

CITY BUDGET OFFICE

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CITY OF PORTLAND, OREGON

TO: Andrew Scott, Budget Director

FROM: Jeramy Patton, Assistant Budget Director

DATE: March 30, 2015

SUBJECT: City Budget Office FY 2014-15 Spring BMP

The City Budget Office (CBO) has prepared the attached Spring Budget Monitoring Process (BMP) submittal items:

1. Summary of Budget Adjustments. The City Budget Office is requesting to receive and carry over funding awarded through the Innovation Fund grants.
2. Current year budget to actual projection report
3. Updates on FY 2014-15 budget notes and decision packages

**CBO Discussion and Recommendations
FY 2014-15 Spring Supplemental Budget**

Bureau: City Budget Office

Type: Technical Adjustment

Request: BO_002 - Innovation Fund: Budget Process Kaizen Event

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	7,500	0	7,500
TOTAL EXPENDITURES	7,500	0	7,500
REVENUES			
General Fund Discretionary	7,500	0	7,500
TOTAL REVENUES	7,500	0	7,500

Bureau Description:

CBO received funding from the Innovation Fund to hold a Kaizen Event on the budget process. The event will use lean process improvement strategies to eliminate non-value added activities within the process. These funds will be used for consulting services to facilitate the discussion between the budget office, bureaus, elected officials' offices, and other interested parties.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2014-15 Spring Supplemental Budget**

Bureau: City Budget Office

Type: Program Carryover Request

Request: BO_003 - Carryover Innovation Fund: Kaizen Event

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	(7,500)	0	(7,500)
TOTAL EXPENDITURES	(7,500)	0	(7,500)
REVENUES			
General Fund Discretionary	(7,500)	0	(7,500)
TOTAL REVENUES	(7,500)	0	(7,500)

Bureau Description:

The Innovation funds awarded in the Spring BMP will be used to hold a Kaizen Event in the summer of 2015 (after the completion of the budget process); therefore the City Budget Office requests the funds be carried over to next fiscal year.

CBO Discussion and Recommendation

Business Area Projection Report

	Spring BMP Revised Budget	FY 2014-15 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
City Budget Office				
EXPENDITURES				
Personnel Services	\$1,583,099	\$1,042,154	\$1,563,623	99%
External Materials and Services	\$186,317	\$123,035	\$173,739	93%
Internal Materials and Services	\$196,875	\$130,742	\$196,116	100%
TOTAL EXPENDITURES	\$1,966,291	\$1,295,931	\$1,933,478	98%
REVENUES				
General Fund Discretionary	\$907,836	\$0	\$875,023	96%
General Fund Overhead	\$1,058,455	\$0	\$1,058,455	100%
TOTAL REVENUES	\$1,966,291	\$0	\$1,933,478	98%

Bureau Projection Narrative

Total expenditures are projected to be within 2% of budget. External materials and services are projected to be slightly underspent to plan for unexpected expenditures between now and year end.

FY 2014-15 Budget Note Updates

Capital Asset Maintenance and Replacement Funding Options

Bureau asset managers are directed to work with the City Budget Office to develop options for funding and allocating resources to address recurring major maintenance and replacement needs of infrastructure assets. A report detailing the options and implementation timeline should be provided with the FY 2014-15 Fall BMP.

Status: Complete

Estimated Completion Date: Already completed

Explanation: The report was discussed by Council during the November 7th Fall Budget Monitoring Process work session. The options discussed in the report included: reestablishing a General Fund Capital Set-Aside, new revenue sources for transportation, incremental increases in internal service fund rates, developing options for ongoing General Fund allocations to bureaus, and updates to Citywide financial policies. In response to the report recommendations, Council passed Resolution 37107 on January 28, 2015. The resolution updated City Financial Policy 2.03 to dedicate a minimum of 50% of available one-time resources in the Adopted Budget and Fall BMP processes to infrastructure maintenance and replacement projects.

Inspections & Distressed Properties

Council directs the City Budget Office to increase the Bureau of Development Services current appropriation level target by \$286,048 starting in FY 2015-16 in order to provide ongoing funding for Housing and Nuisance Inspection Services and the Extremely Distressed Property Enforcement program.

Status: Complete

Estimated Completion Date: Already completed

Explanation: The adjustment was included in the current appropriation level targets distributed to bureaus on December 16, 2014.

Surplus Property Sales

Council removes the requirement for \$400,000 in annual Parks property sales from revenue projections and directs the City Budget Office to increase the Portland Parks & Recreation current appropriation level target by \$400,000 starting in FY 2015-16.

Status: Complete

Estimated Completion Date: Already completed

Explanation: The adjustment was included in the current appropriation level targets distributed to bureaus on December 16, 2014.

FY 2014-15 Decision Package Updates

Eliminate Hatfield Fellowship

The package reallocated General Fund resources to the Police Bureau to cover the costs of the City's enterprise server. The package was implemented as planned and decreased expenses and discretionary funding by \$31,909.

OMF Interagency – ADA and Civil Rights Program Transfer

The package reallocated General Fund resources to the Office of Equity & Human Rights to cover the costs of the Americans with Disabilities Act and Civil Rights program. The package was implemented as planned and decreased expenses and discretionary funding by \$80.