

# CITY BUDGET OFFICE

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## CITY OF PORTLAND, OREGON

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To: City Budget Office

From: Andrew Scott, Budget Director

Date: March 27, 2017

Subject: City Budget Office FY 2016-17 Spring BMP

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

1. Summary of Budget Adjustments: The CBO is requesting to carry over \$960,000 for the implementation of an upgrade to the City's budgeting software and \$67,500 for the continuation of the process improvement pilot.
2. Current year budget to actual projection report
3. Updates on the FY 2016-17 budget note and decision package.

**CBO Discussion and Recommendations  
FY 2016-17 Spring BMP**

**Bureau:** City Budget Office

**Type:** Program Carryover Request

**Request:** BO\_002 - Budget Software Replacement Carryover

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
<b>EXPENDITURES</b>			
External Materials and Services	(960,000)	0	(960,000)
<b>TOTAL EXPENDITURES</b>	<b>(960,000)</b>	<b>0</b>	<b>(960,000)</b>
<b>REVENUES</b>			
General Fund Discretionary	(960,000)	0	(960,000)
<b>TOTAL REVENUES</b>	<b>(960,000)</b>	<b>0</b>	<b>(960,000)</b>

**Bureau Description:**

In the Fall Supplemental Budget, CBO was allocated \$1.0 million to begin the process of upgrading or replacing the current enterprise budgeting software, BRASS. Discovery work on this project is ongoing, performed primarily by staff. Prior to the end of the fiscal year, flexible services contract costs of up to \$40,000 are anticipated for requirements development. The remainder of the Fall allocation (\$960,000) is requested to be carried over for implementation in FY 2017-18.

**CBO Discussion and Recommendation**

**CBO Discussion and Recommendations  
FY 2016-17 Spring BMP**

**Bureau:** City Budget Office

**Type:** Program Carryover Request

**Request:** BO\_003 - Process Improvement Carryover

	<b>Spring BMP Requested Adjustments</b>	<b>Spring BMP CBO/Council Changes</b>	<b>Spring BMP Total Adjustments</b>
<b>EXPENDITURES</b>			
Personnel Services	(67,500)	0	(67,500)
<b>TOTAL EXPENDITURES</b>	<b>(67,500)</b>	<b>0</b>	<b>(67,500)</b>
<b>REVENUES</b>			
General Fund Discretionary	(67,500)	0	(67,500)
<b>TOTAL REVENUES</b>	<b>(67,500)</b>	<b>0</b>	<b>(67,500)</b>

**Bureau Description:**

In FY 2016-17, CBO and BHR partnered to begin a pilot program to train and support City staff in the Denver Peak Academy process improvement approach. In November, Denver staff trained a cohort of City staff from a number of bureaus. CBO staff have held two additional cohort trainings since then and continue to support trained staff in problem solving and technical support. In the next phase of the pilot, CBO staff will deliver the Peak training to additional cohorts in FY 2017-18. In order to accomplish this, project resource has been budgeted to backfill current staff with a limited term position. Project carryover is requested to fund this backfill.

**CBO Discussion and Recommendation**

**CBO Discussion and Recommendations  
FY 2016-17 Spring BMP**

**Bureau:** City Budget Office

**Type:** Technical Adjustment

**Request:** BO\_004 - Technical Adjustments

	<b>Spring BMP Requested Adjustments</b>	<b>Spring BMP CBO/Council Changes</b>	<b>Spring BMP Total Adjustments</b>
<b>EXPENDITURES</b>			
Personnel Services	(60,000)	0	(60,000)
External Materials and Services	60,000	0	60,000
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Bureau Description:**

Moves funds from personnel services to materials and services to cover expected costs, primarily related to a Hatfield Fellow.

**CBO Discussion and Recommendation**

## Business Area Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
<b>City Budget Office</b>				
<b>EXPENDITURES</b>				
Personnel Services	\$1,971,833	\$1,248,240	\$1,915,241	97%
External Materials and Services	\$292,260	\$186,079	\$280,426	96%
Internal Materials and Services	\$202,112	\$139,099	\$212,535	105%
<b>TOTAL EXPENDITURES</b>	<b>\$2,466,205</b>	<b>\$1,573,418</b>	<b>\$2,408,202</b>	<b>98%</b>
<b>REVENUES</b>				
Interagency Revenue	\$200,286	\$108,177	\$149,125	74%
General Fund Discretionary	\$1,016,952	\$0	\$1,010,110	99%
General Fund Overhead	\$1,248,967	\$0	\$1,248,967	100%
<b>TOTAL REVENUES</b>	<b>\$2,466,205</b>	<b>\$108,177</b>	<b>\$2,408,202</b>	<b>98%</b>

### **Bureau Projection Narrative**

Total expenditures are projected to be within budget. The Spring BMP Revised Budget assumes a carryover of \$67,500 in personnel services expenditures to FY 2017-18 for the process improvement pilot program and a carryover of \$960,000 for the implementation of an upgrade to the City's budgeting software. Interagency revenue is under budget as a result of lower than expected costs of the Portland Utility Board. Internal materials and services are currently showing an overspending. This will be corrected as part of a budget adjustment in the Overexpenditure Ordinance; the required budget adjustments - increasing the BTS interagency to fund a flexible service contract - were identified after the OMF deadline to inform service providers of changes.

## City Budget Office

**Date of Update:** March 27, 2017

**Budget Note Title:** General Fund Support for Data Center Relocation

**Budget Note Language:** In the FY 2016-17 Adopted Budget, Council allocated funding for the first year costs of the data center relocation project. Council directs the City Budget Office to add \$2,103,612 of one-time General Fund resources to the Current Appropriation Level targets of General Fund bureaus in FY 2017-18 and \$596,024 of one-time resources in FY 2018-19. These one-time resources are dedicated to fund the remaining General Fund share of costs to finish the data center relocation project.

**Summary Status:** Complete

**Budget Note Update:** The target adjustments identified in the budget note have been included in the Current Appropriation Levels of the various General Fund bureaus in amounts broken out by the Bureau of Technology Services and supplied to the City Economist.