

Office for Community Technology



**City
Budget
Office**

Analysis by Katie Shifley

	2020-21 Revised Budget	2020-21 Actuals	Remaining Budget	Percent Remaining
Expenses	\$3,406,687	\$1,175,948	\$2,230,739	65%
Operating Expenses	\$3,406,687	\$1,175,948	\$2,230,739	65%
Personnel	\$1,748,278	\$890,453	\$857,825	49%
External Materials and Services	\$1,437,219	\$130,855	\$1,306,364	91%
Internal Materials and Services	\$221,190	\$154,640	\$66,550	30%
Revenue	\$3,406,687	\$283,715	\$3,122,972	92%
External Revenue	\$1,087,661	\$283,715	\$803,946	74%
Intergovernmental	\$1,087,661	\$283,715	\$803,946	74%
General Fund Allocation	\$2,319,026	\$0	\$2,319,026	100%
General Fund Discretionary	\$2,319,026	\$0	\$2,319,026	100%

Figure 1. This table shows the Office for Community Technology's General Fund budget

INTRODUCTION

Two-thirds through the fiscal year, the Office for Community Technology (OCT) has expended about 35% of its budgeted expenses and has collected about 26% of its external revenues. Both revenue and expense trends are expected to tick upward in the coming months as OCT disburses about \$1 million for its contract with Open Signal and catches up on invoice processing against external revenue from Mt Hood Cable Regulatory Commission (MHCRC). **CBO anticipates that the bureau will end the year within budget, and may underspend its General Fund discretionary allocation by up to 9% or \$200,000.**

KEY DECISIONS FOR COUNCIL

There are no major decision points for City Council in OCT's Spring BMP submission. OCT is not requesting any budgetary adjustments as part of the FY 2020-21 Spring BMP.

CURRENT YEAR BUDGET MONITORING

CBO has completed budget monitoring projections for the Office for Community Technology and has no concerns regarding OCT's expense trends. The chart below shows CBO's conservative medium-confidence year-end projections for OCT's General Fund budget.

	FY 2020-21 Revised Budget	Year-to-Date Actuals (through March)	CBO Year-End Projection (Medium-Confidence)	Projected % of Budget
Expenses				
Personnel	\$1,748,278	\$890,453	\$1,427,901	82%
External Materials & Services	\$1,437,219	\$130,855	\$1,380,855	96%
Internal Materials & Services	\$221,190	\$154,640	\$243,225	110%
Revenues				
General Fund Discretionary	\$2,319,026		\$2,114,319	91%
Intergovernmental	\$1,087,661	\$283,715	\$937,661	86%

Personnel expense projections suggest that the office likely to end the year underspending its personnel budget by as much as \$300,000. This is largely driven by the fact that OCT has a vacant Manager II position that is generating vacancy savings and experienced a mid-year retirement for a Coordinator III position that has not yet been filled.

External materials and services expenses are trending under budget as well. Expenses through March had only reached 9% of budget, but the office's largest materials and services expense is for a payment of about \$950,000 to Open Signal and this amount is expected to be fully disbursed by year-end. OCT may also encumber a significant amount of materials & services spending on a variety of consultant and legal contracts by year-end.

Internal materials and services expenses are anticipated to exceed budget slightly. OCT had non-budgeted expenses for services provided by OMF for audit support that were not initially anticipated at the time of budget development. Underspending on personnel and external materials and services would more than offset this over-expenditure.

On the revenue side, CBO notes that year-to-date actual intergovernmental revenues from MHCRC are well below the value of actual expenses incurred to support MHCRC. With only \$283,715 in revenue received on a budgeted amount of \$1,087,661, **OCT will need to ensure that it processes invoices against MHCRC revenues prior to the fiscal year end in order to avoid over-spending its General Fund allocation.**

SPRING SUPPLEMENTAL BUDGET CHANGES

The table below reflects the Office for Community Technology's base budget in the General Fund. No adjustments were submitted as part of the Spring BMP.

	2020-21 Spring Revised Base (A)	Spring Decision Package Total (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Expense	\$3,406,687	\$0	\$0	\$3,406,687
Personnel	\$1,748,278	\$0	\$0	\$1,748,278
External Materials and Services	\$1,437,219	\$0	\$0	\$1,437,219
Internal Materials and Services	\$221,190	\$0	\$0	\$221,190
Revenue	\$3,406,687	\$0	\$0	\$3,406,687
General Fund Discretionary	\$2,319,026	\$0	\$0	\$2,319,026
Intergovernmental	\$1,087,661	\$0	\$0	\$1,087,661

