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Kimberly Branam
Executive Director

DATE: September 11, 2017

TO: Mayor Ted Wheeler
Commissioner Chloe Eudaly
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Dan Saltzman

FROM: Kimberly Branam, Prosper Portland Executive Director

SUBJECT: FY 2017-18 Fall Budget Monitoring Report

Prosper Portland is pleased to submit its Fall Budget Monitoring (BMP) report. Included in this report is the request to carryover \$242,000 in prior year funding from FY 2016-17 for encumbrance carryover as well as new requests for priorities that are underway. Also included are updates on the status of current year General Fund decision packages and prior year performance metrics.

FY 2016-17 General Fund Variances

Prosper Portland FY 2016-17 General Fund	Budget	Actuals	Variance
Neighborhood Economic Development	\$ 3,963,814	\$ 3,846,814	\$ 117,000
Traded Sector	\$ 1,808,651	\$ 1,684,022	\$ 124,629
Total Prosper Portland General Fund	\$ 5,772,465	\$ 5,530,837	\$ 241,628

Prosper Portland spent 96% of the FY 2016-17 allocated General Fund budget. Variances occurred for the following reasons:

- **Neighborhood Economic Development (97% expended):** Approximately \$80,000 of the variance is related to encumbered contracts that were underway as of June 30 and were partially complete. This is largely due to either lags in the timing of reimbursement requests from subcontractors or due to work that was partially completed by June 30, 2017. For example, included in the variance is \$30,000 for one-time funding related to the grant to fund the Old Town / Chinatown Community Association. The grant was approved in April but did not begin disbursement until July. Additional underspending occurred as a result of savings on direct and indirect staff costs.



- **Traded Sector (93% expended):** Approximately \$60,000 of the Traded Sector variance is related to encumbered contracts that were underway as of June 30. Contracts include work related to Oregon Manufacturing Extension Partnership (OMEP), and grant and contract work related to cluster industry diversification initiatives such as the TechTown Diversity Pledge. Non-encumbered traded sector variances were primarily related to staff vacancies (Business and Industry Manager).

Encumbrance Carryover Request: \$140,278

- **Neighborhood Economic Development : \$80,064:**
 - **Small Business Support: \$24,385** – Outstanding balance on contracts that were underway in June for the Increase Project, Xxcelerate Fund and Micro A La Carte programs.
 - **Venture PDX – Old Town / Chinatown District Manager: \$30,000** – provides encumbrance carryover of one-time funds that did not disburse by June 30 (grant agreement was signed in April).
 - **Workforce: \$25,679** – provides encumbrance carryover for FY 2016-17 contract with WSI that was underway but did not disburse until FY 2017-18.
- **Traded Sector: \$60,214**
 - **Cluster Development: \$60,214** – provides encumbrance carryover for nine contracts and grants that were underway as of June 30 (OMEP, iUrban Teen, Mt. Hood Community College, Chicktech. Full list of outstanding contracts are attached.

New Requests (from FY 2016-17 unexpended funds): \$101,350

- **Neighborhood Economic Development: \$36,936**
 - Request to add remaining FY 2016-17 funding that was not encumbered to support supplemental services for the Small Business Technical Assistance Partnership. Supplemental services include legal, credit counseling, market research, accounting assistance and childcare costs so that business owners can attend classes and workshops. Average per client services is \$330 per year.
- **Traded Sector: \$64,415**
 - Request to add remaining FY 2016-17 funding that was not encumbered to support materials and services for implementation of the Healthcare cluster. Reallocation of ongoing funding for the Portland Film Office to the Healthcare Cluster in FY 2016-17 supported 1 FTE and approximately



- \$10,000 in supporting materials and services. The additional \$65,000 will provide full funding to execute the current work plan.

Capital Set-Aside Request – Holman Dock: \$300,000

Prosper Portland is requesting \$300,000 for replacement of the Holman Light Watercraft Dock as it has reached the end of its estimated service life and requires replacement. Prosper Portland is submitting a capital set-aside self-scoring sheet that describes the project and need for replacement.

Performance Reporting

Attached are updated performance reports for program metrics and Prosper Portland's Key Performance Indicators. As of September 11, 2017 several metrics are still being collected by Prosper Portland partners for FY 2016-17 and will not be available until updated metrics are submitted for the FY 2018-19 Requested Budget.

Key performance metrics for FY 2016-17 are trending near or exceeding estimated targets established for FY 2016-17, however, in some cases there are decreases from values reported in FY 2015-16.

- ***Percentage of workforce in Multnomah County earning at least a middle wage has dropped since FY 2015-16 (49.0% to 46.6%).*** While FY 2016-17 was on target with Prosper Portland's estimate and planned trajectory over the five-years of the Prosper Portland Strategic Plan, there was a drop from the higher percentage reported for FY 2015-16. The decrease in the percent from 2015-16 to 2016-17 metric highlights economic challenge we are working to impact in Portland.
- ***Cumulative percentage of Start-Up investments to firms founded, owned, or led by women by Prosper Portland backed funds has continued to increase (44% to 70%).*** Funding out performed prior year percentage and the estimate for FY 2016-17 based on significant number of new firms being funded founded, owned, or led by women.
- ***Cumulative percentage of Start-Up investments to firms founded, owned, or led by people of color by Prosper Portland backed funds decreased (72.0% to 56.0%).*** Cumulative actuals for 2016-17 were lower than 2015-16 primarily due to 2015-16 being heavily weighted by focus of Startup PDX challenge (100% funded to firms founded, owned or led by people of color). Prosper Portland's goal for 2017-18 is increased from last year due to more Prosper Portland beginning to implement more programs focused on start-ups founded, owned, or led by women and people of color.



- **Ratio of Prosper Portland financial assistance to private investment decreased (8.0 to 6.17).** Performance of this metric has varied over time based on the type of projects occurring in specific years. This is largely driven by Enterprise Zone activity. As demonstrated in FY 2013-14 and FY 2015-16 ratios have exceeded the current target of 6.0, which are largely due to timing of Enterprise Zone projects. Prosper Portland's target remains at 6.0 for FY 2017-18.

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