



City of Portland

# Office for Community Technology

Ted Wheeler, Mayor  
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▲ Broadband & Communications Policy

▲ Cable Regulation & Consumer Protection

▲ Utility Franchises, Licenses & Wireless

September 12, 2018

**TO: Katie Shifley, Senior Financial Analyst, City Budget Office**

**FROM: Kristin Dennis, Deputy Chief of Staff, Mayor Wheeler**  
**Elisabeth Perez, Operations Director, Mayor Wheeler**

**RE: Office for Community Technology FY 2018-19 Fall BMP Submission**

Please accept the Office for Community Technology’s submittal for the FY 2018-19 Fall Budget Monitoring Process. The majority of items in this submission relate to the implementation of transitioning the Office for Community Technology to a standalone bureau within the City’s organizational structure.

Portland Council directed the OCT transition through a budget note in the FY 2018-19 Adopted Budget:

In accordance with a budget note in the FY 2017-18 Adopted Budget, an external consultant was engaged to evaluate options and make recommendations to Council on the optimal location and structure for the Office for Community Technology (OCT) within the City's organizational framework. Based on these recommendations and consultation with City staff, Council directs that the Office for Community Technology be established as a stand-alone office beginning in September 2018. Council directs the Revenue Division and OCT staff to bring forward budgetary and position changes in the FY 2018-19 Fall Budget Monitoring Process for Council consideration. Council further directs OMF-Facilities to develop options and plan for the physical relocation of OCT staff, with the relevant budgetary actions also brought forward during the FY 2018-19 Fall Budget Monitoring Process.

Please contact Elisabeth Perez if you have any questions or concerns.

**Cc: Julie S. Omelchuck, OCT Program Manager**  
**Jennifer Li, OCT Program Manager**  
**Paul Stewart, Senior Financial Analyst, OMF**

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**CBO Discussion and Recommendations  
FY 2018-19 Fall Supplemental Budget Ordinance**

**Bureau:** Office for Community Technology

**Type:** New Request

**Request:** CB\_001 - OCT - Transfer Existing OCT Resources to Bureau

	Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
<b>EXPENDITURES</b>			
Personnel Services	800,478	0	800,478
External Materials and Services	986,791	0	986,791
Internal Materials and Services	158,699	0	158,699
<b>TOTAL EXPENDITURES</b>	<b>1,945,968</b>	<b>0</b>	<b>1,945,968</b>
<b>REVENUES</b>			
Intergovernmental Revenues	719,765	0	719,765
General Fund Discretionary	1,226,203	0	1,226,203
<b>TOTAL REVENUES</b>	<b>1,945,968</b>	<b>0</b>	<b>1,945,968</b>

**Bureau Description:**

Per a FY 2018-19 Adopted Budget note, City Council re-established the Office for Community Technology as a stand-alone bureau effective November 2018. This decision package serves to add back existing OCT appropriation removed from the OMF Revenue Division's budget. This appropriation represents estimated costs for eight months of FY 2017-18 operations. During the Spring BMP, as necessary OMF and OCT will bring forward packages to true up budget to ensure OCT's actual expenditures and revenues are consistently tracked and retained by OCT.

**CBO Discussion and Recommendation**

**CBO Discussion and Recommendations  
FY 2018-19 Fall Supplemental Budget Ordinance**

**Bureau:** Office for Community Technology

**Type:** New Request

**Request:** CB\_002 - OCT - Request New OCT Resources

	<b>Fall BMP Requested Adjustments</b>	<b>Fall BMP CBO/Council Changes</b>	<b>Fall BMP Total Adjustments</b>
<b>EXPENDITURES</b>			
Personnel Services	71,179	0	71,179
External Materials and Services	93,447	0	93,447
Internal Materials and Services	662,500	0	662,500
<b>TOTAL EXPENDITURES</b>	<b>827,126</b>	<b>0</b>	<b>827,126</b>
<b>REVENUES</b>			
General Fund Discretionary	827,126	0	827,126
<b>TOTAL REVENUES</b>	<b>827,126</b>	<b>0</b>	<b>827,126</b>
<b>FTE</b>			
Limited Term Positions	0.50	0.00	0.50
<b>TOTAL FTE</b>	<b>0.50</b>	<b>0.00</b>	<b>0.50</b>

**CBO Discussion and Recommendations  
FY 2018-19 Fall Supplemental Budget Ordinance**

**Bureau:** Office for Community Technology

**Type:** New Request

**Request:** CB\_002 - OCT - Request New OCT Resources

Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
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**Bureau Description:**

This request is to ensure that the Office for Community Technology has the necessary resources, as a new, standalone bureau, to fulfill its core functions: Manage and enforce access to the public right-of-way; protect the City's local authority over use of its public right-of-way; and engage other City staff and community stakeholders in planning for our digital future. City government, along with all sectors, is facing accelerating changes in digital technology, which drive the need to innovate and plan. These fast-paced changes also drive the need for city officials and staff to deeply understand the public policy landscape to ensure balance in private companies' interests and the public interest.

The following content details the various funding requests OCT is making for the current fiscal year. This totals \$827,127 (after netting out savings associated with removing OCT from the Revenue Division cost allocation and recovery structure). Ongoing costs are estimated at \$400,000.

Ongoing Costs to Establish an OCT Director - \$123,250. OCT is requesting six months of funding for an OCT director-level position.

One-Time Move Costs - \$620,000. OMF Facilities Services estimated the one-time costs of moving OCT into a new office space as follows: \$240,000 for tenant improvements; \$50,000 for Project Management & Design; \$50,000 for Fiber/I-Net; \$50,000 for Moving Costs; \$82,000 for Furniture; and \$148,000 for Contingency at 30%.

Ongoing Professional Services - \$20,000. Increases ongoing amount to \$60,760. The FCC and Congress have actions underway that could severely restrict the City's authority over use of public right-of-way and public property by private communications companies, including the City's authority to assess right-of-way use, permitting, and lease fees. Outside legal counsel is needed, in partnership with the City Attorney, to challenge FCC preemption, federal legislation, litigation and court appeals. OCT anticipates legal challenges to be a multi-year effort.

One-time Professional Services - \$50,000. Proposed FCC rules and federal legislation include, among other areas of preemption, limiting the amount the City may charge private communications companies for use of public right-of-way and public property to "actual costs." OCT will contract for a study to determine actual franchise program and other related City costs to maintaining and protecting the public right-of-way; the study will create a basis for fees and charges that are reasonable and defensible. Without the study, the City is at-risk of industry or FCC's limited interpretation of "actual costs."

One-time Professional Services - \$25,000. The Digital Equity Action Plan (DEAP) three-year plan, adopted by Council, is in its third year of implementation. To leverage the success of the DEAP, OCT, along with the Multnomah County Library (also committed \$10,000) and the Digital Inclusion Network (DIN) partners, will undertake a community-centered process to reflect on and assess DEAP Years 1-3 and inform the development of the DEAP-Phase 2 (Years 4-6) to focus strategic actions on persistent or new barriers that create digital inequities and disparities. This community-centered approach to assessment and plan design aligns with the City's Smart Cities PDX Priorities Framework, recently adopted by Council.

One-time Professional Services - \$20,000. Building on the study about OCT placement in the City organizational structure, a consultant would work with the Mayor and Council, OCT staff, city bureaus, and community stakeholders to further explore options for city structure realignment needed to best position City staff to manage, develop, and innovate around future technology and Smart Cities work.

One-time Education - \$3,750. Specialized OCT work drives need for staff to attend conferences/trainings and have memberships in policy-specific groups. Requested amount is based on current budget \$5,500 vs. FY17-18 actual \$9,251 in order to retain current level of education resources for staff development.

One-time Out-of-Town Travel - \$10,000. Specialized OCT work drives need for staff to attend conferences specific to cable, telecommunications, broadband, wireless and digital equity policy and programs. Estimate based on current budget \$2,500 vs. FY17-18 actual \$10,138; \$1,800/person for staff attendance at seven events = \$12,600. Examples include National Association of Telecommunications Officers and Advisers conference (up to 5 staff); Director attending two broadband/Smart Cities conferences; National Digital Inclusion conference; Alliance for Community Media conference.

**CBO Discussion and Recommendation**

**CBO Discussion and Recommendations  
FY 2018-19 Fall Supplemental Budget Ordinance**

**Bureau:** Office for Community Technology

**Type:** Encumbrance Carryover Request

**Request:** CB\_003 - OCT - Encumbrance Carryover

	Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
<b>EXPENDITURES</b>			
External Materials and Services	8,936	0	8,936
<b>TOTAL EXPENDITURES</b>	<b>8,936</b>	<b>0</b>	<b>8,936</b>
<b>REVENUES</b>			
General Fund Discretionary	8,936	0	8,936
<b>TOTAL REVENUES</b>	<b>8,936</b>	<b>0</b>	<b>8,936</b>

**Bureau Description:**

The OCT is requesting Council approve encumbrance carryover in the amount of \$8,936 associated with two requisitions for legal services.

**CBO Discussion and Recommendation**