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## CITY BUDGET OFFICE

All Funds Budget Summary	Adopted FY 2014-15	Request Base FY 2015-16	Decision Pkgs FY 2015-16	Request Total FY 2015-16	Percent Change
<b>Resources</b>					
Interagency Revenue	\$0	\$0	\$200,418	\$200,418	NA
General Fund Discretionary	907,836	922,358	463,850	1,386,208	52.7%
General Fund Overhead	1,058,455	1,066,144	536,150	1,602,294	51.4%
<b>Total Resources</b>	<b>\$1,966,291</b>	<b>\$1,988,502</b>	<b>\$1,200,418</b>	<b>\$3,188,920</b>	<b>62.2%</b>
<b>Expenditures</b>					
Personnel Services	\$1,583,099	\$1,690,005	\$178,176	\$1,868,181	18.0%
External Materials and Services	186,317	172,588	971,307	1,143,895	514.0%
Internal Materials and Services	196,875	125,909	50,935	176,844	-10.2%
<b>Total Requirements</b>	<b>\$1,966,291</b>	<b>\$1,988,502</b>	<b>\$1,200,418</b>	<b>\$3,188,920</b>	<b>62.2%</b>
<b>Total Bureau FTE</b>	<b>13.00</b>	<b>13.00</b>	<b>1.00</b>	<b>14.00</b>	<b>7.7%</b>

Percent Change is the change from FY 2014-15 Adopted Budget to FY 2015-16 Total Requested Budget.

### Key Issues

#### Key Performance Measures

The bureau recently created six new performance measures, four of which were identified as key performance measures (KPMs). The key performance measures track the progress of the City in addressing the infrastructure maintenance and replacement funding gap, the success of the overall performance management efforts, and the bureau's customer service rating. Recent efforts of the bureau, and the asset managers across the City, have resulted in a report to Council that identified funding options to help address the infrastructure funding gap. In response to the report, Resolution 37107 was approved by Council that allocated 50% of available one-time resources in the Fall BMP and Adopted Budget processes to infrastructure maintenance and replacement. Although the annual funding gap is expected to continue to increase in FY 2015-16, efforts such as this should reduce the rate of increase from year-to-year. The addition of a performance management position is also expected to improve the bureau's KPMs which is discussed in the decision package write-up below.

### Decision Package Analysis & Recommendations

The City Budget Office includes recommendations on its own packages below, but understands that it is impossible to make these recommendations with complete objectivity. We welcome any questions about the packages.

#### Performance Management, BO\_01, \$131,558, 1.00 FTE

The package requests ongoing General Fund discretionary and overhead resources to expand the City's performance management system and use of data analysis in program evaluation. The bureau began this work in FY 2014-15 by redirecting existing staff away from core budget monitoring and analysis. The

addition of this full-time position will allow the bureau to continue the performance management work while maintaining its core budget functions. CBO believes that the performance management work will enhance Council's ability to effectively manage bureau programs to achieve desired policy outcomes. In regards to performance, the bureau has assumed that adding this position will increase the percent of City key performance measures with positive year-over-year results and have a positive impact on the bureau's customer service rating.

*CBO Recommendation: \$131,558, 1.00 FTE*

#### **Replace Budget Software System, BO\_02, \$1,000,000**

The package requests one-time General Fund discretionary and overhead funding to replace the City's budget preparation and monitoring software. The software is currently operating in an unsupported environment and is at risk of failure. If the system fails, the City would need to move towards a more labor intensive system using Excel spreadsheets and other database tools. Given that the system has operated successfully in the unsupported environment for the last two years, and that it ranks in the lower tier of the Citywide ranking of infrastructure maintenance and replacement projects, the bureau realizes that the request may not be the highest priority for allocation of resources in FY 2015-16.

*CBO Recommendation: \$0*

#### **Public Utility Board Support, BO\_03, \$200,418, 1.00 FTE**

The package requests a full-time position supported by interagency revenues from the Bureau of Environmental Services and the Portland Water Bureau. In FY 2014-15, City Council appointed a Portland Utility Oversight Blue Ribbon Commission to explore ways to improve management of the City's water utilities. The commission recommended the establishment of a Public Utility Board that would be staffed by a new position and existing resources within the City Budget Office. This package is in response to those recommendations.

*CBO Recommendation: \$200,418, 1.00 FTE*

#### **Eliminate Limited Term Analyst and Hatfield Fellow, BO\_04, (\$131,558), (1.00) FTE**

The bureau submitted a package to eliminate an existing limited term analyst position and an intern position as an offset to the performance management request above. The loss of the positions would shift additional work to other analysts, reduce the number of special projects that the bureau is able to complete, and negatively impact the bureau's succession planning efforts.

*CBO Recommendation: \$0, 0.00 FTE*

**City of Portland**  
 Decision Package Recommendations  
 (Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
<b>City Budget Office</b>											
<i>Adds</i>											
BO_01 - Performance Management	01	1.00	61,023	0	70,535	131,558	1.00	61,023	0	70,535	131,558
BO_02 - Replace Budget Software System	02	0.00	0	463,850	536,150	1,000,000	0.00	0	0	0	0
BO_03 - PUB Support	03	1.00	0	0	200,418	200,418	1.00	0	0	200,418	200,418
<i>Total Adds</i>		<i>2.00</i>	<i>61,023</i>	<i>463,850</i>	<i>807,103</i>	<i>1,331,976</i>	<i>2.00</i>	<i>61,023</i>	<i>0</i>	<i>270,953</i>	<i>331,976</i>
<i>Reductions</i>											
BO_04 - Eliminate LT Analyst and Hatfield Fellow	01	(1.00)	(61,023)	0	(70,535)	(131,558)	0.00	0	0	0	0
<i>Total Reductions</i>		<i>(1.00)</i>	<i>(61,023)</i>	<i>0</i>	<i>(70,535)</i>	<i>(131,558)</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Total City Budget Office</b>		<b>1.00</b>	<b>0</b>	<b>463,850</b>	<b>736,568</b>	<b>1,200,418</b>	<b>2.00</b>	<b>61,023</b>	<b>0</b>	<b>270,953</b>	<b>331,976</b>