

# *City Budget Office*




*Requested Budget*

*FY 2017-18*



Office of Mayor Ted Wheeler  
City of Portland

TO: Commissioner Fish  
Commissioner Fritz  
Commissioner Eudaly  
Commissioner Saltzman  
Auditor Hull Caballero  
City Budget Office

FROM: Mayor Ted Wheeler 

DATE: January 30, 2017

SUBJECT: City Budget Office FY 2017-18 Requested Budget

Attached for your consideration is the FY 2017-18 Requested Budget for the City Budget Office. As required, the budget includes a 5% reduction option that would eliminate a limited term Assistant Financial Analyst position and reduce funding for analyst training opportunities.

I support this Requested Budget and forward it for your consideration.

# CITY BUDGET OFFICE

Ted Wheeler, Mayor  
Nick Fish, Commissioner  
Amanda Fritz, Commissioner  
Chloe Eudaly, Commissioner  
Dan Saltzman, Commissioner  
Mary Hull Caballero, Auditor



Andrew Scott, Director

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## CITY OF PORTLAND, OREGON

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### FY 2017-18 Budget Advisory Committee Report

The City Budget Office Budget Advisory Committee convened on January 19, 2017. The committee members include Rob Fullmer (citizen and Citywide Community Budget Advisor), Matt Grumm (Commissioner Saltzman's Office), and Judith Mowry (Office of Equity & Human Rights).

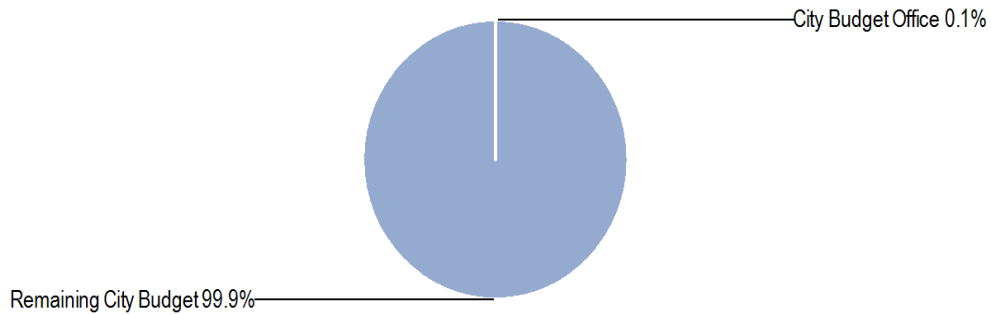
The committee reviewed the office's base budget by line item and concurred with the expected expenditures for the fiscal year. In regards to the office's 5% reduction option, while the committee believes that the office could manage the loss of the position, it is concerned that the position reduction may reduce the office's ability to provide a transparent budget process with the necessary community outreach. Given the small size of the office, eliminating an analyst position may have a significant impact on the office's ability to achieve its goals.

# City Budget Office

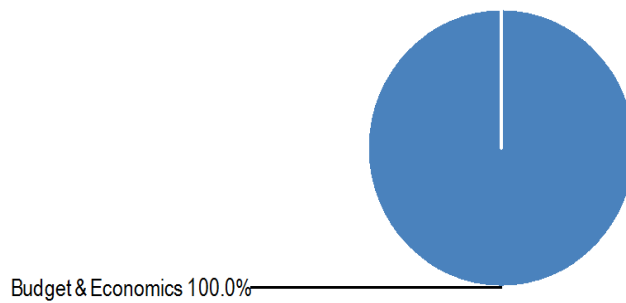
City Support Services Service Area

Mayor Ted Wheeler, Commissioner-in-Charge  
Andrew Scott, Director

**Percent of City Budget**

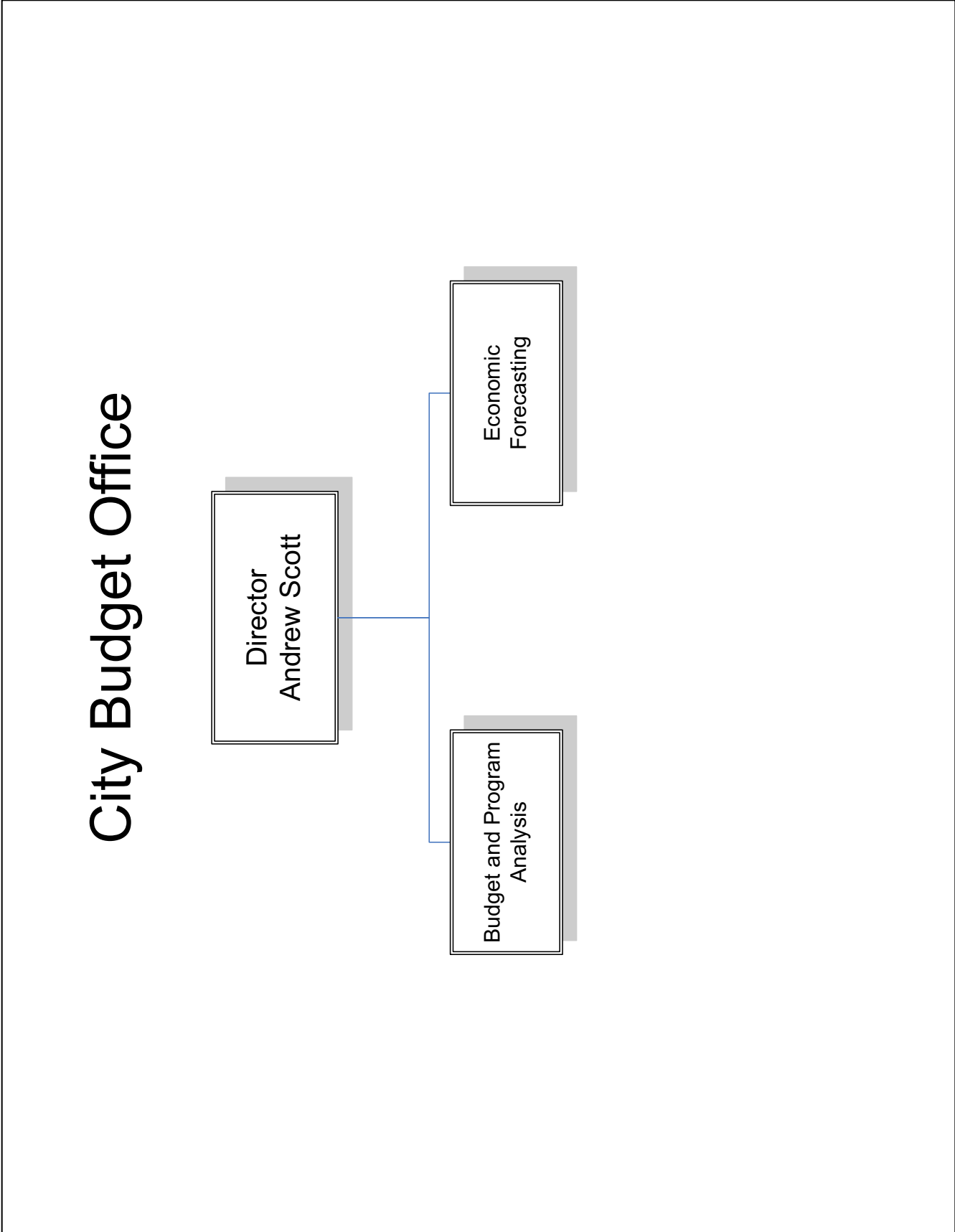


**Bureau Programs**



**Bureau Overview**

<b>Expenditures</b>	<b>Revised FY 2016-17</b>	<b>Requested FY 2017-18</b>	<b>Change from Prior Year</b>	<b>Percent Change</b>
Operating	3,493,705	2,399,357	(1,094,348)	(31.32)
Capital	0	0	0	0.00
<b>Total Requirements</b>	<b>3,493,705</b>	<b>2,399,357</b>	<b>(1,094,348)</b>	<b>(31.32)</b>
Authorized Positions	15.00	14.00	(1.00)	(6.67)



## **Bureau Summary**

### **Bureau Mission**

The City Budget Office provides timely, accurate, and unfiltered information and analysis regarding budgeting, forecasting, and fiscal policy issues to the Mayor, Commissioners, City Auditor, City bureaus, and the public.

### **Bureau Overview**

The City Budget Office coordinates development of the City's budget, including analysis of each bureau's operating and capital budget, financial plans, and performance measures. Duties include monitoring the expenditure and revenue trends of all City funds throughout the fiscal year, coordinating budget amendments, analyzing City programs and policies, reviewing ordinances for fiscal and policy impacts, and providing fiduciary oversight of the General Fund. In addition to providing analysis to elected officials and the public, analysts are available to City bureaus for consultation, training, and technical assistance in matters related to budget and finance. Analysts conduct research in response to inquiries, including public records requests, from elected officials, City bureaus, the media, and the public.

The City Budget Office coordinates public involvement in the budget process, including staff support for the Citywide Budget Advisory Committee and planning and staffing of budget forums and hearings. The office is responsible for ensuring that the City meets all requirements of State Budget Law regarding notices of public hearings and certification of the Approved Budget by the Tax Supervising and Conservation Commission, and the Budget Director serves as the City's Budget Officer.

The primary responsibility of the economics section of the office is to monitor and forecast General Fund revenues and expenses. This is accomplished through the publishing of five-year financial forecasts in December and April of each fiscal year, and economic and revenue updates at the close of each quarter. The economics section develops current appropriation level targets for bureaus and programs that receive General Fund discretionary dollars.

Additional responsibilities of the economics section include estimating labor agreement costs, consulting on bond rating calls, providing ad hoc economic analyses, and analyzing local business impacts of proposed ordinances. Finally, this section houses the City's representative on the Oregon League of Cities' Finance and Taxation Committee, and the State's Property Tax Reform Study Group.

### **Strategic Direction**

#### **Bureau Goals**

The bureau focuses its efforts on achieving excellence in four primary areas: budget processes, Council deliverables, budget and policy analysis, and communications.

### **Budget Processes**

A core function of the office is to manage the budget development and budget monitoring processes. The office works with City Council and City bureaus to eliminate inefficient processes and practices through lean process improvement strategies.

### **Council Deliverables**

The office will continue to deliver high quality work products to Council (e.g. budget reviews, budget monitoring reports, and special studies) through peer reviews, training, and a consistent analytical approach.

### **Budget and Policy Analysis**

The office strives to have a deep knowledge and understanding of the relevant issues within a bureau and the analytical skill to evaluate them. The office plans to increase its focus on connecting bureau budgets, operations, and performance to better identify the public value of City services.

### **Communications**

The office is refining its communication efforts to ensure that its analysis and reporting is shared in a way that positively impacts the decision-making process. These efforts include developing a communications strategy, strengthening relationships with City bureaus and Elected Officials, and providing City dashboards to help explain budget and performance data to the public.

### **Addressing City Plans**

The bureau's efforts towards City adopted plans are primarily focused on the Portland Plan. The Portland Plan includes three action items where CBO is the shared lead with the Bureau of Planning & Sustainability. These action items focus on developing a budget process that incorporates Portland Plan priorities, goals, and measures into the decision making process. In the FY 2015-16 Adopted Budget, the bureau received funding for a position that is dedicated to performance management efforts across the City. Part of this effort includes developing and tracking performance measures that align with the Portland Plan. The position was funded with ongoing resources, so the bureau does not expect any fiscal barriers to continue this work.

Although the bureau is involved in analyzing other City plans such as the Climate Action Plan, East Portland Action Plan, and Comprehensive Plan, it does not have a role in the direct implementation of those plans.

## Budget & Economics

**Description** The program coordinates development of the City's budget, creates the City's published budget documents, and performs special studies. The City Economist and financial analysts produce the General Fund revenue and financial forecasts.

**Goals** Budget and Economics supports the Citywide goal of delivering efficient, effective, and accountable municipal services. The City Budget Office completed a strategic planning effort in FY 2014-15, which identified four goals for the future: improving processes, improving deliverables, improving analysis, and improving communications.

**Performance** As a result of enhanced performance management efforts, the office created six new measures in FY 2015-16. Although the majority of the measures track performance in areas where the office has little to no control over outcomes, they are valuable measures when tracking the success of the City's overall budget process. In particular, the office is working with City asset managers to find options to reduce the annual repair, rehabilitation, and replacement funding gap. Addressing the funding gap will prevent further deterioration of the City's assets and put the City on a more sustainable funding path.

**Changes to Services and Activities** The FY 2017-18 Requested Budget includes reduction packages that would eliminate a limited term Assistant Financial Analyst position and reduce available funds for analyst training.

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
FTE	13.00	15.00	15.00	15.00	14.00
<b>Expenditures</b>					
Budget & Economics	1,915,924	2,167,866	3,493,705	2,514,854	2,399,357
<b>Total Expenditures</b>	<b>1,915,924</b>	<b>2,167,866</b>	<b>3,493,705</b>	<b>2,514,854</b>	<b>2,399,357</b>

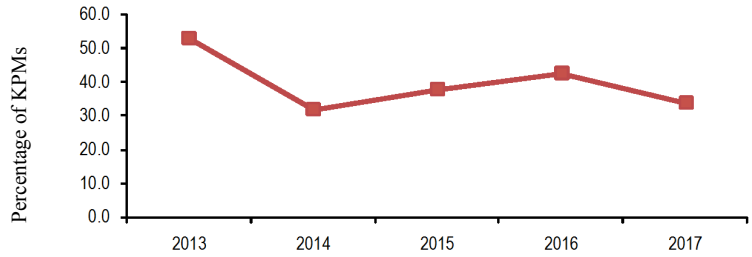
Performance	Actual FY 2014-15	Actual FY 2015-16	Yr End Est. FY 2016-17	Base FY 2017-18	Target FY 2017-18
<b>Key Performance Measure</b>					
Percentage of City KPMs with positive year-over-year results	37.9%	42.5%	33.7%	NA	NA
Annual repair, rehabilitation, & replacement funding gap (Citywide)	\$241,600,000	\$267,800,000	\$260,000,000	NA	NA
Customer service rating (5pt scale)	3.98	4.37	4.35	4.40	4.30
<b>Effectiveness</b>					
Number of instances financial policies were waived by Council	0	8	5	5	5
Received GFOA budget presentation award (1=yes, 0=no)	1	1	1	1	1
<b>Efficiency</b>					
Percentage of capital project funding that is expended on repair, rehabilitation, & replacement	63.1%	64.0%	63.7%	NA	NA



## Performance Measures

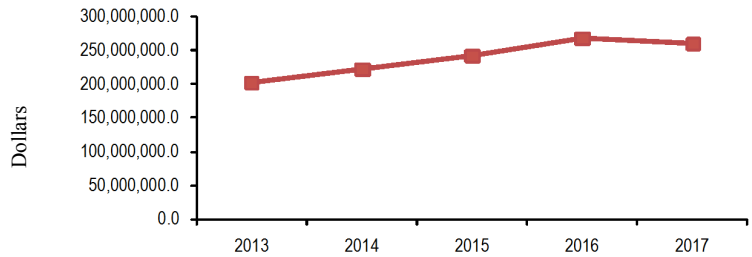
### City KPMs with Positive Year-Over-Year Results

With effective implementation of the Citywide performance management initiative, the goal is for measures to largely trend in the positive direction. However, KPMs with stable year-over-year performance impact this measure negatively, and resource limitations may lead to negative year-over-year trends.



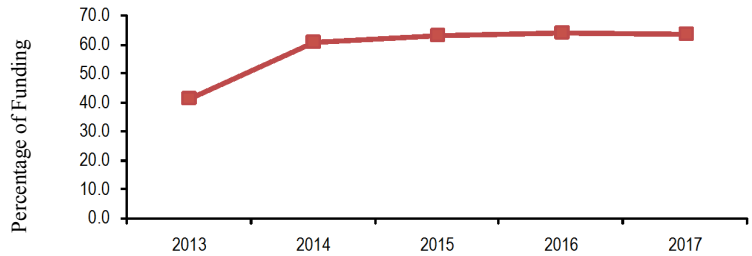
### Annual Replacement/Repair/Rehabilitation Capital Funding Gap (Citywide)

The annual funding gap has steadily increased over the last few years. The 2015 Citywide Asset Report expects the funding gap to continue to increase over the next ten years.



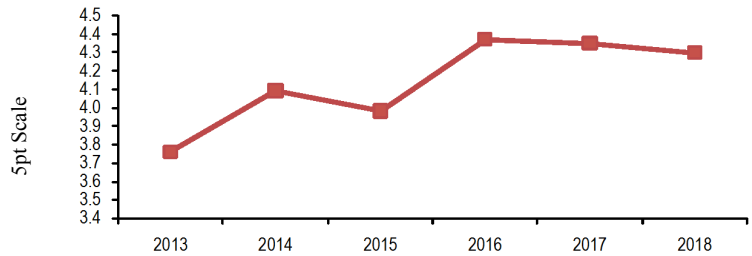
### Percentage of Capital Project Funding on Replacement, Repair, or Rehabilitation

The passage of Resolution #34423 dedicated at least 50% of General Fund one-time resources to infrastructure maintenance or replacement. The addition of these funds, and the bureaus' continued efforts in regards to asset management, are responsible for the positive trend in this measure.



### Customer Service Rating

The measure depicts the bureau's customer service rating on a 5 point scale, with a 1 reflecting poor customer service and a 5 for outstanding service. The rating is expected to decrease slightly compared to the results from the previous survey due to the 5% reduction options put forward.



**Summary of Bureau Budget**

**City Budget Office**  
City Support Services Service Area

	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
<b>Resources</b>					
<b>External Revenues</b>					
<b>Total External Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Revenues</b>					
General Fund Discretionary	857,469	919,490	2,044,452	1,056,493	1,003,668
General Fund Overhead	1,058,455	1,140,700	1,248,967	1,253,455	1,190,783
Interagency Revenue	0	107,676	200,286	204,906	204,906
<b>Total Internal Revenues</b>	<b>1,915,924</b>	<b>2,167,866</b>	<b>3,493,705</b>	<b>2,514,854</b>	<b>2,399,357</b>
Beginning Fund Balance	0	0	0	0	0
<b>Total Resources</b>	<b>\$1,915,924</b>	<b>\$2,167,866</b>	<b>\$3,493,705</b>	<b>\$2,514,854</b>	<b>\$2,399,357</b>
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	1,547,751	1,756,442	2,099,333	2,079,215	1,971,456
External Materials and Services	175,548	215,024	1,192,260	204,200	198,173
Internal Materials and Services	192,625	196,400	202,112	231,439	229,728
<b>Total Bureau Expenditures</b>	<b>1,915,924</b>	<b>2,167,866</b>	<b>3,493,705</b>	<b>2,514,854</b>	<b>2,399,357</b>
<b>Fund Expenditures</b>					
<b>Total Fund Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Ending Fund Balance	0	0	0	0	0
<b>Total Requirements</b>	<b>\$1,915,924</b>	<b>\$2,167,866</b>	<b>\$3,493,705</b>	<b>\$2,514,854</b>	<b>\$2,399,357</b>
<b>Programs</b>					
Budget & Economics	1,915,924	2,167,866	3,493,705	2,514,854	2,399,357
<b>Total Programs</b>	<b>1,915,924</b>	<b>\$2,167,866</b>	<b>\$3,493,705</b>	<b>\$2,514,854</b>	<b>\$2,399,357</b>

City Support Services Service Area

Class	Title	Salary Range		Revised FY 2016-17		Requested No DP FY 2017-18		Requested FY 2017-18	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
30000434	Administrative Assistant	49,774	76,648	1.00	72,288	1.00	75,024	1.00	75,024
30002040	Budget Director, Assistant	89,149	118,747	1.00	118,752	1.00	118,752	1.00	118,752
30000570	Budget Director, City	102,981	143,811	1.00	143,808	1.00	143,808	1.00	143,808
30000578	Economist, City	89,149	118,747	1.00	118,752	1.00	118,752	1.00	118,752
30000567	Financial Analyst	63,419	84,552	1.33	96,628	3.00	219,298	3.00	219,298
30000566	Financial Analyst, Assistant	49,774	76,648	1.17	74,758	0.00	0	0.00	0
30000569	Financial Analyst, Principal	82,909	110,448	3.00	321,095	3.00	327,640	3.00	327,640
30000568	Financial Analyst, Sr	69,971	93,413	3.50	302,840	3.00	274,006	3.00	274,006
30000452	Management Analyst, Sr	69,971	93,413	1.00	81,213	1.00	84,540	1.00	84,540
<b>TOTAL FULL-TIME POSITIONS</b>				14.00	1,330,134	14.00	1,361,820	14.00	1,361,820
<b>TOTAL PART-TIME POSITIONS</b>				0.00	0	0.00	0	0.00	0
30000566	Financial Analyst, Assistant	49,774	76,648	1.00	66,996	1.00	68,828	0.00	(4)
<b>TOTAL LIMITED TERM POSITIONS</b>				1.00	66,996	1.00	68,828	0.00	(4)
<b>GRAND TOTAL</b>				15.00	1,397,130	15.00	1,430,648	14.00	1,361,816

## Decision Package Summary

**Bureau:** City Budget Office

**Priority:** 01

**Type:** Reductions

**Decision Package:** BO\_01 - Travel and Salary Savings

**Program:** Budget and Economics

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget	
<b>EXPENDITURES</b>								
Personnel Services	0	(5,553)	(5,553)	0	0	0	0	0
External Materials and Services	0	(6,027)	(6,027)	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>(11,580)</b>	<b>(11,580)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUES</b>								
General Fund Discretionary	0	(5,296)	(5,296)	0	0	0	0	0
General Fund Overhead	0	(6,284)	(6,284)	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>0</b>	<b>(11,580)</b>	<b>(11,580)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Description:**

The package eliminates \$5,553 of salary savings budgeted by the bureau for unforeseen benefit and/or salary increases expected during the year due to turnover or other events. The package also reduces the bureau's external materials and services budget (mostly in travel and training) by \$6,027. The reduction to the travel and training budget is approximately 14%.

**Expected Results:**

Elimination of the salary savings will make it more likely that the bureau will need to request additional resources from the Compensation Set-Aside during the year in order to remain within budget. Given the small size of the office, a small change in the benefit elections of an employee can have a big impact on the personnel services expenditures for the year. Furthermore, reductions in travel and training will eliminate 2-3 opportunities per year for analysts to continue their education in the field of budgeting and finance. The bureau's goal is to budget for one training per year per analyst.

## Decision Package Summary

**Bureau:** City Budget Office

**Priority:** 02

**Type:** Reductions

**Decision Package:** BO\_02 - Eliminate LT Asst. Financial Analyst

**Program:** Budget and Economics

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget	
<b>EXPENDITURES</b>								
Personnel Services	0	(102,206)	(102,206)	0	0	0	0	0
Internal Materials and Services	0	(1,711)	(1,711)	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>(103,917)</b>	<b>(103,917)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUES</b>								
General Fund Discretionary	0	(47,529)	(47,529)	0	0	0	0	0
General Fund Overhead	0	(56,388)	(56,388)	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>0</b>	<b>(103,917)</b>	<b>(103,917)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FTE</b>								
Limited Term Positions	0.00	-1.00	-1.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL FTE</b>	<b>0.00</b>	<b>-1.00</b>	<b>-1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Description:**

The package eliminates a limited term Assistant Financial Analyst position and related materials and services. The limited term analyst position is assigned to analyze a portfolio of bureaus and is responsible for various special projects.

**Expected Results:**

If eliminated, the portfolio and special project assignments will be transferred to other analysts. The increased workload on existing analysts will reduce the amount of time available for more in depth analysis and special projects as requested by Council. Given the increased workload, it is expected that the bureau's customer service rating (a key performance measure) will be negatively affected - dropping from a goal of 4.4 to 4.3 on a 5-point scale.



**OFFICE of EQUITY  
and HUMAN RIGHTS**  
CITY OF PORTLAND

Realizing Equity. Enhancing the City of Portland.

Commissioner in Charge:  
Ted Wheeler, Mayor

Bureau Director:  
Dante J. James, Esq.



## Budget Equity Assessment Tool

### CITY POLICY

This Budget Equity Assessment Tool is a general set of questions to guide city bureaus and their Budget Advisory Committees in assessing how budget requests benefit and/or burden communities, specifically communities of color and people with disabilities. As noted in Portland's 25-year strategic plan, the Portland Plan, Goal-Based Budgeting, and page 102:

When fully implemented, the new budget approach will direct City of Portland bureaus and offices to:

- Use an asset management approach to achieve more equitable service levels across communities and geographies.
- Track and report on service levels and investments by community and geography, including expanding the budget mapping process
- Assess the equity and social impacts of budget requests to ensure programs, projects and other investments to help reduce disparities and promote service level equity, improve participation and support leadership development.
- Identify whether budget requests advance equity, represent a strategic change to improve efficiency and service levels and/or are needed to provide for basic public welfare, health and/or meet all applicable national and state regulatory standards.

It is the policy of the City of Portland that no person shall be denied the benefits of, or be subjected to, discrimination in any City program, service, or activity on the grounds of race, color, national origin, English proficiency, sex, age, disability, religion, sexual orientation, gender identity, or source of income. Additionally, the City's Civil Rights Title VI program guidelines obligate public entities to develop systems and procedures that guard against or proactively prevent discrimination, while simultaneously ensuring equitable impacts on all persons. Therefore, City bureaus may find this tool helpful when evaluating equitable impacts on all residents.

The Office of Equity and Human Rights is also available for discussion/training/consultation regarding the use of this document.

City Budget Office

*In compliance with Civil Rights laws, it is the policy of the City of Portland that no person shall be excluded from participation in, denied the benefits of, or be subjected to discrimination in any City program, service, or activity on the grounds of race, color, national origin, or disability. To request accommodations, translation and/or interpretation, to file complaints, or for additional information or services, please contact us at 503-823-4433, City TTY 503-823-6868, or Oregon Relay Service: 711.*

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## **SECTION ONE: BASE BUDGET**

### **1. How have you maximized considerations of equity in your base budget?**

- a. In order to maximize equity, we excluded budget outreach funding from our 5% budget reductions and protected funding for the Hatfield Fellowship position (which has proven to be a valuable entry level position for our office).

### **2. Are there specific realignments in your base budget that either advance or inhibit equity?**

- a. We increased funding in the base budget for public outreach activities, including Community Engagement Liaisons (CELs) and interpretation services. The prior year's budget included this funding for two public hearings, this budget allocates funding for three public hearings.

### **3. Are there specific realignments in your base budget that would advance or inhibit your achievement of equity goals outlined in your bureau's Racial Equity Plan?**

- a. The majority of items included in our Racial Equity Plan do not require additional funding to implement. However, increased funding for CELs will enhance our outreach efforts to underrepresented communities, specifically soliciting their input during public budget hearings.

### **4. What funding have you allocated for translation, interpretation and ADA (American's with Disability Act) accommodation including ASL (American Sign Language) interpretation and video captioning?**

- a. \$3,000 – Interpretation services for public hearings on budget
- b. \$4,500 – Community Engagement Liaison funding for public hearing participation
- c. \$3,000 – Translation Services

### **5. Are there deficiencies in the on-going funding of your base budget that inhibit your bureau's achievement of equity or the goals outlined in your Racial Equity Plan?**

- a. The majority of items included in our Racial Equity Plan do not require additional funding to implement.

## **SECTION TWO: DECISION PACKAGES**

**1. How does this program or service align with the goal of advancing equity or achieving goals outlined in your bureau's Racial Equity Plan?**

- a. The City Budget Office has submitted a decision package to eliminate one limited term position as part of our 5% required reduction. As stated below, this may have an adverse effect on our efforts to hire new diverse employees.

**2. What areas of the city will be impacted by your program or service and is there a larger than average population of people of color in those areas?**

- a. The services of the City Budget Office are delivered citywide, therefore our decision packages have no impact on specific geographic areas or communities within the city.

**3. Identify impacts on how resource allocation includes improving ADA accessibility for people with disabilities.**

- a. Our decision packages have no impact on people living with a disability.

**4. Identify impacts on workforce demographics.**

- a. The limited term position identified as our cut option is currently filled by a female and will therefore affect our male to female ratio within the office.



**Section THREE: EQUITABLE ENGAGEMENT AND ACCESS (Racial Equity Goal #2)**

**1. How has community engaged with your requested budget, including this tool?**

- a. Being a central service bureau with little direct engagement with the community (outside of public outreach efforts around the budget process), we haven't held open forums on our budget in the community. We do, however, have a member of the public serve on our budget advisory committee.

**2. How does this budget build the bureau's capacity to engage with and include communities most impacted by inequities? (e.g., improved leadership opportunities, advisory committees, commissions, targeted community meetings, stakeholder groups, increased outreach, etc.)**

- a. The City Budget Office holds public budget forums in various areas of the city every year. We also provide small grants for community groups to hold budget events in their communities. The events include budget trainings, question & answer sessions, or other activities as requested by the group. These small group settings are much less formal than the larger public hearings and provide a less stressful environment for citizens to ask questions. The budget also includes funding for the use of Community Engagement Liaisons, interpretation services, and translation services in our budget outreach efforts in order to ensure that everyone has an opportunity to participate in the public budgeting process.

**3. How does this budget build community capacity and power in communities most impacted by inequities? (e.g., improved leadership opportunities within BAC, community meetings, stakeholder groups, increased outreach, etc.)**

- a. Our budget includes funding for Community Engagement Liaisons which are tasked with ensuring that underrepresented communities are heard at each of the public hearings during the budget process.

## Identifying Impacts Worksheet

Once you have identified the populations/communities impacted, use the following chart to name the potential burdens and benefits.

Populations Impacted	Potential Positive Impacts	Potential Negative Impacts
Communities most impacted by inequities	Increased participation in the budget process through budget forums, hearings, trainings, and the use of Community Engagement Liaisons.	None Identified

  
 \_\_\_\_\_  
 Name of Bureau Director

1/27/17  
 \_\_\_\_\_  
 Date