

Analysis By: Jeramy Patton

CITY BUDGET OFFICE

All Funds Budget Summary	Adopted FY 2015-16	Request Base FY 2016-17	Decision Pkgs FY 2016-17	Request Total FY 2016-17	Percent Change
Resources					
Interagency Revenue	\$200,418	\$200,286	\$0	\$200,286	-0.1%
General Fund Discretionary	986,860	1,002,692	405,278	1,407,970	42.7%
General Fund Overhead	1,140,700	1,199,030	484,636	1,683,666	47.6%
Total Resources	\$2,327,978	\$2,402,008	\$889,914	\$3,291,922	41.4%
Expenditures					
Personnel Services	\$1,963,089	\$2,019,333	(\$100,264)	\$1,919,069	-2.2%
External Materials and Services	186,388	191,550	991,850	1,183,400	534.9%
Internal Materials and Services	178,501	191,125	(1,672)	189,453	6.1%
Total Requirements	\$2,327,978	\$2,402,008	\$889,914	\$3,291,922	41.4%
Total Bureau FTE	15.00	15.00	(1.00)	14.00	-6.7%

Percent Change is the change from FY 2015-16 Adopted Budget to FY 2016-17 Total Requested Budget.

Key Issues

Budget Process Audit

In February 2015, the Office of the City Auditor completed an audit of the City's budget process. One of the recommendations was to consider ways to lessen the impact of the budget process on City operations. In response, the City Budget Office (CBO) conducted a Kaizen Event to identify opportunities to streamline and improve the City's budget process. The event resulted in an implementation plan with over 20 action items that CBO will address over the next two years. Some of the key action items that will require Council involvement and/or approval include: setting utility rates earlier in the budget process, integrating equity into the budget process, structuring bureau budget work sessions based on Council inquiries, setting a deadline in City policy for Council to provide budget guidance, establishing multi-year budget priorities, creating a competitive funding pool for Special Appropriations, evaluating the outcomes of a two-year budget cycle, and clarifying the expected outcomes from the bureau Budget Advisory Committees.

Decision Package Analysis & Recommendations

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

Eliminate LT Asst. Financial Analyst, BO_01, (\$110,086), (1.00) FTE

The package reduces ongoing General Fund resources and eliminates a limited term Assistant Financial Analyst position in order to comply with the 5% reduction guidance given by the Mayor. If the position is eliminated, the work will be shifted to other analysts within the bureau, which will reduce the amount of

time available for more in-depth analysis and special projects. If the package is accepted by Council, the bureau expects its customer service rating to be negatively affected – dropping from a goal of 4.35 to 4.25 on a 5-point scale.

The City Budget Office recommends the reduction. Although the loss of the position will impact the level of analysis that the bureau is able to provide to the Mayor, Council, and the public, the core functions of the bureau will be maintained.

CBO Recommendation: (\$110,086), (1.00) FTE

Replace Budget Software System, BO_02, \$1,000,000

The package requests one-time General Fund discretionary and overhead funding to replace the City's aging budget preparation and monitoring software. Although the software continues to provide the basic tools needed, it is currently operating on out-of-date and soon to be unsupported hardware. If the system fails, the City would need to move towards a more labor intensive process using Excel spreadsheets and other database tools. Given that the system is currently operational, and that it ranks in the lower tier of the Citywide ranking of infrastructure maintenance and replacement projects, CBO does not recommend allocating resources in FY 2016-17 unless resources become available to fund the higher-ranked projects first.

CBO Recommendation: \$0

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

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
City Budget Office											
<i>Adds</i>											
BO_02 - Replace Budget Software System	01	0.00	0	455,412	544,588	1,000,000	0.00	0	0	0	0
<i>Total Adds</i>		<i>0.00</i>	<i>0</i>	<i>455,412</i>	<i>544,588</i>	<i>1,000,000</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Reductions</i>											
BO_01 - Eliminate LT Asst. Financial Analyst	01	(1.00)	(50,134)	0	(59,952)	(110,086)	(1.00)	(50,134)	0	(59,952)	(110,086)
<i>Total Reductions</i>		<i>(1.00)</i>	<i>(50,134)</i>	<i>0</i>	<i>(59,952)</i>	<i>(110,086)</i>	<i>(1.00)</i>	<i>(50,134)</i>	<i>0</i>	<i>(59,952)</i>	<i>(110,086)</i>
Total City Budget Office		(1.00)	(50,134)	455,412	484,636	889,914	(1.00)	(50,134)	0	(59,952)	(110,086)