



## CITY OF PORTLAND, OREGON



### Bureau of Police

Ted Wheeler, Mayor

Charles Lovell, Chief of Police

1111 S.W. 2nd Avenue • Portland, OR 97204 • Phone: 503-823-0000

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### MEMORANDUM

March 25, 2021

To: Jessica Kinard  
City Budget Office

Re: FY 2020-21 Police Bureau Spring BMP Submittal

#### Current Year Projections

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

##### General Fund

In the Fall BMP submission, the bureau was projecting the possibility of finishing the year millions of dollars over budget. To prevent this from coming to fruition, the bureau did the following:

- Placed spending restrictions on materials and services dollars
- Renegotiated service level agreements with internal service providers
- Extended the lifecycle replacement of bureau vehicles to decrease monthly payments
- Completed a reorganization of bureau staff assignments to control backfill overtime expenditures.

These measures, in addition to suppressed hiring and savings against vacant positions (net of payouts), have been effective. Including requests and transfers, the bureau is now conservatively projecting over-expenditure of 0.3%.

Projected General Fund expense is \$215.4million, which shows a 0.3% unfavorable difference to the Spring Revised Budget. The Spring Revised Budget includes the request of \$849,608 from Compensation Set-aside and an increase of \$10,000 in reimbursement revenue from the Fire & Police Disability & Retirement Fund (FPDR). Despite high numbers of vacancies in the bureau, savings on those vacancies are negated by expenses for payouts and benefits expenses that are over budget. Revenue is coming up short. Less-than-budgeted FPDR revenues are the main driver, followed by shortfalls in external revenue due to effects of COVID on City operations and policy. This revenue shortfall is balanced by favorable balances in materials and services or personnel expense within the same programs; however, the overall budget projections demonstrate expense requirements just exceeding available resources.

##### Grants Fund

This submission includes a request for an increase in appropriation backed by grant awards. The bureau projects expenditure of \$1.5 million in FY 2020-21, which will leave a favorable balance at fiscal year-end. The majority of the awards cross multiple fiscal years, and this balance will fold into the FY 2021-22 Fall BMP adjustments.

##### Police Special Revenue Fund

The expenditure projection is \$1.0 million, with revenue projected to reach \$6.7 million (an increase in fund balance of \$869,315). The bureau has included in this submission a revenue package for technical and resource adjustments within this fund.

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## **Decision Packages**

### Compensation Set-Aside

The bureau requests \$849,608 from available compensation set-aside to cover known personnel costs. Payout and benefit expenses offset the vacancy savings that otherwise would have been able to cover this amount. Please see the Decision Package narrative for more details.

### Revenue Recognition

This submission includes packages specific to the recognition of revenue in the General Fund backed by reimbursement from the FPDR Fund.

### Technical Adjustments

There is 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. Each is supported by grant awards. Additional detail is provided in the associated decision package.



CHARLES LOVELL III  
Chief of Police

CL/ejg



**PL - Portland Police Bureau**

**DP Type**

**Technical Adjustments**

**Request Name: 11710 -Technical Adjustments**

**Package Description**

This package consists of a handful of technical adjustments made within bureau funds. Underspending in various Internal Materials and Services accounts in Fleet and FPD&R is allowing for budget in these accounts to be redistributed to the bureau's Regular Leave Payouts account. Payouts in the bureau have exceeded the Adopted Budget for this account by over \$2.5 million dollars due to higher than average separations and retirements and increased comp time payouts at the end of calendar year 2020.

**Service Impacts**

There are no service impacts as a result of these adjustments.

**Equity Impacts**

There are no equity impacts as a result of these adjustments.

Account Name		2020-21 SPRING Requested Adj
Expense	Internal Materials and Services	-2,025,000
	Personnel	2,025,000
<b>Expense</b>	<b>Sum:</b>	<b>0</b>

**PL - Portland Police Bureau**

**DP Type**

**New Revenue**

**Request Name:** 11711 -Revenue Recognition

**Package Description**

The Police Bureau is increasing revenue to the General Fund by \$10,000 due to increased appropriation from the Fire Police Disability & Retirement Fund. This represents a portion of an agreed-upon \$20,000 total that will be available for the bureau to use for wellness training. Additionally, the bureau is increasing revenue recognition in the RegJIN Police Special Revenue Sub-fund by \$297,716 to align with realized revenue. Projected revenue underestimated current year program participation in accounts 447200 and 448200.

**Service Impacts**

There are no service impacts as a result of these adjustments.

**Equity Impacts**

There are no equity impacts as a result of these adjustments.

Account Name		2020-21 SPRING Requested Adj
Revenue	Interagency Revenue	10,000
	Intergovernmental	297,716
<b>Revenue</b>	<b>Sum:</b>	<b>307,716</b>



# Business Area Projection Report

## Portland Police Bureau - Fund 100

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$2,405,995	\$132,258	\$13,259	1%
External Materials and Services	\$13,902,326	\$3,757,597	\$11,000,000	79%
Internal Materials and Services	\$34,108,783	\$21,330,735	\$33,444,187	98%
Personnel	\$170,082,541	\$118,248,936	\$170,908,744	100%
<b>Sum:</b>	<b>\$220,499,645</b>	<b>\$143,469,526</b>	<b>\$215,366,190</b>	<b>98%</b>

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Charges for Services	\$2,489,609	\$1,035,775	\$1,428,040	57%
Fund Transfers - Revenue	\$4,171,121	\$0	\$1,765,121	42%
General Fund Discretionary	\$194,657,137	\$0	\$193,807,529	100%
Interagency Revenue	\$14,734,075	\$3,607,422	\$12,750,000	87%
Intergovernmental	\$2,485,613	\$2,669,353	\$2,635,364	106%
Licenses & Permits	\$1,400,000	\$626,127	\$1,339,190	96%
Miscellaneous	\$572,090	\$496,256	\$729,835	128%
<b>Sum:</b>	<b>\$220,509,645</b>	<b>\$8,434,934</b>	<b>\$214,455,079</b>	<b>97%</b>

### Revenue Discussion

External revenue is projected to be \$700k short of target due to shortfalls in secondary employment and COVID related discounts. Interagency revenue is projected to be short of target by \$1.9 million due to lower than budgeted FPDR's expenses. Cash Transfers are reduced, matching reductions in expenses. The unfavorable variance in revenue is balanced by favorable balances in materials and services or personnel expense within the same programs.

### Revenue Risks

The bureau expects to see a continued reduction in external revenues as a result of reduced economic activity in response to the 'stay at home' order stemming from COVID-19; however, this would be met with a commensurate decrease in reimbursable activities.

### Expenditure Discussion

Projected General Fund expense is \$214.5 million, which will provide a favorable difference to the Spring Revised Budget. Personnel services projection is based on the first 20 pay periods, which includes unusually high staff separations in January 2021. The personnel services Spring Revised Budget includes the request of \$850k from Compensation Set-aside. Materials projections are based on a combination of historical spend and on run-rate plus encumbrances. Materials, Services, and Transfers assumes carryovers for certain programs to FY 2020-21. The bureau currently projects spending 100.3% of the bureau's General Fund Revised Budget. Additional cuts to EMS spending or budget transfers will be required to meet budget.

### Expenditure Risks

To ensure tight spending controls, any desired purchase over \$500 must be approved by the Assistant Chiefs and Deputy Chief. Additional materials and services underspending generated by this oversight measure will be available to fall to balance.

Though the bureau has budgeted for additional overtime expenses based off the prior year's spending, if protest activity is greater than expected, the bureau could overspend.

### Other Notes

# Business Area Projection Report

## Portland Police Bureau - Fund 217

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$100,000	\$0	\$152,000	152%
External Materials and Services	\$1,856,036	\$54,080	\$465,406	25%
Internal Materials and Services	\$481,000	\$228,941	\$229,441	48%
Personnel	\$2,462,736	\$474,977	\$619,977	25%
<b>Sum:</b>	<b>\$4,899,772</b>	<b>\$757,998</b>	<b>\$1,466,824</b>	<b>30%</b>

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Intergovernmental	\$4,899,772	\$1,709,360	\$1,709,360	35%
<b>Sum:</b>	<b>\$4,899,772</b>	<b>\$1,709,360</b>	<b>\$1,709,360</b>	<b>35%</b>

### Revenue Discussion

This submission includes a request for an increase in appropriation backed by grant awards.

### Revenue Risks

At this time there are no known risks to existing grant awards.

### Expenditure Discussion

The bureau projects expenditure of \$1.5 million in FY 2020-21. The majority of the awards cross multiple fiscal years and the remaining balance will fold into the FY 2021-22 Fall BMP adjustments.

### Expenditure Risks

Reimbursable grant personnel activity may be slowed in favor of supporting other budgeted core and essential bureau functions.

### Other Notes

# Business Area Projection Report

## Portland Police Bureau - Fund 222

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$0	\$48,938	\$48,938	#DIV/0
External Materials and Services	\$5,936,900	\$48,059	\$900,000	15%
Fund Transfers - Expense	\$1,000,000	\$0	\$0	
Internal Materials and Services	\$0	\$1,412	\$1,412	#DIV/0
<b>Sum:</b>	<b>\$6,936,900</b>	<b>\$98,409</b>	<b>\$950,350</b>	<b>14%</b>

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$5,846,725	\$0	\$5,846,725	100%
Intergovernmental	\$1,345,134	\$812,965	\$812,965	60%
Miscellaneous	\$42,757	\$56,350	\$56,350	132%
<b>Sum:</b>	<b>\$7,234,616</b>	<b>\$869,315</b>	<b>\$6,716,040</b>	<b>93%</b>

### Revenue Discussion

Revenue is not projected to exceed current year-to-date actuals of \$869,315. This total is split across multiple sub-funds.

### Revenue Risks

While there are known cases that will likely provide revenue in Asset Forfeiture sub-funds, the timeline is unpredictable and as such they cannot be included in current year projections.

### Expenditure Discussion

The expense projection is across sub-funds and is inclusive of adjustments to the Regional Justice Information Network program.

### Expenditure Risks

Decisions to expend resources from this fund had been significantly slowed in anticipation of the procurement of a new Records Management System. This project was halted; currently, spending in this fund is being weighed as an option to balance against General Fund budget use in light of General Fund budget constraints.

### Other Notes

## **Portland Police Bureau**

### **“Portland Police Bureau Specialty Units**

Specialty units are common elements of public safety systems nationwide. In recent years, best practice approaches to this work have evolved, and communities around the country are considering how best to use specialty units. The Portland Police Bureau employs a wide variety of these units: Gun Violence Reduction Team, School Resource Officers, Domestic Violence Unit, Air Support Unit, Behavioral Health Unit, K9 Unit, Cold Case Unit, Criminal Intelligence Unit, Human Trafficking Unit, Narcotics and Organized Crime Unit, Traffic Division, Youth Services Division, and Neighborhood Response Teams. Through its Public Safety Work Group, the City of Portland is asking fundamental questions about how best to structure a 21st-century public safety approach that meets the needs of all Portlanders. The COVID-19 crisis has reaffirmed the need, and urgency, of this work. The use of specialty units must be part of this conversation. Mayor Wheeler and Commissioner Hardesty will work together with City leadership, and with other interested parties, to consider the ongoing use of specialty units in Portland, and will bring recommendations to Council no later than February 1, 2021. These recommendations will be considered as part of the budget development process for Fiscal Year 2021-2022.”

### **FY 2020-21 Spring BMP Update:**

By mutual agreement between the two offices of the Mayor and Commissioner Hardesty, this work did not happen as described in the budget note.

### **“Public Safety Governance and Integrated Budgets**

Council directs the Chief Administrative Officer (CAO) and the Public Safety Workgroup (PSWG) to identify changes that will improve public safety, increase equity, and address systematic challenges at a citywide level. Specifically, the CAO shall work with the PSWG Executive Committee to develop the following by October 1, 2020:

- 1.) Models for housing shared administrative services for the public safety bureaus in the Office of the CAO. These models should clearly identify which services should be centralized and include an analysis of the impacts each proposed change would have on bureau operations.
- 2.) A strategy for integrating public safety bureau budgets for FY 21-22 in time for the Fall Budget Monitoring Process and FY 21-22 budget development. The budget proposals should be aligned with a public safety strategic plan and contribute to any required savings requested as part of the FY 2021-22 budget guidance. Council also requests guidance regarding a long-term governance and accountability structure for public safety as a citywide system.”

### **FY 2020-21 Spring BMP Update:**

Chief Lovell met with and continues to meet with the other members of the Public Safety Workgroup (PSWG). The bureau looks forward to working with incoming Director Mike Myers about next steps that will move the work of the PSWG forward as the City develops a new service model to best meet our community’s needs. To assist with the body of work Director Myers will be taking on, the bureau has offered two vacant authorized positions to the Director to help establish his administrative team.

## Capital Program Status Report

### Bureau of Police

CIP Program Name	2019-20 Adopted Budget	2019-20 Revised Budget	2019-20 Actuals	PY Variance	PY Percent of Actuals to Revised	2020-21 Adopted Budget	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	Spring Req. to Adopted Variance	Spring Req. to Adopted % Variance
Special Projects	0	0	0	0		3,035,000	3,035,000	0	0	
	0	0	872	872		0	0	0	0	
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>872</b>	<b>872</b>	<b>#DIV/0</b>	<b>3,035,000</b>	<b>3,035,000</b>	<b>0</b>	<b>0</b>	

### Current Year Variance Description

The RMS replacement project as originally scheduled was halted. There has been no expense against the capital project this fiscal year.

### Other Notes

## Capital Program Status Report

Responsible Bureau	CIP Program Name	Project Code - Name	2020-21 Adopted Budget	2020-21 Revised Budget	2020-21 February Actuals YTD	PY Variance	PY P of Act Rev
PL	Special Projects	X00024 - Police RMS Refresh	3,035,000	3,035,000	0	0	
PL		X00020 - Police Capital Assets Correction	0	0	0	872	
<b>Sum:</b>			<b>3,035,000</b>	<b>3,035,000</b>	<b>0</b>	<b>872</b>	<b>#D</b>

## Capital Program Status Report

Percent Actuals to Budget	2020-21 Adopted Budget	2020-21 February Actuals YTD	2020-21 SPRING Requested Total	Spring Req. to Adopted Variance	Spring Req. to Adopted % Variance
	3,035,000	0	3,035,000	0	
	0	0	0	0	
<b>IV/0</b>	<b>3,035,000</b>	<b>0</b>	<b>3,035,000</b>	<b>0</b>	

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