



## CITY OF PORTLAND, OREGON



### Bureau of Police

Ted Wheeler, Mayor

Danielle M. Outlaw, Chief of Police

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## MEMORANDUM

March 27, 2019

To: Jessica Kinard  
City Budget Office

Re: FY 2018-19 Police Bureau Spring BMP Submittal

### Current Year Projections

Expense and revenue projections with variances to the Spring Revised Budget are summarized below:

#### General Fund

General Fund (millions)	Revised	Projection	Difference	Percent
Expenditures	225.1	223.5	1.6	0.7%
Personnel	162.7	166.0	(3.3)	-2.0%
Materials & Services	62.4	57.5	4.9	7.8%
Program Revenue	(22.4)	(22.5)	0.1	0.4%
General Fund Requirement	202.7	201.0	1.7	-0.8%

Projected General Fund expense is \$223.5 million, which will provide a favorable difference to the Spring Revised Budget of 0.7%. The personnel services category projection is \$166.0 million, and the materials and services projection \$57.5 million, which will leave \$1.6 million of the Spring Revised Budget at year end, a portion of which will be encumbered by existing purchase orders. Program revenue is projected to exceed the Spring Revised target by 0.4%.

#### Grants Fund

This submission includes a request for an increase in appropriation backed by grant awards. The bureau projects expenditure of \$1.2 million in FY 2018-19, which will leave a balance of approximately 10% at fiscal year-end. The majority of the awards cross multiple fiscal years, and this balance will fold into the FY 2019-20 Fall BMP adjustments.

### Police Special Revenue Fund

The expenditure projection is \$1.6 million. Revenue is projected to reach \$1.2 million, 4.1% better than target. Ending balance is projected to fall from the beginning balance by \$400,000.

### Recreational Cannabis Tax – Police

The Police Bureau manages a separate sub-fund that provides resources to support a portion of the bureau's Traffic Safety program, which supports the City's Vision Zero initiative. City Code restricts the purposes for which recreational cannabis tax revenue may be used, one of which is to support public safety, including police, fire, and transportation safety purposes that protect community members from unsafe drivers. The full appropriation of \$2.15 million has been spent.

## **Decision Packages**

### Compensation Set-Aside

The bureau requests \$2.8 million from compensation set-aside to cover wage and benefit costs increases. Substantial sworn vacancies have severely constrained the number of officers available for patrol, and overtime hours used to meet minimum staffing of patrol shifts has offset a significant portion of vacancy savings to meet this need. To aid in filling this gap, the labor agreement with the Portland Police Association provides the option to rehire members subsequent to retirement for limited periods of time to retain experienced sworn officers to bridge the staffing shortage while the bureau recruits, hires and trains new officers. The bureau requests \$1.1 million from the contingency Council allocated to cover costs to rehire these employees.

### Equipment Replacement Reserve

The bureau is in the process of replacing its law-enforcement records management system (RMS) and has engaged a consultant to craft a solicitation and guide the implementation. A unique General Reserve sub-fund has been set up for the bureau for equipment replacement. The bureau requests \$2.0 million from General Fund contingency that had been ear-marked for compensation set-aside to establish seed funding for the RMS replacement in that fund. The low-confidence estimate is that \$5.0 million will be required in FY 2021-22, and this will be put toward that use.

### Carryover

The bureau has requested a set of program carryovers to FY 2019-20 which reduce the Spring Revised budget. These carryovers are designated for planned purchases and projects that cannot be completed within the current fiscal year for a variety of reasons. Detail is provided in the associated decision package.

### Revenue-backed Requests

There is a request for additional appropriation for revenue-backed items in this submission. These include increases to program revenue and associated expense appropriations for reimbursable overtime and contract expense for traffic enforcement programs. Detail is provided in the associated decision package.

Technical Adjustments

There is also a set of transfers among and between major object categories included in this submission to align the budget with projected expenditures.

Grants

The bureau has included a request for adjustments and increases to current appropriations in the Grants Fund for a variety of existing grant programs to conform to planned expenditures. Additional detail is provided in the associated decision package.



DANIELLE M. OUTLAW  
Chief of Police

DMO/bdg

**PL - Portland Police Bureau**

**DP Type Compensation Set-Aside**

**Request Name:** 8030 -PL00 Comp Set-Aside

**Package Description**

The bureau requests \$2.8 million of the \$4.8 million in General Fund contingency that was earmarked as compensation set-aside to cover wage and benefit costs increases. Substantial sworn vacancies have severely constrained the number of officers available for patrol, and overtime hours used to meet minimum staffing of patrol shifts has offset a significant portion of vacancy savings to meet this need. To aid in filling this gap, the labor agreement with the Portland Police Association provides the option to rehire members subsequent to retirement for limited periods of time to retain experienced sworn officers to bridge the staffing shortage while the bureau recruits, hires and trains new officers. The bureau also requests \$1.1 million from the contingency Council allocated to cover costs associated with the rehire of these employees. This raises the total amount of this request to \$3.9 million of the \$5.9 million of General Fund contingency set-aside for the Police Bureau in the FY 2018-19 budget.

**Service Impacts**

This request would establish adequate funding for the inflation factors that impact all of the bureau's existing programs and services. Without this additional funding the bureau stands a significant chance of either exceeding its expenditure authorization or constraining its capability to use existing resources for required operating and maintenance needs.

**Equity Impacts**

This package has no equity impact, positive or negative, beyond that of the services provided by the Police Bureau.

**CBO Analysis**

Budget Detail					
Fund					
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total	
100000	External Materials and Services		0	0	0
100000	Personnel		3,946,075	0	3,946,075
	<b>Sum:</b>		<b>3,946,075</b>	<b>0</b>	<b>3,946,075</b>

  

Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total	
100000	General Fund Discretionary		3,946,075	0	3,946,075
	<b>Sum:</b>		<b>3,946,075</b>	<b>0</b>	<b>3,946,075</b>

**PL - Portland Police Bureau**

**DP Type Program Carryover**

**Request Name:** 8031 -PL00 GF Program Carryover

**Package Description**

The bureau requests a set of program carryovers to FY 2019-20 which will reduce the Spring Revised budget by \$2.8 million. These carryovers are designated for planned purchases and projects that cannot be completed within the current fiscal year for a variety of reasons. Most of these carryovers represent infrastructure and equipment maintenance or replacement activities or related planning and tools necessary to ongoing bureau operations. Two of the carryovers are for third-party review of bureau program performance. One is for an enhanced officer recruitment program, and one is funding for the initial equipment purchase associated with body-worn cameras. The following list outlines the current budget reductions for items requested for carryover:

- (120,000) Electronics upgrade for Central Precinct
- (120,000) Security camera upgrade for Central Precinct
- (20,000) Secure counter (Kelly building)
- (20,000) Secure counter (East Precinct)
- (120,000) Training Division elevator
- (40,000) Dedicated Emergency Operations Center workspace for PPB at PBEM
- (120,000) East Precinct floor & counters
- (120,000) 12th floor flooring
- (200,000) Update and modernize first floor of Kelly Building
- (100,000) Facility Master Plan (FFA)
- (30,000) Replace 072013 with pick-up
- (13,065) Replace 110075 with pick-up
- (35,000) Replace 110011 with pick-up
- (20,000) Replace 092313
- (33,847) New FIU for Community Service Support Specialist program
- (18,143) Replace wrecked vehicle 15-0052
- (32,014) Replace wrecked vehicle 16-0006
- (27,832) Replace wrecked vehicle 16-0010
- (34,805) Replace wrecked vehicle 17-0031
- (40,583) Replace wrecked vehicle 17-0081
- (13,607) Replace wrecked vehicle 15-0022
- (14,363) Replace wrecked vehicle 15-0032
- (43,583) Replace wrecked vehicle 17-0044
- (12,569) Replace wrecked vehicle 15-0010
- (31,211) Replace wrecked vehicle 17-0103
- (71,500) Replace 65 patrol bicycles >12 years of age
- (200,000) Consultant for protest/ crowd management policy review
- (50,000) Stops data consultant review (FY18-19 package push to FY19-20)
- (100,000) Fuel station at Training Complex
- (125,000) Recruitment program
- (125,000) Equipment inventory system
- (834,619) Body-worn camera equipment carryover

**Service Impacts**

The program areas associated with these carryovers are each favorably impacted by the requested program carryovers.

**Equity Impacts**

The carryovers ensure continuity of the associated programs, and therefore preserve the established equity impacts of the respective programs.

**CBO Analysis**

**Budget Detail**

**Fund**

**F4 - BMP Amendment Request Report**

Run Date: 3/27/19

Details

Run Time: 7:24:02 PM

**Budget Detail**

<b>Fund</b>			<b>2018-19 SPRING Adjust - DP Only</b>	<b>2018-19 SPRING CBO/ Council Adj</b>	<b>2018-19 SPRING Requested Total</b>
100000	External Materials and Services		-2,886,741	0	-2,886,741
		<b>Sum:</b>	<b>-2,886,741</b>	<b>0</b>	<b>-2,886,741</b>

			<b>2018-19 SPRING Adjust - DP Only</b>	<b>2018-19 SPRING CBO/ Council Adj</b>	<b>2018-19 SPRING Requested Total</b>
100000	General Fund Discretionary		-2,886,741	0	-2,886,741
		<b>Sum:</b>	<b>-2,886,741</b>	<b>0</b>	<b>-2,886,741</b>

**PL - Portland Police Bureau**

**DP Type New GF Revenue**

**Request Name:** 8032 -PL00 New GF Revenue

**Package Description**

The Police Bureau requests an increase in General Fund program revenue to support requirements for the associated programs that generate the revenue. There are two programs. The first relates to policing services performed on contract using overtime that are reimbursed under those contracts. This program is referred to as secondary employment overtime. Additional revenue to support overtime appropriation is required to meet the projected service level to be provided through the end of the fiscal year. The second program is photo traffic enforcement to support the Vision Zero initiative. An increase in fee and fine revenue will support program expense projected through the end of the fiscal year.

**Service Impacts**

These increases in program revenue will fund programs and public safety services that benefit the community.

**Equity Impacts**

The increase in reimbursement for both of these programs increases the flexibility and availability of general revenue sources to provide broader public benefit. These impacts facilitate programs that enhance equity.

**CBO Analysis**

Budget Detail				
Fund				
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
100000	External Materials and Services	300,000	0	300,000
100000	Personnel	250,000	0	250,000
	<b>Sum:</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>

  

Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
100000	Charges for Services	550,000	0	550,000
	<b>Sum:</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>

**PL - Portland Police Bureau**

**DP Type Contingency**

**Request Name:** 8071 -PL00 Equipment Replacement Reserve

**Package Description**

The Police Bureau operates predominantly on General Fund discretionary resources within the General Fund, and it establishes replacement reserve funding for most vehicles as well as information technology and communications equipment within the Fleet and Technology Funds as part of the interagency arrangements with those bureaus. This allows establishment of reserve funding for items with multi-year lifecycles to be spread more evenly across the bureau's General Fund annual operating budgets.

The bureau also owns a substantial amount and variety of pieces of essential operating equipment that have multi-year lifecycles which do not have replacement reserve funding mechanisms. A new General Reserve sub-fund, Police Equipment Replacement, was established this month as a preliminary step to developing the mechanism to accumulate funding for those pieces of equipment not otherwise covered by existing reserves or annual operating expenditures. This action by the bureau is part of a larger City-wide effort to improve financial planning for the maintenance and replacement of assets and equipment. The bureau is working with the City Budget Office to ensure that appropriate policy and procedures are drafted for the funding and use of the reserve fund.

The bureau is now in the process of replacing its law-enforcement records management system (RMS) and has engaged a consultant to craft a solicitation and guide the implementation. The bureau requests \$2.0 million from General Fund contingency that had been earmarked for compensation set-aside but not required for that purpose to establish seed funding for the RMS replacement. It would be transferred into the Police Equipment Reserve. The consultant provided a low-confidence estimate for implementation of a new RMS of \$5.0 million. The expenditure is estimated to be required in FY 2021-22. This \$2.0 million would be designated for that particular use.

**Service Impacts**

Binding City Policy FIN 2.03 Financial Planning requires that financial plans shall be based on current service levels and funding sources; shall include reasonable cost assumptions to manage and replace capital assets and equipment critical to deliver and maintain established or Council-approved service levels; and shall clearly call out anticipated changes to service levels and funding that are not yet approved by City Council. FIN 2.03 further directs that in the event that a bureau determines that it has periodic funding needs that are large relative to its base budget and cannot be accommodated within an annual budget allocation, that bureau shall work with the City Budget Office and the Bureau of Revenue and Financial Services to establish a mechanism to set aside resources on an annual basis such that a balance is built up for eventual replacement. The additional requirement for replacement of the RMS has been identified, and appropriation of \$2.0 million from General Fund contingency that isn't required for compensation set-aside will address a portion of this critical need. The bureau is now in the process of expanding an existing property and evidence inventory system to include a module that will track quartermaster stock as well as all equipment. The information will facilitate better estimation of the bureau's equipment replacement requirements over the course of successive five-year plans.

**Equity Impacts**

This request facilitates ongoing provision, and preventing any lapse of current service levels. In that respect it sustains the equity component of all bureau programs that rely on the RMS and the data it makes available.

**CBO Analysis**

Budget Detail					
Fund					
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total	
100000	Fund Transfers - Expense	2,000,000	0	2,000,000	
210007	External Materials and Services	2,000,000	0	2,000,000	
	<b>Sum:</b>	<b>4,000,000</b>	<b>0</b>	<b>4,000,000</b>	

  

Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total	
100000	General Fund Discretionary	2,000,000	0	2,000,000	



**F4 - BMP Amendment Request Report**

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**Budget Detail**

<b>Fund</b>			<b>2018-19 SPRING Adjust - DP Only</b>	<b>2018-19 SPRING CBO/ Council Adj</b>	<b>2018-19 SPRING Requested Total</b>
210007	Fund Transfers - Revenue		2,000,000	0	2,000,000
		<b>Sum:</b>	<b>4,000,000</b>	<b>0</b>	<b>4,000,000</b>

**PL - Portland Police Bureau**

**DP Type Internal Transfer**

**Request Name:** 8119 -PL00 Transfer to MDC replacement reserve

**Package Description**

The Police Bureau has completed the project to replace the full complement of obsolete Mobile Data Computers in its fleet of vehicles. The full complement of old equipment had been purchased in a single batch when the previous technology met end-of-life. The project (X00008) was completed in February 2019, on schedule and under budget by \$604,997. Funding for the project came from two sources - the Public Safety Reserve and the MDC replacement reserve. Both are managed by Technology Services. The bureau wishes to re-fund the MDC replacement reserve in Fund 706 in an amount equal to the MDC replacement project's residual funds.

**Service Impacts**

An adequate level of life-cycle replacement reserves for technology projects and purchases is a vital element to prudent budgeting and is in keeping with Binding City Policy for Finance FIN-2.03 Financial Planning. The return of this unused reserve to the Technology Fund will preserve the bureau's capacity to refresh and update equipment as end-of-life replacement action is required. The capabilities of technologies that will be available four years from now has the potential to make replacement more expensive. Returning these funds to the reserve will help ensure that adequate resources are available when that time comes.

**Equity Impacts**

In many instances the bureau is reliant on the MDC and other technologies to respond to the community's public safety needs. Preservation of adequate replacement reserves is a critical element to retaining that capability. While the technology does not in itself impact equity in service delivery, it enables the bureau to effectively deliver its services in an equitable manner.

**CBO Analysis**

Budget Detail					
Fund					
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total	
100000	External Materials and Services	-604,997	0	-604,997	
100000	Fund Transfers - Expense	604,997	0	604,997	
<b>Sum:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**PL - Portland Police Bureau**

**DP Type**

**Request Name:** 8154 -PL00 Grants Adjustments

**Package Description**

The bureau has included a request for adjustments and increases to current appropriations in the Grants Fund for a variety of existing grant programs to conform to planned expenditures and related resources for the associated programs. The funding increase is backed by grant awards that have already been accepted by the City but not yet appropriated. This will increase the bureau's appropriated funding in the Grants Fund to \$1.2 million. Adjustments to local matching General Fund discretionary funds appropriation are balanced so that there is no net change to existing appropriation to the Police Bureau.

**Service Impacts**

These adjustments true-up budgets to established levels of service for the respective programs funded by the associated grant awards, and will have no impact on service. The urgency is related to clearing grants that must be closed and correctly funding grants that are ongoing.

**Equity Impacts**

These adjustments have zero impact on equity beyond the underlying effects of the underlying programs.

**CBO Analysis**

<b>Budget Detail</b>					
<b>Fund</b>					
			<b>2018-19 SPRING Adjust - DP Only</b>	<b>2018-19 SPRING CBO/ Council Adj</b>	<b>2018-19 SPRING Requested Total</b>
	<b>Major Object Name</b>	<b>Expense</b>			
100000	Personnel		0	0	0
217001	Capital Outlay		46,075	0	46,075
217001	External Materials and Services		-203,887	0	-203,887
217001	Internal Materials and Services		4,002	0	4,002
217001	Personnel		1,356	0	1,356
		<b>Sum:</b>	<b>-152,454</b>	<b>0</b>	<b>-152,454</b>
			<b>2018-19 SPRING Adjust - DP Only</b>	<b>2018-19 SPRING CBO/ Council Adj</b>	<b>2018-19 SPRING Requested Total</b>
	<b>Major Object Name</b>	<b>Revenue</b>			
100000	General Fund Discretionary		0	0	0
217001	Intergovernmental		-152,454	0	-152,454
		<b>Sum:</b>	<b>-152,454</b>	<b>0</b>	<b>-152,454</b>

# Business Area Projection Report

## Portland Police Bureau

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Capital Outlay	346,323	257,545.6	314,000	90.67%
External Materials and Services	26,008,328	9,364,945.34	21,440,000	82.44%
Fund Transfers - Expense	2,604,997	0	0	
Internal Materials and Services	35,946,588	23,261,058.76	35,790,000	99.56%
Personnel	162,737,182	108,337,170.95	165,990,000	102.00%
<b>Sum:</b>	<b>227,643,418</b>	<b>141,220,720.65</b>	<b>223,534,000</b>	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Charges for Services	3,734,428	2,477,212.09	3,900,000	104.43%
Fund Transfers - Revenue	300,000	300,000	300,000	100.00%
General Fund Discretionary	205,196,841	0	201,008,000	97.96%
Interagency Revenue	9,630,401	2,039,347.77	8,140,000	84.52%
Intergovernmental	6,683,598	4,351,011.94	7,900,000	118.20%
Licenses & Permits	1,381,000	929,997.71	1,381,000	100.00%
Miscellaneous	717,150	704,027.02	905,000	126.19%
<b>Sum:</b>	<b>227,643,418</b>	<b>10,801,596.53</b>	<b>223,534,000</b>	

# Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
External Materials and Services	2,000,000	0	0	
<b>Sum:</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Fund Transfers - Revenue	2,000,000	0	0	
<b>Sum:</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	

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## Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Capital Outlay	46,075	0	0	
Ending Fund Balance	0	0	0	
External Materials and Services	128,604	280,365.82	500,000	388.79%
Internal Materials and Services	7,002	3,046.03	5,000	71.41%
Personnel	692,614	457,153.99	686,000	99.05%
<b>Sum:</b>	<b>874,295</b>	<b>740,565.84</b>	<b>1,191,000</b>	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Beginning Fund Balance	0	0	0	
Intergovernmental	874,295	868,449.05	1,191,000	136.22%
<b>Sum:</b>	<b>874,295</b>	<b>868,449.05</b>	<b>1,191,000</b>	

## Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Capital Outlay	51,566	51,566	52,000	100.84%
Ending Fund Balance	0	0	0	
External Materials and Services	5,614,609	946,057.48	1,329,000	23.67%
Fund Transfers - Expense	247,020	0	0	0.00%
Internal Materials and Services	0	13,925.22	14,000	#DIV/0
Personnel	190,617	132,557.57	198,000	103.87%
<b>Sum:</b>	<b>6,103,812</b>	<b>1,144,106.27</b>	<b>1,593,000</b>	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Beginning Fund Balance	4,949,109	0	391,000	7.90%
Intergovernmental	995,000	959,211.55	1,000,000	100.50%
Miscellaneous	159,703	145,527.37	202,000	126.48%
<b>Sum:</b>	<b>6,103,812</b>	<b>1,104,738.92</b>	<b>1,593,000</b>	

## Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
External Materials and Services	0	0	0	#DIV/0
Personnel	2,149,750	2,149,750	2,149,750	100.00%
<b>Sum:</b>	<b>2,149,750</b>	<b>2,149,750</b>	<b>2,149,750</b>	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Miscellaneous Fund Allocation	2,149,750	0	2,149,750	100.00%
<b>Sum:</b>	<b>2,149,750</b>	<b>0</b>	<b>2,149,750</b>	