

FY 2014-15

# Spring Supplemental Budget

CITY BUDGET OFFICE ANALYSIS AND RECOMMENDATIONS  
PREPARED: APRIL 2015





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## Executive Summary

In the Spring Budget Monitoring Process (BMP), City bureaus request budget adjustments to – and report on – financial and program performance for the current fiscal year. This report summarizes the highlights of those budget requests, monitoring reports, and the recommendations of the City Budget Office (CBO).

Going into the spring supplemental budget process, the unrestricted General Fund contingency stands at \$852,162. Several actions will return an additional \$1.4 million to contingency. Bureaus have requested \$1.1 million of contingency draws. CBO has only recommended those requests 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 the comprehensive annual budget process that is currently underway.

Of the new bureau requests, the City Budget Office has recommended \$69,978, primarily for extreme weather shelter.

In addition to increases to and draws from the General Fund unrestricted contingency, changes in the General Fund include draws on the compensation set-aside (\$5.9 million), reductions to bureau budgets for carryover into FY 2015-16 (\$4.8 million), the allocation of Innovation Fund resources to identified projects, the allocation of several Special Appropriations to operating bureaus, and the distribution of campaign finance reimbursements to the original paying bureaus.

# General Fund Summary

Budget Summary- General Fund	Adopted Budget	Current Revised Budget	Recommended Adjustments	Total Recommended Revised
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$19,368,640	\$36,175,592	-	\$36,175,592
Taxes	227,903,445	227,903,445	-	227,903,445
Licenses & Permits	166,435,346	166,702,346	220,000	166,922,346
Charges for Services	20,467,625	20,484,482	120,222	20,604,704
Intergovernmental Revenues	26,981,682	27,495,672	459,577	27,955,249
Interagency Revenue	23,503,353	23,737,288	1,001,012	24,738,300
Fund Transfers - Revenue	26,471,334	26,840,481	641,745	27,482,226
Miscellaneous	3,988,354	4,002,354	672,390	4,674,744
<b>Total Resources</b>	<b>\$515,119,779</b>	<b>\$533,341,660</b>	<b>\$3,114,946</b>	<b>\$536,456,606</b>
<b>Requirements</b>				
Personnel Services	\$327,392,962	\$328,950,068	\$6,797,737	\$335,747,805
External Materials and Services	77,389,168	89,754,250	(6,381,903)	83,372,347
Internal Materials and Services	52,837,786	53,633,818	619,331	54,253,149
Capital Outlay	310,000	400,840	332,395	733,235
Bond Expenses	8,891,057	9,677,276	(262,500)	9,414,776
Fund Transfers - Expense	36,374,589	41,202,404	1,937,304	43,139,708
Contingency	11,924,217	9,723,004	72,582	9,795,586
<b>Total Requirements</b>	<b>\$515,119,779</b>	<b>\$533,341,660</b>	<b>\$3,114,946</b>	<b>\$536,456,606</b>

The Spring Supplemental Budget, as recommended, includes a total increase in FY 2014-15 expenses (including contingency) in the General Fund of \$3.1 million. These expenses are funded with a combination of new bureau revenues.

Personnel services increase by \$6.8 million, primarily as a result of compensation set-aside requests. External materials and services decrease by \$6.3 million, primarily as a result of carryover into FY 2015-16. Fund transfer expenses increase by \$1.9 million, primarily as a result of allocations of compensation set-aside, campaign finance reimbursement, and other technical allocations to non-General Fund bureaus.

## Discretionary Changes

What follows are details of bureau requests and CBO recommendations for General Fund discretionary resources. For line item detail, see the table on page %\$.

### *Compensation Set-Aside*

As part of budget development, CBO holds back from General Fund bureaus a portion of the Current Appropriation Level associated with cost of living adjustments and health benefit increases. In most years, these costs are expected to be absorbed by vacancies experienced in the regular course of

business. However, in years in which bureaus are at or close to full staffing through most of the year, bureaus can request the necessary compensation set-aside in order to avoid overspending their personnel services budget or making other operating reductions.

In this Spring Supplemental Budget, seven bureaus have requested – and CBO has recommended - compensation set-aside totaling \$5.9 million. This includes \$2.0 million for the Portland Police Bureau, \$2.5 million for Portland Fire & Rescue, \$942,949 for Portland Parks & Recreation, \$395,797 for the Bureau of Emergency Communications, \$100,000 for the Office of the City Attorney, and \$20,000 for the Office of Neighborhood Involvement. The only request not recommended was a \$3,100 request from the Office of Youth Violence Prevention which is housed in Special Appropriations; that appropriation should have sufficient underspending to fund these personnel costs.

### ***Reductions>Returns***

Four actions are requested and recommended to return a total of \$1.4 million to the General Fund unrestricted contingency. These items include

- BOEC underspending (\$411,745). This is the City share of bureau underspending in FY 2013-14. This transaction is typical for the Spring BMP.
- Jasmine block streetcar project savings (\$230,000) from PBOT. This represents underspending on this project.
- Campaign finance reimbursement (\$24,519). This is the General Fund share of a reimbursement resulting from a settlement with a past candidate.
- Street Fee Funding (\$724,650). The Revenue division of the Bureau of Revenue and Financial Services received one-time funding in the Fall BMP to establish the collection apparatus for the proposed street fee. That funding is not needed at the current time.

### ***New Requests***

Bureaus requested a total of \$1.1 million in new funding as part of the Spring process. CBO has recommended only \$69,978, of which almost the entirety - \$68,478 – is for the Portland Housing Bureau to reimburse providers for severe weather shelter. This amount is reduced from the original request of \$173,478 based on the actual number of days the shelter operated per the terms of the contract.

CBO recommends draws from General Fund unrestricted contingency only for items 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 so that they can be prioritized with all other funding requests. The FY 2015-16 process is currently ongoing and, as such, would be a more appropriate forum for consideration of the items that are not recommended in the Spring.

Items that are not recommended include:

- \$411,745 for BOEC to retain the City of Portland's share of the bureau's FY 2013-14 operating surplus.
- \$150,000 for consultant services to begin the single-dwelling development code project requested in the FY 2015-16 budget
- \$4,735 to reclassify a position; related to an agreement for ONI to accept the New Portlander program from OEHR
- \$3,500 Last Thursday costs for June 2015
- \$126,000 to extend operations of two women's winter shelters beyond wintertime to add capacity to operate an entire year
- \$20,500 to fund repairs at Ira Keller Fountain due a recent pump failure
- \$45,000 to fund two positions to assist with Tree Code implementation for the remainder of FY 2014-15. Commissioner Fritz has indicated that she will request ongoing funding, totaling \$270,000, in the FY 2015-16 Approved Budget
- \$198,000 to fund the one-time costs of the ranger labor agreement in FY 2014-15. Ongoing costs were added to Parks Current Appropriation Level in FY 2015-16. Council approved the agreement in ordinance 186891; however, the ordinance did not include language that directed FY 2014-15 costs to be funded by contingency, and CBO believes the costs can be absorbed through Parks' compensation set-aside allocation.

### ***Program Carryover***

Typically, as part of the Spring supplemental budget, General Fund bureaus may request carryover for projects which were budgeted in the current year but will not be encumbered or spent by the end of the fiscal year. These amounts are reduced from bureau budgets and set aside for rebudgeting as part of the Proposed or Approved Budget for the following year.

This year, CBO received a total of \$4.8 million in carryover requests. Of these, only \$36,780 are not recommended for rebudgeting in FY 2015-16. Those that are not recommended include \$35,000 for litigation costs in the Office for

Community Technology and \$7,500 for training costs in the Civil Rights program of the Office of Equity and Human Rights. The former is not recommended because the bureau anticipates spending only \$30,000 in FY 2015-16. With the expectation of a successful settlement in FY 2015-16, CBO recommends only carrying over the amount projected to be spent in that year. The latter is not recommended because OEHR has an ongoing budget to support training; carryover is for one-time projects funded with one-time funding.

### ***Technical Adjustments***

A number of changes to discretionary General Fund are included that do not affect the contingency. These fall into several categories:

- 1) Innovation Fund awards. These items are moved out of the Special Appropriations budget to bureaus receiving awards through OMF's Innovation Fund process.
- 2) Special Appropriations. Several items have been shifted to operating bureaus to execute the intent of City Council.
- 3) Campaign finance reimbursement. These items represent the transfer to non-General Fund bureaus of those bureaus' share of a reimbursement to the City for campaign finance spending.
- 4) Allocation of reserved contingency. Throughout the year, Council occasionally reserves contingency through ordinance to be appropriated in the following budget monitoring process.
- 5) Other transfers between bureaus. For a variety of reasons, funding is sometimes shifted between bureaus to align with service delivery models.

Several items which were requested as technical adjustments have not been recommended. A reservation of contingency by Parks was reduced from \$98,000 – the estimated amount called out in the ordinance – to \$30,000. The ordinance allows for this reduction based on actual costs associated with funded intergovernmental agreement. In addition, OMF requested \$100,000 of savings in the General Fund be reappropriated to fund an SAP travel module, which is not recommended because these cost should be borne by all EBS ratepayers, not solely the General Fund.

## **Contingency**

Total General Fund contingency currently stands at \$9.7 million. This includes unrestricted contingency, compensation set-aside, and funding for items previously approved by Council. The CBO recommendations in the Spring supplemental budget would result in a net addition to contingency of \$72,582, leaving \$9.8 million. Draws total \$6,099,033 and include two items previously

identified by City Council through ordinance (totaling \$40,128), the new requests recommended by CBO (totaling \$69,978), a reduction of contingency incorrectly budgeted in the Auditor's Office (\$60,181), Citywide compensation set-aside requests recommended (totaling \$5,928,746). Additions to contingency total include the \$1,390,914 identified in 'Reductions>Returns' above and the \$4,780,701 identified in 'Program Carryover' above.

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

- \$2.2 million unrestricted contingency
- \$2.4 million compensation set-aside
- \$4.8 million program carryover set-aside
- \$408,570 set aside to fund a true-up in the General Fund Overhead model during FY 2015-16 budget development

## 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.

- Portland Parks and Recreation is budgeting an additional \$3.0 million in projected SDC revenues through remainder of FY 2014-15, increasing the projected revenues from \$9.7 million to \$12.7 million. Intergovernmental resources are reduced by \$1.7 million as a result of delays in two projects receiving PDC funds. The Bureau of Environmental Services is budgeting an additional \$13.0 million in Rate Stabilization Fund balance, increasing the projected balance to \$43.1 million; this is \$11.2 million higher than the assumption in the bureau's requested budget.
- The Bureau of Development Services is adding a total of 39 regular positions. Of those two are funded by General Fund and the remaining are funded by program revenues; OMF interagencies are increased by \$1.4 million to address the start-up and ongoing costs associated with these positions
- The Portland Bureau of Transportation is increasing the transfer to the Transportation Reserve Fund by \$500,000 to \$1.2 million as part of an effort to achieve the reserve target
- PBOT is budgeting \$4.5 million out of contingency to complete the "Close the Loop" project and to complete the purchase of a new streetcar vehicle; these projects are now cash financed rather than debt and grant-financed as originally planned in order save on interest costs

- PBOT is also budgeting \$4.9 million out of contingency for the purchase of parking paystations; as with the streetcar projects, these costs were initially planned to be debt-financed

## Position Changes

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

Bureau	Regular	Limited Term	Grand Total
BDS	39.0		39.0
PBEM	1.0	(1.0)	-
ONI	1.0		1.0
Equity	1.0		1.0
Parks	5.0	(6.0)	(1.0)
Water	0.2		0.2
<b>Grand Total</b>	<b>47.2</b>	<b>(7.0)</b>	<b>40.2</b>

**General Fund Reconciliation**

Exhibit #4

	<u>Bureau Request</u>	<u>CBO Recommended</u>
<b>Compensation Set Aside Request</b>		
Bureau of Emergency Communications - Compensation Set Aside Request (EC_005)	\$455,797	\$395,797
Office of Neighborhood Involvement - Comp Set-aside (NI_031)	\$20,000	\$20,000
Office of the City Attorney - Compensation Set Aside (AT_004)	\$100,000	\$100,000
Portland Fire & Rescue - Compensation Set-aside (FR_016)	\$2,470,000	\$2,470,000
Portland Parks & Recreation - Spring BMP - Comp Set-Aside (PK_019)	\$942,949	\$942,949
Portland Police Bureau - Compensation Set-Aside (PL_017)	\$2,000,000	\$2,000,000
Special Appropriations - OYVP - Personnel Svcs (SA_013)	\$3,100	\$0
<b>Total Compensation Set Aside Request</b>	<b>\$5,991,846</b>	<b>\$5,928,746</b>

<b>Mid-Year Reductions</b>		
Fund & Debt Management - Recognize BOEC Underspending from FY 2013-14 (FM_00)	(\$411,745)	(\$411,745)
Fund & Debt Management - Recognize Jasmine Block Project Savings (PBOT) (FM_010)	(\$230,000)	(\$230,000)
Fund & Debt Management - Recognize Campaign Finance Fund Refund (FM_014)	(\$24,519)	(\$24,519)
Office of Management & Finance - Revenue Division - Return Street Fee Funds (MF_14)	(\$724,650)	(\$724,650)
<b>Total Mid-Year Reductions</b>	<b>(\$1,390,914)</b>	<b>(\$1,390,914)</b>

<b>New Request</b>		
Bureau of Emergency Communications - BOEC Retain Portland FY 1314 Operating Surp	\$411,745	\$0
Bureau of Planning & Sustainability - Single-Dwelling Development Code project (PN_01)	\$150,000	\$0
Office of Neighborhood Involvement - Staff upgrade related to New Portlander Program (	\$4,735	\$0
Office of the Mayor - Mayor - Last Thursday (MY_005)	\$3,500	\$0
Portland Housing Bureau - Reimburse Providers for Severe Weather Expenses (HC_011)	\$173,478	\$68,478
Portland Housing Bureau - Extend Women's Shelter Capacity (HC_012)	\$126,000	\$0
Portland Parks & Recreation - Spring BMP- Decorative Fountains Capital Repairs (PK_0	\$20,500	\$0
Portland Parks & Recreation - Spring BMP - Tree Code Implementation (PK_024)	\$45,000	\$0
Portland Parks & Recreation - Park Ranger Request (PK_029)	\$198,000	\$0
Special Appropriations - Memberships & Dues (SA_015)	\$1,500	\$1,500
<b>Total New Request</b>	<b>\$1,134,458</b>	<b>\$69,978</b>

<b>Program Carryover Request</b>		
City Budget Office - Carryover Innovation Fund: Kaizen Event (BO_003)	(\$7,500)	(\$7,500)
Office of Equity & Human Rights - Carry Over Portion of BMA Budget (OE_007)	(\$60,000)	(\$60,000)
Office of Equity & Human Rights - Carry Over Transition Plan Funding (OE_008)	(\$98,723)	(\$98,723)
Office of Equity & Human Rights - Carry Over Culturally Specific Mentorship Budget (OE	(\$10,000)	(\$10,000)
Office of Equity & Human Rights - Carry Over Civil Rights Program Budget (OE_011)	(\$7,500)	\$0
Office of Equity & Human Rights - Carry Over 2% of Translation/Interpretation Fund (OE_	(\$2,000)	(\$2,000)
Office of Management & Finance - BHR-Program Carryover-Training & Development (MF	(\$122,322)	(\$122,322)
Office of Management & Finance - Revenue Division - OCT Litigation Carryover (MF_15)	(\$65,000)	(\$30,000)
Office of Management & Finance - Bus Ops-Programmatic Carryover-Inn. Fund Mgmt (M	(\$88,000)	(\$88,000)
Office of Neighborhood Involvement - Historic Kenton Firehouse Carryover (NI_022)	(\$95,500)	(\$95,500)
Office of Neighborhood Involvement - Noise Revenue Reserve (NI_023)	(\$56,742)	(\$56,742)
Office of the City Attorney - Portland Harbor Carryover (AT_008)	(\$210,020)	(\$210,020)
Office of the City Auditor - AU Carryover: Records Management Training (AU_008)	(\$15,000)	(\$15,000)

General Fund Reconciliation

Exhibit #4

	<u>Bureau Request</u>	<u>CBO Recommended</u>
<b>Program Carryover Request</b>		
Office of the City Auditor - AU Carryover: Software Updates (AU_009)	(\$40,000)	(\$40,000)
Office of the Mayor - COCL Carry-over IGA with PSU (MY_007)	(\$16,770)	(\$22,490)
Portland Bureau of Emergency Management - Community Preparedness Survey- carryo	(\$80,000)	(\$80,000)
Portland Bureau of Emergency Management - Community Emergency Notification Syst. (	(\$33,000)	(\$33,000)
Portland Bureau of Emergency Management - Building Resilient Communities - Carryove	(\$25,000)	(\$25,000)
Portland Development Commission - Carryover - Innovation Fund (ZD_002)	(\$57,000)	(\$57,000)
Portland Development Commission - Carryover - Partner Capacity Building (ZD_003)	(\$100,000)	(\$100,000)
Portland Development Commission - Carryover - Neighborhood Econ Dev Grants (ZD_01	(\$60,000)	(\$60,000)
Portland Fire & Rescue - Carryover Innovation Fund: Field Treatment Pilot (FR_024)	(\$150,000)	(\$150,000)
Portland Fire & Rescue - Carryover Innovation Fund: Pulse Point/CPR (FR_025)	(\$50,000)	(\$50,000)
Portland Parks & Recreation - Spring BMP - General Fund Carryover (PK_022)	(\$300,000)	(\$300,000)
Portland Police Bureau - Carryover to FY2015-16 (PL_018)	(\$1,764,985)	(\$1,764,985)
Portland Police Bureau - Body-Worn Camera Carryover (PL_023)	(\$834,619)	(\$834,619)
Portland Police Bureau - CJIS e-mail Server Carryover (PL_024)	(\$155,000)	(\$155,000)
Portland Police Bureau - Justice Reinvestment HB3194 (PL_025)	(\$90,000)	(\$90,000)
Special Appropriations - Innovation Fund Carryover (SA_021)	(\$222,800)	(\$222,800)
<b>Total Program Carryover Request</b>	<b>(\$4,817,481)</b>	<b>(\$4,780,701)</b>

<b>Technical Adjustment</b>		
Bureau of Development Services - Campaign Finance Reimbursement (DS_021)	\$2,754	\$2,754
Bureau of Emergency Communications - Campaign Finance Fund Refund (EC_012)	\$1,166	\$1,166
Bureau of Environmental Services - Innovation Fund: BES (ES_015)	\$35,000	\$35,000
Bureau of Environmental Services - Zenger Farms Transfer from Spec Approp (ES_016)	\$100,000	\$100,000
Bureau of Environmental Services - Campaign Finance Reimbursement (ES_017)	\$16,954	\$16,954
Bureau of Fire & Police Disability & Retirement - Campaign Finance Fund Refund (DR_0	\$254	\$254
Bureau of Planning & Sustainability - Innovation Fund Projects (PN_012)	\$35,000	\$35,000
Bureau of Planning & Sustainability - Campaign Finance Fund Refund (PN_017)	\$246	\$246
City Budget Office - Innovation Fund: Budget Process Kaizen Event (BO_002)	\$7,500	\$7,500
Fund & Debt Management - Allocate Contingency to Parks - Ord 186921 (FM_011)	(\$98,000)	(\$30,000)
Fund & Debt Management - Transfer Portland Harbor funding to CityAttorney (FM_012)	(\$262,500)	(\$262,500)
Fund & Debt Management - Campaign Finance Fund Refund (FM_013)	(\$51,807)	(\$51,807)
Fund & Debt Management - Xfer to Special Approps - Blue Ribbon ord 186924 (FM_016)	(\$10,128)	(\$10,128)
Office of Equity & Human Rights - Transfer Resources for BMA Initiative (OE_006)	\$100,000	\$100,000
Office of Equity & Human Rights - Transfer New Portlander Program to ONI (OE_012)	(\$65,866)	(\$65,866)
Office of Management & Finance - Innovation Fund: BTS for FiberOptics (MF_120)	\$35,000	\$35,000
Office of Management & Finance - Fac - Reduce Cash Transfer from GF for Sears CIP (I	(\$1,202,297)	(\$1,202,297)
Office of Management & Finance - Fac - Police MM Funding Request (MF_167)	\$500,000	\$500,000
Office of Management & Finance - OMF GF-Budget Reduction to fund SAP travel mod (M	(\$100,000)	\$0
Office of Management & Finance - CityFleet - Cash Transfer from GF for Sears CIP (MF_	\$1,202,297	\$1,202,297
Office of Management & Finance - EBS - SAP travel module (MF_267)	\$100,000	\$0
Office of Management & Finance - Campaign Finance Fund Refund (MF_288)	\$10,148	\$10,148
Office of Neighborhood Involvement - New Portlanders Program (NI_018)	\$65,866	\$65,866
Office of Neighborhood Involvement - EPAP grants to City Offices (NI_021)	(\$43,040)	(\$43,040)

General Fund Reconciliation

Exhibit #4

	<u>Bureau Request</u>	<u>CBO Recommended</u>
<b>Technical Adjustment</b>		
Office of the City Attorney - Portland Harbor Habitat Restoration (AT_007)	\$262,500	\$262,500
Office of the City Auditor - Campaign Finance Fund Refund (AU_011)	\$422	\$422
Office of the Mayor - Mayor - COCL Revenue from Police (MY_006)	\$44,980	\$44,980
Office of the Mayor - Mayor - BMA Transfer to OEHR (MY_008)	(\$100,000)	(\$100,000)
Portland Bureau of Transportation - Innovation Fund Grants (TR_033)	\$99,100	\$99,100
Portland Bureau of Transportation - Special Appropriation Transfer (TR_039)	\$10,000	\$10,000
Portland Bureau of Transportation - Campaign Finance Fund Refund (TR_050)	\$10,302	\$10,302
Portland Development Commission - Venture PDX, East PDX (Special Approp Transfer)	\$99,999	\$99,999
Portland Fire & Rescue - Innovation Fund: Field Treatment Pilot (FR_023)	\$150,000	\$150,000
Portland Housing Bureau - Appropriate Innovation Fund Awards (HC_017)	\$70,000	\$70,000
Portland Parks & Recreation - Spring BMP - Innovation Fund (PK_020)	\$416,600	\$416,600
Portland Parks & Recreation - Spring BMP - General Fund Contingency Ordinances (PK_027)	\$98,000	\$30,000
Portland Parks & Recreation - Halperin Fountain (PK_027)	\$200,000	\$200,000
Portland Parks & Recreation - EPAP Funds from ONI (PK_028)	\$7,000	\$7,000
Portland Parks & Recreation - Campaign Finance Fund Refund (PK_030)	\$1,924	\$1,924
Portland Police Bureau - Transfer funding to Facilities Major Maintenance (PL_019)	(\$500,000)	(\$500,000)
Portland Police Bureau - PL00 Technical Adjustments (PL_021)	(\$8,940)	(\$8,940)
Portland Police Bureau - Campaign Finance Fund Refund (PL_028)	\$10	\$10
Portland Water Bureau - Innovation Fund (WA_011)	\$17,000	\$17,000
Portland Water Bureau - Campaign Finance Fund Refund (WA_019)	\$7,627	\$7,627
Special Appropriations - Zenger Farm - BES (SA_016)	(\$100,000)	(\$100,000)
Special Appropriations - Halperin Fountains - Parks (SA_017)	(\$200,000)	(\$200,000)
Special Appropriations - Trail Near Robert Gray - PBOT (SA_018)	(\$10,000)	(\$10,000)
Special Appropriations - Venture Portland - PDC (SA_019)	(\$99,999)	(\$99,999)
Special Appropriations - Innovation Fund Grants (SA_020)	(\$865,200)	(\$865,200)
Special Appropriations - Blue Ribbon Commission Allocation ord #186924 (SA_023)	\$10,128	\$10,128
<b>Total Technical Adjustment</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$917,909</b>	<b>(\$172,891)</b>

# PUBLIC SAFETY





# Bureau of Emergency Communications

Analyst: Shannon Carney

## All Funds

Budget Summary - All Funds	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 1,715,000	\$ 905,750	\$ -	\$ 2,620,750
Charges for Services	298,934	79,054	0	377,988
Intergovernmental Revenues	7,389,777	(214,282)	0	7,175,495
Fund Transfers - Revenue	15,408,080	868,708	(411,745)	15,865,043
Miscellaneous	15,000	17,017	0	32,017
<b>Total Resources</b>	<b>\$24,826,791</b>	<b>\$1,656,247</b>	<b>(\$411,745)</b>	<b>\$26,071,293</b>
<b>Requirements</b>				
Personnel Services	\$ 14,292,969	\$ 491,868	\$ (60,000)	\$ 14,724,837
External Materials and Services	980,578	0	0	980,578
Internal Materials and Services	3,927,875	60,000	0	3,987,875
Bond Expenses	1,371,594	0	0	1,371,594
Fund Transfers - Expense	3,203,560	411,745	0	3,615,305
Contingency	1,050,215	692,634	(411,745)	1,331,104
Unappropriated Fund Balance				
<b>Total Requirements</b>	<b>\$24,826,791</b>	<b>\$1,656,247</b>	<b>(\$471,745)</b>	<b>\$26,011,293</b>

## Key Decisions

- Request compensation set-aside of \$455,797 to cover personnel services costs, including eleven new trainee positions. (CBO recommends \$395,797).
- Transfer \$411,745 in FY 2013-14 underspending back to the General Fund.
- Request for \$411,745 of General Fund discretionary to increase fund balance to contribute to future projects, including Next Gen and 3-1-1 system development. The amount requested is equal to the amount of FY 2013-14 underspending. (Not recommended).
- Recover funds from BOEC partner jurisdictions, BTS, and PSSRP to contribute to the PCC Roof Replacement project.

## Personnel Services and Overtime Expenditures

Despite savings from 18 vacant positions (out of 141 authorized) as of April 1, 2015, BOEC projects that its personnel services costs will exceed currently budgeted amounts for the year. CBO's projections for the category are lower, but still expect the bureau to spend nearly 100% of budget, with the variance dependent on the bureau's use of overtime in the remaining months. As in previous years, BOEC will use a portion of its vacancy savings to fund a cohort

of new hire trainees in its spring academy. The bureau has also used vacancy savings to fund a Computer-Aided Dispatch (CAD) Coordinator position in order to provide adequate coverage. This position was intended to be paid for by additional pre-paid cell phone revenue from the State of Oregon. However, due to a delay in implementation of the new fee, BOEC will not receive any funds from the fee until 2015-16. To the degree that the bureau is unable to fund the full costs of the position with pre-paid cell phone revenues, the bureau will continue to be reliant on vacancy savings to fund this position in FY 2015-16 and beyond. However, BOEC has requested to upgrade its V-CAD system (hardware replacement/software refresh) as part of the major maintenance and asset replacement ranking process in the FY 2015-16. The expected increase in reliability and availability of the CAD system after the upgrade may impact the bureau's need for coordinator staff.

Due to the potential for an over expenditure in this category, CBO has recommended the compensation set-aside request, less the amount requested by the bureau to cover internal materials and services costs. Per the Budget Monitoring Process, CBO recommendations for compensation set-aside incorporate the requesting bureau's cumulative budget adjustments throughout the year. As such, "compensation set-aside allocations for each bureau may be reduced by the amount of budget transfers out of Personnel Services."<sup>1</sup>

The additional \$96,071 in revenues above budgeted amounts (decision package EC\_010) will provide resources that may also be utilized for personnel services. The partner jurisdictions' portion of the compensation set-aside funds are included in BOEC's current budget.

### *Retain or Return BOEC Operating Surplus*

Analogous to underspending in General Fund bureaus, which falls to balance at the end of the year, for non-General Fund bureaus, unspent resources from the General Fund are transferred back based upon prior year actual spending. The Emergency Communication Fund has \$411,745 available to transfer to the General Fund due to FY 2013-14 underspending.

The bureau has requested to retain these funds to be utilized for potential future projects, including 3-1-1 system development and system upgrades that will enable BOEC to receive text or video communications. While Next Gen upgrades seem likely to improve 9-1-1 services in the future, the bureau lacks project scope, timeline, and cost estimates for their implementation. Until

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<sup>1</sup> City of Portland Budget Monitoring Process Manual, August 2014, p. 18.

project costs and anticipated outcomes are more fully developed, these resources may be used to fund other, more current priorities in the City. As the system upgrade requirements are further defined, BOEC should develop requests for funding in a future budget process. CBO also notes that Next Gen upgrades will benefit all BOEC partner jurisdictions, and as such, the bureau should consider funding future Next Gen projects according to the BOEC shared cost formula. BOEC contingency may also be replenished by recovering partner and Bureau of Technology Services (BTS) portions of the \$500,000 drawn from BOEC contingency to pay for the Portland Communications Center (PCC) roof replacement project.

### *PCC Roof Replacement Funding*

In the FY 2014-15 Fall BMP, Council appropriated \$2,976,210 to replace the roof and HVAC system of the PCC Building, of which BOEC is a 40.5% tenant (BTS occupies 55.5% of the building, and the Public Safety Systems Revitalization Program, or PSSRP, rents the remaining 4%). As the requestor, BOEC was appropriated \$2,476,210 in resources to pay for the project. Of this funding, \$500,000 was from the building's facilities major maintenance account and \$1,976,210 was from the General Fund.

The remaining \$500,000 necessary to fully fund the project is being drawn from BOEC contingency. However, if project costs were allocated on the basis of building tenancy, then BOEC partner jurisdictions, BTS, and PSSRP would also contribute additional resources. Based on a partner share of the full cost of the \$2.98 million, and taking into account existing contribution to the PCC major maintenance reserve; reasonable cost recovery would be approximately \$214,000 from partner jurisdictions. If the \$500,000 contingency payment were then shared according to occupancy, BOEC would contribute \$116,000, BTS would pay \$159,000, and PSSRP, \$11,000. To date, the bureau has not attempted to recover any portion of these costs from BOEC partner jurisdictions, BTS, nor PSSRP.

OMF-Facilities estimates that construction on the roof will occur during the summer of 2016. In the meantime, Council could improve parity for the cost burden of this project (and replenish BOEC contingency), by directing BOEC to recover a financial contribution from partner jurisdictions, BTS, and PSSRP.

# 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)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 14,413,467	\$ -	\$ -	\$ 14,413,467
Taxes	120,321,535	-	-	120,321,535
Interagency Revenue	657,200	222,753	-	879,953
Fund Transfers - Revenue	1,500,000	-	-	1,500,000
Bond and Note	31,258,000	-	-	31,258,000
Miscellaneous	306,500	-	-	306,500
<b>Total Resources</b>	<b>\$168,456,702</b>	<b>\$222,753</b>	<b>\$0</b>	<b>\$168,679,455</b>
<b>Requirements</b>				
Personnel Services	\$ 1,851,231	\$ -	\$ -	\$ 1,851,231
External Materials and Services	113,408,664	(142,247)	-	113,266,417
Internal Materials and Services	7,862,183	320,000	-	8,182,183
Capital Outlay	43,300	45,000	-	88,300
Bond Expenses	31,636,349	-	-	31,636,349
Fund Transfers - Expense	1,645,911	-	-	1,645,911
Contingency	12,009,064	-	-	12,009,064
<b>Total Requirements</b>	<b>\$168,456,702</b>	<b>\$222,753</b>	<b>\$0</b>	<b>\$168,679,455</b>

## Key Decisions

- Increase the interagency by \$45,000 with the Bureau of Technology Services for a new phone system and server upgrades. Funding resource is bureau external materials and services.
- Increase the capital outlay budget by \$45,000 for upgrades to the FPDR Database. Funding resource is bureau external materials and services.
- Increase interagency revenues from the Portland Police Bureau by \$222,753 funded from secondary employment pension reimbursements.
- Increase OPSRP payments to Portland Fire & Rescue by \$50,000 to fund expenses associated with increased overtime spending, and increase wage subsidies for early return to work by \$175,000 with Fire and \$50,000 with Police.

## Discussion

CBO recommends the requests as submitted. The adjustments to the interagency agreements with Portland Police Bureau and Portland Fire & Rescue reflect a true-up of costs associated with OPSRP pension payments and early return to work subsidies so the personnel services budgets align with actual expenses. Additional requests allocate internal resources to technology projects as identified on the bureau's technology road map.

# 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)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 1,770,826	\$ -	\$ -	\$ 1,770,826
Licenses & Permits	1,931,000	-	-	1,931,000
Charges for Services	882,002	172,753	-	1,054,755
Intergovernmental Revenues	9,402,126	1,465,538	-	10,867,664
Interagency Revenue	4,285,774	50,000	-	4,335,774
Fund Transfers - Revenue	200,000	10	-	200,010
Miscellaneous	1,711,750	-	-	1,711,750
General Fund Discretionary	163,125,541	(1,353,544)	-	161,771,997
<b>Total Resources</b>	<b>\$183,309,019</b>	<b>\$334,757</b>	<b>\$0</b>	<b>\$183,643,776</b>
<b>Requirements</b>				
Personnel Services	\$132,724,577	\$ 2,094,699	\$ -	\$134,819,276
External Materials and Services	19,972,988	(1,217,342)	-	18,755,646
Internal Materials and Services	30,025,439	(521,369)	-	29,504,070
Capital Outlay	455,804	(21,231)	-	434,573
Fund Transfers - Expense	25,211	-	-	25,211
Contingency	105,000	-	-	105,000
<b>Total Requirements</b>	<b>\$183,309,019</b>	<b>\$334,757</b>	<b>\$0</b>	<b>\$183,643,776</b>

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Licenses & Permits	\$ 1,931,000	\$ -	\$ -	\$ 1,931,000
Charges for Services	882,002	172,753	-	1,054,755
Intergovernmental Revenues	6,695,543	243,000	-	6,938,543
Interagency Revenue	4,285,774	50,000	-	4,335,774
Miscellaneous	1,663,150	-	-	1,663,150
General Fund Discretionary	163,125,541	(1,353,544)	-	161,771,997
<b>Total Resources</b>	<b>\$178,583,010</b>	<b>(\$887,791)</b>	<b>\$0</b>	<b>\$177,695,219</b>
<b>Requirements</b>				
Personnel Services	\$131,752,523	\$ 2,015,722	\$ -	\$133,768,245
External Materials and Services	16,683,714	(2,367,544)	-	14,316,170
Internal Materials and Services	29,891,773	(535,969)	-	29,355,804
Capital Outlay	255,000	-	-	255,000
<b>Total Requirements</b>	<b>\$178,583,010</b>	<b>(\$887,791)</b>	<b>\$0</b>	<b>\$177,695,219</b>

## *Key Decisions*

- Compensation set-aside request of \$2.0 million to prevent over-spending in personnel services.
- Carryover \$834,619 for the body-worn camera program implementation.
- Carryover \$1,711,000 for technology projects, equipment, and fleet purchases that will not be complete by fiscal year end.
- Increase revenues from interagency agreements with FPDR and from intergovernmental agreements with TriMet by \$465,753.
- Return \$500,000 of internal materials and services underspending to the General Fund to be redirected to the Facilities Major Maintenance reserve to address unfunded projects.

## *Discussion*

It is anticipated that the Portland Police Bureau will end the current fiscal year within appropriations with the approval of the \$2.0 million requested as compensation set-aside. Major initiatives underway in FY 2014-15 include the completion of the RegJIN records management project, scheduled for go-live in April 2015; entering into a signed US Department of Justice Agreement; and the completion of an outside staffing analysis focused on staffing issues specific to law enforcement agencies. In addition to programmatic carryovers, the bureau requests to recognize outside agency revenues, to adjust grants for actual expenditures anticipated, and to increase the resources in the Special Revenue Fund to match the projected amounts for year-end.

## *Personnel Services Spending*

The bureau requests \$2.0 million of the compensation set-aside to ensure adequate resources through the end of the fiscal year. At the end of March, 2015, there are 18.0 sworn vacancies and 14.0 non-sworn vacancies, providing some salary savings. Overtime expenditures are projected to exceed the budgeted amount by approximately \$750,000, mostly due to shift back-fill which occurs to cover shifts due to training, vacations, sick, court appearances, FMLA, etc. Increases in overtime use has been greater this year due to the training required for RegJIN, response to demonstrations, and reimbursed secondary employment.

Risks to the personnel services spending projection are mostly associated with separation payouts. There is the potential for an increased number of payouts to occur in the current fiscal year, pending a legal decision on the question of the 27 pay period look-back. The compensation set-aside requested from the bureau is consistent with CBO projections for personnel service spending, and the amount is within the bureau's designated share of the set-aside.

### *Facilities Major Maintenance*

There is current year underspending in the Fleet interagency, mostly associated with lower fuel prices and the timing of vehicle replacement charges. Typically, this underspending would fall to General Fund balance and be available for Council to appropriate in the Budget or BMP process in FY 2015-16. The Police Bureau has requested to return \$500,000 to the General Fund, and the Office of Management and Finance Facilities Services Division has requested these funds be transferred into the Police facilities major maintenance reserve to provide funding for known projects that do not have dedicated resources.

The major maintenance rates were reduced across the City as a part of overall budget reductions taken in the past five years. As a result, there is a growing backlog of projects for bureaus where there is no dedicated funding. The backlog of Police facilities is \$1.6 million and this \$500,000 would be put towards these projects. In order to ensure the funds are going towards these unfunded needs and not towards different projects, the CBO will be following up with OMF- Facilities and the Police Bureau to assess progress.

### *Project Carryover*

There are several projects that are either partially underway or have been delayed, and the bureau has requested carryover funds totaling \$2.7 million. The table below breaks out the major project requests.

<b>Carryover Requests</b>	<b>Amount</b>
Body-worn camera implementation	\$ 834,619
Crisis Negotiation Team van replacement	\$ 350,000
Forensic Evidence workflow manager	\$ 275,000
Facility Improvement Project	\$ 265,000
Pavement resurfacing at Training Center	\$ 250,000
In-car citation printers	\$ 200,000
Upgrade flip phones to smartphones	\$ 170,000
CJIS compliant email server upgrade	\$ 155,000
Central City Concern contract amendment	\$ 136,955
<b>Carryover Total</b>	<b>\$ 2,636,574</b>

With the exception of the body-worn camera implementation project, the majority of other technology projects scheduled for this fiscal year were delayed due to the timing of go-live for the RegJIN records management system. The implementation of the body-worn camera project has been delayed to allow for the Oregon state legislature to change current recording laws to include exceptions for law enforcement agencies and to adequately address privacy concerns of citizens. The bureau has not completed an RFP to



determine the potential ongoing costs for implementing this program and requests for ongoing funding are included in the bureau's FY 2015-16 Requested Budget.

### *Technical Adjustments*

Technical adjustments to the bureau's revenue sources include recognizing additional revenues from TriMet, secondary employment agreements, fees received from photo radar and photo red light enforcement, and interagency resources from the Bureau of Fire Police Disability and Retirement. There is one revenue carryover request for \$90,000 in resources from the State of Oregon in support of the Justice Reinvestment Program supporting officer time as a part of HB 3194. The funding from the state was awarded during the middle of the year with the expectation that these resources would support one full year of the costs. CBO recommends the revenue carryover for this program.

# 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)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 6,712,662	\$ -	\$ -	\$ 6,712,662
Licenses & Permits	2,125,000	220,000	-	2,345,000
Charges for Services	1,570,000	48,000	-	1,618,000
Intergovernmental Revenues	2,795,966	668,240	-	3,464,206
Interagency Revenue	3,636,446	225,000	-	3,861,446
Bond and Note	-	6,597,216	-	6,597,216
Miscellaneous	120,000	182,865	-	302,865
General Fund Discretionary	93,391,091	2,420,000	-	95,811,091
General Fund Overhead	70,015	-	-	70,015
<b>Total Resources</b>	<b>\$110,421,180</b>	<b>\$10,361,321</b>	<b>\$0</b>	<b>\$120,782,501</b>
<b>Requirements</b>				
Personnel Services	\$ 89,733,244	\$ 3,199,365	\$ -	\$ 92,932,609
External Materials and Services	8,176,824	91,608	-	8,268,432
Internal Materials and Services	5,743,450	103,132	-	5,846,582
Capital Outlay	4,995,000	6,967,216	-	11,962,216
Contingency	1,772,662	-	-	1,772,662
<b>Total Requirements</b>	<b>\$110,421,180</b>	<b>\$10,361,321</b>	<b>\$0</b>	<b>\$120,782,501</b>

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Licenses & Permits	\$ 2,125,000	\$ 220,000	\$ -	\$ 2,345,000
Charges for Services	1,570,000	48,000	-	1,618,000
Intergovernmental Revenues	579,000	-	-	579,000
Interagency Revenue	3,636,446	225,000	-	3,861,446
Miscellaneous	120,000	182,865	-	302,865
General Fund Discretionary	93,391,091	2,420,000	-	95,811,091
General Fund Overhead	70,015	-	-	70,015
<b>Total Resources</b>	<b>\$101,491,552</b>	<b>\$3,095,865</b>	<b>\$0</b>	<b>\$104,587,417</b>
<b>Requirements</b>				
Personnel Services	\$ 87,534,128	\$ 3,049,365	\$ -	\$ 90,583,493
External Materials and Services	8,158,974	(426,632)	-	7,732,342
Internal Materials and Services	5,743,450	103,132	-	5,846,582
Capital Outlay	55,000	370,000	-	425,000
<b>Total Requirements</b>	<b>\$101,491,552</b>	<b>\$3,095,865</b>	<b>\$0</b>	<b>\$104,587,417</b>

## *Key Decisions*

- \$2,470,000 in compensation set-aside to cover personnel services costs
- \$450,865 comprised of license and permit revenues and miscellaneous revenue sources.
- Allocate \$370,000 from external materials and services to capital outlay for construction of dormitories at Stations 11 and 19 in support of the Rapid Response Vehicle (RRV) staff.

## *Discussion*

With the inclusion of the compensation set-aside, the bureau is projected to end this fiscal year within current appropriation levels. Revenues from license and permit fees that have been collected to date have exceeded original budget projections. Spending in other major object categories is consistent with previous year spending patterns in the General Fund and the Grant Fund. In the Fall BMP the bureau requested new resources for the construction of the RRV dorms at Stations 11 and 19. The bureau did not receive additional funds and has identified internal resources to prioritize this construction.

## *Personnel Services Spending*

Staffing levels for Portland Fire & Rescue (PF&R) have remained consistent throughout the fiscal year with few vacancies in both sworn and non-sworn classifications. Overtime spending, and overall hours of overtime used is significantly greater than in previous fiscal years. The overtime budget was fully spent at the end of February 2015. While there is savings due to the limited number of vacant firefighter positions, the increased costs from the hours used is not sufficiently covering the overtime expenses. From January through March 2015 the hours of overtime used is significantly less than the first six months of the fiscal year, due in part to the bureau graduating trainees from the academy, therefore increasing the size of the Traveler Pool. The bureau has requested to recognize outside revenues from increased inspections permits and the full compensation set-aside to ensure the bureau will remain within the total personnel services budget.

## *Grant Resources*

FY 2014-15 includes grant resources from the SAFER grant to fund 26 firefighter positions that were eliminated in FY 2013-14. In addition to this grant, PF&R received additional resources from the 2012 Assistance for Firefighter Grant to procure individual Self Contained Breathing Apparatus (SCBAs) face pieces for all firefighters. This grant reimbursed the City over \$500,000 for equipment.

### *Innovation Fund Awards*

During FY 2014-15, the bureau began the Pulse Point Application project, funded with \$100,000 from the City's Innovation Fund. This application will connect individuals who have current CPR certification and have subscribed to the Pulse Point Application to receive notification if an individual close by is in cardiac arrest and the person can respond to provide CPR. The Pulse Point Application is in use in other cities in the US and the implementation in Portland will be complete in the summer of 2015. The bureau requests to carryover \$50,000 of the project funding.

The FY 2014-15 Innovation Fund award of \$150,000 to PF&R will support a pilot program for field treatment. This pilot will pair a nurse practitioner or physician assistant with PF&R firefighters to address lower acuity medical conditions in-field as opposed to treatment in more costly facilities (such as Urgent Care or a Hospital Emergency Room). PF&R requests to carryover the full amount of the funding into FY 2015-16 and anticipates the pilot to be complete in the coming fiscal year.

### *Budget Note and Decision Package Updates*

There was one Budget Note for FY 2013-14 directing PF&R to present to Council a report on potential cost reimbursements for medical treatment services performed by PF&R. The bureau provided the City Council an update on current initiatives, such as the Alternative Destination Alternative Transportation pilot projects, the current status of the ambulance transport contracts, and additional programs under evaluation by the bureau. The work session was held in December 2014 where the bureau presented findings and options to Council for consideration. The bureau was asked to coordinate with the Portland Police Bureau and return to Council to discuss transport options for persons experiencing a mental health crisis. It is anticipated that this follow-up report will be provided to Council in the coming months of this fiscal year.

The FY 2014-15 Budget included funding to add back the Safety Chief position, which was eliminated in FY 2013-14 and this position is filled. The bureau has begun to report on time-loss as a Key Performance Measure. Time lost to workplace injury has increased in the previous years and this costs the City in both medical disability payments and in shift coverage, which may come as overtime, in order to meet minimum staffing standards. CBO will continue to monitor the results of this performance indicator on the bureau's dashboard.

# 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)
<b>Resources</b>				
Intergovernmental Revenues	\$ 2,074,481	\$ (609,844)	\$ -	\$ 1,464,637
Interagency Revenue	10,000	-	-	10,000
General Fund Discretionary	2,217,084	(138,000)	-	2,079,084
General Fund Overhead	1,183,147	-	-	1,183,147
<b>Total Resources</b>	<b>\$5,484,712</b>	<b>(\$747,844)</b>	<b>\$0</b>	<b>\$4,736,868</b>
<b>Requirements</b>				
Personnel Services	\$ 1,860,216	\$ (141,444)	\$ -	\$ 1,718,772
External Materials and Services	1,683,274	(607,400)	-	1,075,874
Internal Materials and Services	738,925	1,000	-	739,925
Fund Transfers - Expense	1,202,297	-	-	1,202,297
<b>Total Requirements</b>	<b>\$5,484,712</b>	<b>(\$747,844)</b>	<b>\$0</b>	<b>\$4,736,868</b>

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Intergovernmental Revenues	\$ -	\$ 136,820	\$ -	\$ 136,820
Interagency Revenue	10,000	-	-	10,000
General Fund Discretionary	2,217,084	(138,000)	-	2,079,084
General Fund Overhead	1,183,147	-	-	1,183,147
<b>Total Resources</b>	<b>\$3,410,231</b>	<b>(\$1,180)</b>	<b>\$0</b>	<b>\$3,409,051</b>
<b>Requirements</b>				
Personnel Services	\$ 1,327,647	\$ 61,820	\$ -	\$ 1,389,467
External Materials and Services	354,327	(63,000)	-	291,327
Internal Materials and Services	525,960	-	-	525,960
Fund Transfers - Expense	1,202,297	-	-	1,202,297
<b>Total Requirements</b>	<b>\$3,410,231</b>	<b>(\$1,180)</b>	<b>\$0</b>	<b>\$3,409,051</b>

## Key Decisions

- Carryover \$138,000 for funding a community preparedness survey to better gauge resiliency efforts in Portland, continuation of the existing CENS contract through cutover, and expanded outreach in the Natural Hazard Mitigation Plan.
- Recognize \$136,820 in intergovernmental revenues supporting the Regional Disaster Preparedness Organization.

## *Discussion*

The Portland Bureau of Emergency Management (PBEM) requests \$138,000 in project carryover in the Spring BMP. This carryover will fund three projects that are not likely to be encumbered by June 30, 2015. Underspensing of General Fund discretionary resources is primarily due to the receipt of grant revenues that fund operation expenses at the Emergency Coordination Center (ECC). With these resources available for one-time expenditures, PBEM has begun the process to conduct a citywide survey to assess resiliency and assist in the determination of where investments in resiliency planning would yield improvement. Additional carryover requests fund the continuation of the current CENS through cut-over to the new CENS system, and funds for adding an equity component to the Natural Hazards Mitigation Plan development, which updates the 2010 plan.

Grant adjustments are included in the Spring BMP for the Urban Areas Security Initiative (UASI) 2014 award and the Pre-Disaster Mitigation grant. The total grant carryover requests for these awards is \$783,335 and this amount will be appropriated in the FY 2015-16 Budget.

## *Budget Note and Decision Package Updates*

There is one Budget Note in FY 2014-15 instructing PBEM to work with city bureaus to identify critical infrastructure needs, including the city's fueling infrastructure, and recommend funding in the Fall BMP. PBEM completed this report to Council and submitted information with the Fall BMP. The City's fueling infrastructure project received authorization to proceed. Additional fueling capacity in west and east Portland is included in this decision.

The FY 2014-15 Budget approved funding for additional positions, a new CENS provider, and initial discretionary resources for the development of a fuel station at the Jerome Sears Facility. The position supporting the RDPO program is requested in the Spring BMP to convert from limited term to ongoing. Ongoing resources were approved in the FY 2014-15 Budget.

In FY 2014-15, PBEM received \$100,000 in ongoing resources to support a new CENS. The RFP process is complete and a new vendor has been selected. Timing for the cutover from the existing CENS to a new CENS is scheduled to occur in the summer of 2015. In order to ensure continuity of service, PBEM requests to carryover \$33,000 to cover the services from the existing CENS provider until the new project is complete.

### *Unreinforced Masonry Project Status*

The Fall BMP approved one-time funding for a limited term engineer in the Bureau of Development Services to update the inventory of Unreinforced Masonry (URM) buildings in Portland. The engineer position was filled in January 2015 and the timeline for the completion of the inventory is estimated to be in the summer of 2016.

# PARKS, RECREATION, AND CULTURE





# Portland Parks and Recreation

Analyst: Ryan Kinsella

## All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 42,583,543	\$ -	\$ -	\$ 42,583,543
Taxes	1,446	(756)	-	690
Licenses & Permits	434,608	-	-	434,608
Charges for Services	39,581,350	3,351,328	-	42,932,678
Intergovernmental Revenues	5,500,992	(3,686,248)	-	1,814,744
Interagency Revenue	2,123,387	41,293	-	2,164,680
Fund Transfers - Revenue	3,363,143	(49,217)	(20,500)	3,293,426
Bond and Note	800,000	250,544	-	1,050,544
Miscellaneous	3,136,177	471,241	-	3,607,418
General Fund Discretionary	47,551,211	983,949	(243,000)	48,292,160
<b>Total Resources</b>	<b>\$145,075,857</b>	<b>\$1,362,134</b>	<b>(\$263,500)</b>	<b>\$146,174,491</b>
<b>Requirements</b>				
Personnel Services	\$ 53,500,821	\$ 1,179,945	\$ (225,484)	\$ 54,455,282
External Materials and Services	28,430,994	(1,378,891)	(17,516)	27,034,587
Internal Materials and Services	10,161,322	403,532	-	10,564,854
Capital Outlay	37,042,292	(19,554,461)	(20,500)	17,467,331
Bond Expenses	1,371,179	-	-	1,371,179
Fund Transfers - Expense	2,054,240	(695,241)	-	1,358,999
Contingency	12,352,219	21,407,250	-	33,759,469
Unappropriated Fund Balance	162,790	-	-	162,790
<b>Total Requirements</b>	<b>\$145,075,857</b>	<b>\$1,362,134</b>	<b>(\$263,500)</b>	<b>\$146,174,491</b>

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Licenses & Permits	394,608	-	-	394,608
Charges for Services	17,124,032	86,221	-	17,210,253
Intergovernmental Revenues	133,804	-	-	133,804
Interagency Revenue	2,102,477	41,293	-	2,143,770
Fund Transfers - Revenue	-	-	-	-
Bond and Note	-	-	-	-
Miscellaneous	988,246	-	-	988,246
General Fund Discretionary	47,551,211	983,949	(243,000)	48,292,160
<b>Total Resources</b>	<b>\$68,294,378</b>	<b>\$1,111,463</b>	<b>(\$243,000)</b>	<b>\$69,162,841</b>
<b>Requirements</b>				
Personnel Services	\$ 45,266,892	\$ 1,242,063	\$ (225,484)	\$ 46,283,471
External Materials and Services	15,393,801	(68,437)	(17,516)	15,307,848
Internal Materials and Services	7,542,845	(24,558)	-	7,518,287
Capital Outlay	90,840	(37,605)	-	53,235
<b>Total Requirements</b>	<b>\$68,294,378</b>	<b>\$1,111,463</b>	<b>(\$243,000)</b>	<b>\$69,162,841</b>

## ***Key Decisions***

- Allocate \$20,500 of General Fund discretionary to fund the cost of repairs at Ira Keller Fountain Park. (Not recommended.)
- Allocate \$45,000 of General Fund discretionary to fund the additional costs of the Tree Code program. (Not recommended.)
- Allocate \$198,000 of General Fund discretionary to fund the increased costs of the ranger labor agreement in FY 2014-15. (Not recommended.)
- Allocate \$942,949 of compensation set-aside to fund projected personnel services costs.
- Allocate \$98,000 of General Fund discretionary to fund an IGA with Multnomah County Sheriff for patrol services at Riverplace Marina Boat Launch. Based on projected costs by yearend, CBO recommends \$30,000.
- Budget new revenues totaling \$1,707,243 resulting from a \$3.0 million increase in SDC revenues, a reduction of \$2.1 million local cost sharing, and an increase of \$235,000 in parking fine and fee revenues.
- Carry over \$300,000 for master planning costs of east Portland parks.
- Convert six limited-term positions to full-time positions, to be funded within current General Fund resources.
- Reallocate to contingency and carryover \$15,788,141 in capital project costs.

## ***Discussion***

### ***Program Revenues and personnel services costs***

The bureau continues to be tightly budgeted in personnel service due to spending of its seasonal worker budget and increased costs of the park ranger program resulting from the recently ratified labor agreement. The additional costs of hiring seasonal workers tends to be closely correlated with increases in program revenues. Because program revenues are generally less than full cost recovery, the bureau would yield some savings and lower costs in personnel services by hiring fewer seasonal workers. However, hiring fewer seasonal workers for the General Fund-subsidized programs would most likely impact programming in underserved communities. CBO has recommended that the bureau receive its full compensation set-aside amount; CBO and the bureau will monitor personnel services costs for the remainder of the year to ensure spending stays within appropriations.

Program revenues are also projected to be less than budget, possibly due to the implementation of Rec Revolution and ActiveNet. CBO and the bureau estimate under collection of \$200,000 to \$500,000 in program revenues by year end. Rec Revolution, which has created consistency in program offerings, has the potential to reduce cost recovery as a result of programs being tailored less to the interests and needs of specific neighborhoods and community centers. Whether ActiveNet has allowed for the more efficient recovery of fees, due to ease of payment, or added costs due to transaction fees and banking costs, remains unknown. As a result of this undercollection, the bureau has not converted the 11 of the 22 seasonal positions that Council approved in FY 2014-15. These positions were to be supported by \$304,426 of increased revenues.

CBO and the bureau will need to continue monitoring program revenues, in addition to personnel costs through the remainder of this fiscal year.

Lastly, CBO highlights that the bureau has several other notable requests: \$20,500 of General Fund discretionary to fund the cost of repairs at Ira Keller Fountain Park (PK\_023), \$45,000 to fund the additional costs of the Tree Code program (PK\_024), and \$198,000 to fund the increased costs of the ranger labor agreement in FY 2014-15 (PK\_029).



# 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)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 150,499,726	\$ 24,717,594	\$ -	\$ 175,217,320
Charges for Services	147,335,324	3,000,000	-	150,335,324
Intergovernmental Revenues	526,000	-	-	526,000
Interagency Revenue	3,043,728	25,200	-	3,068,928
Fund Transfers - Revenue	192,924,398	2,866,834	-	195,791,232
Bond and Note	119,714,000	(27,026,100)	-	92,687,900
Miscellaneous	5,636,092	-	-	5,636,092
<b>Total Resources</b>	<b>\$619,679,268</b>	<b>\$3,583,528</b>	<b>\$0</b>	<b>\$623,262,796</b>
<b>Requirements</b>				
Personnel Services	\$ 61,437,456	\$ -	\$ -	\$ 61,437,456
External Materials and Services	24,433,989	4,384,424	-	28,818,413
Internal Materials and Services	19,244,633	1,224,576	-	20,469,209
Capital Outlay	72,669,285	(14,766,000)	-	57,903,285
Bond Expenses	57,015,823	(955,625)	-	56,060,198
Fund Transfers - Expense	198,426,307	2,842,207	-	201,268,514
Contingency	73,428,436	14,148,744	-	87,577,180
Unappropriated Fund Balance	113,023,339	(3,294,798)	-	109,728,541
<b>Total Requirements</b>	<b>\$619,679,268</b>	<b>\$3,583,528</b>	<b>\$0</b>	<b>\$623,262,796</b>

## Water Operating Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 52,204,183	\$ 17,361,969	\$ -	\$ 69,566,152
Charges for Services	145,585,324	3,000,000	-	148,585,324
Intergovernmental Revenues	526,000	-	-	526,000
Interagency Revenue	2,990,228	25,200	-	3,015,428
Fund Transfers - Revenue	110,719,431	(393,392)	-	110,326,039
Bond and Note	70,000	-	-	70,000
Miscellaneous	1,163,077	-	-	1,163,077
<b>Total Resources</b>	<b>\$313,258,243</b>	<b>\$19,993,777</b>	<b>\$0</b>	<b>\$333,252,020</b>
<b>Requirements</b>				
Personnel Services	\$ 61,143,882	\$ -	\$ -	\$ 61,143,882
External Materials and Services	24,073,489	4,392,424	-	28,465,913
Internal Materials and Services	19,018,993	1,216,576	-	20,235,569
Capital Outlay	72,669,285	(14,766,000)	-	57,903,285
Bond Expenses	3,561,378	(417,864)	-	3,143,514
Fund Transfers - Expense	86,620,295	3,460,071	-	90,080,366
Contingency	46,170,921	26,108,570	-	72,279,491
<b>Total Requirements</b>	<b>\$313,258,243</b>	<b>\$19,993,777</b>	<b>\$0</b>	<b>\$333,252,020</b>



## *Key Decisions*

- Reallocate \$300,000 of budgeted electrical costs to pay for increased bank fees due to increased customer payments made electronically
- Reallocate \$9.1 million from capital projects to bureau contingency
- Approve position authority for 0.6 FTE new regular, permanent Customer Account Specialist I position

## *Discussion*

The bureau includes eight requests in the Spring BMP, nearly all of which are technical adjustments due to changes in interagency requests, increasing contingency due to timing changes and projected cost changes of capital projects, and truing-up cash transfer amounts between bureau funds.

## *Water Sale Revenues*

Retail and wholesale water sales account for \$141.2 million (including \$2.5 million of delinquency fees) of the \$145.6 million of budgeted revenues under charges for service. The remaining \$6.9 million in charges for service category are generated from various types of services and main installations, engineering permit fees, collections and other miscellaneous revenues. Although water sale revenue through February is below plan by 1-2%, the bureau anticipates increased revenues due to warmer spring temperatures. As such, the bureau has not adjusted projections.

## *Capital Projects*

The bureau requests to decrease its FY 2014-15 capital budget by a net amount of \$9.1 million. These funds will be budgeted to contingency in FY 2014-15 and then likely reallocated to projects as needed in the FY 2015-16 Fall BMP. These transfers are primarily driven by projects continuing into FY 2015-16; however, several of the adjustments reflect changes to project totals. Some notable adjustments include:

- Increase of \$4.2 million to Powell Butte 2 project due to delays in previous years but overall project total decrease of \$2.5 million
- Decrease of \$4.5 million to Fulton Pump Station Improvements project due to prolonged permitting and procurement resulting in delayed start of construction, and an expected increase in overall project costs of \$2.8 million
- Increase of \$2.15 million to the Washington Park Reservoir 3 project to pay for rapid completion of the design; overall project costs are expected to increase as a result of geotechnical complexities.

- Decrease of \$5.45 million to Kelly Butte Reservoir project, reflecting current year underspending but also an overall decrease in estimated project costs of \$1.9 million.

# Bureau of Environmental Services

Analyst: Claudio Campuzano

## All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 143,632,000	\$ -	\$ -	\$ 143,632,000
Licenses & Permits	1,692,159	-	-	1,692,159
Charges for Services	308,092,800	6,546,000	-	314,638,800
Intergovernmental Revenues	1,378,236	1,635,767	-	3,014,003
Interagency Revenue	1,941,616	75,500	-	2,017,116
Fund Transfers - Revenue	317,261,862	7,733,043	-	324,994,905
Bond and Note	235,190,000	-	-	235,190,000
Miscellaneous	1,495,000	58,790	-	1,553,790
<b>Total Resources</b>	<b>\$1,010,683,673</b>	<b>\$16,049,100</b>	<b>\$0</b>	<b>\$1,026,732,773</b>
<b>Requirements</b>				
Personnel Services	\$ 59,688,990	\$ 1,764,671	\$ -	\$ 61,453,661
External Materials and Services	53,361,000	3,183,784	-	56,544,784
Internal Materials and Services	41,716,816	791,044	-	42,507,860
Capital Outlay	82,868,047	(1,344,044)	-	81,524,003
Bond Expenses	167,368,342	150,930	-	167,519,272
Fund Transfers - Expense	319,633,972	7,598,043	-	327,232,015
Contingency	222,166,506	3,904,672	-	226,071,178
Unappropriated Fund Balance	63,880,000	-	-	63,880,000
<b>Total Requirements</b>	<b>\$1,010,683,673</b>	<b>\$16,049,100</b>	<b>\$0</b>	<b>\$1,026,732,773</b>

## Sewer System Operating Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 61,565,000	\$ -	\$ -	\$ 61,565,000
Licenses & Permits	1,692,159	-	-	1,692,159
Charges for Services	305,075,800	6,546,000	-	311,621,800
Intergovernmental Revenues	227,200	1,450,000	-	1,677,200
Interagency Revenue	1,526,616	75,500	-	1,602,116
Fund Transfers - Revenue	124,626,897	(3,865,000)	-	120,761,897
Bond and Note	190,000	-	-	190,000
Miscellaneous	750,000	58,790	-	808,790
<b>Total Resources</b>	<b>\$495,653,672</b>	<b>\$4,265,290</b>	<b>\$0</b>	<b>\$499,918,962</b>
<b>Requirements</b>				
Personnel Services	\$ 59,309,452	\$ 1,664,647	\$ -	\$ 60,974,099
External Materials and Services	49,548,105	3,222,433	-	52,770,538
Internal Materials and Services	40,621,054	783,008	-	41,404,062
Capital Outlay	82,610,047	(1,595,400)	-	81,014,647
Bond Expenses	2,757,169	-	-	2,757,169
Fund Transfers - Expense	195,982,226	11,598,043	-	207,580,269
Contingency	64,645,619	(11,407,441)	-	53,238,178
Unappropriated Fund Balance	180,000	-	-	180,000
<b>Total Requirements</b>	<b>\$495,653,672</b>	<b>\$4,265,290</b>	<b>\$0</b>	<b>\$499,918,962</b>

### Key Decisions

- Increase in the Sewer System Rate Stabilization Fund budget of \$13.0 million, resulting from a) increased transfer to the fund based on increased budget for System Development Charges (\$6.3 million), b) increased transfer to the fund based on increased projections for rate revenues (\$2.7 million) in the Sewer System Operating Fund, and c) decreased transfers out of the stabilization fund (\$4.0 million) as the transfer is not needed to support operations in the current year.
- Increase expenses and revenues related to the preparation for disposition of several sites. A total of \$380,000 of additional one-time operating costs have been identified as well as \$450,000 of capital costs; interim use is expected to generate an additional \$246,000. Sales are anticipated in FY 2015-16.
- \$1.5 million budgeted from the Sewer System Operating Fund compensation set-aside contingency.

## *Discussion*

The tables above represent numerous adjustments throughout the bureau. Generally, adjustments include the following: Personnel services changes are primarily related to cost of living adjustments, as discussed below. Materials and services increases are funded primarily out of capital as capital project costs are identified and shifted to the appropriate cost object. Fund transfers are mostly internal and balance across the bureau; the bulk of these are out of the Sewer System Operating Fund to the Sewer System Rate Stabilization Fund, as discussed below. Contingency is reduced in the operating fund, reflecting some increased operating costs and revenues (\$0.3 million), COLA adjustments and other personnel costs (\$1.7 million), and the net of cash transfer adjustments (\$9.3 million). The charges for services budget is increased to reflect the conservative increases based on SDC projections. Finally, intergovernmental revenues represent primarily reimbursement revenue for work on the I-5/SW 26<sup>th</sup> Water Quality Facility (\$1.45 million). The following sections discuss some of these changes in more detail. Details for all changes are available online.

### *Rate Stabilization Fund Projection*

Revenues – particularly SDCs – have been robust through FY 2014-15; CBO and the bureau project resources to be considerably higher than in the current revised budget. The bureau has conservatively increased the SDC budget by \$6.3 million and increased the SDC contribution to the Sewer System Debt Redemption Fund by an equivalent amount, allowing for the operating savings to shift to the Sewer System Rate Stabilization Fund. Additionally, the bureau is transferring \$2.7 million to the stabilization fund funded out of contingency; the bureau is projecting (but not yet budgeting) an additional \$7.3 million in rate and SDC revenue by year end, likely replenishing the contingency.

In addition to the transfers to the stabilization fund, the bureau is eliminating the \$4 million transfer *to* the operating fund *from* the stabilization fund. Typically, the bureau budgets transfers both ways between the funds (i.e. each fund is budgeted to transfer resources to and from the other). As the year progresses and projections are at higher levels of confidence, the bureau determines which way transfers must flow.

The net impact to the Sewer System Rate Stabilization Fund is a budgeted increase of \$13.0 million to projected balance of \$43.1 million. This is \$11.2 million higher than the assumption in the bureau's requested budget. These changing assumptions will be incorporated into final FY 2015-16 rate development.

### *Property Disposition*

The supplemental request includes a number of adjustments related to the disposition of properties acquired to support the Combined Sewer Overflow project. Additional costs include repairs at Terminal One (\$300,000 operating and \$450,000 capital), storage fees for surplus furniture from the sites (\$30,000), costs related to attaining a No Further Action at one of the sites (\$50,000). In August of 2014, the Terminal One property was declared surplus. The property was purchased in 2004 for \$6.3 million. The 2013 market value, as identified by Multnomah County Tax Assessment Records, is \$7.9 million. Revenue from the sale will be determined by the sales price with potential buyers. Any sale will include the retention of easement rights for access and maintenance of above- and below-ground sewer facilities. In addition to the Terminal One property, several other smaller properties are being prepared for disposition.

### *Cost of Living Adjustments*

The bureau maintains a contingency to fund cost of living (COLA) and health benefit increases. This is similar to the General Fund compensation set-aside. Both the bureau and CBO project the need to shift \$1.5 million from this set-aside to fund personnel services costs in the current year.



# COMMUNITY DEVELOPMENT





# Bureau of Development Services

Analyst: Doug Le

## Development Services Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 24,572,155	\$ -	\$ -	\$ 24,572,155
Licenses & Permits	26,830,114	1,979,820	-	28,809,934
Charges for Services	10,734,211	230,220	-	10,964,431
Interagency Revenue	993,931	-	-	993,931
Fund Transfers - Revenue	2,414,081	2,754	-	2,416,835
Bond and Note	25,000	-	-	25,000
Miscellaneous	1,842,518	-	-	1,842,518
<b>Total Resources</b>	<b>\$67,412,010</b>	<b>\$2,212,794</b>	<b>\$0</b>	<b>\$69,624,804</b>
<b>Requirements</b>				
Personnel Services	\$ 29,227,460	\$ 548,152	\$ -	\$ 29,775,612
External Materials and Services	2,186,305	-	-	2,186,305
Internal Materials and Services	7,719,760	1,686,000	-	9,405,760
Capital Outlay	1,495,649	-	-	1,495,649
Bond Expenses	982,638	-	-	982,638
Fund Transfers - Expense	1,256,774	-	-	1,256,774
Contingency	10,543,424	(21,358)	-	10,522,066
Unappropriated Fund Balance	14,000,000	-	-	14,000,000
<b>Total Requirements</b>	<b>\$67,412,010</b>	<b>\$2,212,794</b>	<b>\$0</b>	<b>\$69,624,804</b>

## Key Decisions

- Add 35 new positions funded by permit revenues and fees.
- Convert four limited term fee-based positions to permanent.
- Appropriate \$1,434,000 in licenses and permit revenues to fund additional interagency services from the Bureau of Environmental Services and Office of Management & Finance.

## Discussion

### Additional Positions

BDS requests a total of 35 positions; of this amount, 19.5 FTE were originally included in the FY 2015-16 Requested Budget. Due to the need to quickly respond to the increase in workload caused by the uptick in the residential and commercial construction, BDS received approval from its Commissioner-in-Charge to instead shift this request to the Spring BMP. Additionally, the bureau requests a net of two Housing Inspectors as directed by the FY 2014-15 Budget Note. The budget note directs CBO to increase the bureau's General Fund current appropriation level target by \$286,048 starting in FY 2015-16 to provide

additional funding for Housing and Nuisance Inspection Services and Extremely Distressed Property Enforcement program.

Another 13.5 positions are also included in the Spring BMP request to provide additional staffing to the Plan Review and Permitting Services Division (6.0 FTE), Land Use Services Division (5.5 FTE), Inspection Services Division (1.0 FTE), and Administrative Services Division (1.0 FTE). Except for the two positions directed by the budget note, all remaining positions will be funded through permit revenues and fees. The current five-year financial plan shows sufficient resources to absorb these requested positions, and workload measures over the last three years support the need for more staff. CBO recommends the addition of all positions requested in the BMP.

### *Conversion of Limited Term Positions to Permanent*

BDS requests to convert four limited-term Development Services Technician positions in the Digitization Team to permanent to address increased workload and revenues. These positions will be funded by permit revenues and fees. The cost of these positions is included in the current five-year financial plan. CBO recommends this request.

### *Additional Interagency Services*

The bureau requests additional services from OMF to provide support for the increased staffing as follows: Facilities Services \$670,000, Technology Services \$600,000, City Fleet \$50,000, Printing & Distribution \$80,000, and Human Resources \$26,000. Additionally, BDS also has an interagency agreement with the Bureau of Environmental Services for \$8,000 to support the FEMA Community Rating System. All interagency costs will be funded by licenses revenues and fees. CBO recommends these requests.

# 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)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 452,680	\$ (62,975)	\$ -	\$ 389,705
Charges for Services	506,500	51,979	-	558,479
Intergovernmental Revenues	64,981,287	(21,103,843)	-	43,877,444
Interagency Revenue	77,162	2,500	-	79,662
Fund Transfers - Revenue	1,000,000	70,000	-	1,070,000
Bond and Note	4,065,000	(550,000)	-	3,515,000
Miscellaneous	6,286,213	(1,356,431)	-	4,929,782
General Fund Discretionary	12,823,461	299,478	(231,000)	12,891,939
<b>Total Resources</b>	<b>\$90,192,303</b>	<b>(\$22,649,292)</b>	<b>(\$231,000)</b>	<b>\$67,312,011</b>
<b>Requirements</b>				
Personnel Services	\$ 6,234,148	\$ (39,466)	\$ -	\$ 6,194,682
External Materials and Services	79,372,180	(23,431,826)	(231,000)	\$ 55,709,354
Internal Materials and Services	1,091,240	69,000	-	\$ 1,160,240
Bond Expenses	1,512,705	(150,000)	-	\$ 1,362,705
Fund Transfers - Expense	624,487	-	-	\$ 624,487
Contingency	1,357,543	(97,000)	-	\$ 1,260,543
Unappropriated Fund Balance		1,000,000		\$ 1,000,000
<b>Total Requirements</b>	<b>\$90,192,303</b>	<b>(\$22,649,292)</b>	<b>(\$231,000)</b>	<b>\$67,312,011</b>

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Charges for Services	\$ -	\$ 439	\$ -	\$ 439
Intergovernmental Revenues	207,273	-	-	207,273
Interagency Revenue	77,162	2,500	-	79,662
Miscellaneous	-	1,325	-	1,325
General Fund Discretionary	\$ 12,823,461	\$ 299,478	\$ (231,000)	\$ 12,891,939
<b>Total Resources</b>	<b>\$ 13,107,896</b>	<b>\$ 303,742</b>	<b>\$ (231,000)</b>	<b>\$ 13,180,638</b>
<b>Requirements</b>				
Personnel Services	\$ 568,695	\$ 21,000	\$ -	\$ 589,695
External Materials and Services	12,764,211	268,742	(231,000)	12,801,953
Internal Materials and Services	(225,010)	14,000	-	(211,010)
Fund Transfers - Expense	\$ -	\$ -	\$ -	\$ -
<b>Total Requirements</b>	<b>\$ 13,107,896</b>	<b>\$ 303,742</b>	<b>\$ (231,000)</b>	<b>\$ 13,180,638</b>

## *Key Decisions*

- Request \$173,478 of new revenues from General Fund to cover costs for severe weather emergency shelters. (Recommended with reduction to align with actual expenditures.)
- Request \$126,000 of new revenues from General Fund to extend women's shelter capacity. (Not recommended.)

## *Discussion*

### *Resources*

Reductions in the budgeted beginning fund balance (\$62,975) are due to projected underspending, which means there is less need to draw down beginning year Housing Investment Fund (HIF) and HOME resources in the current year.

The bulk of the net change in intergovernmental revenues (\$21,103,843) reflects the reduction of funding allocated in the current fiscal year for carryover into the FY 2015-16 Approved Budget; this reduction is offset by a new request to appropriate available \$2.2 million of Tax Increment Financing (TIF) resources for property redevelopment. Most of the reductions in allocations are for affordable rental housing development (\$24,507,206) which either span fiscal years or will be included in a forthcoming notice of funding availability.

The increase in fund transfers recognizes the allocation for the Innovation Fund for a data sharing project (\$65,000) with faith-based homeless services providers and for a website "data scraper" (\$5,000) to collect housing market data. The majority of the reduction in allocation for the bond and notes object category is comprised of \$400,000 in CDBG and \$150,000 in HIF, which are to be rebudgeted in the next fiscal year.

For the miscellaneous object category, the net reduction in allocation is largely tied to loan repayment income from CDBG-funded (\$916,100) and TIF-funded projects (\$1,169,000).

Finally, the net increase in General Fund discretionary resources of \$69,000 represents CBO recommended funding for the one-time request for severe weather emergency shelters.

### *Requirements*

For external materials and services, the majority of reductions in allocated expenses (\$24,500,000) correspond to allocation reductions in intergovernmental revenues (namely TIF) which is offset by aforementioned new request and carryover request for General Fund discretionary. Finally, the bulk of

the decrease in contingency (\$97,000) reflects the reduction in HIF-related activity which the bureau will rebudget in FY 2015-16. The unappropriated fund balance is made up of HIF resources (\$1,000,000) of which \$749,000 is reserved for a family housing development.

### *Severe Weather Emergency Shelter*

The bureau requests \$173,478 of new General Fund resources to reimburse homeless service providers for operating warming centers and night shelters during severe, winter weather events. Per City Comprehensive Financial Management Policy 2.04, "the City shall budget a contingency account for each operating fund adequate to address reasonable but unforeseen requirements within the fiscal year." The number of severe weather days is unpredictable at the beginning of the budget year. In anticipation of additional severe weather, the bureau twice amended the base contract with the American Red Cross to add 20 days of shelter on top of the 10 days in the base contract. In the end, only 15 of the total 30 budgeted days were needed. As such, CBO recommends a \$105,000 reduction in the bureau's request; this reduction aligns the request with actual expenditures incurred due to severe weather.

### *Women's Shelter Extension*

Housing requests \$126,000 in General Fund contingency to address an ongoing shortage of shelter capacity for adults. These resources would allow two women's shelters to extend 115 spaces of emergency shelter through June 30, 2015. As mentioned above, City financial policy does allow for draws from General Fund contingency to address unforeseen requirements. However, the need for women's shelter is not unforeseen. This need has been established over time through the biennial point-in-time census of the street and sheltered homeless. This request is an expansion above current appropriated service levels. A shelter operated by Transition Projects is scheduled to reduce capacity on April 19th and a shelter operated by the Salvation Army is scheduled to reduce capacity on May 1<sup>st</sup>. Given this timeline, it should be recognized that the bureau's request extends capacity for two additional months. This raises the concern about the potential creation of an ongoing obligation for an identified service need. CBO does not recommend this request due to concerns about the precedent of starting new services with one-time contingency resources which are intended for unforeseen circumstances. To the extent that Council considers this request, CBO recommends that it be examined as part of the FY 2015-16 budget development process which is currently underway.

# 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)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 2,370,812	\$ 25,000	\$ -	\$ 2,395,812
Licenses & Permits	2,851,643	-	-	2,851,643
Charges for Services	2,223,486	-	-	2,223,486
Intergovernmental Revenues	2,140,201	5,000	-	2,145,201
Interagency Revenue	425,452	43,000	-	468,452
Fund Transfers - Revenue		246	-	246
Miscellaneous	73,466	-	-	73,466
General Fund Discretionary	7,530,760	185,000	(150,000)	7,565,760
General Fund Overhead	587,547	-	-	587,547
<b>Total Resources</b>	<b>\$18,203,367</b>	<b>\$258,246</b>	<b>(\$150,000)</b>	<b>\$18,311,613</b>
<b>Requirements</b>				
Personnel Services	\$ 10,688,752	\$ 26,000	\$ -	\$ 10,714,752
External Materials and Services	2,382,854	197,000	(150,000)	2,429,854
Internal Materials and Services	2,485,069	35,000	-	2,520,069
Bond Expenses	52,307	-	-	52,307
Fund Transfers - Expense	164,254	-	-	164,254
Contingency		246	-	246
Unappropriated Fund Balance	2,430,131	-	-	2,430,131
<b>Total Requirements</b>	<b>\$18,203,367</b>	<b>\$258,246</b>	<b>(\$150,000)</b>	<b>\$18,311,613</b>

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Intergovernmental Revenues	\$ 186,648	\$ -	\$ -	\$ 186,648
Interagency Revenue	415,452	41,000	-	456,452
General Fund Discretionary	7,530,760	185,000	(150,000)	7,565,760
General Fund Overhead	587,547	-	-	587,547
<b>Total Resources</b>	<b>\$8,720,407</b>	<b>\$226,000</b>	<b>(\$150,000)</b>	<b>\$8,796,407</b>
<b>Requirements</b>				
Personnel Services	\$ 7,225,662	\$ 11,000	\$ -	\$ 7,236,662
External Materials and Services	825,527	195,000	(150,000)	870,527
Internal Materials and Services	669,218	20,000	-	689,218
<b>Total Requirements</b>	<b>\$8,720,407</b>	<b>\$226,000</b>	<b>(\$150,000)</b>	<b>\$8,796,407</b>

## Key Decisions

- Appropriate \$150,000 for consultant services to support a Single-Dwelling Development Code project (Not recommended).

- Increase interagency agreement with the Portland Bureau of Transportation by \$35,000.

### *Discussion*

The Bureau of Planning & Sustainability (BPS) is requesting \$150,000 for consultant services for architecture/planning, economic analysis and facilitation as part of the Single-Dwelling Development Code project proposed in the bureau's FY 2015-16 Requested Budget. The City Budget Office recommended against this project. The bureau intends to begin the procurement process this fiscal year, but does not anticipate spending the resources before July 1<sup>st</sup>, instead carrying the full amount into FY 2015-16. This anticipated carry over is the cause of the bureau's projected external materials and services underspending. Additionally, this facet of the project is not unforeseen, as the bureau has always anticipated including consultant services as part of the Single-Dwelling Development Code project. Council should determine the total amount of additional General Fund Discretionary resources, if any, the bureau should receive for a Single-Dwelling Development Code project as part of the FY 2015-16 budget development process. Council could also instruct the bureau to include all pieces of the project in the bureau's base budget. The full merits of the proposed Single-Dwelling Development Code project are further discussed in the City Budget Office's review of the bureau's Requested Budget.

The bureau is requesting to increase the interagency agreement with Portland Bureau of Transportation (PBOT) by \$15,000 for technical analysis related to transportation impact fees (funded with Oregon Department of Land Conservation and Development grant revenue) and by \$20,000 for consultant services through PBOT's flexible services list for transportation modelling in the Comprehensive Plan update. These increases are offset by reductions in personnel services and external materials and services.

Other interagency agreement increases include \$1,000 with the Portland Bureau of Emergency Management for GIS work, \$2,000 with the Water Bureau for sustainable outreach, and \$40,000 with Portland Housing Bureau (PHB) for analysis of the impacts of housing development bonuses. Without the IA support from PHB, BPS would still have produced a reduced analysis on the effects of housing bonuses for the Central City 2035 update. This final interagency agreement highlights the difficulty of distinguishing which services, and at which level, a General Fund-funded bureau like BPS should provide to other bureaus on account of the bureau's General Fund appropriation and which services require additional revenue.



The bureau requested to budget \$25,000 of unappropriated fund balance to pay for personnel services in the Solid Waste Management Fund, which is impermissible under Oregon Budget law. Alternatively, the bureau will recognize \$25,000 of unrecognized budgeted beginning fund balance. Even after this adjustment, the Solid Waste Management Fund's budgeted beginning fund balance remains \$321,200 below the final FY 2013-14 CAFR fund balance.

The bureau is requesting to appropriate \$35,000 to support three innovation fund projects as allocated in a process led by the Office of Management and Finance. These projects include \$10,000 for coordination between the bureau and PSU, \$10,000 for a Making Great Decisions Tool, and \$15,000 for an Anti-Litter Campaign Toolkit.

The bureau's Community Solar Fund is projected to fall significantly short of budgeted miscellaneous revenues, requiring an offsetting reduction in external materials and services. The bureau is requesting to recognize \$5,000 in intergovernmental revenues from PDC. The bureau is not requesting to recognize the fund's FY 2013-14 CAFR \$17,752 ending fund balance as an available resource in FY 2014-15.

# Portland Development Commission

Analyst: James M. Carter

## General Fund

	Revised Budget (A)	Request (B)	Recommended Adjustments(C)	Recommended Revised (A+B+C)
<b>Resources</b>				
General Fund Discretionary	\$ 5,425,564	\$ (117,001)	\$ -	\$ 5,308,563
<b>Total Resources</b>	<b>\$ 5,425,564</b>	<b>\$ (117,001)</b>	<b>\$ -</b>	<b>\$ 5,308,563</b>
<b>Requirements</b>				
External Materials and Services	\$ 5,425,564	\$ (117,001)	\$ -	\$ 5,308,563
<b>Total Requirements</b>	<b>\$ 5,425,564</b>	<b>\$ (117,001)</b>	<b>\$ -</b>	<b>\$ 5,308,563</b>

## Key Decisions

- Carry over \$57,000 of Innovation Fund allocation for Early Adopter program. (Recommended with concerns).

## Discussion

PDC's Spring BMP decision packages seek approval for \$217,000 in carryover funding and also for a technical adjustment that transfers \$99,999 from Special Appropriation to PDC for the Venture Portland East Portland initiative. The net result of these requests yields \$117,001 in reductions to the FY 2014-15 budget appropriation.

### Early Adopter Program (Innovation Fund)

The proposed objective of the Early Adopter Program was to connect City bureaus with the local private sector. To date, \$23,000 has been expended on contractor materials and services. For the remaining \$57,000, PDC characterizes its budget plan as flexible with expenditures to include web development and hosting costs, consultant services, and potential travel to US cities to examine best practices. CBO recommends with the understanding that the expenditures of carryover funds will align with Council intent while nonetheless allowing PDC to have flexibility in how objectives of the Early Adopter Program are achieved.

# Office of Neighborhood Involvement

Analyst: Yung Ouyang

## All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Charges for Services	\$ 295,620	\$ 62,000	\$ -	\$ 357,620
Intergovernmental Revenues	322,072	-	-	\$ 322,072
Interagency Revenue	17,861	-	-	\$ 17,861
Miscellaneous	14,000	22,800	-	\$ 36,800
General Fund Discretionary	7,329,257	(104,681)	(4,735)	\$ 7,219,841
General Fund Overhead	361,398	-	-	\$ 361,398
<b>Total Resources</b>	<b>\$8,340,208</b>	<b>(\$19,881)</b>	<b>(\$4,735)</b>	<b>\$8,315,592</b>
<b>Requirements</b>				
Personnel Services	\$ 3,908,960	\$ 186,171	\$ (4,735)	\$ 4,090,396
External Materials and Services	3,852,583	(233,990)	-	\$ 3,618,593
Internal Materials and Services	578,665	27,938	-	\$ 606,603
<b>Total Requirements</b>	<b>\$8,340,208</b>	<b>(\$19,881)</b>	<b>(\$4,735)</b>	<b>\$8,315,592</b>

## Key Decisions

CBO recommends 15 of ONI's 16 requests which can be classified as follows:

- Two requests for additional General Fund resources:
  - \$20,000 from the bureau's share of compensation set-aside
  - \$4,735 to reclassify a position in the Youth Outreach program (not recommended, see below);
- Two packages involve the transfer of budget between bureaus:
  - \$65,866 for the transfer of the New Portlanders program from the Office of Equity and Human Rights (OEHR), including a position
  - \$43,040 to Portland Parks & Recreation and the Portland Police Bureau for East Portland Action Plan grants;
- Two requests to carry over funding into the next year:
  - \$95,500 for ADA improvements at the Historic Kenton Fire House
  - \$56,472 for Noise program reserves originally transferred from the Bureau of Development Services;
- Four packages to budget additional program revenues for various programs;
- Six adjustments to transfer budget between major categories for various programs.

## *Discussion*

### *Transfer of the New Portlanders program*

Two of ONI's requests pertain to the transfer of the New Portlanders program from OEHR. One is simply the budgeting of the program for the last seven months of the year in the amount of \$65,866, which includes a position, with a corresponding reduction in OEHR's budget (request OE\_012). The other request is for an additional \$4,735 to reclassify an Assistant Program Specialist position in the Youth Outreach program to a Program Specialist. This action was decided upon as a part of the agreement for ONI to accept the New Portlanders program and was intended to make compensation more equitable for equivalent levels of work between ONI's existing programs and the New Portlanders program. A final decision to fund this reclassification ongoing with additional resources starting in FY 2015-16 has not yet been made.

CBO is not recommending additional resources to fund the reclassification this year because both the bureau and CBO's year-end projections indicate that the bureau should be able to absorb the \$4,735 in additional costs. Spending during the rest of the year should be closely monitored and, if necessary, additional resources can be budgeted during the Over-Expenditure Ordinance to prevent any overspending.

### *Compensation Set-Aside*

ONI is requesting \$20,000 from its share of the compensation set-aside. With all positions filled, ONI believes that it is prudent to request the additional resources. CBO projections for personnel services are in line with the bureau's.

### *Community Oversight Advisory Board (COAB) Assistant Program Specialist*

Via Ordinance 186967, ONI received \$45,000 of one-time General Fund resources mid-year for expenses related to the US Department of Justice Settlement Agreement regarding police practices. The funds are partly intended for staffing, and a limited term position designated to expire at the end of this fiscal year was created. With the \$45,000 originally budgeted in external materials & services, the bureau is now transferring \$13,000 to personnel services to pay for the position. However, there is currently no approval or funding for the position to extend into FY 2015-16.

### *Noise Program Reserves*

The Noise Program was transferred from the Bureau of Development Services (BDS) in FY 2013-14. During the Spring BMP of that year, BDS transferred \$56,742 of accumulated program reserves to ONI, and the funds were subsequently

carried over into ONI's FY 2014-15 budget. ONI is requesting to carry over the funding once again because as a General Fund bureau, it is not allowed to have its own reserve fund. The reserve funds were intended to be used in years when revenues fall short due to a decrease in variance applications, and that is the purpose for which the bureau is seeking to carry forward to future years.

CBO is recommending the carryover into FY 2015-16, but does not recommend any further carryovers into future years. Since the Noise program is partially funded by General Fund discretionary resources and is now in a General Fund bureau, any shortfalls in revenues should be managed by bureau actions and if needed, requests from General Fund contingency. City financial policy notes that unspent General Fund resources should return to the General Fund at the end of the fiscal year.

# Office of Equity & Human Rights

Analyst: Shannon Carney

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Charges for Services	\$ -	\$ 1,411	\$ -	\$ 1,411
Interagency Revenue	0	30,076	0	30,076
Fund Transfers - Revenue	22,740	0	0	22,740
General Fund Discretionary	1,071,283	(144,089)	7,500	934,694
General Fund Overhead	718,275	0	0	718,275
<b>Total Resources</b>	<b>\$1,812,298</b>	<b>(\$112,602)</b>	<b>\$7,500</b>	<b>\$1,707,196</b>
<b>Requirements</b>				
Personnel Services	\$ 1,286,435	\$ (5,393)	\$ -	\$ 1,281,042
External Materials and Services	366,130	(97,530)	7,500	276,100
Internal Materials and Services	159,733	(9,679)	0	150,054
<b>Total Requirements</b>	<b>\$1,812,298</b>	<b>(\$112,602)</b>	<b>\$7,500</b>	<b>\$1,707,196</b>

## Key Decisions

- OEHR requests the following adjustments to its Civil Rights Program:
  - Carryover \$98,723 of one-time external materials & services to extend ADA transition plan coordinator position.
  - Carryover \$2,000 of the translation funding pool to be utilized by Parks & Recreation for translation services in fall 2015.
  - Establish an interagency agreement with OMF-Facilities to receive \$30,076 for services provided by OEHR during the program’s transition.
  - Carryover \$7,500 for a professional services training for City bureau Title II and Title VI coordinators. (Not recommended).
- Transfer \$100,000 in one-time resources from the Mayor’s budget to OEHR to provide materials & services budget for Black Male Achievement (BMA) program; carry over request of \$60,000 to utilize resources for same in FY 2015-16.
- Transfer \$65,866 and 0.58 FTE to move the New Portlander Program to ONI, effective 12/3/2014.

## Discussion

### Civil Rights Program Carry Over Funding Requests

The Office of Equity and Human Rights (OEHR) has several requests pertaining to its Civil Rights program, which administers Title II and Title VI compliance

activities in the City. This program was transferred to OEHR from OMF-Facilities in the FY 2014-15 Adopted Budget, along with a total of \$463,165 in ongoing and one-time resources to support the program. OEHR seeks to carry over a portion of these funds for use in FY 2015-16.

First, the bureau requests to carry over \$98,723 to extend the ADA transition plan coordinator position, which provides reporting, monitoring, and technical assistance related to implementing the plan, in a limited term capacity through FY 2015-16. OEHR's Key Performance Measures include tracking City bureaus that have met their annual Title II Transition Plan goals. Secondly, the bureau has requested to carry over \$7,500 to hire a subject matter expert to conduct a professional services training for City bureau Title II and Title VI coordinators. CBO does not recommend the \$7,500 request, as OEHR has ongoing resources available in its FY 2015-16 budget to pay for FY 2015-16 training events.

Third, OEHR has requested to establish an interagency agreement with OMF-Facilities to receive \$30,076 for services provided by OEHR in the summer of 2014. Both bureaus agree that work performed by a limited-term employee on the Model Employer Initiative and the ADA Transition Plan was specific to OMF, rather than providing a Citywide benefit.

Lastly, OEHR requests to carry over \$2,000 of its translation pool of funding (established in the FY 2014-15 Fall BMP), for Parks & Recreation to pay for translation services in fall 2015. Though the translation pool has only been open to all bureaus since April 1, 2015 (having been restricted to emergency services bureaus in the third quarter of FY 2014-15), the bureau believes that the \$80,465 remaining in the fund (as of April 7, 2015) provides sufficient resources for other City bureaus that may still apply this fiscal year.

### *Establish Black Male Achievement Program Budget*

The bureau has two packages that transfer resources to create a materials and services budget for the Black Male Achievement program. The first is a request to transfer \$100,000 in one-time funds from the Mayor's Office to OEHR; the second package asks to carry over \$60,000 of that amount to use as a BMA program budget in FY 2015-16. This approach provides adequate start-up and first-year resources for the BMA program, but creates a funding gap for the program in FY 2016-17 and beyond.

These requests are related to OE\_01 in the FY 2015-16 Requested Budget, which seeks to transfer 1.0 FTE and \$100,000 in ongoing funds from the Mayor's Office

to OEHR for the BMA program. Programmatic responsibility for the initiative was transferred from the Mayor's Office to OEHR in January 2015, and the BMA program coordinator position has been filled.

### *Transfer New Portlander Program*

A final package requests the transfer of 0.58 FTE and \$65,866 in resources supporting the New Portlander Program to the Office of Neighborhood Involvement. As OEHR moved the position effective December 2, 2014, this request reflects the programmatic change that occurred over the course of the year. In the FY 2015-16 Requested Budget, decision package OE\_04 finalizes the transfer of the program.

The bureau also has two other packages that are recommended by CBO, including recognition of \$1,411 in revenue from the Human Rights Commission and one net zero technical adjustment.





# 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)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 70,412,547	\$ (3,373,000)	\$ -	\$ 67,039,547
Licenses & Permits	2,885,515	168,000	-	\$ 3,053,515
Charges for Services	61,035,560	-	-	\$ 61,035,560
Intergovernmental Revenues	93,795,287	(1,824,896)	-	\$ 91,970,391
Interagency Revenue	29,739,368	1,534,610	-	\$ 31,273,978
Fund Transfers - Revenue	19,398,148	619,402	-	\$ 20,017,550
Bond and Note	51,047,665	(21,137,665)	-	\$ 29,910,000
Miscellaneous	3,956,396	-	-	\$ 3,956,396
<b>Total Resources</b>	<b>\$332,270,486</b>	<b>(\$24,013,549)</b>	<b>\$0</b>	<b>\$308,256,937</b>
<b>Requirements</b>				
Personnel Services	\$ 70,412,547	\$ (3,373,000)	\$ -	\$ 67,039,547
External Materials and Services	2,885,515	168,000	-	\$ 3,053,515
Internal Materials and Services	61,035,560	-	-	\$ 61,035,560
Capital Outlay	93,795,287	(1,824,896)	-	\$ 91,970,391
Bond Expenses	29,739,368	1,534,610	-	\$ 31,273,978
Fund Transfers - Expense	19,398,148	619,402	-	\$ 20,017,550
Contingency	51,047,665	(21,137,665)	-	\$ 29,910,000
Unappropriated Fund Balance	3,956,396	-	-	\$ 3,956,396
<b>Total Requirements</b>	<b>\$332,270,486</b>	<b>(\$24,013,549)</b>	<b>\$0</b>	<b>\$308,256,937</b>

## Transportation Operating Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 58,304,223	\$ (3,373,000)	\$ -	\$ 54,931,223
Licenses & Permits	2,885,515	168,000	-	\$ 3,053,515
Charges for Services	49,074,304	-	-	\$ 49,074,304
Intergovernmental Revenues	68,658,152	23,544	-	\$ 68,681,696
Interagency Revenue	28,920,567	1,534,610	-	\$ 30,455,177
Fund Transfers - Revenue	16,186,023	118,812	-	\$ 16,304,835
Bond and Note	51,047,665	(21,137,665)	-	\$ 29,910,000
Miscellaneous	3,899,089	-	-	\$ 3,899,089
<b>Total Resources</b>	<b>\$278,975,538</b>	<b>(\$22,665,699)</b>	<b>\$0</b>	<b>\$256,309,839</b>
<b>Requirements</b>				
Personnel Services	\$ 70,516,639	\$ 242,830	\$ -	\$ 70,759,469
External Materials and Services	83,091,701	(10,475,620)	-	\$ 72,616,081
Internal Materials and Services	21,579,923	308,547	-	\$ 21,888,470
Capital Outlay	25,426,821	(3,594,165)	-	\$ 21,832,656
Bond Expenses	14,740,815	-	-	\$ 14,740,815
Fund Transfers - Expense	9,930,256	730,000	-	\$ 10,660,256
Unappropriated Fund Balance / Contingency	53,689,383	(9,877,291)	-	\$ 43,812,092
<b>Total Requirements</b>	<b>\$278,975,538</b>	<b>(\$22,665,699)</b>	<b>\$0</b>	<b>\$256,309,839</b>

## Key Decisions

PBOT's 18 requests are all recommended. Notable ones include:

- \$230,000 is transferred back to the General Fund due to lower costs of the Streetcar Jasmine Block project. This is the total amount originally received from the General Fund for the project.
- The transfer to the Transportation Reserve Fund is increased by \$500,000 to a total of \$1.2 million for the year (see discussion below).
- Three requests involve a draw on contingency:
  - \$2.55 million to complete the purchase of a Streetcar vehicle;
  - \$1.9 million to complete the Streetcar “Close the Loop” project (see discussion below on the two Streetcar projects);
  - \$4.9 million for the purchase of Parking Paystations.
- Two requests involve the budgeting of additional program revenues:
  - \$168,000 of revenues from the Regulatory Program to pay space and administrative services expenses (see discussion below for an update on the program);
  - \$23,544 in fare revenues to pay property insurance for the Tram;
- A net decrease of \$24.1 million in budgets for projects in both the Operating Fund and the Grants Fund, including adjustments for the Sellwood Bridge match payment, Parking Paystations, East Portland Access Transit, Bike Share, and Street Light Efficiency projects.

## *Discussion*

### *Increase Transfer to the Reserve Fund*

PBOT is increasing the transfer from its Operating Fund to the Transportation Reserve Fund by \$500,000. The bureau already had a \$700,000 transfer in its Adopted Budget, and this request would increase the total amount transferred to \$1.2 million in FY 2014-15. With this transfer, PBOT will have \$4.2 million, or about 43%, of the required level of \$9.7 million. By the end of FY 2015-16, PBOT aims to have half of its target funded with annual contributions.

### *Draws on Contingency to Complete Streetcar Projects*

Two requests completely utilize the \$4.45 million contingency for Streetcar capital projects set-aside in the bureau’s Five-Year Forecast in order to finish the purchase of a Streetcar and complete the “Close the Loop” project. The decision to utilize the contingency follows OMF-Debt Management’s advice to “pay as you go” instead of financing the improvements; this approach saves the bureau approximately \$1.4 million in interest payments. With the completion of these two projects, there is no additional expansion of the Streetcar system for the foreseeable future.

**Streetcar Vehicle Purchase.** PBOT did not get a grant from the State for \$1,305,000 for the Streetcar Purchase and so is reducing its budget for grant revenues. In addition, it is also reducing bond revenues by \$1.0 million for the same project. The \$2.55 million draw on contingency for this project covers those amounts plus \$245,000 in additional expenses. The draw on contingency represents a 57% draw from the set-aside.

**“Close the Loop” Project.** A part of the request for this project reduces bond revenues by \$237,665 for an Automatic Stopping System project and funds it with the draw on contingency. The total draw on contingency for this project is \$1.9 million and represents 43% of the \$4.45 million set-aside. It is not known when or if the SDC revenues originally intended to fund this project would materialize, but if they do, then the funds would be used to replenish GTR contingency.

### *Update on the Regulatory Program*

Regulatory Operations was transferred from the Revenue Bureau to PBOT effective July 1st, 2014. This included: Private-for-Hire-Transport (including taxis), Private Property Impound, Towing, and Pay-n-Park programs (moved back to the Revenue Bureau in the Fall BMP).

Regulatory staff currently remain at the Columbia Square building while PBOT prepares its new location on the 14th floor of the Portland Building. OMF-Facilities is remodeling this space, and PBOT plans to move staff in May 2015. In the meantime, the Revenue Bureau is charging PBOT for space rent and support costs. PBOT’s Adopted Budget includes \$45,000 of General Fund support for expenses pertaining to moving the program. Year-to-date expenses for this purpose as of AP 8 were only about \$3,000, since Facilities has not yet charged PBOT for space remodeling or moving costs. PBOT and Facilities are still working to determine the actual costs of space remodeling and moving.

Year-to-date expenses for the program as of the end of AP 8 were about \$575,000, lower than a straight-line estimate, since the Revenue Bureau has not yet charged PBOT, and consulting services will be billed at year-end. FY 2014-15 expenses are expected to be within budget at year-end. Year-to-date revenues as of AP 8 were about \$850,000, which is higher than a straight-line estimate. This, combined with the roughly \$68,000 penalty paid by Uber, is the reason PBOT is increasing estimated revenues by about \$168,000. By year-end, revenues are on track to meet the revised FY 2014-15 budget. In addition, PBOT will have additional revenues and expenses this year related to transportation network companies.



# ELECTED OFFICIALS





# Office of the Mayor

Analyst: Doug Le

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
General Fund Discretionary	\$ 1,958,131	\$ (68,290)	\$ (9,220)	\$ 1,880,621
General Fund Overhead	1,145,021	-	-	1,145,021
<b>Total Resources</b>	<b>\$3,103,152</b>	<b>(\$68,290)</b>	<b>(\$9,220)</b>	<b>\$3,025,642</b>
<b>Requirements</b>				
Personnel Services	\$ 1,816,340	\$ (105,000)	\$ -	\$ 1,711,340
External Materials and Services	1,018,410	(8,290)	(9,220)	1,000,900
Internal Materials and Services	268,402	45,000	-	313,402
<b>Total Requirements</b>	<b>\$3,103,152</b>	<b>(\$68,290)</b>	<b>(\$9,220)</b>	<b>\$3,025,642</b>

## Key Decisions

- Allocate \$3,500 for Last Thursday costs. (Not recommended)
- Recognize \$44,980 in transferred resources from the Portland Police Bureau to fund the Compliance Officer and Community Liaison (COCL) survey.
- Carryover \$22,490 for COCL survey agreement.
- Transfer \$100,000 to Office of Equity and Human Rights to administer the Black Male Achievement program.

## Discussion

The Mayor's Office requests budget amendments netting to a decrease of \$68,290. This includes realignment transactions to receive \$44,980 from Police Bureau for the COCL survey and to transfer \$100,000 to the Office of Equity and Human Rights to administer the Black Male Achievement program. The office also requests a program carryover of \$22,490 for the COCL survey agreement. All are recommended as requested.

Additionally, the office requests an increase in appropriation of \$3,500 for anticipated costs related to the Last Thursday events on Alberta Street. These expenses are currently paid out of the Mayor's Office's operating budget. In the Fall BMP, City Council approved \$11,247 for this event. CBO does not recommend additional funding for this request in the Spring BMP, because year-end projections as of March 2015 indicate that the office will have sufficient resources to fund this item in this fiscal year. CBO will continue to monitor the office's budget and will recommend amendments as necessary in the Over-Expenditure Ordinance process to prevent any over-expenditures at year-end.

# Office of Commissioner of Public Affairs (Saltzman)

Analyst: Doug Le

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Intergovernmental Revenues	\$ -	\$ 27,000	\$ -	\$ 27,000
Miscellaneous	-	15,863	-	15,863
General Fund Discretionary	1,244,131	-	-	1,244,131
General Fund Overhead	511,761	-	-	511,761
<b>Total Resources</b>	<b>\$1,755,892</b>	<b>\$42,863</b>	<b>\$0</b>	<b>\$1,798,755</b>
<b>Requirements</b>				
Personnel Services	\$ 1,092,317	\$ 55,863	\$ -	\$ 1,148,180
External Materials and Services	524,797	(13,000)	-	511,797
Internal Materials and Services	138,778	-	-	138,778
<b>Total Requirements</b>	<b>\$1,755,892</b>	<b>\$42,863</b>	<b>\$0</b>	<b>\$1,798,755</b>

## Children's Levy Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 2,013,000	\$ -	\$ -	\$ 2,013,000
Taxes	10,514,535	-	-	10,514,535
<b>Total Resources</b>	<b>\$12,527,535</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,527,535</b>
<b>Requirements</b>				
Personnel Services	\$ 491,500	\$ 24,000	\$ -	\$ 515,500
External Materials and Services	11,514,329	-	-	11,514,329
Internal Materials and Services	33,956	-	-	33,956
Fund Transfers - Expense	25,000	-	-	25,000
Contingency	462,750	(24,000)	-	438,750
<b>Total Requirements</b>	<b>\$12,527,535</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,527,535</b>

## Key Decisions

- Recognize \$15,863 in additional program revenue from the Department of Human Services for the Job Plus Program and \$27,000 from Multnomah County for their support of the Gateway Center for Domestic Violence Services.
- Transfer \$24,000 from contingency to Personnel Services to better align budget authority with projected expenditures in the Children's Levy Fund.

### *Discussion*

The requested adjustments to non-discretionary General Fund resources will increase the office's Revised Budget by \$42,863. CBO recommends the Spring BMP adjustments as requested. Based on current year spending information as of March 2015, the office is projected to end the fiscal year within current budget in the General Fund. The Children's Levy Fund is also projected to end the fiscal year within the appropriation level.

# Office of Commissioner of Public Safety (Novick)

Analyst: Doug Le

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Charges for Services	\$ -	\$ 188	\$ -	\$ 188
General Fund Discretionary	439,140	-	-	439,140
General Fund Overhead	511,998	-	-	511,998
<b>Total Resources</b>	<b>\$951,138</b>	<b>\$188</b>	<b>\$0</b>	<b>\$951,326</b>
<b>Requirements</b>				
Personnel Services	\$ 806,030	\$ (15,000)	\$ -	\$ 791,030
External Materials and Services	37,113	188	-	37,301
Internal Materials and Services	107,995	15,000	-	122,995
<b>Total Requirements</b>	<b>\$951,138</b>	<b>\$188</b>	<b>\$0</b>	<b>\$951,326</b>

## Key Decisions

- None.

## Discussion

CBO recommends all Spring BMP adjustments as requested. Based on information as of March 2015, the office is projected to end the fiscal year within the current budget.

# Office of Commissioner of Public Utilities (Fritz)

Analyst: Doug Le

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
General Fund Discretionary	\$ 498,255	\$ -	\$ -	\$ 498,255
General Fund Overhead	511,961	-	-	511,961
<b>Total Resources</b>	<b>\$1,010,216</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,010,216</b>
<b>Requirements</b>				
Personnel Services	\$ 791,155	\$ -	\$ -	\$ 791,155
External Materials and Services	110,333	(6,000)	-	104,333
Internal Materials and Services	108,728	6,000	-	114,728
<b>Total Requirements</b>	<b>\$1,010,216</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,010,216</b>

## Key Decisions

- None.

## Discussion

CBO recommends all Spring BMP adjustments as requested. Based on information as of March 2015, the office is projected to end the fiscal year within the current budget.

# Office of Commissioner of Public Works (Fish)

Analyst: Doug Le

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
General Fund Discretionary	\$ 446,590	\$ -	\$ -	\$ 446,590
General Fund Overhead	511,940	-	-	511,940
<b>Total Resources</b>	<b>\$958,530</b>	<b>\$0</b>	<b>\$0</b>	<b>\$958,530</b>
<b>Requirements</b>				
Personnel Services	\$ 822,173	\$ (12,500)	\$ -	\$ 809,673
External Materials and Services	18,106	-	-	18,106
Internal Materials and Services	118,251	12,500	-	130,751
<b>Total Requirements</b>	<b>\$958,530</b>	<b>\$0</b>	<b>\$0</b>	<b>\$958,530</b>

## Key Decisions

- None.

## Discussion

CBO recommends all Spring BMP adjustments as requested. Based on information as of March 2015, the office is projected to end the fiscal year within the current budget.

# Office of the City Auditor

Analyst: James M. Carter

## All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 18,847,254	\$ 2,537,452	\$ -	\$ 21,384,706
Charges for Services	1,050,775	-	-	1,050,775
Interagency Revenue	131,566	-	-	131,566
Fund Transfers - Revenue	63,992	422	-	64,414
Bond and Note	4,377,260	-	-	4,377,260
Miscellaneous	7,313,966	290,437	-	7,604,403
General Fund Discretionary	3,991,747	(55,000)	-	3,936,747
General Fund Overhead	\$ 4,654,012	\$ -	\$ -	\$ 4,654,012
<b>Total Resources</b>	<b>\$ 40,430,572</b>	<b>\$ 2,773,311</b>	<b>\$ -</b>	<b>\$ 43,203,883</b>
<b>Requirements</b>				
Personnel Services	\$ 5,499,279	\$ 151,281	\$ -	\$ 5,650,560
External Materials and Services	1,755,624	(126,100)	-	1,629,524
Internal Materials and Services	3,216,859	97,120	-	3,313,979
Bond Expenses	9,433,487	2,558,757	-	11,992,244
Fund Transfers - Expense	1,916,594	-	-	1,916,594
Contingency	2,958,803	92,253	-	3,051,056
Unappropriated Fund Balance	\$ 15,649,926	\$ -	\$ -	\$ 15,649,926
<b>Total Requirements</b>	<b>\$ 40,430,572</b>	<b>\$ 2,773,311</b>	<b>\$ -</b>	<b>\$ 43,203,883</b>

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Charges for Services	\$ 262,275	\$ -	\$ -	\$ 262,275
Interagency Revenue	131,566	-	-	131,566
Miscellaneous	5,500	-	-	5,500
General Fund Discretionary	3,991,747	(55,000)	-	3,936,747
General Fund Overhead	\$ 4,654,012	\$ -	\$ -	\$ 4,654,012
<b>Total Resources</b>	<b>\$ 9,045,100</b>	<b>\$ (55,000)</b>	<b>\$ -</b>	<b>\$ 8,990,100</b>
<b>Requirements</b>				
Personnel Services	\$ 5,499,279	\$ 151,281	\$ -	\$ 5,650,560
External Materials and Services	1,750,624	(126,100)	-	1,624,524
Internal Materials and Services	1,695,841	(20,000)	-	1,675,841
Contingency	\$ 99,356	\$ (60,181)	\$ -	\$ 39,175
<b>Total Requirements</b>	<b>\$ 9,045,100</b>	<b>\$ (55,000)</b>	<b>\$ -</b>	<b>\$ 8,990,100</b>



## ***Key Decisions***

- Carry over \$55,000 to FY 2015-16, including \$15,000 for Records Management Online Training and \$40,000 for software updates.
- Draw \$60,181 from bureau General Fund contingency.

## ***Discussion***

### ***Summary of Changes in All Funds Budget Table***

**Resources.** Adjustment to beginning fund balance reflects the Local Improvement District (LID) Fund increasing by \$2,537,452 to the actual FY 2013-14 CAFR ending balance. The \$290,437 increase in Miscellaneous resources accounts for increased payments received (\$151,761) and interest revenue collected (\$138,676) in the LID Fund. Reductions in General Fund Discretionary are tied to the \$55,000 carryover requests referenced above.

**Requirements.** Personnel services increases (\$151,281) are attributed to unanticipated cost increases in health and retirement benefits and wages for casual employees. The reduction in external materials and services reflects savings in the costs for professional service contracts and the City's external audit. Adjustments to internal materials and services (\$97,120) represent technical adjustments for facilities, rent, and server costs. Bond expenses (\$2,558,757) account for debt service in the LID Fund. Lastly, the contingency adjustment (\$92,253) represents the offset of (1) net increased contingency in the LID Fund for adjustments to beginning fund balance reduced by interagency costs and (2) draws on contingency for personnel services costs.

### ***Lien Accounting System (LAS) Replacement***

It has been a priority for all bureaus systems to move off the mainframe by the end of FY 2014-15. For the Auditor's Office, the LAS is an application that continues to operate on the mainframe. With additional investments from the LID Fund, noteworthy progress has been made to replace the LAS. The Spring BMP includes an additional \$110,000 request from the LID Fund to support software development and project management. It is anticipated that completion of critical work will occur by the end of May. The project plan includes time for end user testing to mitigate risk of unforeseen complications. Until the LAS is transitioned off the mainframe, the potential for adverse fiscal impact remains. If there is need beyond July 1, operating the mainframe might cost up to \$65,000 the first month and up to \$115,000 for three months. The LID Fund would cover any additional costs because the LAS would be the only application on the mainframe.

# 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)
<b>Resources</b>				
General Fund Discretionary	\$ 907,836	\$ -	\$ -	\$ 907,836
General Fund Overhead	1,058,455	-	-	1,058,455
<b>Total Resources</b>	<b>\$1,966,291</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,966,291</b>
<b>Requirements</b>				
Personnel Services	\$ 1,583,099	\$ -	\$ -	\$ 1,583,099
External Materials and Services	186,317	-	-	186,317
Internal Materials and Services	196,875	-	-	196,875
<b>Total Requirements</b>	<b>\$1,966,291</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,966,291</b>

## Key Decisions

- Request to receive and carry over a \$7,500 Innovation Fund micro-grant to hold a Kaizen Event on the budget process.

## Discussion

The Innovation Fund micro-grant award was approved by Council via Ordinance #187056. The City Budget Office recommends approval of the request to carry over the funds so that the event can be held after completion of the budget process in the summer of 2015.

# Office of the City Attorney

Analyst: Daniel Trubman

## All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Charges for Services	\$ 6,000	\$ -	\$ -	\$ 6,000
Interagency Revenue	5,227,877	20,000	-	5,247,877
General Fund Discretionary	2,736,266	152,480	-	2,888,746
General Fund Overhead	2,892,929	-	-	2,892,929
<b>Total Resources</b>	<b>\$10,863,072</b>	<b>\$172,480</b>	<b>\$0</b>	<b>\$11,035,552</b>
<b>Requirements</b>				
Personnel Services	\$ 9,019,278	\$ 310,000	\$ -	\$ 9,329,278
External Materials and Services	970,625	(145,520)	-	825,105
Internal Materials and Services	873,169	8,000	-	881,169
<b>Total Requirements</b>	<b>\$10,863,072</b>	<b>\$172,480</b>	<b>\$0</b>	<b>\$11,035,552</b>

## Key Decisions

- Request \$100,000 in compensation set-aside.
- Transfer \$198,000 from external materials and services to personnel services and internal materials and services.
- Request to carry over \$210,020 for expenses related to the Portland Harbor Natural Resources Trustees Funding and Participation Agreement in to FY 2015-16.
- Request to accept \$262,500 from Fund & Debt Management.

## Discussion

The bureau is requesting \$100,000 in compensation set-aside due to the lack of vacancy savings. The bureau is also transferring \$198,000 from external materials and services to personnel services (\$190,000), to cover a limited term position from savings generated by the delay in signing the COCL contract, and \$8,000 in increased internal materials and services for copier services. The bureau's FY 2015-16 requested budget includes package AT\_01 - Equity and Civil Rights Enforcement, to extend the position on an ongoing basis. CBO recommended against that package.

The bureau is requesting to carry over to FY 2015-16 \$210,020 of the \$400,000 appropriated in the Fall BMP for expenses related to the Portland Harbor Natural Resources Trustees Funding and Participation Agreement. The bureau does not anticipate additional spending in this fiscal year beyond the \$189,980 spent already.

The City Attorney's Office is requesting \$262,500 to compensate the bureau for making the initial payment to purchase credits in the Alder Creek habitat restoration project in January of 2015. The \$262,500, transferred from Fund & Debt Management in FM\_012 - Transfer Portland Harbor funding to City Attorney, was part of the \$1 million of ongoing funding included for Habitat Restoration in the FY 2014-15 budget.

The bureau is requesting to recognize \$20,000 of interagency revenue from Risk Management to double-fill an Assistant Program Specialist to administer the Litigation Hold Program through the end of the fiscal year. The City Attorney's Office and Risk Management have agreed to an ongoing interagency agreement addendum to cover the expenses of administering the Litigation Hold Program beginning in FY 2015-16. As a result, the City Attorney's Office and Risk Management expect the City to be better protected from the possibility of relevant evidence being inadvertently lost or intentionally spoliated and avoid costly sanctions.

# 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)
<b>Resources</b>				
Intergovernmental Revenues	\$ 35,000	\$ -	\$ -	\$ 35,000
Interagency Revenue	137,833	-	-	137,833
General Fund Discretionary	610,409	-	-	610,409
General Fund Overhead	692,445	-	-	692,445
<b>Total Resources</b>	<b>\$1,475,687</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,475,687</b>
<b>Requirements</b>				
Personnel Services	\$ 972,740	\$ -	\$ -	\$ 972,740
External Materials and Services	339,233	(14,000)	-	325,233
Internal Materials and Services	163,714	14,000	-	177,714
<b>Total Requirements</b>	<b>\$1,475,687</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,475,687</b>

## Key Decisions

- Transfer \$14,000 from external materials & services to internal materials & services to better align budget authority with projected expenditures.

## Discussion

CBO recommends all Spring BMP adjustments as requested. Based on information as of March 2015, the office is projected to end the fiscal year within its budget.

# Special Appropriations

Analyst: Doug Le

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Intergovernmental Revenues	\$ 47,189	\$ 37,157	\$ -	\$ 84,346
Interagency Revenue	131,067	-	-	131,067
General Fund Discretionary	10,115,809	(1,493,399)	(3,100)	8,619,310
General Fund Overhead	156,333	-	-	156,333
<b>Total Resources</b>	<b>\$10,450,398</b>	<b>(\$1,456,242)</b>	<b>(\$3,100)</b>	<b>\$8,991,056</b>
<b>Requirements</b>				
Personnel Services	\$ 219,366	\$ 3,100	\$ (3,100)	\$ 219,366
External Materials and Services	10,228,797	(1,459,342)	-	8,769,455
Internal Materials and Services	2,235	-	-	2,235
<b>Total Requirements</b>	<b>\$10,450,398</b>	<b>(\$1,456,242)</b>	<b>(\$3,100)</b>	<b>\$8,991,056</b>

## Key Decisions

- Appropriate \$3,100 in compensation set-aside for the Office of Youth Violence Prevention. (Not recommended)
- Appropriate \$37,157 in program revenue from TriMet for the Street Level Gang Outreach program.
- Appropriate \$1,500 for the CEOs for Cities membership fee.
- Transfer \$100,000 to the Bureau of Environmental Services for Zenger Farm, \$200,000 to Parks & Recreation for Halperin Fountains, \$10,000 to Bureau of Transportation for a trail near Robert Gray School, and \$99,999 to Portland Development Commission for Venture Portland.
- Transfer \$865,200 to bureaus receiving Innovation Fund grants.
- Carryover \$222,800 of unspent balance in the Innovation Fund.

## Discussion

The Office of Youth Violence Prevention requests \$3,100 in compensation set-aside to prevent potential over-expenditure in personnel services. Based on information as of March 2015, CBO projects that the office will underspend its budget at year-end. As a result, this request is not recommended at this time; CBO will continue to work with the office to monitor its budget and will recommend budget amendments as needed in the over-expenditure process. The office is receiving \$37,157 in program revenue from TriMet for the Street Level Gang Outreach program which is being budgeted in external materials & services. CBO recommends this request.



In January 2015, the Mayor authorized a payment of \$1,500 for the membership fee to the CEOs for Cities organization. The request in the Spring BMP will increase the appropriation for the Citywide Memberships & Dues by the same amount. CBO recommends this request.

In the Fall BMP, Council authorized funding to the following organizations and projects: Zenger Farm, Halperin Fountains, Trail near Robert Gray School, and Venture Portland. Funding for the above items was temporarily budgeted in Special Appropriations; in the Spring BMP, this funding is being transferred out to the bureaus responsible for these projects. CBO recommends these transfers.

Council awarded Innovation Fund grants to various bureaus via ordinances 186977 and 187056. In the Spring BMP, funds are being transferred to bureaus receiving these grants. There is also a program carryover of \$222,800 of unspent balance in the Innovation Fund into the next fiscal year. CBO recommends this carryover.

# Office of Management & Finance

Analyst: Jeramy Patton & Daniel Trubman

## All Funds

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 160,601,068	\$ 5,990,875	\$ -	\$ 166,591,943
Taxes	22,059,000	4,922,000	-	26,981,000
Licenses & Permits	5,420,289	100,000	-	5,520,289
Charges for Services	66,592,791	570,418	-	67,163,209
Intergovernmental Revenues	10,612,772	809,471	-	11,422,243
Interagency Revenue	136,987,893	4,660,426	-	141,648,319
Fund Transfers - Revenue	11,788,194	722,648	(177,500)	12,333,342
Bond and Note	137,516	14,421,652	-	14,559,168
Miscellaneous	4,052,290	698,367	-	4,750,657
General Fund Discretionary	17,761,367	(1,099,972)	135,000	16,796,395
General Fund Overhead	10,289,892	-	-	10,289,892
<b>Total Resources</b>	<b>\$446,303,072</b>	<b>\$31,795,885</b>	<b>(\$42,500)</b>	<b>\$478,056,457</b>
<b>Requirements</b>				
Personnel Services	\$ 72,379,374	\$ 2,563,359	\$ 60,000	\$ 75,002,733
External Materials and Services	181,089,624	408,079	(35,000)	181,462,703
Internal Materials and Services	24,119,108	2,061,709	(67,500)	26,113,317
Capital Outlay	23,299,812	903	-	23,300,715
Bond Expenses	19,748,640	173,721	-	19,922,361
Fund Transfers - Expense	8,816,301	81,500	(77,500)	8,820,301
Contingency	116,850,213	26,506,614	77,500	143,434,327
<b>Total Requirements</b>	<b>\$446,303,072</b>	<b>\$31,795,885</b>	<b>(\$42,500)</b>	<b>\$478,056,457</b>

## General Fund

	Current Revised Budget (A)	Bureau Request (B)	CBO Recommended Adjustments(C)	Total Recommended Revised (A+B+C)
<b>Resources</b>				
Budgeted Beginning Fund Balance	\$ 20,208	\$ -	\$ -	\$ 20,208
Licenses & Permits	178,500	-	-	178,500
Charges for Services	344,553	(250,790)	-	93,763
Intergovernmental Revenues	2,574,694	15,600	-	2,590,294
Interagency Revenue	7,563,773	591,143	-	8,154,916
Fund Transfers - Revenue	3,428,353	77,500	(77,500)	3,428,353
Miscellaneous	1,211,458	373,072	-	1,584,530
General Fund Discretionary	17,761,367	(1,099,972)	135,000	16,796,395
General Fund Overhead	10,289,892	-	-	10,289,892
<b>Total Resources</b>	<b>\$43,372,798</b>	<b>(\$293,447)</b>	<b>\$57,500</b>	<b>\$43,136,851</b>
<b>Requirements</b>				
Personnel Services	\$ 27,457,349	\$ 1,564	\$ 60,000	\$ 27,518,913
External Materials and Services	10,842,253	(1,306,478)	65,000	9,600,775
Internal Materials and Services	5,073,196	1,011,467	(67,500)	6,017,163
<b>Total Requirements</b>	<b>\$43,372,798</b>	<b>(\$293,447)</b>	<b>\$57,500</b>	<b>\$43,136,851</b>

## *Key Decisions*

- The Office of Management & Finance (OMF) requests to carry over \$275,322 in General Fund resources for a training and development analyst, telecommunications litigation, and additional innovation grants.
- The bureau requests to spend vacancy savings from Accounting (\$70,000) and Business Operations (\$30,000) to expand Enterprise Business Services (EBS) services with implementation of the SAP travel module (Not recommended).
- The Bureau of Technology Services requests to transfer \$77,500 to the Revenue Division for 50% of the IRS Data Exchange Innovation Fund project costs over the initial budget (Not recommended).
- The Police Bureau and OMF-Facilities request that \$500,000 of Police Bureau underspending be transferred to the Facilities Services Operating Fund to address unfunded major maintenance projects at police facilities.
- The Revenue Division requests to return \$724,650 in unspent one-time General Fund resources appropriated in the Fall BMP for Street Fee implementation costs.

## *Discussion*

The items above summarize the key decisions in OMF's supplemental budget request. There are numerous other items that are included the detailed write-up available online.

## *General Fund Underspending and Carryovers*

Year-end projections, as calculated by the Office of Management & Finance, estimate General Fund underspending at \$1.1 million in FY 2014-15. The bureau requests to carry over \$275,322 of this underspending, and transfer an additional \$100,000 to OMF-Enterprise Business Services; thus reducing the potential resources that would otherwise fall to General Fund ending balance. Council should weigh the relative priority of these requests against the need to preserve ending General Fund balance.

The carryover requests include \$122,322 for a Training & Development position in OMF-Human Resources, \$65,000 for an Office of Community Technology litigation case, and \$88,000 for additional innovation fund projects. The bureau is planning to have another call for Innovation micro-grant ideas in May. Given that funds awarded through this process are not likely to be spent by year end, CBO recommends the micro-grant carryover request. CBO recommends the

request to carry over litigation funds, but at a reduced amount of \$30,000. The \$65,000 request represents the remaining balance of litigation funds initially awarded in FY 2010-11; however, the bureau anticipates spending only \$30,000 in FY 2015-16. With the expectation of a successful settlement in FY 2015-16, CBO recommends only carrying over the amount projected to be spent in that year. Carryover funds for the Training & Development position are also recommended as this position was requested in the FY 2015-16 budget process as the bureau's top priority. Funding the position within existing resources via a carryover will allow the position to be funded in FY 2015-16 without reducing available future resources.

OMF requests to transfer \$100,000 of underspending resulting from vacancy savings in Accounting and Business Operations to OMF-Enterprise Business Services for implementation of a new travel module in SAP. CBO does not recommend the request. OMF-EBS is an internal service fund that is supported by rates charged to all City bureaus. Implementation of a new travel module should be deliberated by the relevant advisory committees, and if approved by the committees and determined to have a Citywide benefit, be paid for via interagency rates per the existing funding model.

### *Interagency Adjustments*

The Police Bureau and OMF-Facilities request that \$500,000 of Police underspending be transferred to the Facilities Services Operating Fund. These funds would be dedicated to addressing the current backlog of major maintenance projects at police facilities totaling \$1.6 million. Due to the existing backlog identified by OMF, CBO recommends approval of the request. Approving the requested transfer will reduce the potential resources that would otherwise fall to General Fund ending balance. Council should weigh the relative priority of this request against the need to preserve the General Fund ending fund balance. OMF-Facilities will report on the progress made towards reducing the backlog in future BMPs, and identify how these funds were spent.

The Bureau of Technology Services requests to transfer \$77,500 to the Revenue Division for 50% of the IRS Data Exchange Innovation Fund project costs over the initial budget. The initial innovation fund project's goals are to reduce the filing burden on local taxpayers, increase compliance rates for payment of business income taxes, and reduce the burden on the bureau caused by processing paper tax returns. The primary beneficiary of the project is the General Fund through increased tax revenues and efficiencies in the Revenue Division. The Bureau of Technology Services is supported through rates charged to City

bureaus, and since the benefits to these payers are not clear, CBO does not recommend the request.

The Bureau of Development Services (BDS) requests to create a \$26,000 interagency agreement with OMF-Human Resources to fund a limited-term Senior Human Resources Analyst to work on BDS recruitments. This interagency is expected to be continued into the FY 2015-16 budget. The City Budget Office recommends the request. CBO also recommends that Human Resources implement a service level agreement with BDS that identifies the services provided under the overhead model, and the services that require supplementary payments from bureaus. Currently, it is unclear how Human Resources makes these distinctions.