrees with the importance of these projects and the need for urgency in replacing the City's fueling station infrastructure. However, as noted above, CBO does not recommend the use of General Fund to support the requested \$9.6 million in replacement funding. Instead, CBO recommends that in the FY 2015-16 budget process, Council consider the use of debt financing to fund the replacements and allocate out the costs using the CityFleet interagency model. If Council chooses this option they may want to consider adding a new fueling station at

the Sears Facility in an effort to increase the City's emergency preparedness. This specific request is included in the Bureau of Emergency Management Fall BMP, however it was not recommended.

In addition to the five fuel station replacement requests, the bureau requested two other facilities major maintenance/asset replacement projects. These projects, although important, were not recommended for funding based on the ranking they received in the Citywide ranking process.

The bureau also requested new one-time General Fund to support the purchase of land and building parcel including parking spaces at the Kelly Building. The City Budget Office does not recommend funding this package because City financial policy prioritizes the maintenance and replacements of existing City assets over the acquisition of new assets.

Also not recommended was a \$120,000 interagency increase in facilities services with the Portland Bureau of Transportation (PBOT). This package was requested by PBOT, and discussion as to why this was not recommended can be found in the sponsor bureau's Fall BMP analysis.

OMF- Bureau of Technology Services

The OMF-Bureau of Technology Services appropriation will increase \$8.0 million as a result of changes included in this Fall BMP. The majority of the increase is the result of a \$7.1 million adjustment in the Technology Services Fund beginning fund balance. The bureau is requesting to carry over \$1.45 million for approved projects, many of which are already underway. The bureau is also funding several new initiatives with these resources, including public records tracking software and a security assessment. In total, the bureau is allocating \$270,000 to new projects. After re-appropriating funds to these projects, and incorporating several interagency adjustments, the net increase to contingency is \$4.4 million (not including PSSRP project reserves). Of this \$4.4 million, \$4.0 million has been allocated to replacement contingency.

Other significant adjustments in the OMF-Bureau of Technology Services include:

- Realigning resources to fund Help Desk interns and \$300,000 in professional contract services support in the Network Engineering Support and Information Security.
- Utilizing ongoing savings generated from eliminating an interagency agreement to fund 1.0 FTE to provide GIS services to City bureaus.

- Accepting the transfer of 1.0 FTE in GIS services from the Bureau of Environmental Services.

The bureau also requested \$2.3 million in General Fund cash transfer revenues to support two unfunded asset replacement projects: 1.) migrate the City's telephone lines to a new platform (\$2.0 million) and 2.) replace aging internet technology filters (\$307,200). Both of these projects were submitted for consideration in the Citywide Project Ranking process, ranking 23rd and 28th out of 35 submissions.

CBO agrees with the importance of these projects, however, due to limited availability of funding and the position of the projects in the ranking process, CBO does not recommend funding these requests.

Also not recommended were two interagency funded packages, security cameras in Portland Parks and Recreation (\$334,000) and a technology replacement project in the Bureau of Emergency Communications (\$1.5 million). These packages were requested by the sponsor bureaus listed above and discussion as to why they were not recommended can be found in the respective bureau's Fall BMP analysis.