

# City Budget Office

## Adds

GF Ongoing      GF One Time      Other Revenues

■ Bureau requested    — CBO recommends

0.00 FTE Requested      0.00 FTE Recommended

## Reductions

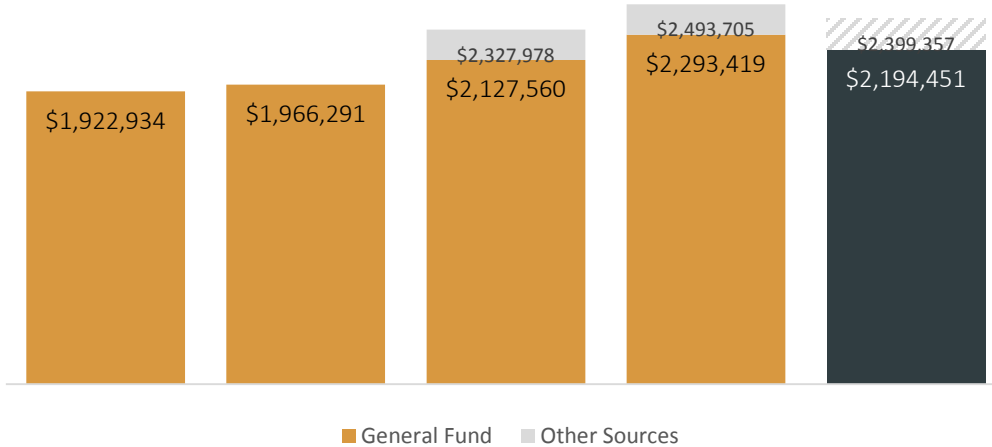
GF Ongoing      GF One Time      Other Revenues

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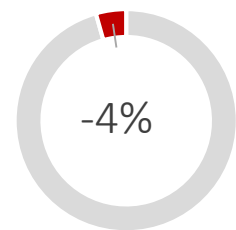
(1.00) FTE Requested      (0.00) FTE Recommended

## Adopted Budget Revenues - 5-Year look back

FY2013-14      FY2014-15      FY2015-16      FY2016-17      FY2017-18 Requested



## Decision Packages & Requested Budget



■ FY-17-18 Request Base  
■ FY17-18 Decision Packages

## Key Issues

### BRASS Replacement

In FY 2016-17, CBO received \$1.0 million in infrastructure funding to replace its aging BRASS budget preparation and monitoring software. The software is not supported for Windows 10, the upcoming City standard. Moreover, the most recent upgrade that was performed in order to support Microsoft SQL Server 2008 does not support the reporting software. Consequently, the reports library has become corrupted and will cause increasing inefficiencies in budget production.

Since receiving the funding, CBO has convened stakeholders from throughout the City to identify key functionality that will be needed in any new system. CBO also scheduled in-person demonstrations from current vendors (BRASS and SAP) on their available successor systems and invited bureau budget staff to attend.

There is a moratorium on technology projects and procurements through June 2017 due to the Portland Building reconstruction and data center move. As a result, progress on replacing BRASS will begin in summer 2017. In the meantime, CBO is moving forward with developing business requirements for a new system. There is significant risk of failure of the current system over the next 18 months, which would directly impact bureau financial staff Citywide, and the timeline for replacement is also pushing up against the system's scheduled end of life in 2020. As an enterprise-wide technology system, this project should be viewed as a high priority once the current moratorium is lifted.

## Decision Package Analysis & Recommendations

The City Budget Office includes recommendations on its own decision packages below, but acknowledges the inherent conflict of interest when making recommendations on our own budget. We welcome any questions about the packages.

### Travel and Salary Savings, BO 01, (\$11,580)

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. It also reduces the bureau's external materials and services budget by \$6,027, primarily through a 14% reduction in travel and training.

Elimination of the salary savings makes it more likely that the bureau will need to request compensation set-aside during the fiscal year in order to remain within budget. In addition, as with most small offices a change in benefit elections of an individual employee can have a large impact on the personnel services expenditures in a given year. The reduction in travel and training will eliminate two to three opportunities per year for analysts to continue their education in budgeting and finance.

CBO recommends this reduction in order to comply with the Mayor's goals around fiscal resiliency. Although the impacts will be felt by staff, we believe that it is important for the City to look for ways to reduce costs now, in order to prepare for the inevitable economic slowdown.

**CBO Recommendation: (\$11,580)**

Eliminate a Limited Term Assistant Financial Analyst, BO 02, (\$103,917), (1.00) FTE

The package eliminates a limited term Assistant Financial Analyst position and related materials and services in order to comply with the 5% reduction guidance. The position is currently filled and is assigned a portfolio of bureaus and various special projects. If the position is eliminated, the work will need to be shifted to other analysts within CBO, significantly reducing the amount of time available for 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 4.4 to 4.3 on a 5-point scale.

The City Budget Office does not recommend this reduction. CBO has expanded its focus on performance management and process improvement, and has taken the lead on diverse projects such as Bloomberg Philanthropies' *What Works Cities* program, the creation and monitoring of performance dashboards, and a collaboration with Denver's *Peak Academy* to train City staff on process improvement. As a result, analysts are diving more deeply into bureau budgets and operations, and the loss of the limited term position will significantly impact the level of analysis that CBO is able to provide to the Mayor, Council, and the public.

In addition, CBO is planning to use the limited term position to assist with implementation of new budgeting software (noted in Key Issues above). If the position is eliminated, CBO may need to request additional funding for assistance with the project, negating any short-term savings.

**CBO Recommendation: \$0, (0.00) FTE**

## Bureau Budget Summary – Request and Recommendations

Below is a summary of the City Budget Office’s operating budget.

	Adopted FY 2016-17	Request Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Revised (A+B+C)
<b>Resources</b>					
Interagency Revenue	\$ 200,286	\$ 204,906	\$ -	\$ -	\$ 204,906
General Fund Discretionary	1,044,452	1,056,493	(52,825)	47,529	1,051,197
General Fund Overhead	1,248,967	1,253,455	(62,672)	56,388	1,247,171
<b>Total Resources</b>	<b>\$2,493,705</b>	<b>\$2,514,854</b>	<b>(\$115,497)</b>	<b>103,917</b>	<b>\$2,503,274</b>
<b>Requirements</b>					
Personnel Services	\$ 2,099,333	\$ 2,079,215	\$ (107,759)	\$ 102,206	\$ 2,073,662
External Materials and Services	192,260	204,200	(6,027)	-	198,173
Internal Materials and Services	202,112	231,439	(1,711)	1,711	231,439
<b>Total Requirements</b>	<b>\$2,493,705</b>	<b>\$2,514,854</b>	<b>(\$115,497)</b>	<b>\$ 103,917</b>	<b>\$2,503,274</b>

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

	Bureau Priority	Bureau Requested				CBO Analyst Recommendations					
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
<b>City Budget Office</b>											
<i>Reductions</i>											
BO_01 - Travel and Salary Savings	01	0.00	(5,296)	0	(6,284)	(11,580)	0.00	(5,296)	0	(6,284)	(11,580)
BO_02 - Eliminate LT Asst. Financial Analyst	02	(1.00)	(47,529)	0	(56,388)	(103,917)	0.00	0	0	0	0
<i>Total Reductions</i>		(1.00)	(52,825)	0	(62,672)	(115,497)	0.00	(5,296)	0	(6,284)	(11,580)
<b>Total City Budget Office</b>		<b>(1.00)</b>	<b>(52,825)</b>	<b>0</b>	<b>(62,672)</b>	<b>(115,497)</b>	<b>0.00</b>	<b>(5,296)</b>	<b>0</b>	<b>(6,284)</b>	<b>(11,580)</b>

