



Emergency Communications

Analysis by Noah Myhrum

	2020-21 Revised Budget	2020-21 Actuals	Remaining Budget	Percent Remaining
Expenses	\$28,618,146	\$17,057,043	\$11,561,103	40%
Operating Expenses	\$25,511,939	\$16,264,696	\$9,247,243	36%
Personnel	\$19,259,950	\$12,264,851	\$6,995,099	36%
External Materials and Services	\$1,445,353	\$905,705	\$539,648	37%
Internal Materials and Services	\$4,806,636	\$3,094,140	\$1,712,496	36%
Capital Expenses	\$1,804,565	\$109,726	\$1,694,839	94%
Personnel	\$392,000	\$109,726	\$282,274	72%
External Materials and Services	\$0	\$0	\$0	
Internal Materials and Services	\$0	\$0	\$0	
Capital Outlay	\$1,412,565	\$0	\$1,412,565	100%
Fund Level Expenses	\$1,301,642	\$682,620	\$619,022	48%
Contingency	\$0	\$0	\$0	
Debt Service	\$299,045	\$21,016	\$278,029	93%
Ending Fund Balance	\$0	\$0	\$0	
Fund Transfers - Expense	\$1,002,597	\$661,604	\$340,993	34%
Revenue	\$28,618,146	\$18,155,928	\$10,462,218	37%
External Revenue	\$10,092,587	\$5,994,088	\$4,098,499	41%
Charges for Services	\$406,234	\$272,782	\$133,452	33%
Intergovernmental	\$9,646,353	\$5,700,695	\$3,945,658	
Licenses & Permits	\$0	\$0	\$0	
Miscellaneous	\$40,000	\$20,612	\$19,388	
Internal Revenue	\$2,000,837	\$0	\$2,000,837	100%
Beginning Fund Balance	\$1,659,373	\$0	\$1,659,373	100%
Fund Transfers - Revenue	\$341,464	\$0	\$341,464	100%
General Fund Allocation	\$16,524,722	\$12,161,840	\$4,362,882	26%
Fund Transfers - Revenue	\$16,524,722	\$12,161,840	\$4,362,882	26%
General Fund Discretionary	\$0	\$0	\$0	

Figure 1. This table shows the entirety of the BOEC budget, which resides in the Emergency Communications Fund.

INTRODUCTION

Two-thirds through the fiscal year, the Bureau of Emergency Communications has expended 40% of its budgeted expenses and has collected 41% of its external revenues. Expenses are tracking under budget with a majority of the underspending occurring in personnel and internal materials and services. Revenue is tracking within budget with a slight reduction in charges for services. **CBO anticipates that the bureau will end the year within budget, and may underspend its General Fund allocation in the current fiscal year. Underspending of General Fund resources would be returned to the General Fund as part of the annual true-up of program expenses and recourses.**

KEY DECISIONS FOR COUNCIL

BOEC's Spring BMP submission includes three revenue requests: the first, a request for previously subsidized costs associated with 9-1-1 phonline expenses, the second, a revenue request for a scheduled CAD upgrade needed for proper ProQA implementation, the third, a revenue request for continued work related to the ProQA, Logging Recorder and console replacement projects. The submission also includes a request to return resources to the City's general fund to assist with

revenue shortfall (as directed by the Mayor's spring supplemental guidance). The returned resources are attributed to prior year underspending, which resulted in a growth in unappropriated beginning fund balance. There is no change in current year resources supporting bureau operations.

New General Fund Requests Appropriating Prior Year Fund Balance

Allocate Prior Year Underspending to Current Year Technology Costs

- The Bureau of Emergency Communications (BOEC) has requested to recognize an increase in beginning fund balance in the amount of \$507,417 and to appropriate this resource to support phone line expenses. Previously the expenses for the phone lines were partially paid for by the State 9-1-1 Program and the City of Portland Radio shop. However, both of these organizations are unable to provide financial assistance to BOEC for the phone line expenses. Without this new revenue BOEC would have to absorb these costs within their current budget.

This request appropriates from prior year underspending by recognizing this resource as an increase in beginning fund balance and allocating \$507,417 for phoneline expenses related to CenturyLink and Gosserco.

- **CBO recommends this request noting that these costs were not planned for in the FY 2020-21 budget and the increase in fund balance is available to cover this unanticipated expense.**

Allocate Prior Year Underspending for Current Year CAD Upgrade

- BOEC has requested to recognize an increase in beginning fund balance in the amount of \$284,851 and to appropriate resource as an expense supporting the CAD upgrade project. BOEC has recognized the need for a CAD upgrade project to support the new ProQA program. At the time of the FY 2020-21 Requested budget submission BOEC was unaware of the need for a CAD upgrade in order to support the new ProQA program. Without this upgrade the ProQA program full benefits could not be utilized.

This request appropriates prior year underspending by recognizing this resource as an increase in beginning fund balance and allocating \$284,851 as an expenditure for CAD upgrade project.

- **CBO recommends this request due to the fact that the ProQA program needs to be fully utilized and this upgrade requirement does not currently have resources associated with the expenditure.**

Allocate Prior Year Underspending for Current Year Capital Projects

- BOEC is requesting to recognize an increase in beginning fund balance of \$1,105,522 to support the ProQA, logging recorder, and console replacement projects. These are projects the bureau started in FY 2019-20, but tabled during the initial months of the COVID-19 pandemic. As such, the project resources fell to fund balance and the bureau continued to pursue the procurement in FY 2020-21.

This request appropriates prior year underspending by recognizing this resource as an increase in beginning fund balance and allocating \$1,105,222 as bureau expenditures for console replacement, logging recorder, and to fund the ProQA technology project.

- **CBO recommends this request. However, it is critical to note the bureau has other capital and resource planning tools, such as a subfund in the Emergency Communications Fund to ensure transparency in its interactions with the receipt of General Fund transfers.**

Mid-Year Reduction

- Process mid-year reduction in the amount of \$131,602 to be returned to the City's General Fund. These resources represent unallocated prior year savings associated with the General Fund.
- The audited ending fund balance for the Emergency Communications Fund represents a growth in fund balance of \$1.2 million. BOEC has requested to program these resources as detailed in the New General Fund requests above.
- Of this calculated amount, BOEC has determined that \$131,602 of prior year excess balance can be returned to the City's General Fund.
- The primary drivers for this underspending is in Personnel due to positions being held vacant and the Mayor's Spring BMP guidance for FY 2019-20 instructed bureaus to curtail expenditures not related to immediate and urgent COVID-19 response.
- BOEC is funded from the General Fund, user agency contributions, and state resources. The City's General Fund contributes approximately 62.8% of BOECs operating resources. As such, the majority of bureau underspending could either be returned to the General Fund or programed as bureau expenses.
- **CBO recommends this request due to the recognized underspending by BOEC in their personnel spending and the City's need of funds to support bureaus, City, and Community needs.**

CURRENT YEAR BUDGET MONITORING

In FY 2020-21 Adopted Budget had a budgeted beginning fund balance of \$1,659,373 and through this Spring Supplemental Budget Process BOEC is both recognizing an increase in Beginning Fund Balance of \$1,897,490 and appropriating these resources as bureau program expenses. The Spring Supplemental Budget subsequently recognizes a return of \$131,602 prior year General Fund resources that were collected without an associated or potential expense. These individual requests were discussed at length above. In the current fiscal year, BOEC is projected to spend its resources within appropriation levels.

Unanticipated Current Year Expenses CenturyLink & Gosserco Phonenumber Costs

When BOEC created their FY 2020-21 budget the phonenumber costs were partially paid for by both the State 9-1-1 Program and the City of Portland Radio shop. However, due to COVID-19 pandemic and the economic strain placed upon funds across the State and City this financial assistance could no longer be provided to BOEC. In order to help cover costs through the current Fiscal Year BOEC is requesting to use \$507,417 of resources in the Emergency Communications to fund the expenses associated with these phonenumber within BOEC's Operations Center. CBO realizes this was an unforeseen cost to BOEC and recommends the approval of this ask.

Capital Project Status

CAD Upgrade, ProQA Support, and Console Replacement Projects

BOEC has several large dollar capital projects in the pipeline, as discussed in the section above for decision package recommendations. These projects are funded with prior year underspending and represent needed investments in technology infrastructure and physical space utilization. When the ProQA program was first purchased any associated ancillary projects, such as the CAD upgrade,

were not included at that time in the project budget within the City's annual budget process or prior supplemental budget requests. The CAD upgrade is required to make necessary updates in the system and realize the entirety of the functions that ProQA can provide. BOEC anticipates completing the CAD upgrade project in the current fiscal year.

The ProQA investment began in prior fiscal years and will continue into FY 2021-22 as the bureau will plan for future upgrades to the Police module. Resources from prior year underspending will allow this project to continue in the current budget year.

Replacement of call taker consoles is a project that has been highlighted by the bureau as a needed upgrade to current working stations on the call taking floor. The current consoles are past their useful life and as BOEC has begun the procurement and replacement project, anticipating a purchase order to be issued in the coming months. These large capital projects currently represent significant investments of City General Fund resources at BOEC, and these resources were available due to prior year underspending. However, CBO recommends that current expenditure practices be revised to allow for BOEC's User Agency IGA to fund future capital assets since those User Agencies receive the benefit of any capital projects supporting BOEC operations.

ADDITIONAL ANALYSIS

During the Spring BMP process an issue was brought to the forefront that dictated how much would be returned to the General Fund. BOEC has traditionally not calculated their Ending Fund Balance until the bureau received the official end balance in the printed CAFR, usually available in late October or early November of each fiscal year. CBO recommends the bureau conduct its fund true-up in the Fall BMP with estimated information from OMF-Accounting.

The Fall BMP process would provide BOEC a transparent opportunity to request to program these resources, transfer them to its future capital reserve subfund, or council could elect to receive the underspent allocation back in the General Fund. The current practice does not allow for this decision point to be transparent with respect to unspent General Fund resources and how much resource should be returned to the General Fund. BOEC, unlike other predominately General Fund funded bureaus does have its own fund, however 62.8% of their program is supported by General Fund resources and similar to other bureaus unspent resources should fall to balance and be appropriated through City Council budget processes.

SPRING SUPPLEMENTAL BUDGET CHANGES

	2020-21 Spring Revised Base (A)	Spring Decision Package Total (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Expense	\$28,618,146	\$1,801,990	\$95,500	\$30,515,636
Personnel	\$19,651,950	\$0	\$0	\$19,651,950
External Materials and Services	\$1,445,353	\$1,564,217	(\$36,102)	\$2,973,468
Internal Materials and Services	\$4,806,636	\$110,000	\$0	\$4,916,636
Capital Outlay	\$1,412,565	\$127,773	\$0	\$1,540,338
Debt Service	\$299,045	\$0	\$0	\$299,045
Ending Fund Balance	\$0	\$0	\$0	\$0
Fund Transfers - Expense	\$1,002,597	\$0	\$131,602	\$1,134,199
Revenue	\$28,618,146	\$1,801,990	\$95,500	\$30,515,636
Beginning Fund Balance	\$1,659,373	\$1,897,490	\$0	\$3,556,863
Charges for Services	\$406,234	\$0	\$0	\$406,234
Fund Transfers - Revenue	\$16,866,186	(\$95,500)	\$95,500	\$16,866,186
Intergovernmental	\$9,646,353	\$0	\$0	\$9,646,353
Miscellaneous	\$40,000	\$0	\$0	\$40,000